

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

April 26, 2024

Production			Prices			
Week Ending 4/27/2024			Weekly Average (\$/Cwt)			
FI Cattle Slaughter (Thou Hd)	Last	Year Ago	Live Steer	Last	Week Ago	Year Ago
FI Hog Slaughter (Thou Hd)	613	627	Dressed Steer	184.00	182.67	177.15
FI Sheep Slaughter (Thou Hd)	2379	2381	Choice Beef Cutout	294.45	292.35	284.05
Young Chicken Sltr. (Mil Hd)	34	33	USDA Hide/Offal	296.63	297.44	309.30
Slaughter Cattle Live Weight	162.1	165.9	OK City Fdr. Str. (6-7 Cwt.)	11.51	11.70	13.02
Slaughter Hog Live Weight	1399	1352	National Negotiated Hogs	282.63	276.04	230.84
Slaughter Lamb/Sheep Live Wt.	290	291	Natl. Net Hog Carcass	91.13	89.13	70.08
Beef Production (Mil Pounds)	121	130	Feeder Pigs (40 Lbs) (\$/Head)	91.79	91.21	76.82
Pork Production (Mil Pounds)	518.6	510.4	Pork Cutout	79.30	95.18	49.45
Lamb, Mutton Prod. (Mil Lbs.)	513.3	515.0	Lamb Cutout	98.20	100.55	79.12
Previous 6 Wk. Moving Avg.			Cheddar, 40 lb Block(\$/lb)	480.11	472.72	438.13
Total Beef (Mil Lbs)	2.1	2.2	Corn, Omaha (\$/Bu)	1.51	1.49	1.91
Total Pork (Mil Lbs)	510.3	509.5	Soybeans, Cntrl IL (\$/Bu)	4.67	4.48	6.33
Total Lamb, Mutton (Mil Lbs)	527.4	527.4		11.68	11.38	14.49

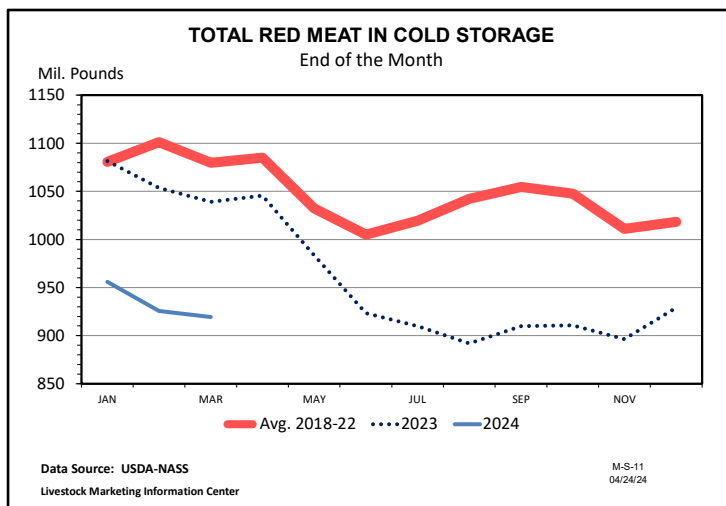
Source: Various USDA-AMS reports. Data are preliminary.

Trends. . . USDA COLD STORAGE

USDA NASS released the Cold Storage report detailing March stocks for meat, poultry and dairy products. Stocks of cheese were relatively uneventful – up slightly from last month and down slightly from last year. Butter, however, showed a 6% increase from last month and a 2% increase from a year ago. Butter prices last week were \$2.92 per pound wholesale and have been above \$2.70 per pound for most of the year. The strong increase in butter in cold storage could potentially point to export staging. Butter exports have been down 33% across January and February of this year. However, given the strength in butter prices, it does not appear the cold storage build is related to demand weakness.

Frozen stocks of chicken were down 11% from last year with many cuts experiencing below a year ago comparisons. Broiler wholesale cut prices have shown price strength as of late and March cold storage is supportive of prices staying elevated. A few products showed growth

relative to last month, with the most burdensome being thigh and thigh quarters (+10%) but those are typically heavy export products and may be staged for shipments. Turkey in cold storage was down 14% but 16% higher from the previous month. Turkey parts were mixed with several categories showing strong increases – mechanically deboned meat up 55% from last year, followed by breast meat stocks up 39%. Red meat in cold storage was down 12% from last year with beef down 9%, pork down 13%, veal down 66%, and lamb down 13%. Boneless beef slipped 10%, while beef cuts



fell 19% from a year ago. Pork cuts were down across the board except for boneless loins, up 14% and variety meats up 20%. The U.S. pork situation has a few confounding variables, with a smaller breeding herd but larger pigs per litter on top of a relatively new marketing environment with Prop 12 legislation being in full effect. Exports too have been strong this year. Hog prices have largely been higher than last year as have pork prices. At least for the moment it appears as if Prop 12 has not affected the market to the degree that was initially thought as food service businesses find workarounds using compliant product.

CATTLE ON FEED

Cattle on feed continued to defy the cattle cycle posting numbers again above a year ago at 11.821 million head or 1.5% above a year ago. Placements were on the low-end of expectations at 12% below a year ago, but marketings also posted a smaller number, down 14% from last year.

Heifers on feed increased from last year up 1% but fell relative to the total, and only represented 38.5% of the on-feed mix. This is the first time heifers have been below 39% in two years. The industry is in the midst of a pending cattle cycle change and heifers on feed is one of the important pieces of the puzzle and may be the only heifer specific inventory data this year, but is only available quarterly. It was announced earlier this month by USDA NASS that the July Cattle report will be cancelled due to budgetary restrictions.

Marketing rates have been disappointing, averaging only 81,238 head per day, nearly 5% below last year at this time. There are concerns with the growing number of cattle on a larger number of days on feed. Cattle on feed over 150 days topped 3 million head on April 1, the largest number since July of 2020. Daily cattle prices have slipped to the low 180's this week, and boxed beef prices have also come down from earlier in the year. Typically, buying for Memorial Day should be in full swing and boxed beef would see a seasonal rally start that lasts until 4th of July in the boxed beef market. Boxed beef prices have been falling for 5 weeks, and 5-area negotiated fed prices along with it.

POULTRY MARKET UPDATE

Poultry prices have shown a strong upward trend since the start of the year signaling that demand is holding strong. Breast meat prices started the year at \$1.07 per pound and were \$1.74 per pound last week, up 63%. Wing prices have increased 40% since the start of the year, rising from \$1.64 to \$2.30 per pound last week. The price for leg quarters has also been on an upward trend since the start of the year, rising 32% to last week's price of \$0.72 per pound. The strong chicken prices are expected to support profitability in the chicken sector in 2024.

Based on LMIC calculations of chicken processor profitability, from September 2022 to December 2023, profitability averaged a loss of \$0.10 per pound. During the first quarter of 2024, chicken processor profitability averaged a profit of \$0.09 per pound, the highest since August 2022 which was a profit of \$0.17 per pound. The quick rise in poultry prices during the first quarter of 2024 led to a significant improvement in chicken processor profitability during the same time frame. This improved profitability during the first quarter of 2024 is a welcome sign for the broiler sector and will likely support further production growth this year.

Pullet placements during the first quarter of 2024 were 1.4% higher than 2023. The higher 2024 first quarter pullet placements come off a 9% increase in pullet placements during the second half of 2023. The higher pullet placements are expected to translate into a forecasted 3% increase in the hatchery supply flock and 3% growth in slaughter for 2024. Chicken live weights are projected to increase marginally (0.2%) in 2024 but could be a factor in overall chicken production as feed costs have moved significantly lower over the last several months.