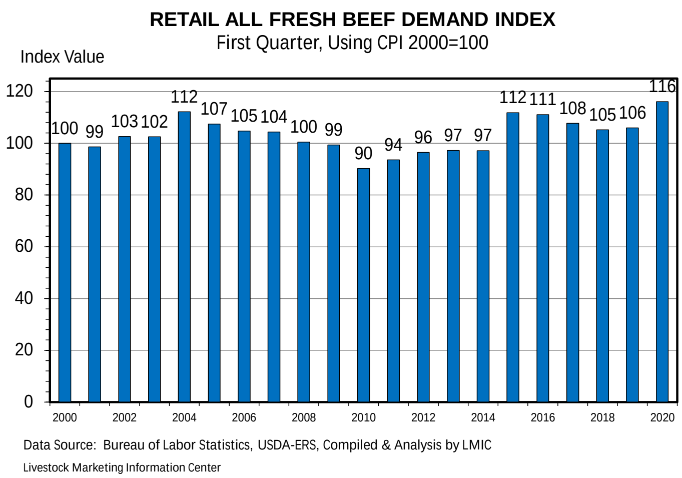
Daily Livestock Report

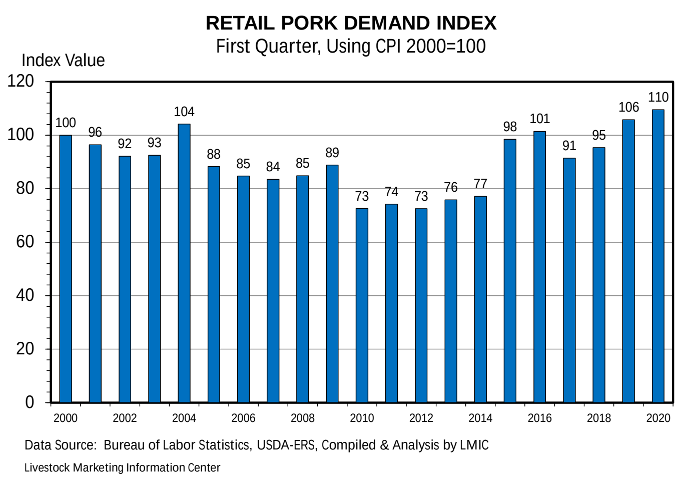
Sponsored in part by CME Group

Vol. 18, No. 123/ June 29, 2020

Meat demand indexes can be a useful tool to look at relative changes. The Livestock Marketing Information Center uses retail consumption and retail prices to estimate the relative strength from one period to the next.

Below are first quarter values for retail demand for beef and pork. Last year, we noted the very strong demand in the pork complex was jumping 12 index points, 12%. That retail demand continued to gain ground in the first quarter of 2020, albeit the change was much smaller. This year the more remarkable figure is the increase in all fresh beef demand, which increased 10 index points, or 9% from the same period last year.





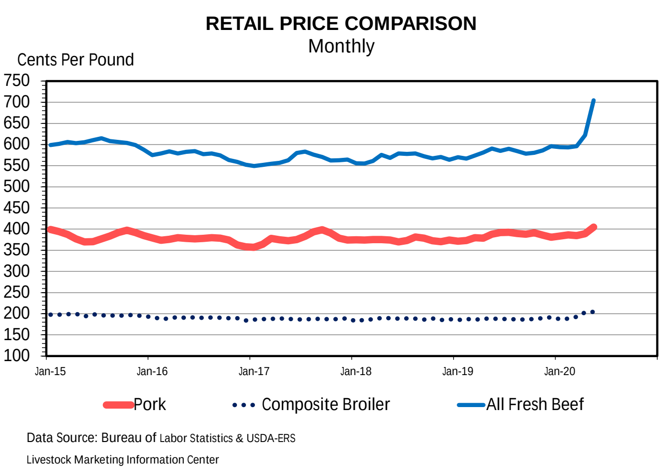
Demand has both a quantity and price component. The price component for the all fresh beef demand index is the retail beef price released by BLM, deflated by the Consumer Price Index (CPI) using the base year of 2000. This calculation showed an increase of 2.1% over first quarter of last year and a retail consumption increase of 5.3% over 2019. For the retail demand for pork, the price component increased by 0.6% and consumption grew only 0.5%. For comparison, broiler consumption increased 8% while the retail broiler price remained unchanged.

These indexes incorporate a fixed own-price elasticity of each commodity, as well, that is how much quantity would be expected to move if there was an increase or a decreased in price.

During the first quarter, the U.S. was only just beginning to feel the impacts of COVID, and since then their have been dramatic changes in the meat space. Kansas State University estimates Meat Demand Indices on a monthly basis, and has updated their dataset through April. Across all three commodities April data shows a decrease in the meat demand index for beef, pork and chicken.

The demand index is a measure of positive and negative shifts in the demand curve. That negative shift occurred even though there was a rapid increase in red meat and poultry retail prices for the month of April and again the following month in May. The quantity aspect would have had to adjust proportionally more than prices increased in April to have that monthly demand decline. The DLR on June 11th, covered the latest in the retail price series. June may see little relief on retail prices as slaughter challenges did not subside until mid-June.

Correction: DLR on Friday was reposted to reflect the correct percentage of pigs per litter.



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PRODUCTION & PRICE SUMMARY

Week Ending 6/27/2020

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
			27-Jun-20	20-Jun-20		29-Jun-19			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	2,026	2,002	1.2%	1,955	3.6%	48,263	0.4%
C	FI Slaughter	Thou. Head	680	656	3.7%	670	1.4%	15,285	-6.0%
A	FI Cow Slaughter **	Thou. Head	120	120	0.3%	118	1.8%	2,936	-0.2%
T	Avg. Dressed Weight	Lbs.	829	826	0.4%	798	3.9%	825	2.7%
T	Beef Production	Million Lbs.	562.3	541.0	3.9%	533.8	5.3%	12,604	-3.5%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	96.24	100.78	-4.5%	110.13	-12.6%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	154.78	160.70	-3.7%	179.02	-13.5%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	139.21	138.54	0.5%	144.48	-3.6%		
&	Choice Beef Cutout	$ per cwt	210.20	220.34	-4.6%	219.55	-4.3%		
	Hide/Offal	$ per cwt, live wt	7.11	7.11	0.0%	8.46	-16.0%		
B	Rib, Primal, Choice	$ per cwt	349.06	378.34	-7.7%	357.56	-2.4%		
E	Round, Primal, Choice	$ per cwt	168.20	164.83	2.0%	168.89	-0.4%		
E	Chuck, Primal, Choice	$ per cwt	170.10	168.61	0.9%	176.09	-3.4%		
F	Trimmings, 50%, Fresh	$ per cwt	67.47	79.67	-15.3%	93.75	-28.0%		
	Trimmings, 90%, Fresh	$ per cwt	256.44	263.82	-2.8%	223.97	14.5%		
	FI Slaughter	Thou. Head	2,641	2,587	2.1%	2,386	10.7%	62,294	-0.3%
H	FI Sow Slaughter **	Thou. Head	67.3	69.3	-2.9%	59.9	12.3%	1,540	11.7%
O	Avg. Dressed Weight	Lbs.	217.0	218.0	-0.5%	212.0	2.4%	216	0.9%
G	Pork Production	Million Lbs.	573.8	564.2	1.7%	505.2	13.6%	13,473	0.6%
S	Natl. Negotiated Purchase	Wtd. Avg.	28.56	28.91	-1.2%	71.03	-59.8%		
	Natl. Base Carcass Price	Wtd. Avg.	50.68	52.38	-3.2%	75.43	-32.8%		
&	Natl. Net Carcass Price	Wtd. Avg.	52.54	54.12	-2.9%	77.53	-32.2%		
	Natl. Early Wean Feeder	10-12 Lbs.	15.21	19.20	-20.8%	36.83	-58.7%		
P	Pork Cutout	$ per cwt	65.34	64.97	0.6%	74.98	-12.9%		
O	By-product Value	$ per cwt, live wt	3.61	3.66	-1.4%	3.66	-1.4%		
R	Ham, Primal	$ per cwt	46.46	44.29	4.9%	62.63	-25.8%		
K	Loin, Primal	$ per cwt	64.88	68.10	-4.7%	76.67	-15.4%		
	Belly, Primal	$ per cwt	93.50	97.03	-3.6%	101.72	-8.1%		
	Trimmings, 72%, Fresh	$ per cwt	67.36	91.14	-26.1%	71.19	-5.4%		
C	Young Chicken Slaughter *	Million Head	161.9	162.8	-0.5%	169.61	-4.6%	4,103	1.2%
H	Avg. Weight (RTC)	Lbs.	4.87	4.88	-0.2%	4.77	2.2%	4.78	2.2%
I	Young Chicken Production (RTC)	Million Lbs.	788.7	794.1	-0.7%	808.2	-2.4%	19,612	3.4%
C	Eggs Set (US)	Million	235.2	235.3	0.0%	233.0	0.9%	5,850	1.0%
K	Chicks Placed (US)	Million Head	188.9	189.2	-0.2%	190.4	-0.8%	4,635	-0.4%
E	National Composite Whole Bird	Composite	74.24	72.38	2.6%	92.79	-20.0%		
N	Northeast Breast, B/S	$ per cwt	123.09	123.85	-0.6%	115.94	6.2%		
	Northeast Leg Quarters	$ per cwt	29.14	31.74	-8.2%	44.48	-34.5%		
T	Total Turkey Slaughter *	Million Head	3.97	3.96	0.1%	4.15	-4.5%	98.2	-1.2%
U	Avg. Weight (RTC)	Lbs.	25.42	25.88	-1.8%	25.99	-2.2%	26.22	-1.3%
R	Turkey Production (RTC)	Million Lbs.	100.9	102.6	-1.6%	108.0	-6.6%	2,573	-2.5%
K	National Hen (8-12 Lbs)	$ per cwt	110.00	107.80	2.0%	90.78	21.2%		
G	Corn, Omaha	$ per Bushel	3.05	3.19	-4.4%	4.39	-30.6%		
R	Distillers Grain, IA	$ per Ton	128.50	130.00	-1.2%	131.50	-2.3%		
A	Soybean, Cntrl IL	$ per Bushel	8.75	8.82	-0.9%	8.87	-1.4%		
I	Soybn Meal 48%, Cntrl IL	$ per Ton	288.50	290.30	-0.6%	321.20	-10.2%		
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).