Livestock Monitor

A Newsletter for Extension Staff
Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . . April 23, 2021

Production

Week Ending 4/24/2021	Last	Year Ago
FI Cattle Slaughter (Thou Hd)	665	470
FI Hog Slaughter (Thou Hd)	2473	1991
FI Sheep Slaughter (Thou Hd)	37	40
Live Y. Chicken Sl. (Mil Hd)	162.5	149.7
Slaughter Cattle Live Weight	1372	1357
Slaughter Hog Live Weight	291	291
Slaughter Lamb/Sheep Live Wt.	130	124
Beef Production (Mil Pounds)	550.2	381.1
Pork Production (Mil Pounds)	536.9	432.0
Lamb, Mutton Prod. (Mil Lbs.)	2.4	2.5
Previous 6 Wk. Moving Avg.		
Total Beef (Mil Lbs)	528.4	473.0
Total Pork (Mil Lbs)	540.3	530.2
Total Lamb, Mutton (Mil Lbs)	2.6	2.3

Prices

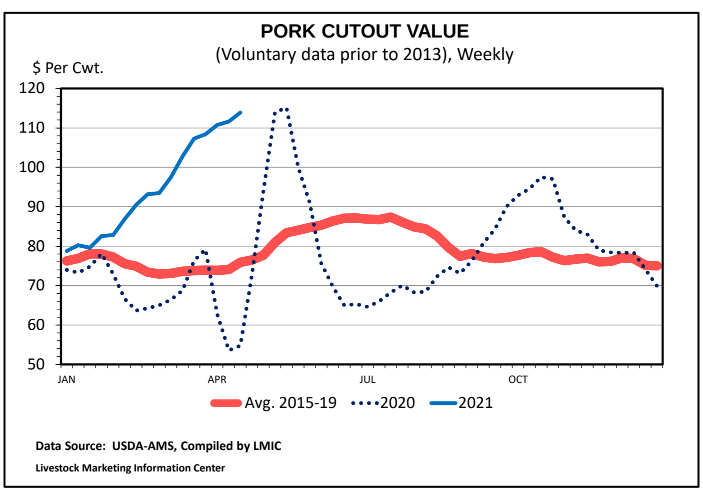
Weekly Average ($/Cwt)	Last	Week Ago	Year Ago
Live Steer	121.36	122.03	96.69
Dressed Steer	192.11	195.54	154.31
Choice Beef Cutout	280.19	273.42	272.33
USDA Hide/Offal	10.93	10.92	6.71
OK City Fdr. Str. (6-7 Cwt.)	153.75	154.76	141.15
Natl. Negotiated Purchase	106.37	102.20	33.85
Natl. Net Hog Carcass	102.50	100.91	54.77
Feeder Pigs (40 Lbs) ($/Head)	99.70	101.31	17.66
Pork Cutout	113.88	111.63	72.69
Lamb Cutout	429.86	432.31	360.75
Cheddar, 40 lb Block($/lb)	1.78	1.78	1.39
Corn, Omaha ($/Bu)	6.51	5.91	3.04
Soybeans, Cntrl IL ($/Bu)	15.79	14.57	8.51

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

Trends. . . STRONG PORK CUTOUT AND HOG PRICES

The pork cutout value continues to climb counter seasonally higher with last week reaching $113.88 per cwt, up 54.2% or $40.02 since the start of the year. During the pandemic, the pork cutout value reached $115.12 per cwt in mid-May but the current value is still below record levels of more than $130 per cwt seen back in 2014. The strong growth in cutout value has also been seen in primal values as well. Since the start of the year bellies have had a significant rise in value increasing 86.6% to $191.45 per cwt. The ham and rib values have both increased 54.0% and 61.3%, respectively, to $94.26 and $231.29 per cwt. The butt, picnic, and loin have seen gains as well each increasing 52.0%, 43.3%, and 33.5%, respectively to $111.62, $75.35, and $96.57 per cwt.

Through mid-April, weekly pork production has been tracking slightly above the same period last year by just 0.2%, indicating a tightening of supplies. The narrowing of supplies is partly driven by a 1.1% decline in year-to-date weekly hog slaughter through late-April. The decrease in slaughter is being more than offset by year-to-date weekly hog dressed weights which are tracking 1.3% above a year ago. The latest March 1 Hogs and Pigs report indicates market hogs are down 1.8% indicating supplies in the near term will continue to remain tight. Combining a marginal increase in pork production and lower expected hog supplies is contributing to the rise in pork cutout value leading into the summer grilling season.



The rising pork cutout value and tighter hog supplies has also supported hog prices.

Since the start of the year the National Weighted Average Base Carcass price has risen $38.62 or 62.4% from $61.85 to $100.48 per cwt as of mid-April. Early weaned feeder prices (10-12 lbs.) have held strong around $50 per head since the start of the year. Typically, early weaned pig prices decline during the summer months. Feeder pig prices (40 lbs.) have climbed 48.0% since the start of the year to $99.70 per head, a counter seasonal rise and the highest price since August 2014. Both the pork cutout and hog prices are being supported by tighter than expected pork supplies to start the year.

CANADA & U.S. CATTLE ON FEED

Canadian Cattle on Feed numbers were released last week for April 1st data by Canfax. Canada's placement data was similar to the U.S. showing a very strong placement month in March, up 44% compared to a year ago. Canada's numbers of cattle on feed, though are still below a year ago by about 1% but gained from a month earlier figures to 1 million head. Marketings in Canada were 2.2% below last year. Placement data was up across all categories of weights, but heifers on feed grew by 53% compared to a year ago, while steers increased 42%. Heifers weighing less than 700 pounds doubled last year's figures. Steers were up 56% in under 600 pounds and up 24% in 600-699 pounds. Steer placements showed the largest gains in heavy cattle over 800 pounds, up 60% from the prior year.

U.S. Cattle on feed was released today by USDA National Agricultural Statistics Service (NASS). Cattle on feed numbers expanded to 5% above 2020, through substantially higher placements, up 28%. Across weight groups of cattle all were above a year ago. Higher feed costs helped push the larger percent gains in heavier categories. Cattle over 900 pounds were up 13%, 800-899 were up 30%, and 700-799 pounds were up 24%. Depleted coastal grazing on the West coast is thought to have moved cattle early coming off in those lighter weight groups. Under 600 pound placements were up 31%, while 600-699 was up 48%. Drought has been a significant concern not only in California but across the Northern Plains. Plus, adverse weather in late February delayed some placements into March contributing to the higher numbers.

March 2020 was the first month the cattle supply chain was hit by COVID-19 and was the smallest number on record. March 2021 compared to 2019 is actually below that figure by 0.8%. Additionally, 5% more on feed, although a large percent, is less worrisome than it appears. Cattle on feed declined from March 1 by 103,000 head. Marketings pulled an even larger number in March 2021, even though March 2020 marketings were very large. Large placement in the third quarter of 2020 are likely still working their way through the system. Expect cattle on feed numbers to clean up in the next month or two with no issue. Cattle slaughter has picked up significantly this week, and packer margins are strong. This should ensure a marketing clip that does not lead to large supplies to be burdensome in coming months.

COLD STORAGE REMAINS TIGHT

The USDA NASS Cold Storage report released for the month of March indicates total red meat supplies remain tight at 969.3 million pounds, down 6.0% from March and 16.6% lower than a year ago. Total poultry stocks rose marginally by 0.1% over last month to nearly 1.1 billion pounds but were 16.6% below 2020. Dairy products were almost 1.5 billion pounds, up 2.1% from last month and 6.7% higher than 2020.

Total beef in cold storage dropped to 483.7 million pounds in March, which is down 5.6% from last month and 3.7% lower than 2020. Both boneless beef and beef cuts fell 3.4% and 8.5%, respectively, from last year to 451.3 and 32.3 million pounds. The tighter supplies of beef in cold storage are helping support the boxed beef cutout value which has risen 32.3%, or $66.69 per cwt, from the start of the year to $273.42 per cwt in mid-April.

Pork in cold storage continues to remain below typical levels at 451.8 million pounds, down 26.8% from a year and 26.0% below the five-year average. Each product category posted year-over year-declines except for bone-in loins which rose 10.0% to 21.4 million pounds. Bellies saw the sharpest decrease from last year with a 54.9% decline to 35.3 million pounds. Total hams were 60.7 million pounds, down 31.3% from last year and 34.2% lower than last month, likely a result of an earlier Easter this year. Spareribs, butts, and picnic each fell from a year ago to 101.4, 18.7, and 7.5 million pounds, respectively, each decreasing 23.5%, 32.3%, and 30.2%.

Total chicken in cold storage fell 19.5% below year earlier levels to 740.3 million pounds, the lowest level since June 2015. Broilers dropped 35.3% from last year to 13.1 million pounds but rose 7.8% from last month. Thigh meat fell 46.3% to 19.2 million pounds, the lowest level since September 2017. Year-over-year declines were also seen in breast meat, leg quarters, and wings, each dropping 10.0%, 28.7%, and 31.3%, respectively, to 203.9, 57.8, and 36.9 million pounds. Total turkey stocks fell 9.6% to 350.4 million pounds.