Daily Livestock Report

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Hog prices may be lower than last year, but hog by-product values are holding steady to higher in most categories. For weekending 8/7/20, the exceptions compared to the same week last year are Choice white grease (down 22%), pork meat & bone meal (down 9%), blood meal (down 23%), and stomachs, scalded small box (down 38%).

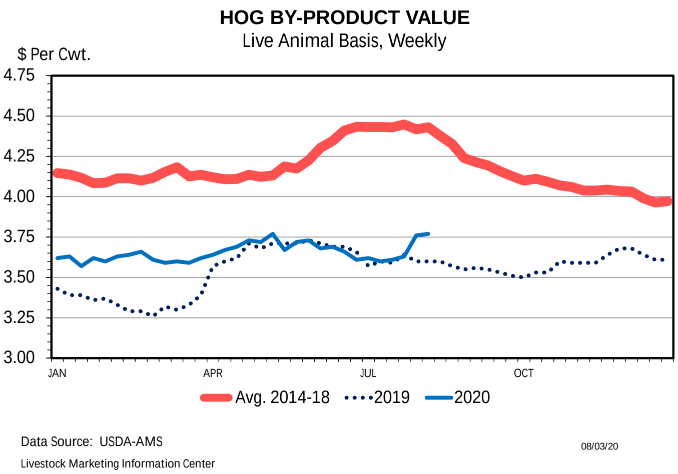
These values are released by USDA AMS in the Weekly USDA By-Product Drop Value (NW_LS446). Impressive gains in value have been seen in Salivary glands, with the highest percent of change. These have doubled in value compared to the same week last year. Snouts and hearts too have seen a substantial increase both up 37% and 50% compared to a year ago. Cheek meat is up 17%. Lard has gained 28%. Chitterlings, ears, tongues, and inedible kidneys, melts, livers, and lungs are all even with a year ago. Blood plasma too is holding with last year's values.

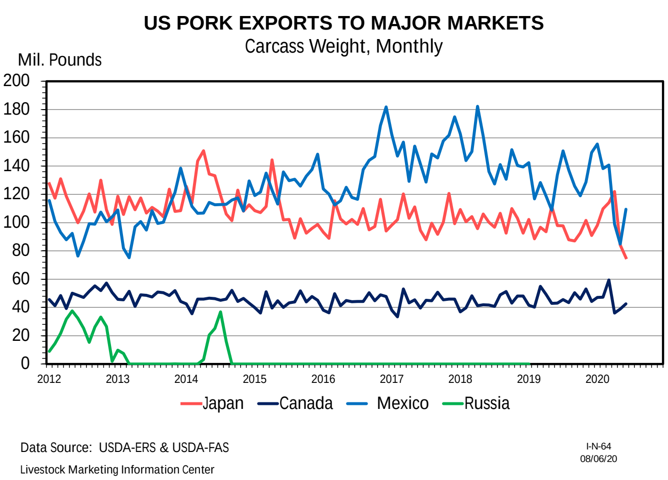
The drop value has the most weighting on blood plasma, lard, pork and bone meal, inedible livers and chitterlings. Each weighted more than 1 pound each. From a price perspective for the latest week (8/7/2020), Pork blood meal is the most expensive, $500 per cwt, followed by ears, $150 per cwt, and cheek meat, $101.75 per cwt this week. The overall drop credit was listed at $3.77 per cwt based on a 280 pound hog, 74% dressing percentage. The drop credit has risen the last three weeks, with the last week in July increasing 3.6% the most over the prior week. This last week was $0.17 per cwt over last year, a 4.7% increase.

The U.S. exports much of the by-products to other countries. The weekly pork export data is limited only to muscle cuts, so we must use the official monthly trade statistics to understand the export market for hog by-products. The most recent data is out for June. Offal export categories do not line up identically with the drop value report. For discussion purposes we will focus on the major HTS codes 020630 (Fresh/Chilled Swine Offal) and 020649 (Frozen Swine Offal). Year to date the export total for fresh and chilled swine offal 19,505 metric tons, about 24% behind the first half of last year. Mexico bought 85% of total exports last year and their purchases in the first half of this year are 26% off pace. Frozen swine offal shipments to the world are up 3%, year to date totaling 183,063 metric tons. Last year China accounted for just over 40% of total frozen swine offal exports, and Mexico bought nearly 20%. China has contributed significantly to the increase, and is up 74% through the first half of the year. Mexico though is down significantly 26%.

As noted in Friday's DLR, exports to Mexico have fallen off in other important meat trade categories. Year to date (Jan-Jun carcass weight data) beef exports to Mexico are down 38%, pork exports are down 3%, lamb down 38%, other chicken down 22%, and turkey exports are down 6%. Mexico export categories that are up, seem to be favoring less expensive proteins in early 2020. Mutton exports are up by a factor of 7, and broiler exports are up by 2%. Egg products have been very strong as well. In shell-egg equivalents year to date egg exports including products is up 45%, shell eggs are up 30%, while egg products alone are up 88% from 2019's first 6 months.

July's export data, released September 3rd, will provide more concrete insight into the sudden rise of swine by-products values. It is likely the driving factor considering hog slaughter remains elevated.





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PRODUCTION & PRICE SUMMARY

Week Ending 8/8/2020

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
			8-Aug-20	1-Aug-20		10-Aug-19			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,959	1,950	0.5%	1,931	1.5%	59,728	0.5%
C	FI Slaughter	Thou. Head	633	638	-0.8%	647	-2.1%	19,047	-5.2%
A	FI Cow Slaughter **	Thou. Head	111	115	-3.1%	115	-3.6%	3,624	-0.2%
T	Avg. Dressed Weight	Lbs.	835	833	0.2%	813	2.7%	826	2.8%
T	Beef Production	Million Lbs.	527.2	530.3	-0.6%	524.7	0.5%	15,737	-2.5%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	101.28	98.66	2.7%	112.37	-9.9%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	163.19	160.03	2.0%	182.23	-10.4%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	151.23	148.63	1.7%	149.84	0.9%		
&	Choice Beef Cutout	$ per cwt	204.52	202.34	1.1%	216.04	-5.3%		
	Hide/Offal	$ per cwt, live wt	7.24	7.08	2.3%	8.97	-19.3%		
B	Rib, Primal, Choice	$ per cwt	341.25	334.46	2.0%	363.68	-6.2%		
E	Round, Primal, Choice	$ per cwt	167.41	166.40	0.6%	166.91	0.3%		
E	Chuck, Primal, Choice	$ per cwt	160.85	160.53	0.2%	169.48	-5.1%		
F	Trimmings, 50%, Fresh	$ per cwt	62.62	60.13	4.1%	78.75	-20.5%		
	Trimmings, 90%, Fresh	$ per cwt	229.67	235.89	-2.6%	222.02	3.4%		
	FI Slaughter	Thou. Head	2,534	2,538	-0.2%	2,350	7.8%	77,087	1.0%
H	FI Sow Slaughter **	Thou. Head	59.8	65.5	-8.6%	58.4	2.5%	1,915	11.3%
O	Avg. Dressed Weight	Lbs.	212.0	212.0	0.0%	208.0	1.9%	215	0.8%
G	Pork Production	Million Lbs.	536.7	538.2	-0.3%	488.5	9.9%	16,586	1.9%
S	Natl. Negotiated Purchase	Wtd. Avg.	38.72	42.20	-8.2%	74.05	-47.7%		
	Natl. Base Carcass Price	Wtd. Avg.	54.72	54.91	-0.3%	80.37	-31.9%		
&	Natl. Net Carcass Price	Wtd. Avg.	56.89	57.06	-0.3%	82.66	-31.2%		
	Natl. Early Wean Feeder	10-12 Lbs.	20.99	16.25	29.2%	31.42	-33.2%		
P	Pork Cutout	$ per cwt	68.41	68.30	0.2%	88.88	-23.0%		
O	By-product Value	$ per cwt, live wt	3.77	3.76	0.3%	3.60	4.7%		
R	Ham, Primal	$ per cwt	48.73	59.55	-18.2%	84.29	-42.2%		
K	Loin, Primal	$ per cwt	69.35	68.20	1.7%	74.93	-7.4%		
	Belly, Primal	$ per cwt	105.78	96.12	10.0%	159.43	-33.7%		
	Trimmings, 72%, Fresh	$ per cwt	86.18	91.21	-5.5%	72.69	18.6%		
C	Young Chicken Slaughter *	Million Head	165.9	164.0	1.2%	172.35	-3.7%	5,072	0.2%
H	Avg. Weight (RTC)	Lbs.	4.75	4.68	1.5%	4.70	1.1%	4.77	1.8%
I	Young Chicken Production (RTC)	Million Lbs.	788.0	767.8	2.6%	809.5	-2.7%	24,197	1.9%
C	Eggs Set (US)	Million	230.4	231.9	-0.7%	233.7	-1.4%	7,240	0.7%
K	Chicks Placed (US)	Million Head	187.2	185.5	0.9%	187.6	-0.2%	5,770	-0.2%
E	National Composite Whole Bird	Composite	67.39	64.89	3.9%	83.24	-19.0%		
N	Northeast Breast, B/S	$ per cwt	117.95	113.90	3.6%	105.82	11.5%		
	Northeast Leg Quarters	$ per cwt	26.58	26.39	0.7%	44.69	-40.5%		
T	Total Turkey Slaughter *	Million Head	4.24	4.42	-4.1%	4.28	-1.0%	122.7	-0.9%
U	Avg. Weight (RTC)	Lbs.	25.35	25.70	-1.4%	25.23	0.5%	26.15	-0.8%
R	Turkey Production (RTC)	Million Lbs.	107.5	113.6	-5.4%	108.0	-0.5%	3,207	-1.7%
K	National Hen (8-12 Lbs)	$ per cwt	110.40	111.00	-0.5%	92.14	19.8%		
G	Corn, Omaha	$ per Bushel	2.97	2.99	-0.6%	4.09	-27.4%		
R	Distillers Grain, IA	$ per Ton	113.50	113.50	0.0%	132.50	-14.3%		
A	Soybean, Cntrl IL	$ per Bushel	8.76	8.90	-1.5%	8.61	1.7%		
I	Soybn Meal 48%, Cntrl IL	$ per Ton	282.20	292.00	-3.4%	299.80	-5.9%		
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).