

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

March 15, 2024

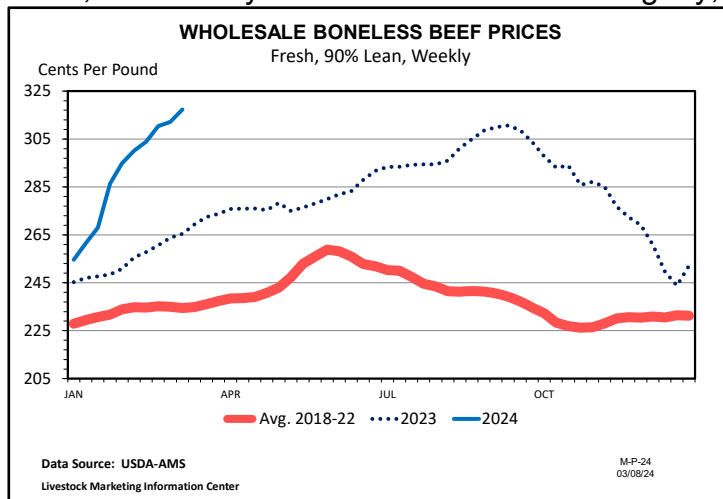
Production			Prices			
Week Ending 3/16/2024	Last	Year Ago	Weekly Average (\$/Cwt)	Last	Week Ago	Year Ago
FI Cattle Slaughter (Thou Hd)	601	628	Live Steer	187.82	185.12	164.17
FI Hog Slaughter (Thou Hd)	2479	2492	Dressed Steer	298.41	293.39	263.82
FI Sheep Slaughter (Thou Hd)	40	39	Choice Beef Cutout	310.39	305.93	284.47
Young Chicken Sltr. (Mil Hd)	164.5	166.6	USDA Hide/Offal	11.78	11.70	12.99
			OK City Fdr. Str. (6-7 Cwt.)	288.25	290.37	212.25
Slaughter Cattle Live Weight	1389	1367	National Negotiated Hogs	78.79	75.73	78.22
Slaughter Hog Live Weight	290	292	Natl. Net Hog Carcass	83.08	82.63	82.91
Slaughter Lamb/Sheep Live Wt.	128	130	Feeder Pigs (40 Lbs) (\$/Head)	92.68	92.74	88.55
Beef Production (Mil Pounds)	501.4	515.7	Pork Cutout	92.93	91.80	85.80
Pork Production (Mil Pounds)	534.7	541.6	Lamb Cutout	468.19	475.66	446.74
Lamb, Mutton Prod. (Mil Lbs.)	2.6	2.6	Cheddar, 40 lb Block(\$/lb)	1.60	1.61	1.96
Previous 6 Wk. Moving Avg.			Corn, Omaha (\$/Bu)	4.37	4.42	6.60
Total Beef (Mil Lbs)	498.6	514.4	Soybeans, Cntrl IL (\$/Bu)	12.00	11.71	15.15
Total Pork (Mil Lbs)	548.1	536.2				
Total Lamb, Mutton (Mil Lbs)	2.5	2.4				

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

Trends. . . WHOLESALE FRESH 90% LEAN BEEF

The wholesale 90% lean fresh market has ascended to a spectacular height of over \$317 per cwt last week. The price has skyrocketed after a low bounce of \$245 per cwt last December. Last week was a new all-time record high for the national price, as was the week before at \$312.11 per cwt. Volumes are somewhat mixed on the all-time highs. Last week's volumes were substantially smaller, down 30%, but the previous week was roughly double the same week's volume last year. Formula sales on the other hand have been down between 8% and 31% in the last four weeks.

Total U.S. cow slaughter is down 13% from last year through the first eight weeks of the year. Beef cow slaughter is down 12% while dairy cow slaughter is down 15%. High prices and shorter volumes domestically have done its best to encourage imports into the U.S. this year. January import data was a sizzling 38% higher than last year. Australia more than doubled sales, followed by an 87% increase from Uruguay, 62% increase from New Zealand, and 48%



more from Brazil. Brazil was a single month new record high. The diversity in sources seems to have resoundingly answered the question that the world has beef to ship worldwide. Interestingly, 90% lean prices did not back down after a collective 141 million more pounds of mostly lean beef entered the U.S. market in January but instead continued to soar higher. But, that may be because most of the proportion of boneless imports shipped from the above countries is frozen.

The rally seen this winter is unparalleled by the previous cattle cycle. Fresh 90% lean beef prices have increased by a large magnitude and at a fast pace for this time of year, up 25% from the start of the year. In 2013 the same 10 week spread saw a 6% rise, in 2014 a 15% rise, and in 2015 a 2% decline. In 2014 fresh 90% lean beef prices continued to climb all year and eventually reached \$278 per cwt in September, a 40% rise from the start of that year. Given 2024 has increased so quickly, 90% lean prices may not be able to continue climbing at this pace. Put into context, a 40% increase from the start of 2024 would equal a 90% fresh lean price of just over \$355 per cwt.

FEEDER PIG PRICES RISE

Iowa State University's estimated returns for a wean-to-finish hog operation posted a total profit of \$5.49 per head in February, the most recent month available. The last time a profit was reported for a wean-to-finish hog operation was 18 months ago in August 2022. Total costs for a wean-to-finish hog operation fell to their lowest level in three years to \$155.08 per head in February, which was largely due to feed costs falling 17.4% from last year to \$88.50 per head, also the lowest level in three years. February's breakeven selling price was \$76.87 per cwt, a positive sign for profitability.

Feeder pig prices (10-12 lbs.) have risen from \$37.50 per head at the start of the year to \$56.19 per head last week, an increase of 49.8% (\$18.69 per head). Prices for 40-pound feeder pigs have more than doubled since the start of the year, rising from \$44.68 per head to last week's price of \$92.74 per head, an increase of \$48.06 per head (107.6%). The rise in feeder pig prices also follows an increase in lean hog futures for the summer contract months of June, July, and August. At the start of the year all three summer (June, July, and August) lean hog futures contracts were in the mid-\$80 per cwt area, but over the last several weeks prices for these contracts have risen to over \$100 per cwt.

Iowa State University's estimated returns for a wean-to-finish hog operation assumes a 12-pound feeder pig purchased in February will be marketed in August. With feed costs lower and a February breakeven selling price of \$76.87 per cwt, the August lean hog futures contract over \$100 per cwt pencils out a profit for wean-to-finish hog operations and supports feeder pig prices. With the October and December lean hog futures in the mid-\$80 and mid-\$70 per cwt area, respectively, at the time of this writing, indicates feeder pig prices are likely to start moving seasonally lower as those price points are near the February breakeven selling price \$76.87 per cwt

RETAIL PRICES

February retail meat prices showed mixed results for the beef, pork, and chicken. The choice retail beef price was \$8.08 per pound, nearly identical to January but 6.5% (\$0.49 per pound) higher than last year. The all-fresh retail beef price was \$7.83 per pound, a marginal increase from last month and an 8.3% increase (\$0.60 per pound) increase over last year. Ground beef was \$5.13 per pound, up 7.4% from last year. Chucks and rounds posted increases of 10.2% and 7.6%, respectively, over last year to \$7.51 and \$6.71 per pound. Steaks posted a record high of \$11.72 per pound, up 13.9% (\$1.43 per pound) from last year.

The February retail pork price was \$4.76 per pound, down less than one percent from the previous month and the previous year. Over the last twelve months, the retail pork price has ranged from \$4.68 to \$5.04 per pound with an average of about \$4.80 per pound. Retail bacon prices fell less than one percent to \$6.56 per pound in February, the lowest in six months. Pork chops were down 2.3% to \$4.16 per pound while hams were 3.4% higher to 4.52 per pound.

Retail (whole bird) broiler prices were \$1.95 per pound in February, down \$0.03 per pound from January but 3.0% higher than last year. The broiler composite price fell about \$0.05 per pound from the prior month to \$2.37 per pound in February, which was a 1.8% decline from last year. The leg price fell 4.9% to \$1.75 per pound, which was the lowest in more than two years when they were \$1.73 per pound in January 2022. Boneless chicken breast prices were \$4.11 per pound, down 6.0% from last year. Egg prices were \$28.9% lower to \$3.00 per dozen.

Milk was down 5.4% from last year to \$3.94 per gallon in February. American cheese was \$4.77 per pound, an increase of \$3.0% from last year but cheddar cheese fell 2.1% to \$5.73 per pound in February. Ice cream was \$5.89 per carton, up 2.8% from last year.