Daily Livestock Report

Sponsored in part by CME Group

Vol. 18, No. 96/ May 18, 2020

Advanced estimates for retail monthly sales were released last week by the U.S. Census Bureau, showing continued strong gains in grocery store outlets. Grocery stores saw a 14.5% increase from April of last year in unadjusted figures. March preliminary estimate was 28.5% up from the prior year. Food service and drinking places saw an even larger decline in April, falling 48.8% from last year. This is another 20% lower than the preliminary March estimate that showed food service outlets declined 28% from 2019.

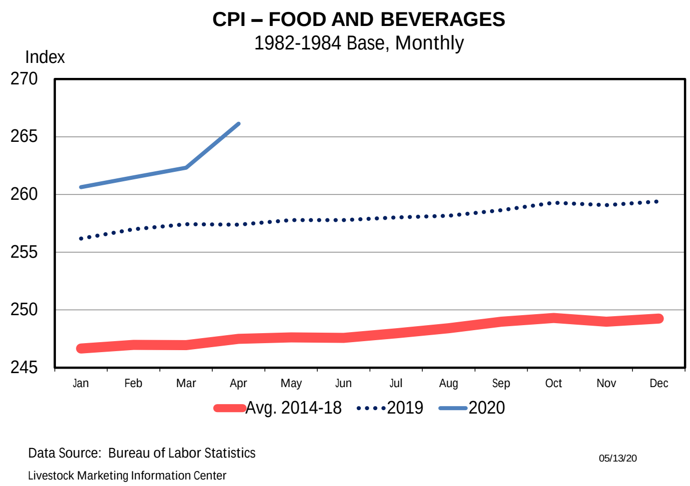
Other parts of retail showed evidence of widespread closures: Clothing and accessory stores lost 51% of sales in March and declined 89% in April relative to a year ago. Motor vehicle and auto parts saw 33.6% less sales in April compared to the 25.7% decline in March. Less driving and lower gas prices equated to a 42.6% reduction in gas station sales last month, a large drop from the 18% decline in March.

Health and personal stores saw their first month of year over year declines, falling 10.8% in April while March data showed year over year positive change. General merchandise stores followed a similar pattern: March sales were listed as up 6.1%, and April sales fell 13.9% compared to 2019.

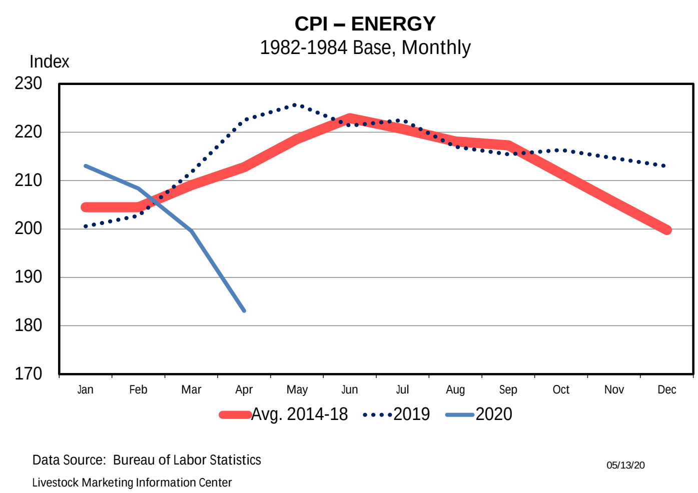
Building materials and garden stores saw an increase in prices as consumers flocked to do home projects this spring. Those sales increased 7.2% in March over last year and April gained 12.1%. With the closures of stores, more consumers made purchases online which are in a separate category to conventional brick and mortar locations. Those sales are up 21.2% in April and were up 16.3% in March.

Retail sales show both the decline in quantities purchased and the changes in price. The Consumer Price Index (CPI) reflects only the changes in price. Those figures were also released last week for the month of April and show increases in food prices, but decreases in other sectors.

The CPI showed stronger prices in the food and beverages for April increasing 3.8 from last month and 8.7 points over last year. Meat, Poultry and Dairy categories all showed stronger CPI indexes. Poultry showed the strongest month over month change, increasing 11.2 from March, and 14.6 over 2019. The Meat CPI measure increased 8.7 and dairy increased 3.1 over March. Year-over-year figures showed meats 16.7 points higher than last year and dairy was up 11.2. Consumers saw less expensive prices in transportation and energy. The energy CPI decreased 16.5 from March, and Transportation fell 10.1. Year ago comparisons were even larger, down 20.4 for transportation and 39.4 for energy. For all items the CPI fell 1.7 and is 0.8 points below last year. Core inflation was measured at 1.4% over last year.



Federal stimulus in the economy is expected to increase inflationary pressure, but in order to do that there needs to be stronger demand. The U.S. consumer is just starting to emerge from stay at home orders in the month of May, but may take awhile to fully participate in the economy. In the short term it appears we are experiencing some deflationary pressure as consumers have pulled back spending.



Vol. 18, No. 96/ May 18, 2020

PRODUCTION & PRICE SUMMARY

Week Ending 5/16/2020

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY .

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			16-May-20	9-May-20		18-May-19			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,745	1,626	7.3%	1,917	-8.9%	36,771	0.4%
C	FI Slaughter	Thou. Head	499	452	10.4%	662	-24.7%	11,534	-6.7%
A	FI Cow Slaughter **	Thou. Head	112	112	-0.6%	120	-7.1%	2,244	0.2%
T	Avg. Dressed Weight	Lbs.	814	816	-0.2%	796	2.3%	823	2.1%
T	Beef Production	Million Lbs.	405.2	367.7	10.2%	526.2	-23.0%	9,498	-4.7%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	111.40	104.50	6.6%	116.65	-4.5%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	179.30	159.85	12.2%	185.87	-3.5%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	142.23	139.80	1.7%	152.26	-6.6%		
&	Choice Beef Cutout	$ per cwt	459.04	441.53	4.0%	220.23	108.4%		
	Hide/Offal	$ per cwt, live wt	6.79	6.87	-1.2%	8.32	-18.4%		
B	Rib, Primal, Choice	$ per cwt	531.80	525.38	1.2%	360.32	47.6%		
E	Round, Primal, Choice	$ per cwt	467.81	457.00	2.4%	162.88	187.2%		
E	Chuck, Primal, Choice	$ per cwt	442.72	421.58	5.0%	172.08	157.3%		
F	Trimmings, 50%, Fresh	$ per cwt	256.68	275.28	-6.8%	80.86	217.4%		
	Trimmings, 90%, Fresh	$ per cwt	293.90	272.28	7.9%	222.85	31.9%		
	FI Slaughter	Thou. Head	2,103	1,775	18.5%	2,352	-10.6%	47,936	-0.8%
H	FI Sow Slaughter **	Thou. Head	65.8	68.4	-3.7%	55.5	18.7%	1,140	9.6%
O	Avg. Dressed Weight	Lbs.	217.0	216.0	0.5%	214.0	1.4%	216	0.5%
G	Pork Production	Million Lbs.	456	383	19.1%	503.8	-9.5%	10,337	-0.4%
S	Natl. Negotiated Purchase	Wtd. Avg.	36.98	36.76	0.6%	81.46	-54.6%		
	Natl. Base Carcass Price	Wtd. Avg.	71.88	70.09	2.6%	81.55	-11.9%		
&	Natl. Net Carcass Price	Wtd. Avg.	72.91	70.74	3.1%	83.58	-12.8%		
	Natl. Early Wean Feeder	10-12 Lbs.	15.77	18.53	-14.9%	52.67	-70.1%		
P	Pork Cutout	$ per cwt	115.12	113.94	1.0%	87.02	32.3%		
O	By-product Value	$ per cwt, live wt	3.67	3.77	-2.7%	3.71	-1.1%		
R	Ham, Primal	$ per cwt	43.51	57.97	-24.9%	72.43	-39.9%		
K	Loin, Primal	$ per cwt	156.02	135.57	15.1%	80.21	94.5%		
	Belly, Primal	$ per cwt	156.91	191.48	-18.1%	130.67	20.1%		
	Trimmings, 72%, Fresh	$ per cwt	139.18	117.68	18.3%	81.68	70.4%		
C	Young Chicken Slaughter *	Million Head	163.0	162.0	0.6%	164.44	-0.9%	3,148	2.9%
H	Avg. Weight (RTC)	Lbs.	4.84	4.77	1.4%	4.75	1.9%	4.75	1.7%
I	Young Chicken Production (RTC)	Million Lbs.	788.9	773.3	2.0%	781.1	1.0%	14,952	4.6%
C	Eggs Set (US)	Million	228.3	221.2	3.2%	232.9	-2.0%	4,444	1.2%
K	Chicks Placed (US)	Million Head	177.0	166.7	6.2%	190.2	-6.9%	3,538	0.6%
E	National Composite Whole Bird	Composite	77.45	68.42	13.2%	101.87	-24.0%		
N	Northeast Breast, B/S	$ per cwt	143.89	118.14	21.8%	120.09	19.8%		
	Northeast Leg Quarters	$ per cwt	34.02	32.2	5.7%	45.31	-24.9%		
T	Total Turkey Slaughter *	Million Head	3.81	4.03	-5.5%	4.06	-6.2%	75.3	0.2%
U	Avg. Weight (RTC)	Lbs.	25.03	25.33	-1.2%	26.06	-4.0%	26.35	-1.5%
R	Turkey Production (RTC)	Million Lbs.	95.3	102.1	-6.6%	105.8	-10.0%	1,984	-1.3%
K	National Hen (8-12 Lbs)	$ per cwt	103.40	105.00	-1.5%	86.65	19.3%		
G	Corn, Omaha	$ per Bushel	2.99	2.97	0.7%	3.72	-19.5%		
R	Distillers Grain, IA	$ per Ton	148.00	162.50	-8.9%	120.00	23.3%		
A	Soybean, Cntrl IL	$ per Bushel	8.42	8.51	-1.0%	8.11	3.8%		
I	Soybn Meal 48%, Cntrl IL	$ per Ton	289.70	289.60	0.0%	298.90	-3.1%		
N									

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago (part of 'actual" rather than "preliminary" weekly slaughter report).