

# Livestock Monitor

## A Newsletter for Extension Staff

### Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

January 3, 2025

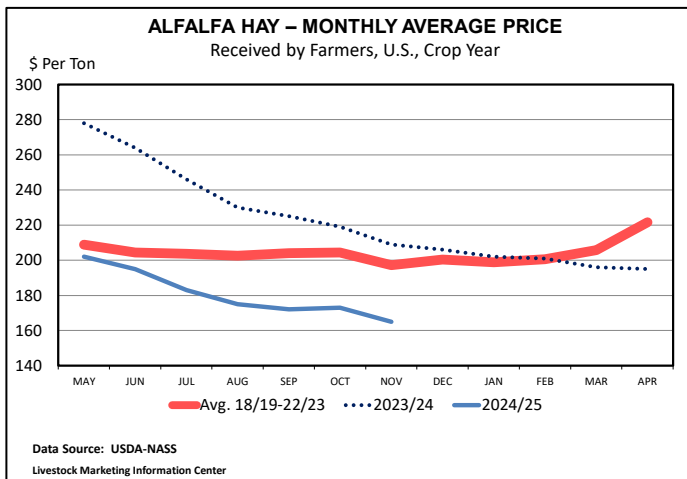
Production			Prices			
<b>Week Ending 1/4/2025</b>	Last	Year Ago	<b>Weekly Average (\$/Cwt)</b>	Last	Week Ago	Year Ago
FI Cattle Slaughter (Thou Hd)	498	542	Live Steer	196.80	194.81	174.01
FI Hog Slaughter (Thou Hd)	2288	2369	Dressed Steer	312.38	307.05	274.78
FI Sheep Slaughter (Thou Hd)	31	31	Choice Beef Cutout	324.58	319.58	278.86
Young Chicken Sltr. (Mil Hd)	130.8	134.6	USDA Hide/Offal	11.31	11.37	11.80
			OK City Fdr. Str. (6-7 Cwt.)	NQ	NQ	NQ
Slaughter Cattle Live Weight	1433	1411	National Negotiated Hogs	79.31	78.84	45.02
Slaughter Hog Live Weight	291	294	Natl. Net Hog Carcass	83.13	84.27	69.73
Slaughter Lamb/Sheep Live Wt.	121	121	Feeder Pigs (40 Lbs) (\$/Head)	95.33	88.19	44.68
Beef Production (Mil Pounds)	432.2	462.3	Pork Cutout	90.87	95.13	84.15
Pork Production (Mil Pounds)	495.6	517.8	Lamb Cutout	460.15	457.84	474.45
Lamb, Mutton Prod. (Mil Lbs.)	1.9	1.9	Cheddar, 40 lb Block(\$/lb)	1.78	1.75	1.58
<b>Previous 6 Wk. Moving Avg.</b>			Corn, Omaha (\$/Bu)	4.53	NQ	4.70
Total Beef (Mil Lbs)	477.9	506.7	Soybeans, Cntrl IL (\$/Bu)	10.06	9.89	12.66
Total Pork (Mil Lbs)	518.5	544.4				
Total Lamb, Mutton (Mil Lbs)	2.2	2.3				

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

### Trends. . . HAY PRICES LOWEST IN FOUR YEARS

National hay (alfalfa and other) prices have been on a downward trend since the start of the 2023/2024 crop year (May to April). Over that period, the national alfalfa hay price went from \$288 in April 2023 to the most recent month's available price of \$165 per ton in November 2024. That marks a decline of \$123 per ton (-43%) and the lowest price in four years when it was \$164 per ton in November 2020. During the current crop year, every month has been below the five-year average. LMIC is forecasting the 2024/2025 alfalfa hay price to range from \$170-\$180 per ton.

Other hay prices have been on a downward trend since late 2022. Prices peaked most recently at \$248 per ton in October 2022 and have steadily fallen since that point. November 2024's prices were \$159 per ton, which was an \$89 per ton (-36%) decline in just over two years. The last time other pay prices were below \$159 per ton was February 2021 when they were \$158 per ton. Since the start of the crop year, other hay prices have been tracking similar to the five-year average. LMIC is forecasting the 2024/2025 other hay price to be around \$150 per ton.



As national hay prices have been trending downward over the last two years, prices regionally and at the state level have been following a similar downward trend. Moving into 2025, low hay prices are a welcome sign for livestock producers as this will give some relief on the input cost side of things. The January Crop Production report from USDA NASS will detail the December 1 hay stocks at the state level. This will be a

key piece of information providing further insights into the available hay supplies moving into 2025, which could influence hay prices. Drought will be another factor influencing hay prices and production. The most recent estimate from USDA World Agricultural Outlook Board (WAOB) states that “approximately 46% of alfalfa hay acreage is within an area experiencing drought.”

#### DAIRYMEN CALIBRATE OUTPUT FOR BRIGHT 2025 OUTLOOK

Dairymen took a break from adding more cows to the milk cow herd in November, registering a five-thousand head decline that follows three months of increases. From July to November, the national milk cow herd expanded by 46 thousand cows, 26 thousand more than a year earlier in November. Milk cow productivity also fell below year-earlier volumes by more than -1%. If changes to the milk cow herd count show little change from November, as expected, and milk cow productivity is close to unchanged from last December, then fourth quarter milk production will be about unchanged from last year.

Milk prices have been under pressure since September, when cheese and butter prices peaked in wholesale markets. Cheese and butter prices began to stabilize and move higher in the last half of December, a necessary signal that consumer demand for dairy products remains on a positive track. Butter demand has been outstanding this year with consumption set to be up +6.5% from 2023. Latest monthly data for butter consumption (October) showed consumption up +11% from a year earlier. Continued gains in butter consumption should bring butter inventories at the end of the year below year-earlier levels and set the stage for higher butter prices in 2025. The world market for milk powder is also tightening. Non-fat dry milk prices have increased by more than +10% in the last six months and have not registered the weakness in recent months that has been seen in the cheese and butter markets.

#### BEEF VALUES FINISH 2024 ON STRONG NOTE

Beef values finished strong in 2024 with all primals and the cutout value finishing at or above levels observed in 2023. For the week ending 12/27/24, the boxed beef cutout value was \$319.58 per cwt, up +9.7% (\$28.13) from the same week in 2023 and up +35.4% (\$83.55) over the 2018-2022 five-year average value. In fact, for all of 2024, the average value recorded for boxed beef was \$308.12 per cwt, an \$8.79 per cwt (+2.9%) improvement from 2023's average of \$299.32 per cwt.

Relative to specific primals, ribs, chucks, rounds, briskets, plates, and flanks finished at \$605.07, \$262.16, \$264.04, \$268.80, \$192.45, and \$147.86 per cwt, respectively, documenting year-over-year gains of +9%, +11.2%, +25.4%, +5%, +14.1%, and +16.2%. Loins were the only beef primal to record a year-over-year decline, down -0.3% (\$1.32) to \$386.15 per cwt. However, a handful of primals observed year-to-year average annual losses, among them being ribs (-0.4%), loins (-0.7%), plates (-2.8%), and flanks (-9%); their respective average values came in around \$490.31, \$401.16, \$205.82, and \$158.69 per cwt. Average annual values for chucks (\$259.96 per cwt), rounds (\$258.32 per cwt), and briskets (\$249.46 per cwt) finished up +7.2%, +8.8%, and +6.4% from 2023 averages, respectively.

Of note in 2024 was that the combination of average dressed weights for all cattle (+3.2% to 852 pounds) nearly offset a decline in federally inspected slaughter (-3.7% to 31 million head). This combination led to a marginal decline (-0.6% or 167.8 million pounds) of accumulated beef production for 2024 through the week ending 12/28/24 to around 26.4 billion pounds. As of the week ending 12/21/24, losses in slaughter have largely been driven by reductions from cows, down -14.3% (1.5 million head), followed by bulls, down -6.1% (52 thousand head). Steer slaughter increased +2% (493 thousand head) in 2024 to 24.8 million head; heifer slaughter increased only marginally, rising +0.4% (67 thousand head) to 16.3 million head.