

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

November 11, 2023

Production			Prices			
Week Ending 11/11/2023			Weekly Average (\$/Cwt)			
FI Cattle Slaughter (Thou Hd)	Last	Year Ago	Live Steer	Last	Week Ago	Year Ago
FI Hog Slaughter (Thou Hd)	618	671	Dressed Steer	180.11	184.89	152.71
FI Sheep Slaughter (Thou Hd)	2576	2501	Choice Beef Cutout	286.14	291.92	241.34
Young Chicken Str. (Mil Hd)	38	37	USDA Hide/Offal	300.15	304.70	263.27
	169.8	173.3	OK City Fdr. Str. (6-7 Cwt.)	12.63	12.75	14.80
Slaughter Cattle Live Weight	1379	1386	National Negotiated Hogs	257.01	244.40	180.29
Slaughter Hog Live Weight	286	290	Natl. Net Hog Carcass	68.14	69.02	86.62
Slaughter Lamb/Sheep Live Wt.	119	128	Feeder Pigs (40 Lbs) (\$/Head)	77.86	77.68	89.88
Beef Production (Mil Pounds)	514.2	560.5	Pork Cutout	38.27	36.88	57.19
Pork Production (Mil Pounds)	546.1	537.7	Lamb Cutout	88.46	87.11	96.15
Lamb, Mutton Prod. (Mil Lbs.)	2.3	2.4	Cheddar, 40 lb Block(\$/lb)	471.44	460.55	483.25
Previous 6 Wk. Moving Avg.			Corn, Omaha (\$/Bu)	1.78	1.76	2.07
Total Beef (Mil Lbs)	521.8	556.5	Soybeans, Cntrl IL (\$/Bu)	4.66	4.66	7.03
Total Pork (Mil Lbs)	552.1	548.3		13.43	13.19	14.47
Total Lamb, Mutton (Mil Lbs)	2.2	2.2				

Source: Various USDA-AMS reports. Data are preliminary.

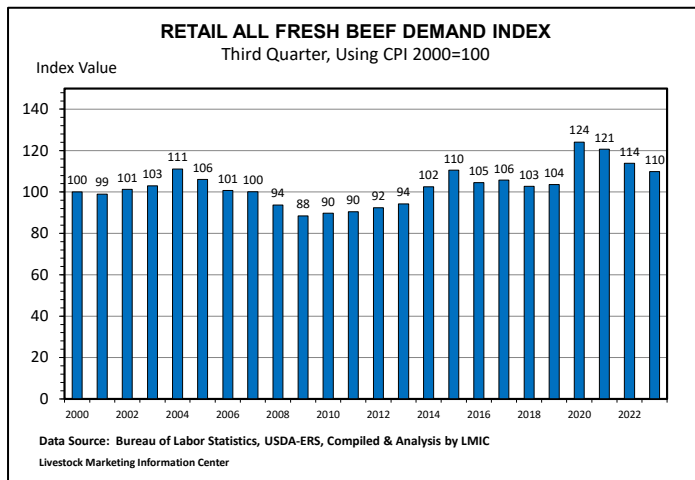
Trends. . . MEAT DEMAND

Second and third quarter demand for beef and pork showed significant drops from years earlier but are still holding index values. The Livestock Marketing Information Center (LMIC)'s demand index calculated at 115 for all fresh beef in the second quarter of 2023, slightly higher than 2019's 111, but lower than 2020, 2021, and 2022. A similar trend happened in the third quarter. However, third quarter demand saw an extreme jump in 2020, when the index moved from 104 in 2019 to 124 in 2020. Since then it has been lower every year since and 2023's value calculated at 110, is in-line with 2014's third quarter value.

Pork demand has been more inconsistent in recent years surging to a 20 year high in 2019, and then out-pacing that high again in 2022. However, the years in between have seen it drop back to levels seen over the most recent decade. Second quarter pork demand in 2023 calculated to 92, which was the lowest value since 2019, but a large drop from 2022's 114

value. Third quarter values did not improve, and in 2023 fell even further down to 86. Third quarter in 2020 was very strong – 124, the highest third quarter index by more than 15 points in 20 years. Following years of 2021 and 2022 remained above an index value of a 100 in a way second quarter did not see, but 2023 showed a bleak 86 on the scale.

The demand index for beef appears to be resetting closer to pre-pandemic levels, but may lose further ground as price increases are expected to continue in the next few years. The retail pork demand



index has shown more volatility and inconsistent response since 2020, and appears that at least in the very short term may be worse off than it was in the last decade in the third quarter. Longer timelines are needed to confirm if this is a consistent trend.

SHEEP AND LAMB MARKET UPDATE

Lamb and yearling weekly slaughter has been on its seasonal climb for several weeks with weekly levels at or above 30,000 head per week since August. Recent weeks have been 32,000 to over 34,000 head per week or about 8%-9% higher than a year ago. Year-to-date through October, weekly lamb and yearling slaughter is tracking more than 3% above the same period in 2022. The big difference from last year has been dressed weights. Weekly lamb and yearling dressed weights have been at or below 60 pounds, which is lower than levels seen last year and lower than the five-year average levels of about 62 to 65 pounds for this time of year. The lower weekly dressed weights has more than offset the higher weekly slaughter levels leading to a year-to-date decline in lamb and mutton production of about 2.5%.

The lamb cutout value has been on a gradual increase since July with values going from about \$430 per cwt to last week's value of more than \$470 per cwt, an increase of \$40 per cwt (9.3%). Strength in the lamb cutout value has been supported by the shoulder, leg, and loin. Shoulder prices have risen from about \$360 per cwt in July to last week's price of \$410 per cwt, an increase of 13%. Leg prices have increased 11% since July going from \$416 per cwt to last week's price of \$461 per cwt. Prices for the loin have increased about \$83 per cwt (13%) since July and last week's price was \$697 per cwt. Since July, loin prices have followed a similar pattern to the five-year average. Prices for the rack have been general flat for several weeks with prices at or below \$1,100 per cwt.

Weekly slaughter lamb prices (national, negotiated, live) have been holding steady just below \$200 per cwt since late-July. Compared to the same period last year, slaughter lamb prices have been averaging almost \$70 per cwt higher. Seasonally, slaughter lamb prices start to move lower during the second half of the year, but prices have remained counter-seasonally higher. Strength in slaughter lamb prices is linked to strength in the lamb cutout value. Feeder lamb prices (3-market average 60-90 lbs., CO, TX, and SD) moved higher during September reaching \$225 per cwt but prices have fallen lower in recent weeks to about \$180-190 per cwt. Typically, feeder lamb prices trend higher through the end of the year.

MEAT TRADE UPDATE

September beef exports were 231.5 million pounds, down 17.1% from last year and the lowest level so far for the year. Through three-quarters of the year, beef exports have totaled 2.3 billion pounds, down 14.2% (383.7 million pounds) from the same period last year. The decline is partly due to lower shipments to Asian markets such as Japan and South Korea. Beef imports were 312.9 million pounds in September, down 6.8% from the prior month but up 21.1% from last year. Through the first nine months of the year beef imports totaled 2.8 billion pounds, about 7% or 183.0 million pounds above the same period last year. Higher beef imports have been seen from Canada, Australia, and New Zealand through the first three-quarters of the year.

Pork exports were 512.0 million pounds in September, down less than one percent (-0.8%) from last year. Year-to-date through nine months, pork exports have totaled nearly 2.0 billion pounds, an increase of 7.1% from the same period last year. Increased pork exports through the first three quarters of the year have been to key markets of Mexico, Canada, and South Korea along with higher shipments to Caribbean markets. Pork exports in September were 95.4 million pounds, down 14.5% from last year. Through the first nine months of the year pork exports totaled 745.2 million pounds, a decrease of 21% from the same period last year. The lower pork imports are due to a year-to-date decline of 13% decline in shipments from Canada compared to 2022 levels.

Lamb and mutton imports were 20.7 million pounds in September, a decline of 10.0% from the prior month and down 13.4% from last year. Imports have been tracking 17.4% (36.6 million pounds) lower than last year through three quarters of the year. The lower year-to-date lamb and mutton imports are due to a decline in shipments from Australia and New Zealand, which are both down about 16%. Broiler exports in September were down 5.4% from last year to 558.8 million pounds. Through the first three quarters of the year, broiler exports are up slightly by 1.3% to 5.4 billion pounds.