Livestock Monitor

A Newsletter for Extension Staff
Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

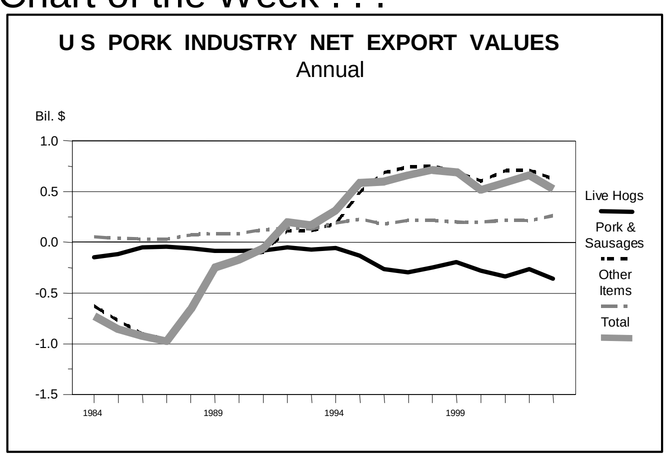
Market Indicators . . . May 14, 2004

Production	Current	Year Ago	Prices	Last	Week Ago	Year Ago
Week Ending 05/15/04	Current	Year Ago	Weekly Weighted Avg. ($/Cwt)	Last	Week Ago	Year Ago
FI Cattle Slaughter (Thou Hd)	690	748	Live Fed Steer	87.50	90.84	79.69
FI Hog Slaughter (Thou Hd)	1826	1810	Dressed Steer	141.56	146.14	126.96
FI Sheep Slaughter (Thou Hd)	39	46				
Live Yng. Chicken Slau. (Mil Hd)	157.1	155.6	Beef Cutout (Choice 600-750)	159.31	159.87	140.59
			USDA Hide/Offal ($/Cwt)	8.10	8.17	7.75
Slaughter Cattle Weight	1198	1212	GA Auction Fdr. Str. (6-7 Cwt)	102.00	97.50	76.44
Slaughter Hog Weight	268	268				
Slaughter Lamb/Sheep Weight	144	139	IA, S. MN Base Hog ($/Cwt)	80.28	75.00	60.48
			Natl. Net Carcass Hog ($/Cwt)	77.27	73.26	60.44
Week Ending 05/15/04			Feeder Pigs (40-50 Lbs)	45.00	45.50	40.00
Beef Production (Mil Lbs)	500.8	546.3	Pork Cutout (185 Lbs)	83.71	77.34	61.86
Pork Production (Mil Lbs)	364.4	359.4				
Lamb/Mutton Prod. (Mil Lbs)	2.8	3.2	Lamb Cutout ($/Cwt)	185.01	190.11	204.23
Previous 6 Week Moving Avg.			Corn, Omaha ($/Bu)	2.73	2.91	2.42
Total Beef (Mil Lbs)	443.0	491.3	Wheat, Portland ($/Bu)	4.09	4.41	3.51
Total Pork (Mil Lbs)	387.8	371.0	Wheat, Kansas City ($/Bu)	3.70	4.13	3.82
Total Lamb/Mutton (Mil Lbs)	4.2	4.1	Soybeans, S. Iowa ($/Bu)	9.47	10.48	6.31

Trends . . . INTERNATIONAL TRADE: ANNUAL PORK/HOG SECTOR VALUES

The subject of international trade has grown to be a key and an often-discussed topic among hog producers and those involved in the overall meat industry. Trade between countries is the result of complex economic, political and historical relationships. Identifying in a broad context the components of foreign trade within the industry can provide useful background. In this broad context categories of U.S. international trade are: 1) meat (various carcass components are imported and exported); 2) variety meats (includes sausage casings); 3) hog and pork skins; 4) pork lard, fats, and oils; and 5) live animals (feeder pigs, slaughter hogs, and breeding stock). Of course, this is a diverse list and the way to add-up numbers across categories and across countries is to do so in terms of dollar values.

Chart of the Week . . .



Over the past two decades (1984 through 2003), the total dollar value of U.S. pork/hog industry exports and imports has increased. In the 1984, the total value of U.S. pork exports was slightly over $200 million and the largest share of export value was pork and sausages followed by variety meats. By 2003, the dollar value of total U.S. pork export items was just short of $2 billion with exports of pork and sausages still the largest category at $1.5 billion or 80 percent of the total value. Prior to 1993, the U.S. value for pork/hog imports of was somewhat variable. Since 1993, the value of U.S. pork/hog imports has steadily increased. In 1994, U.S. import value of all items was just over $600 million. Last year, the dollar value was estimated at about $1.5 billion, with pork and sausage imports being the largest component of the total import value followed by live hogs.

Net export value is simply the dollar difference between imports and exports. Prior to 1993, on a value basis, the U.S. imported more pork than it exported; however, since then U.S. exports of pork have remained well above the amount imported and continues to grow. On an annual basis, the value of U.S. pork industry net exports has steadily increased. In 1984 the value of U.S. net exports was negative $700 million, by 2003, the U.S. net export value of pork and hogs had increased to just over $500 million. Among the different product categories the U.S. has historically imported more value of live hogs than it has exported. Nonetheless, on a net export basis, exports of pork and other items have had a much larger dollar value.

PASTURE AND RANGE CONDITIONS

Earlier this month, USDA resumed the national weekly pasture and range condition report published in the Weekly Weather and Crop Progress Bulletin. In the report, state and national conditions are reported in percentages by five categories (Very Poor, Poor, Fair, Good and Excellent). Data for the report is provided by weekly state surveys compiled by University Extension staff and other local expertise. It is just the onset of the summer grazing period but there is some encouraging news as early season pasture and range conditions in many areas of the U.S. are reported as being better than last year. Still, there are areas of drought and as usual ample and timely summer moisture will be a vital factor for many cow-calf and stocker operations.

Compared to last year, current national pasture and range conditions are much improved. Recently, less than 20 percent of the U.S. pasture and range was rated Very Poor to Poor, while almost three-quarters was rated Fair or Good. On average (over the last 5 years), about 18 percent of the U.S. pasture and range in early May has been rated as Very Poor or Poor with usually three-quarters to 80 percent considered to be Fair or Good. So far this year, nation-wide the amount of pasture rated in the worst two categories is on par with the average.

Across regions, pasture and range conditions in the Southern Plains are in a much better situation than a year ago with about 14 percent reported as Very Poor or Poor compared to a little over 25 percent in 2003. Pasture and range conditions in the West are comparable to 2003's with around 20 percent being in the worst two categories and 70 percent rated as Fair or Good. Drier conditions last week impacted conditions in both the Great Plains and Corn Belt regions. The Great Plains rated 45 percent in the worst two categories compared to only 31 percent a year ago. Many areas of the West and central and northern High Plains are still suffering from on-going drought conditions.

U.S. HAY STOCKS

As of May 1, 2004, USDA reported U.S. hay stocks totaled 25.9 million tons, 17.4 percent above last year's stocks and 15 percent higher than 2002's. The larger stock of hay compared to prior years was due to a variety factors (i.e. improved moisture conditions, reduced demand) that contributed to larger hay production during 2003. On a state basis, over two-thirds of the total states (48 are included in the report) posted an increase in hay stocks compared to the prior year. The only region not to show a year-to-year increase was the Great Plains and the West.

Hay disappearance this past winter (December 1, 2003 through May 1, 2004) was above a year ago (5 percent larger). Despite a mild winter in the Plains and Western states, severe drought conditions last spring extended the hay-feeding period in many cattle and sheep producing areas. As a result of drought conditions, hay stocks were well below the level reported last year for Idaho, Iowa, Michigan, Montana, and North Dakota. In several western states, drought conditions resulted in 2003 hay production being below 2002's, impacting the May 1 hay stock level. Texas having reported a record large hay stock last year was down about 27 percent this year.