

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

October 22, 2021

Production			Prices			
Week Ending 10/23/2021	Last	Year Ago	Weekly Average (\$/Cwt)	Last	Week Ago	Year Ago
FI Cattle Slaughter (Thou Hd)	661	644	Live Steer	124.32	123.84	105.07
FI Hog Slaughter (Thou Hd)	2606	2676	Dressed Steer	195.83	195.70	163.95
FI Sheep Slaughter (Thou Hd)	35	36	Choice Beef Cutout	280.70	280.55	209.03
Live Y. Chicken Sl. (Mil Hd)	168.1	168.4	USDA Hide/Offal	16.33	16.32	8.27
			OK City Fdr. Str. (6-7 Cwt.)	158.39	154.33	133.99
Slaughter Cattle Live Weight	1375	1388	National Negotiated Hogs	66.65	68.34	61.67
Slaughter Hog Live Weight	285	292	Natl. Net Hog Carcass	84.56	88.37	76.64
Slaughter Lamb/Sheep Live Wt.	122	121	Feeder Pigs (40 Lbs) (\$/Head)	70.64	70.64	45.05
Beef Production (Mil Pounds)	548.9	543.3	Pork Cutout	98.69	104.52	97.05
Pork Production (Mil Pounds)	553.1	580.4	Lamb Cutout	635.63	638.13	387.02
Lamb, Mutton Prod. (Mil Lbs.)	2.1	2.2	Cheddar, 40 lb Block(\$/lb)	1.81	1.80	2.61
Previous 6 Wk. Moving Avg.			Corn, Omaha (\$/Bu)	5.23	5.14	3.98
Total Beef (Mil Lbs)	538.6	548.0	Soybeans, Cntrl IL (\$/Bu)	12.26	12.08	10.75
Total Pork (Mil Lbs)	546.2	568.4				
Total Lamb, Mutton (Mil Lbs)	2.2	2.1				

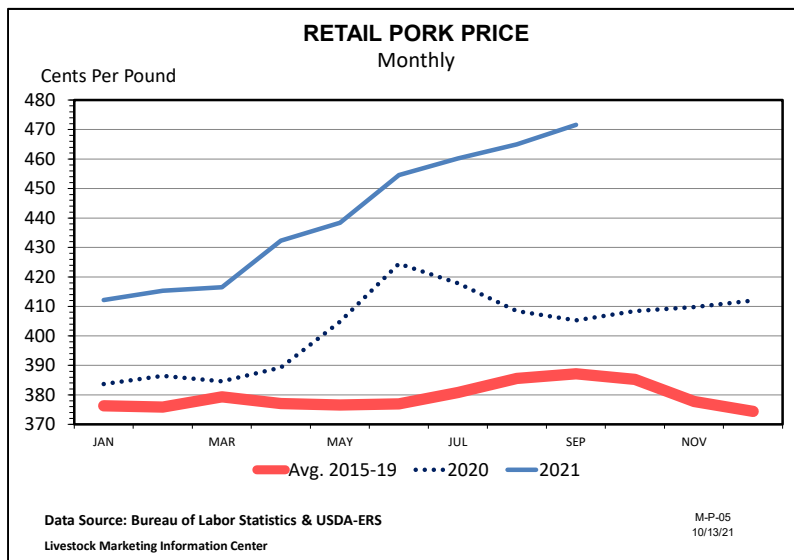
Source: Various USDA-AMS reports. Data are preliminary.

Trends . . . RECORD RETAIL MEAT PRICES

For September, retail meat prices continued to rise higher, with beef, pork, and broiler prices reaching record levels. The all-fresh retail beef price reached \$7.40 per pound in September, up 17.8% from last year and a record high. The prior record retail beef price was set in June 2020 at \$7.38 per pound. Retail pork prices were \$4.72 per pound in September, up 16.4% from last year, also a record. For the last six consecutive months, retail pork prices have set new record levels. The broiler composite price was \$2.16 per pound in September, an 8.0% increase from a year ago. September's price set a new high, beating the prior record level of \$2.15 per pound set just one month earlier.

September's consumer price index (CPI) data was also released, which rose 5.4% above 2020. The meat index reported a jump of 12.6% over last year, while the poultry index increased 6.1% from a year ago. The September CPI and retail prices data also provide the information needed to calculate third quarter demand indexes. Livestock Marketing Information Center demand indexes use a base year of 2000. Demand indexes, although not exact, do give an indication as to relative changes. Given the record levels for beef, pork, and broiler prices, the third quarter demand indexes showed a slight pull back from the second quarter and a year ago.

During the second quarter, demand indexes showed strength in beef and pork. Rising wholesale prices over the summer months started to dampen consumer enthusiasm at the retail level. The third quarter all-fresh beef demand



index fell from 124 last year to 121 this year, but 2021 was the second highest level behind 2020. The pork demand index for the third quarter posted a significant reduction falling from 124 last year (a record) to 100. The third quarter pork demand index of 100 was tied for the fifth-highest level with 2017 and 2000. Record retail price levels will likely be a headwind to demand in the near term, but meat demand indexes are still showing relatively strong levels.

PASTURES GO INTO DORMANCY WITH GREAT REGIONAL VARIABILITY

The USDA-National Agriculture Statistical Service (NASS) weekly reading of range and pasture conditions is one week away from its normal U.S. seasonal conclusion. At the national level, 25% of pastures were rated good or excellent in the latest week compared to 20% a year ago. At the other extreme, 22% of the pastures were rated very poor versus 17% in mid-October a year ago. LMIC analysis shows 23% of the beef cow herd was in states with 40% of the pastures rated good to excellent, unchanged from a year earlier. States where 40% of the pastures were rated poor or very poor accounted for 25% of the beef cow herd, down from 33% a year earlier. Interestingly, last year, the percentage of the beef cow herd in these states with poor or very poor pastures jumped from 25% to 33% between October 11 and October 18. That has not been the case this year.

The Great Plains region (CO, KS, MT, NE, ND, SD, WY) defined by the LMIC analysis accounts for 29% of the national beef cow herd, the highest percentage of any region. As of the week ending October 17, 34% of the pastures were rated very poor. A year ago, only 22% of the pastures in this region were rated very poor. Pasture conditions in Montana are the most severe of any state in the country, with 65% of pastures rated very poor (moderating from 69% the prior week). Within the same region, Nebraska had 13% of its pastures rated very poor in the latest week compared to 30% very poor rating in the same week a year ago.

The Southern Plains region (OK, TX), two states which account for 22% of the national beef cow herd, rated 34% of its pastures as good or excellent in the latest week. That was up from 28% in the prior week and 24% a year earlier. In the latest week, pastures classified as very poor stood at 9% of all pastures, only a slight change from a mid-October 2020 of 10% of pastures rated very poor. Notable in this region was the condition of pastures this past spring when 14% were rated very poor, the worst spring rating since 2014 for that region.

NUMBER OF CATTLE ON FEED UP IN WESTERN CANADA

The Canadian cattle herd has been eroding since 2017; the July 1 national count of beef cows had dropped by 6% (about 220,000 head) since mid-year 2017. Still, the monthly number of animals on-feed was above a year ago as of October 1. The monthly Canadian Cattle on Feed report is done by CanFax (www.canfax.ca) and includes the two largest commercial cattle feeding provinces (Alberta and Saskatchewan). Severe drought in the Western Canadian provinces and imports of feeder cattle from the U.S have bolstered the number of animals in feedlots.

As of October 1, the monthly Canadian on-feed count stood at 930,000 head, increasing 17% year-over-year (up about 137,000 head). The number of cattle placed into feedlots was down compared to a year ago during September (declining about 6% or 12,000 animals). The higher October 1 feedlot count was due to more animals placed earlier this year, especially during June, July, and August, which were above a year ago by 34%, 98%, and 62%, respectively.

Ranchers in Western Canada have been plagued with severe drought, just like in the Western U.S. Yearling steers and heifers (those born in 2020) were forced into feedlots due to dismal forage conditions. Drought in the Western U.S. combined with the economics of feeding cattle set up Canadian buyers to be relatively aggressive in the U.S. feeder cattle market, too. In recent years, the number of U.S. feeder cattle exported to Canada has trended higher. The number of U.S. feeder cattle exported to Canada was well above 2020s in both July and August. July cattle exports to Canada were over 19,000 head (more than double 2020) while August was up more than 12,000 head year-over-year (nearly double the level of 2020).