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In The Cattle Markets

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Hogs and Pigs Report Shares Some Insight

USDA's Hogs and Pigs report was released on December 23rd. In the Cattle Markets is normally devoted to cattle market analysis, but this report holds some important information on competing meats for the coming year. While the number of all hogs and pigs and the breeding herd were up 1 percent over last year all of the increase was in market hogs over 120 pounds. Four percent fewer sows were farrowed in the quarter, but the growth in pigs per litter left the pig crop down just over 1 percent. The number of pigs per litter continued to grow, up 3 percent, to a record 10.53 pigs per litter. That growth rate continued the strong growth in pigs per litter following the recovery from PEDv. Projected sows farrowing over the next 6 months were projected to be lower than the year before. If these projections turn out then the expectation will be for hog slaughter to be close to the record high of 2008. Low hog prices are contributing to farrow-finish financial losses that may change farrowing expectations in the future.

There are many styles of BBQ in Texas, but many nationally would think of beef brisket being the most well known Texas style. Brisket prices have come down dramatically along with cattle and beef prices. Choice brisket (120A) finished the year at \$3.89 per pound. That is down from the end of 2014's \$5.71 per pound. At the end of 2013 the same cut was \$3.77 per pound. Lower prices have brought some relief to restaurant's input costs and may promise some relief to bbq lovers in the coming year.

Steer dressed weights continue to decline, under 910 pounds by late in the year. The major winter storm in the Southern Plains over the weekend of December 26th-27th may further cut into weights and pull back beef production. The snow, rain, high winds, and cold will generate a number of management challenges throughout the Southern Plains.

The Markets

Nebraska light and heavy weight feeder prices rebounded sharply, up more than \$10 per cwt, in the Christmas week. Higher fed cattle prices led the way, with a strong rebound. The futures market was higher during the week in the wake of the favorable cattle on feed report.

		Week of	Week of	Week of
<i>Data Source: USDA-AMS Market News</i>		12/25/15	12/18/15	12/26/14
5-Area Fed Steer	all grades, live weight, \$/cwt	\$123.40	\$116.64	\$161.95
	all grades, dressed weight, \$/cwt	\$199.60	\$183.44	\$257.03
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$193.83	\$196.56	\$242.61
	Choice-Select Spread, \$/cwt	\$7.70	\$10.49	\$10.04
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	--	\$140.59	--
	Nebraska 7-market, \$/cwt	\$169.07	\$158.94	--
	Oklahoma 8-market, \$/cwt	--	\$153.16	--
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	--	\$172.04	--
	Nebraska 7-market, \$/cwt	\$195.09	\$182.70	--
	Oklahoma 8-market, \$/cwt	--	\$180.11	--
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$3.52	\$3.61	\$3.88
	DDGS, Nebraska, \$/ton	\$133.50	\$132.40	\$176.00