

Livestock Market Outlook & Situation

Wisconsin Agriculture Outlook Forum

1/24/2023

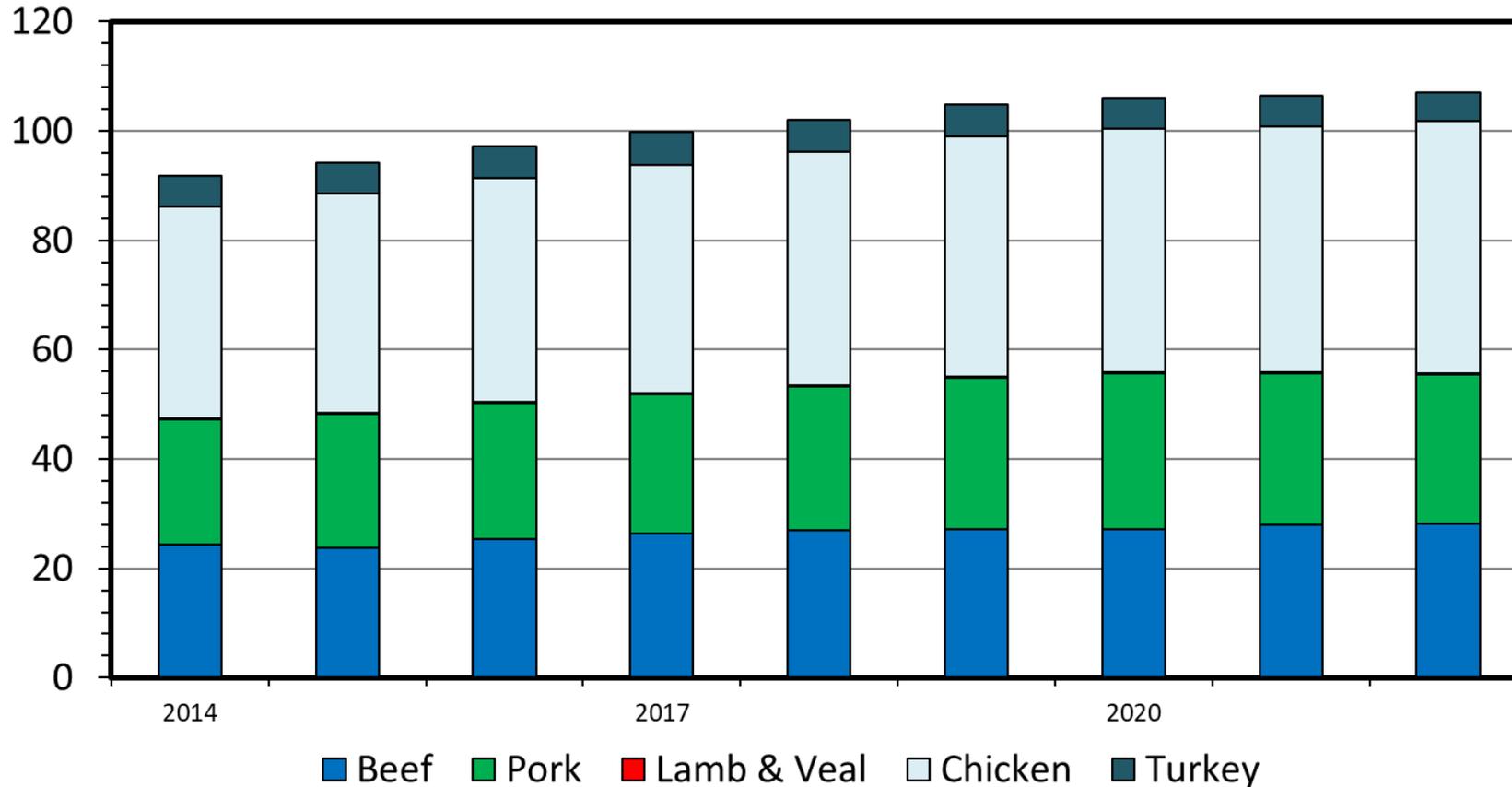
Brenda Boetel | Extension Commodity Marketing Specialist

Domestic Demand Animal Proteins

COMMERCIAL MEAT & POULTRY PRODUCTION

By Type of Meat, Annual

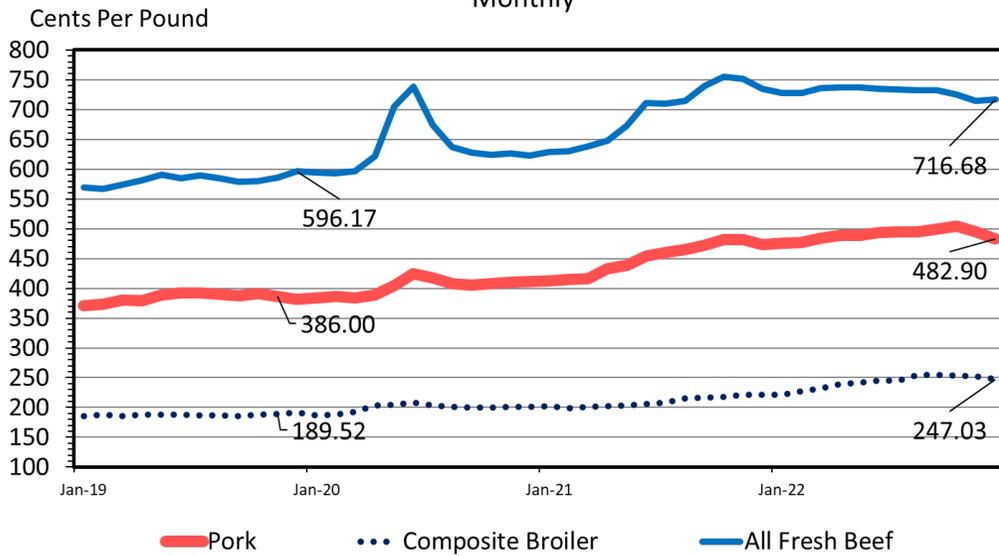
Bil. Pounds



- 2022 total meat supply was up 0.62%
- Beef up 0.5%
- Pork down 1.8%
- Chicken up 2.8%
- Turkey down 4.7%
- 2023 supply will be down 1.12%

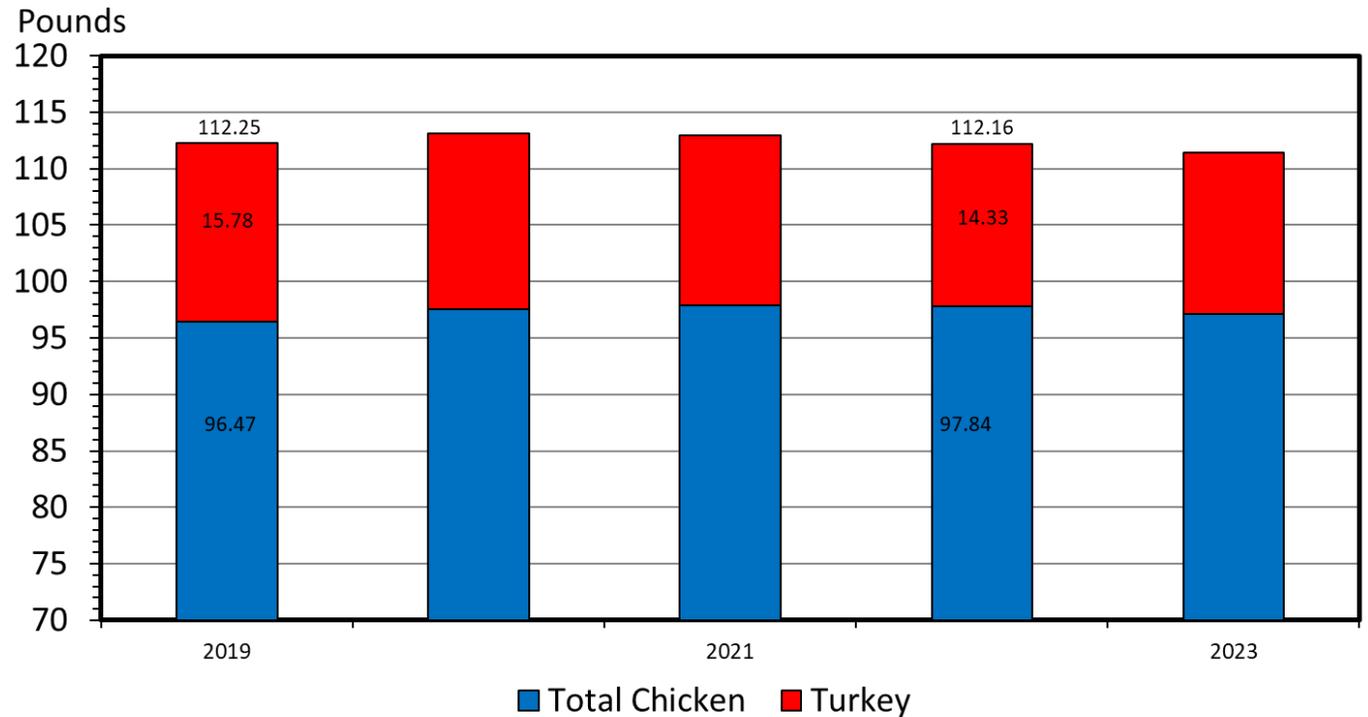
Domestic Demand Poultry

RETAIL PRICE COMPARISON
Monthly



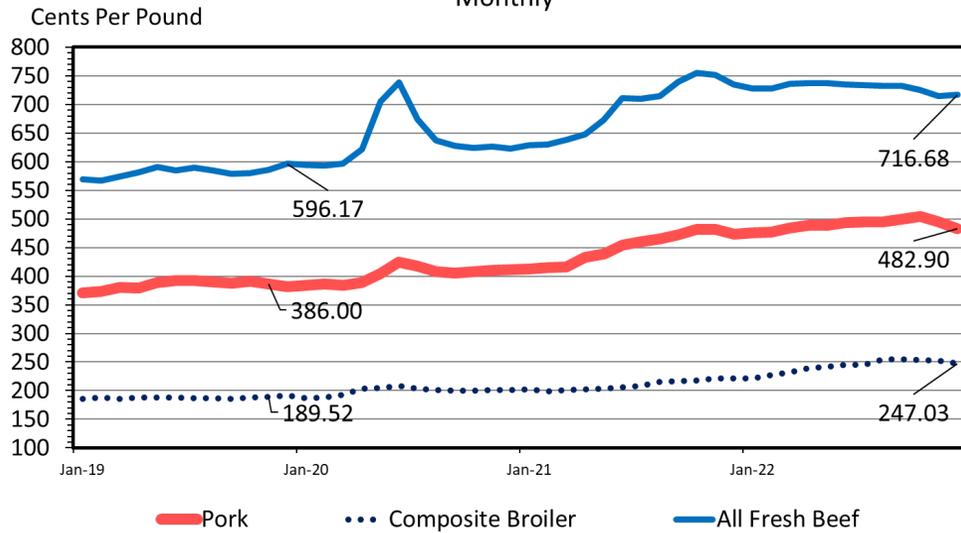
- Given inflation, Oct 2019 would have been \$218.89

US POULTRY CONSUMPTION
Per Capita, Retail Weight, Annual



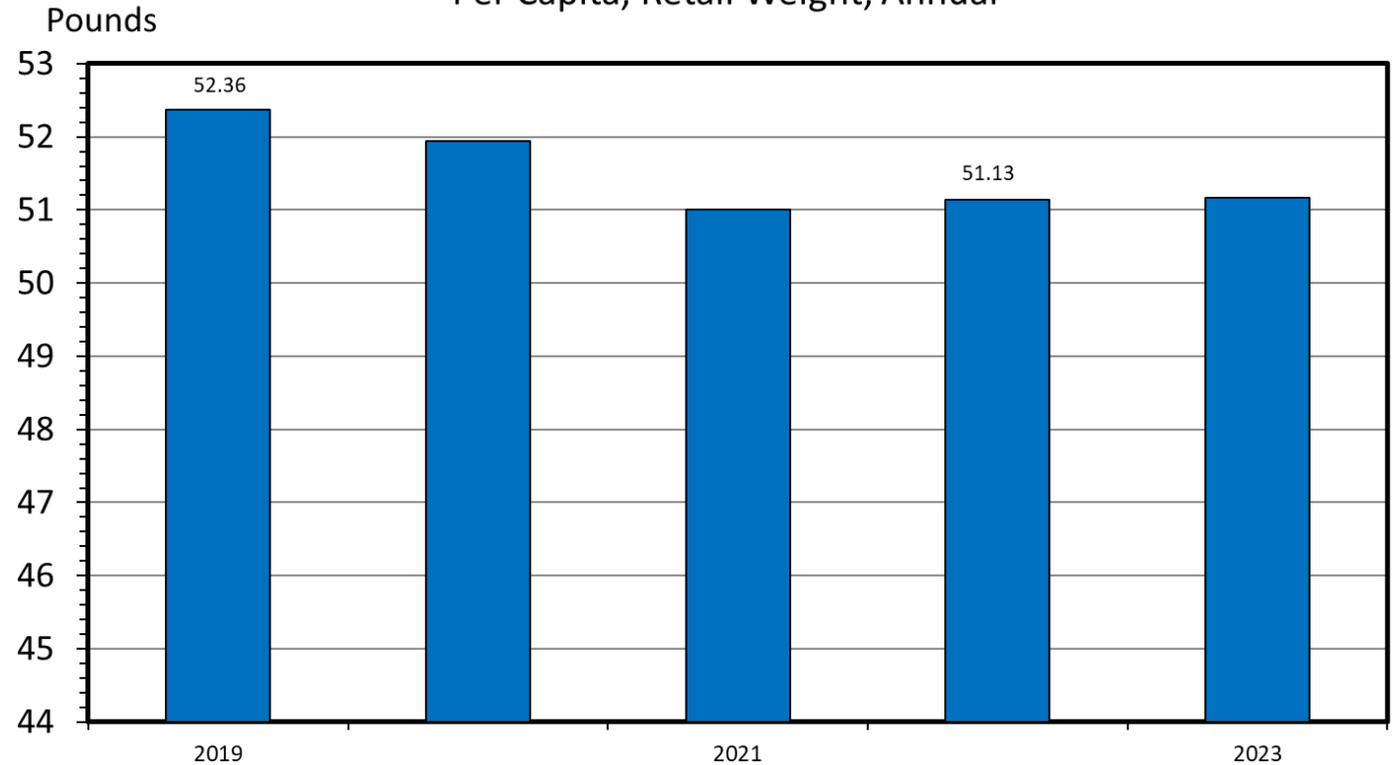
Domestic Demand Pork

RETAIL PRICE COMPARISON
Monthly



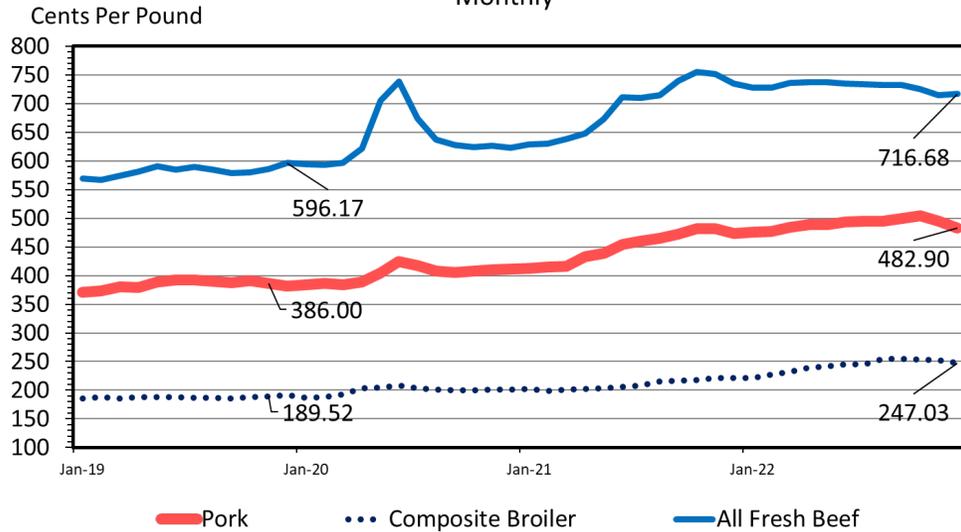
- Given inflation, Oct 2019 would have been \$445.82

US PORK CONSUMPTION
Per Capita, Retail Weight, Annual



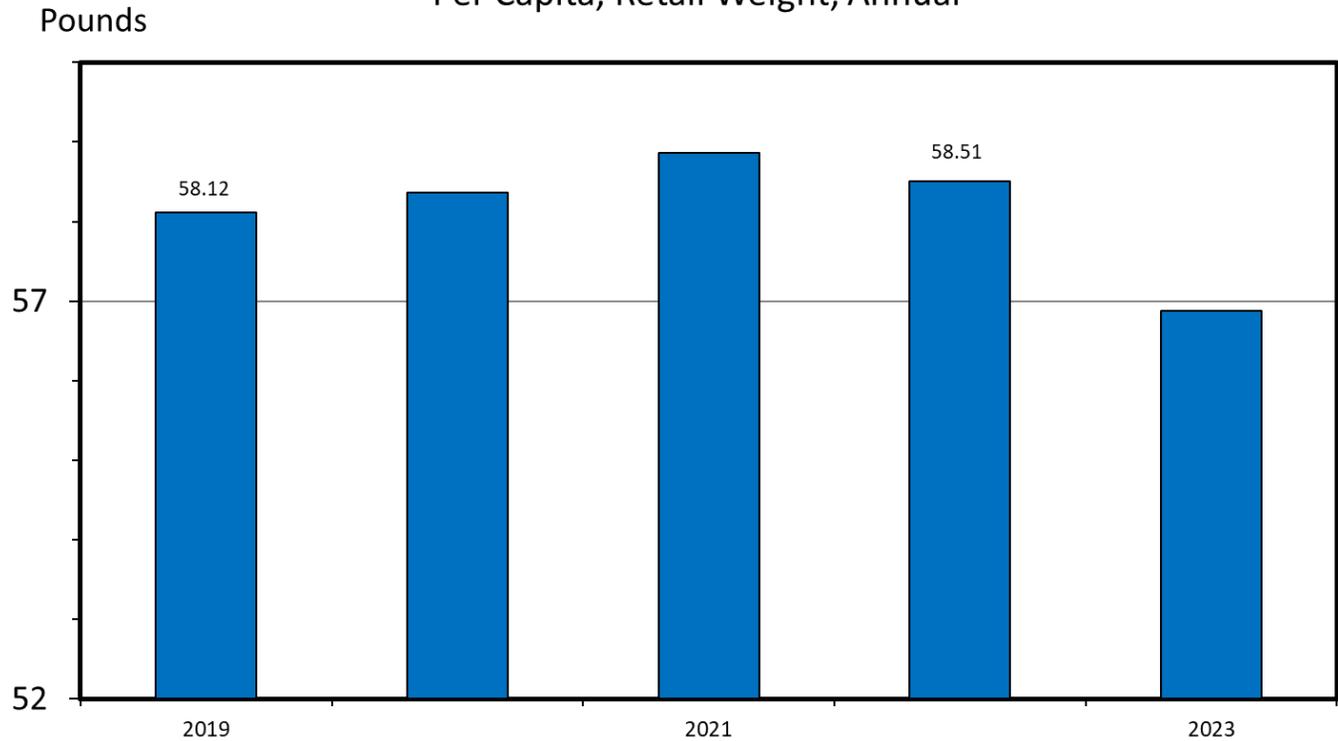
Domestic Demand Beef

RETAIL PRICE COMPARISON
Monthly



- Given inflation, Dec 2019 would have been \$688.56

US BEEF CONSUMPTION
Per Capita, Retail Weight, Annual



Domestic Demand

Where Are We Headed?

- Retail prices high
 - Beef up 7%
 - Pork up 10.1%
 - Poultry up 16.6%
- Weaker domestic demand
 - Consumer confidence – economic uncertainty limit spending
- 2023 prices likely stable to very slightly higher

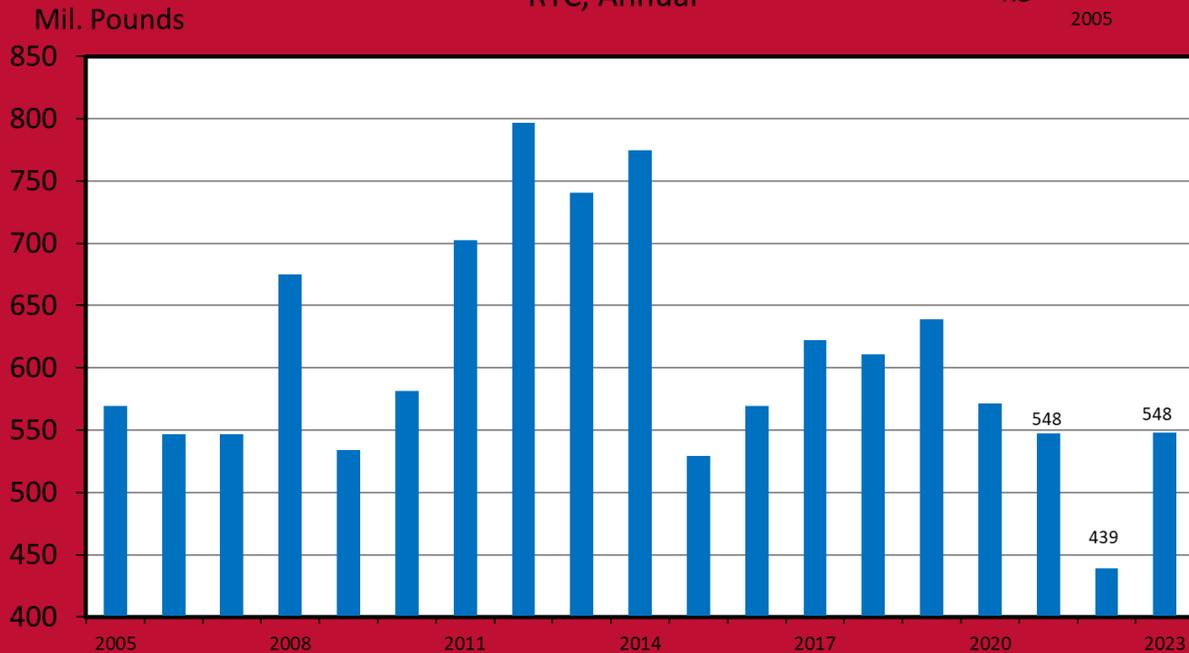


International Demand Protein Exports

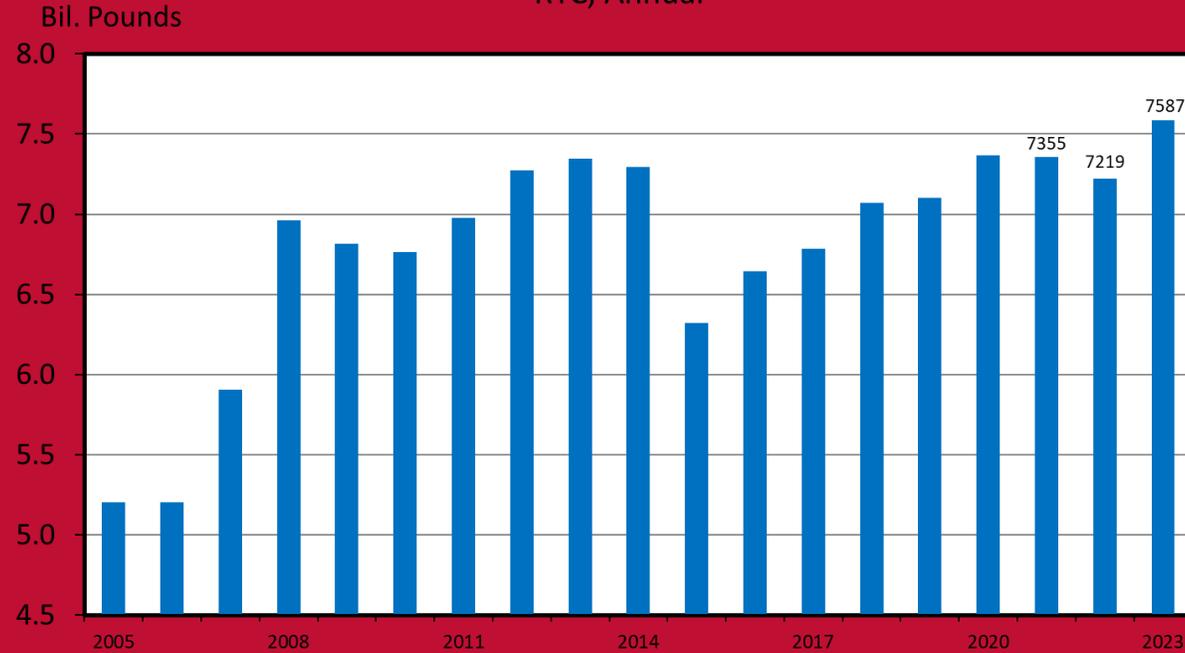


Exports Poultry

U.S. TURKEY EXPORTS
RTC, Annual



U.S. BROILER EXPORTS
RTC, Annual



Broilers

- 2022 up 50 M pounds – 7.262 B pounds (-1%)
- 2023 up +0.5%

Turkey

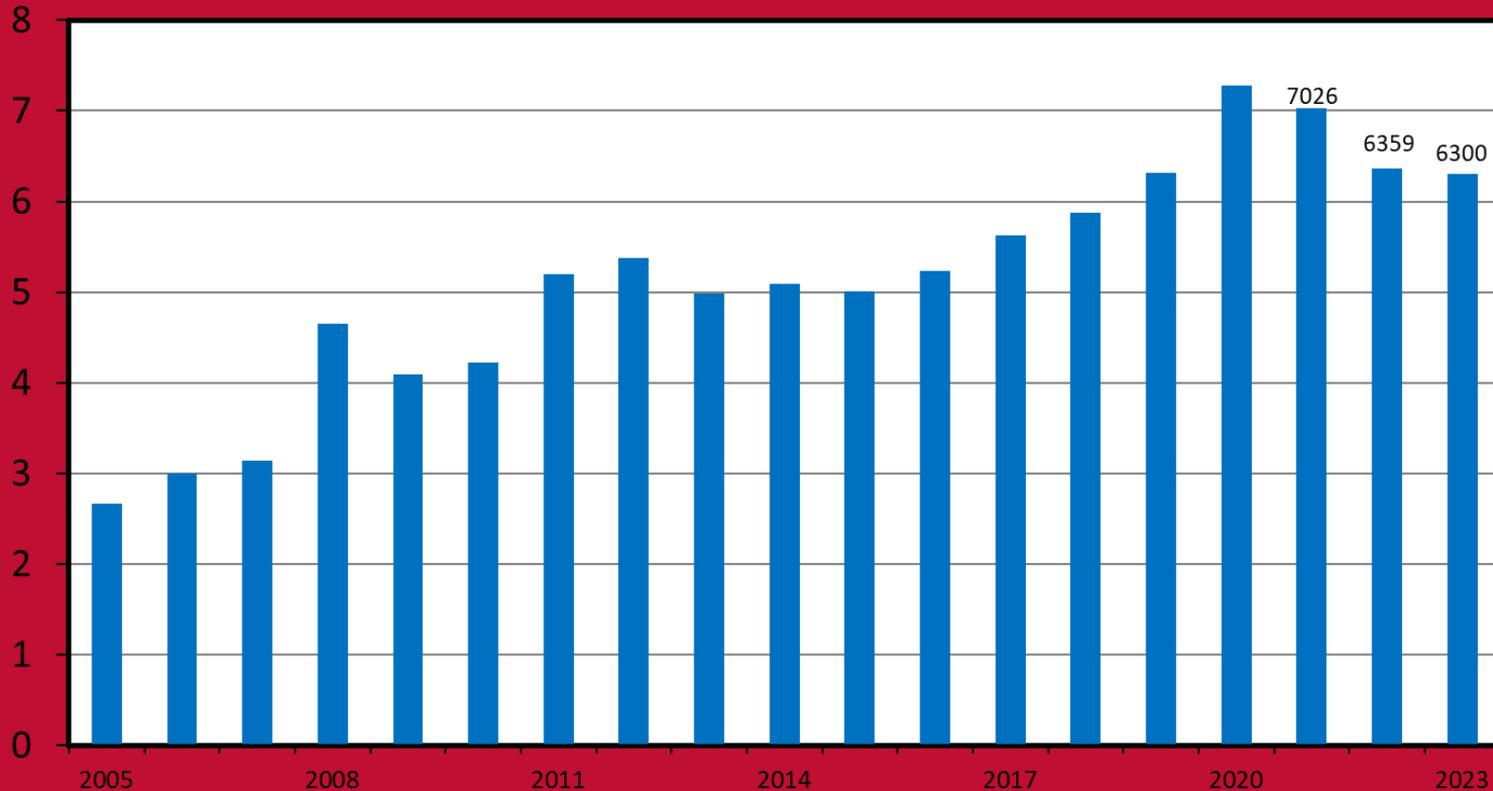
- 2022 down 24% at 347.6 M pounds
- 2023 up +1%



Exports Pork

U.S. PORK EXPORTS
Carcass Weight, Annual

Bil. Pounds



- 2022 at 6.4 B pounds (-10%)
- Exchange rate biggest issue
- 2023 at 6.28 B pounds (-0.8%)

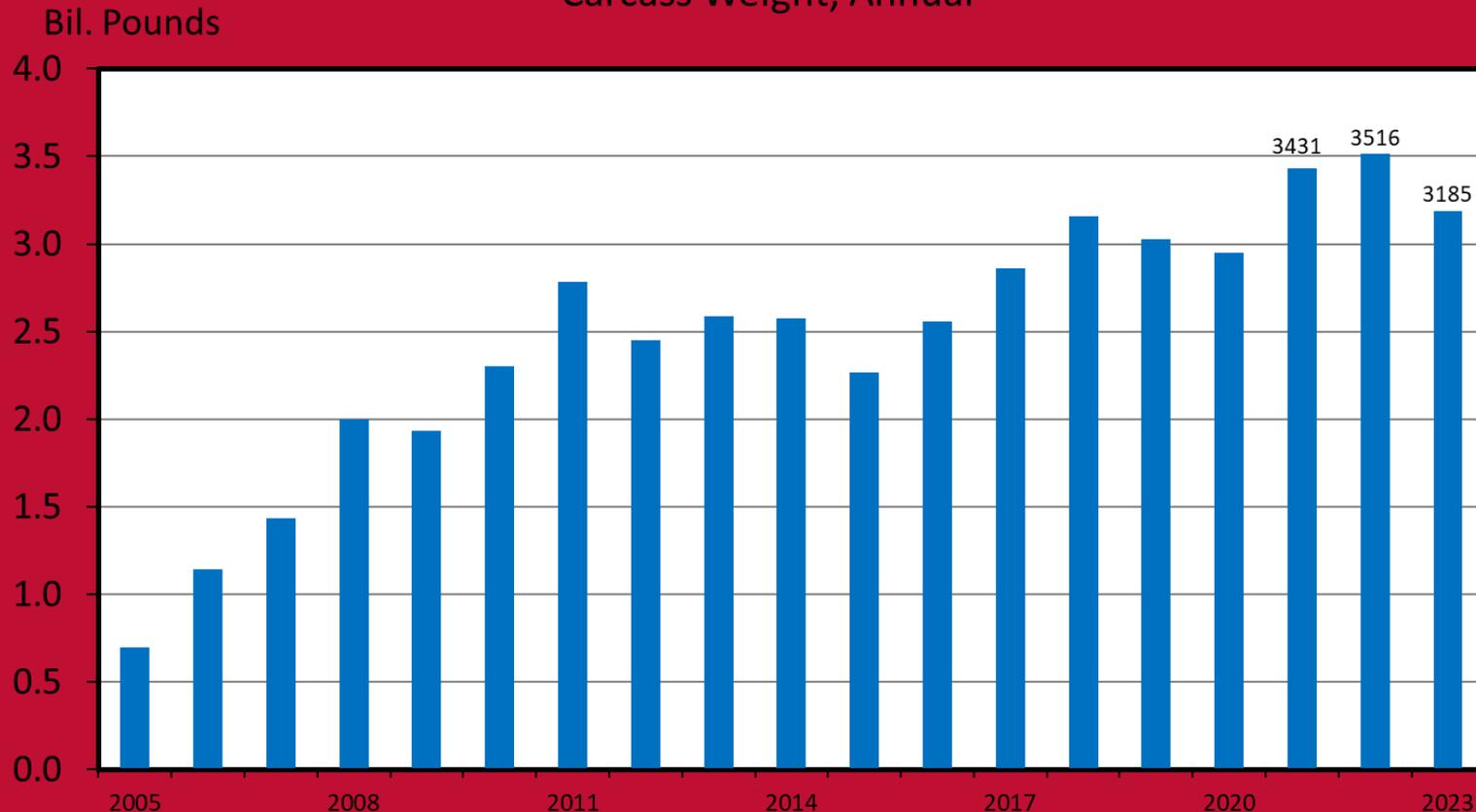


Exports

Beef & Veal

U.S. BEEF AND VEAL EXPORTS

Carcass Weight, Annual



- 2022 record year at 3.562 B pounds (+5%)
- China now 3rd largest market (+26%) taking 19% of exports
- 2023 at 3.090 B pounds (-13.3%)



Production & Outlook
Animal Proteins



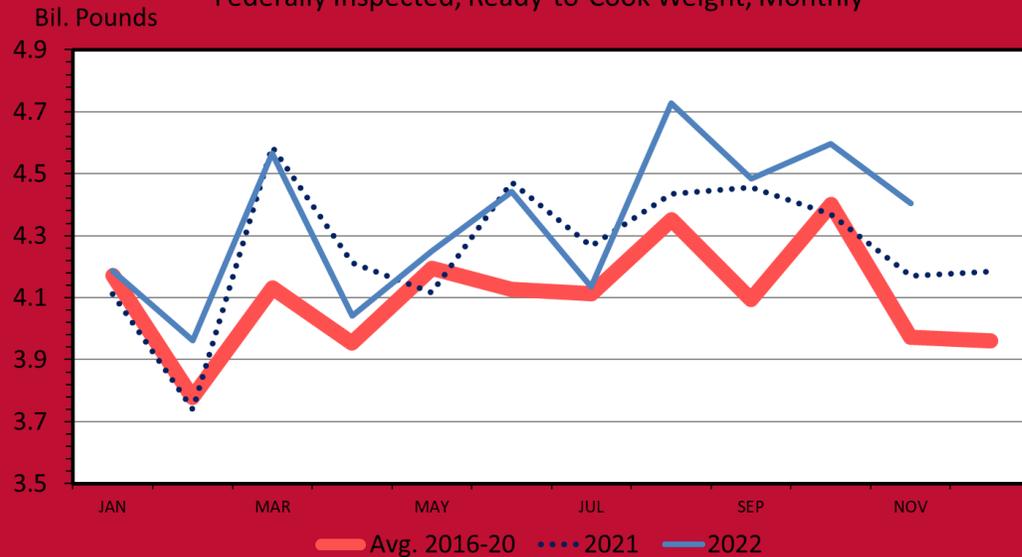
Production & Outlook

Poultry

- Poultry accounts for 51% of meat disappearance in U.S.

POULTRY PRODUCTION

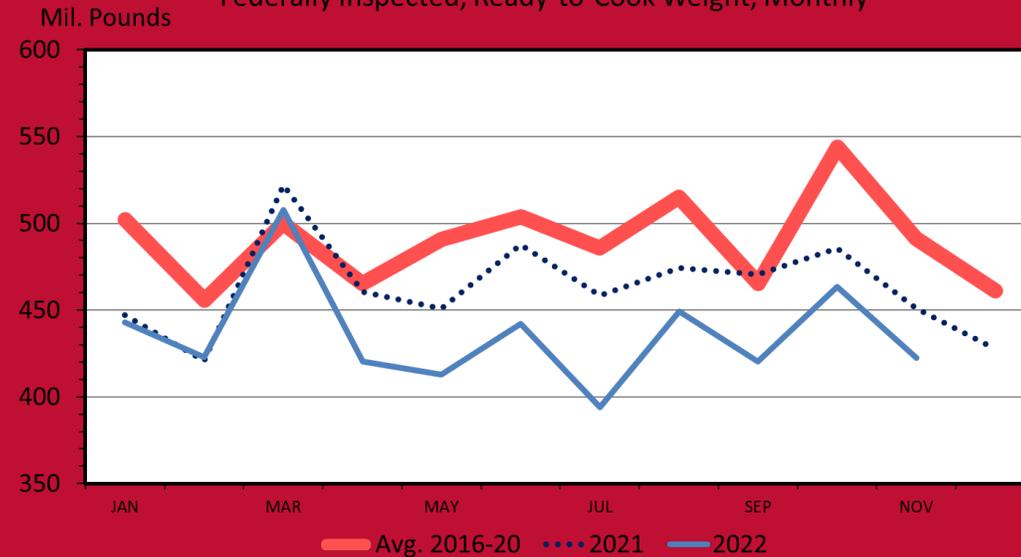
Federally Inspected, Ready-to-Cook Weight, Monthly



- Broiler production up 3% over 2021
- 2023 expected to be up 2%

TURKEY PRODUCTION

Federally Inspected, Ready-to-Cook Weight, Monthly



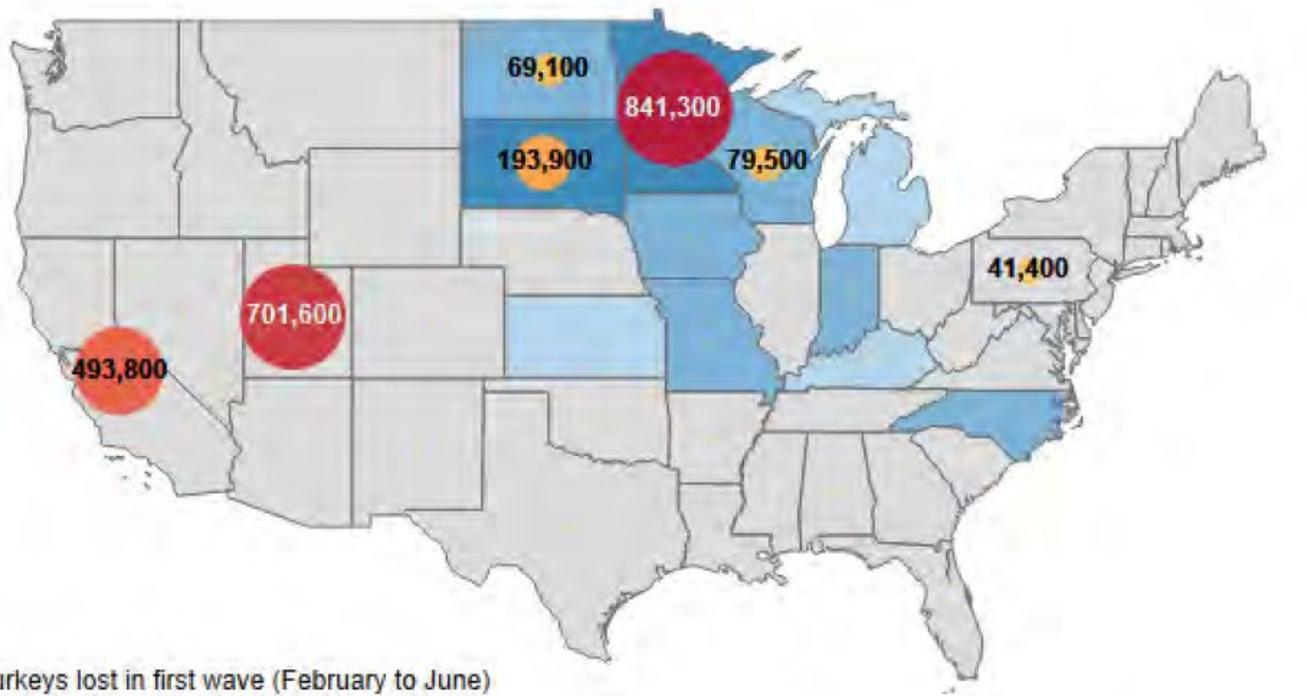
- 3rd quarter turkey production 1.264 B pounds (-10% YoY)
- Jan – Nov down 6%
- HPAI continue to be reported as of November



Production & Outlook

Turkey

2022 Commercial meat turkeys lost to Highly Pathogenic Avian Influenza (HPAI): First wave (February–May) versus second wave (July–November 8th)



Turkeys lost in first wave (February to June)

- No commercial turkey cases before July
- less than 100,000
- 100,000 to 1 million
- Over 1 million

Turkeys lost in second wave (since July)



Source: USDA, Animal and Plant Health Inspection Service.

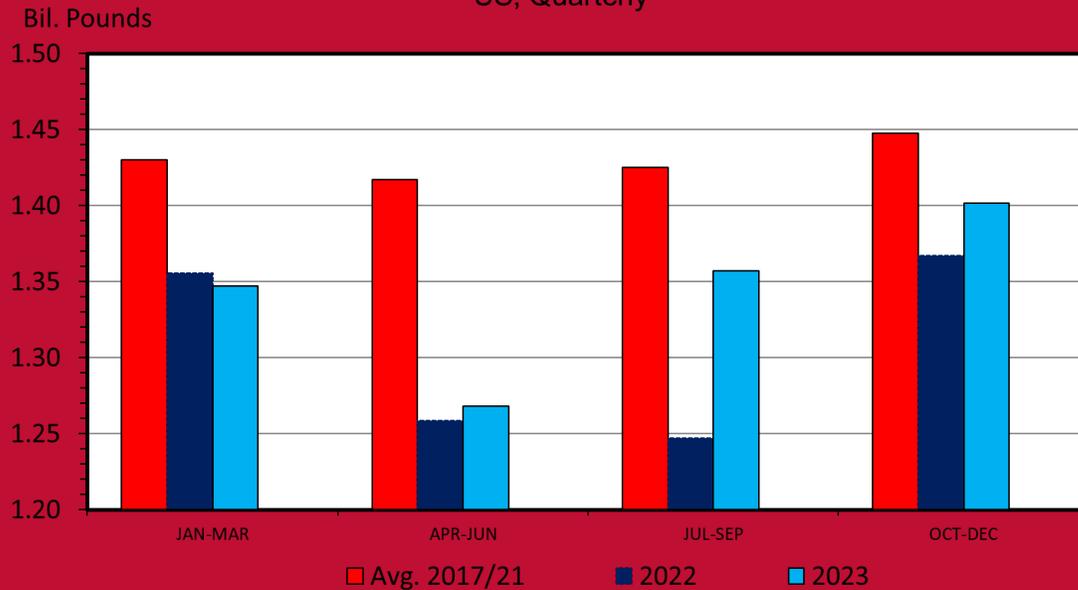
- 2.5 M commercial turkeys depopulated since July
- 5.6 M Feb – May
- 2023 turkey production up 8% over 2022, 1% down from 2021



Production & Outlook

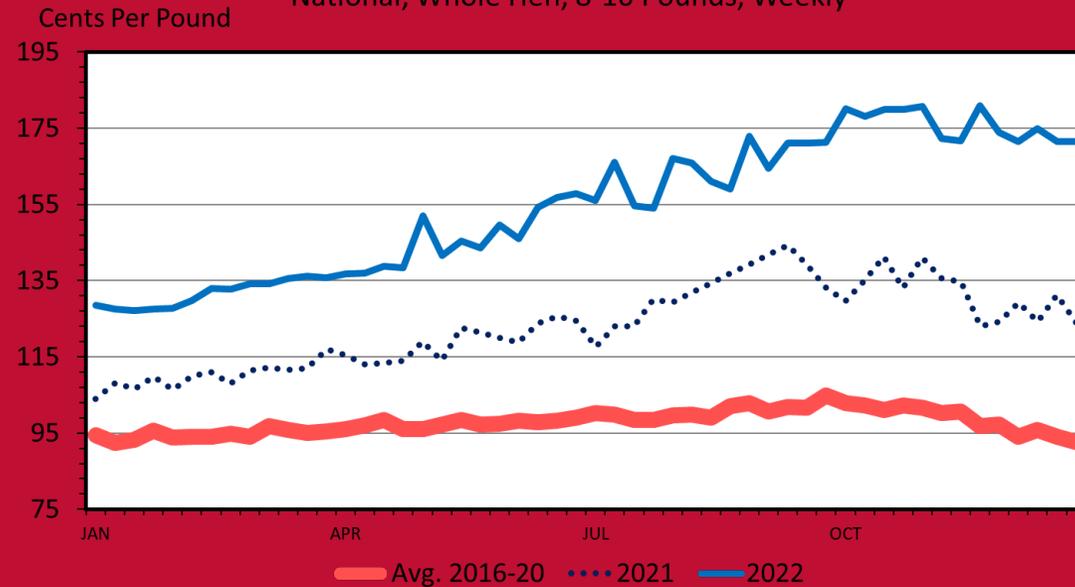
Turkey

RTC TURKEY PRODUCTION
US, Quarterly



TURKEY PRICES

National, Whole Hen, 8-16 Pounds, Weekly



- 2023 turkey production up 8% over 2022

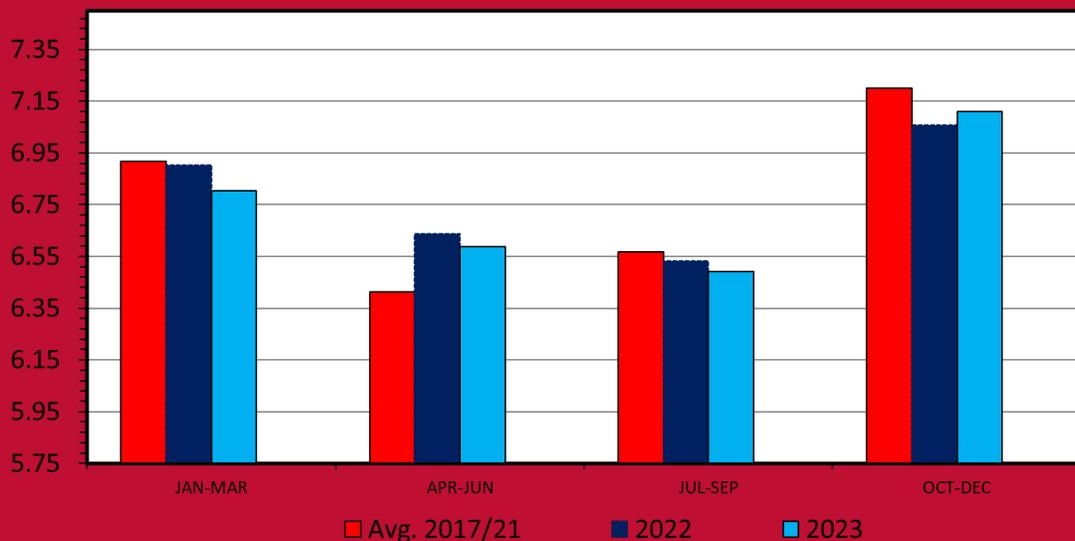
- 2022 154.7 cents per pound
- 2023 153 cents per pound



Production & Outlook Pork

COMMERCIAL PORK PRODUCTION US, Quarterly

Bil. Pounds

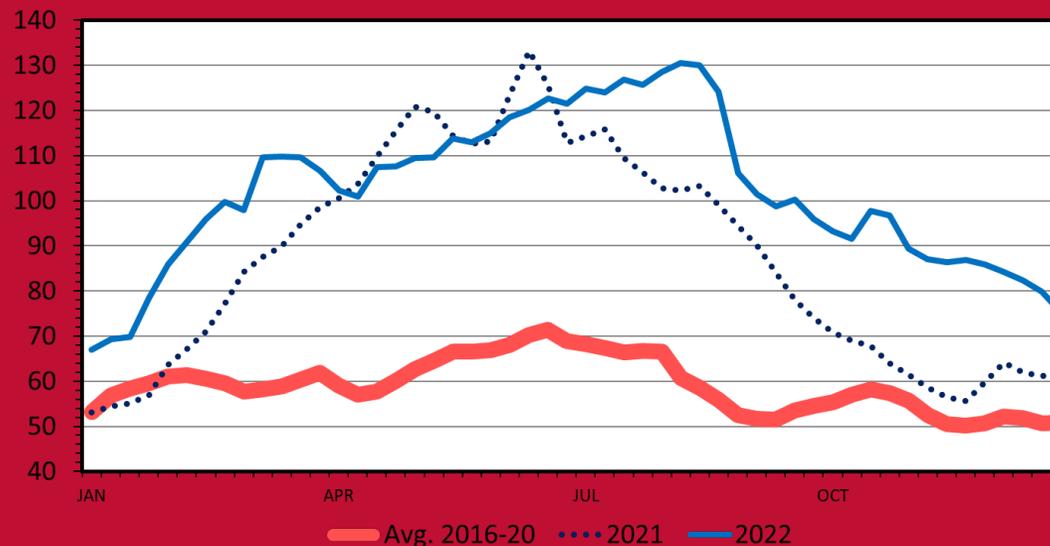


- 2022 down 2.4%
- 2023 down 0.6%

BARROW AND GILT PRICES

Iowa – So. Minnesota, Carcass Base Price, Weekly

\$ Per Cwt.

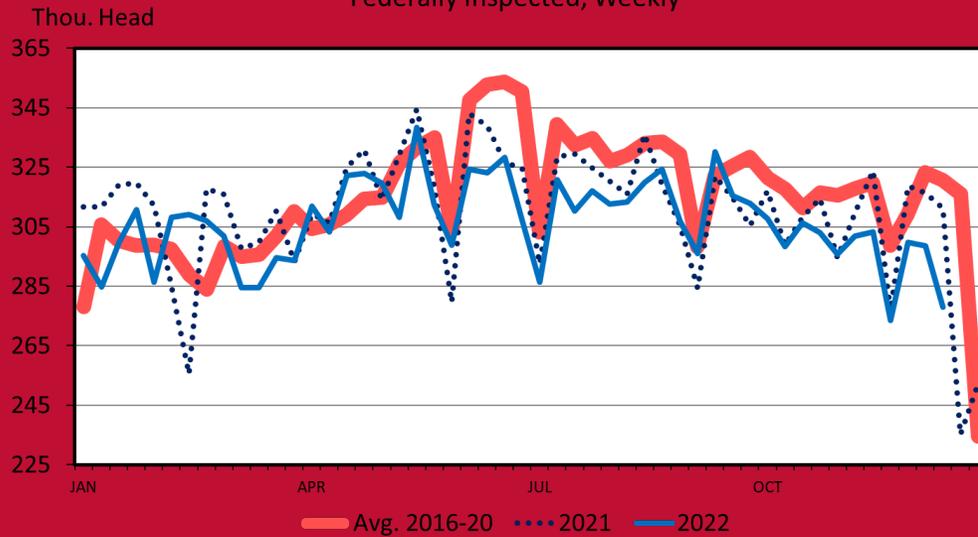


- 2022 up 6.7%
- 2023 down 0.5%



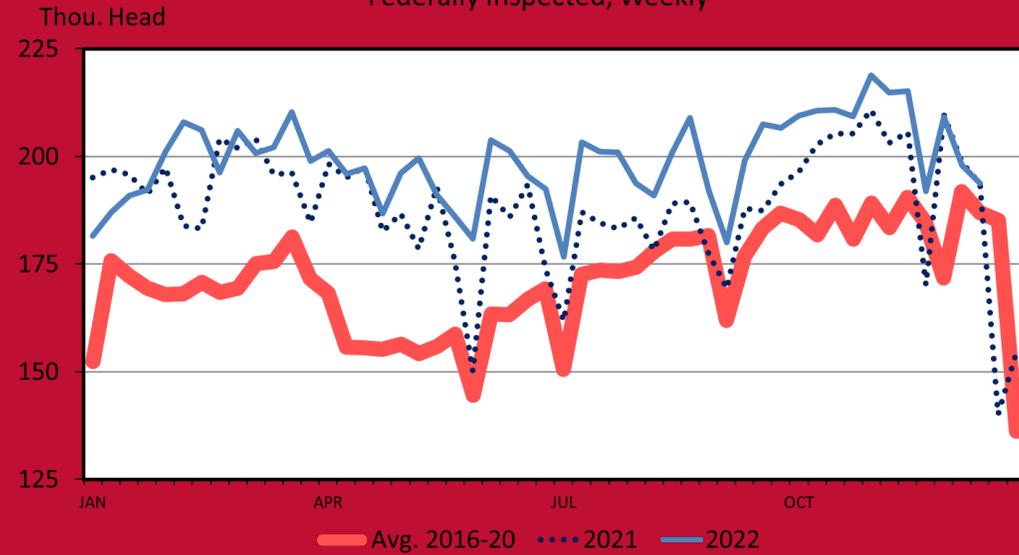
Production & Outlook Beef

STEER SLAUGHTER
Federally Inspected, Weekly

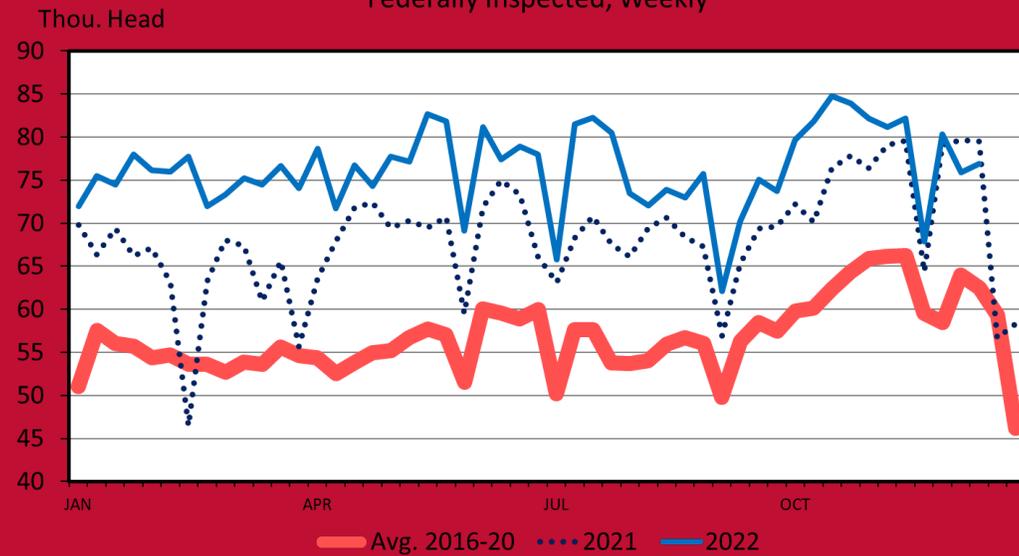


- Steer slaughter down 1.9%
- Heifer slaughter up 4.6%
- Beef cow slaughter up 10.9%

HEIFER SLAUGHTER
Federally Inspected, Weekly



BEEF COW SLAUGHTER
Federally Inspected, Weekly

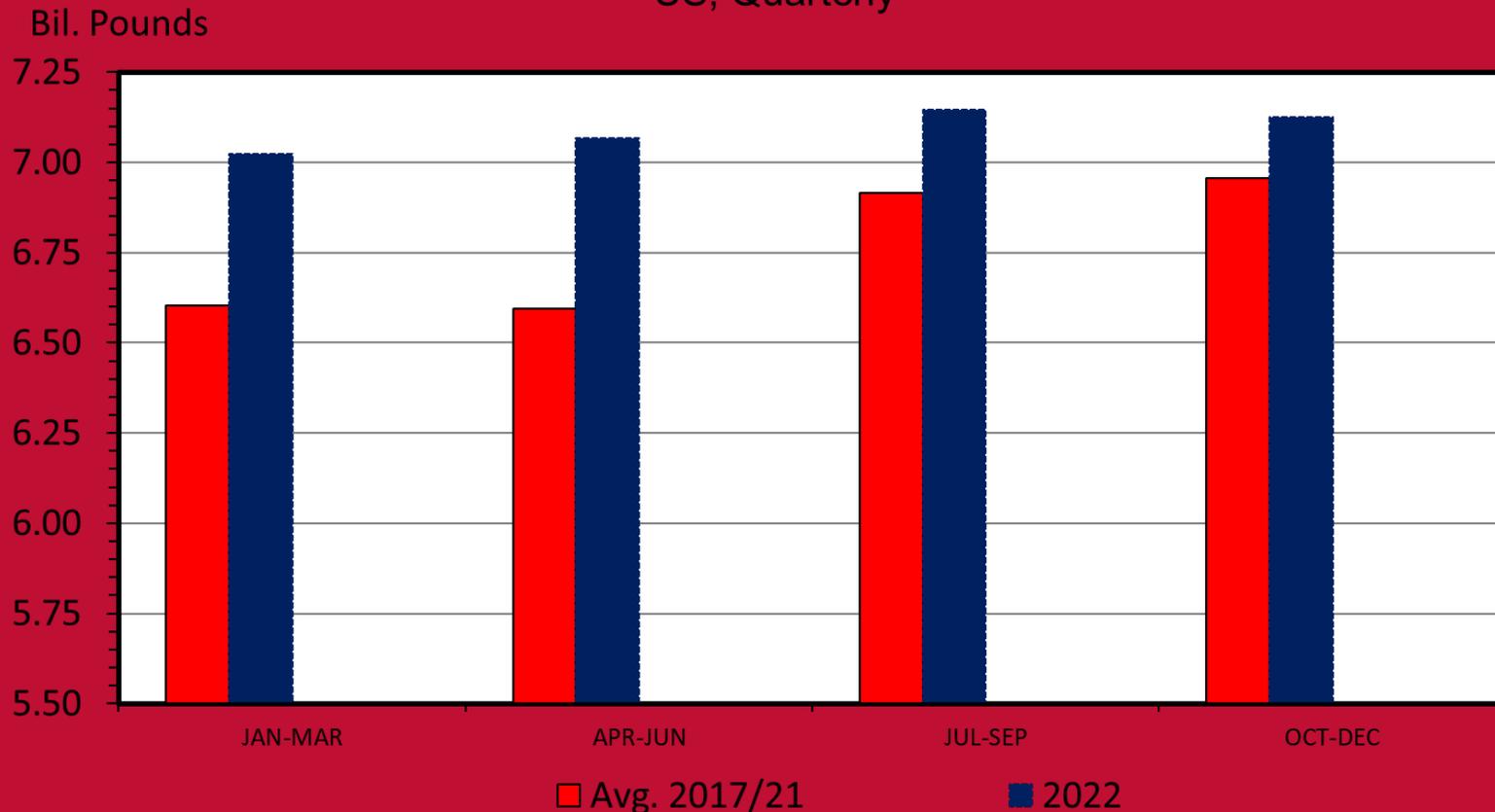




Production & Outlook

Beef

COMMERCIAL BEEF PRODUCTION
US, Quarterly



- Total slaughter up 1.7%
- Dressed weights down 0.1%
- 2022 production up 1.5% from 2021



Production & Outlook

Beef

**HEIFERS ON FEED AS A PERCENT
OF TOTAL CATTLE ON FEED**

U.S., Beginning of Quarter



- Heifer placements 39.7% of COF
- Expected level during contraction at 34.4%
- 2022 beef herd contracted approximately 1 million head (-3.3%)
- Cow culling likely decrease another 300,000 head in 2023
- 2022 calf crop down 2%, see 2023 down another 2.3%

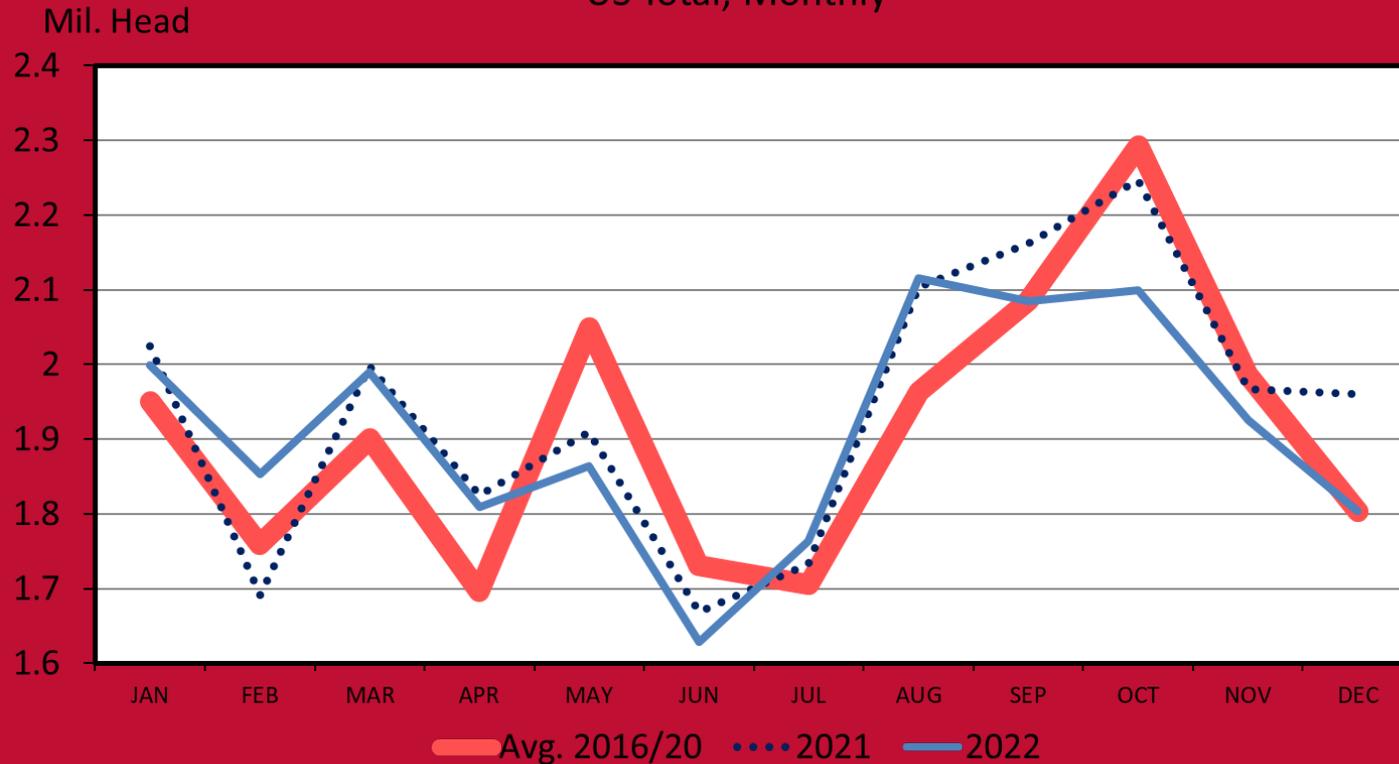


Production & Outlook

Beef

FEEDLOT PLACEMENTS

US Total, Monthly



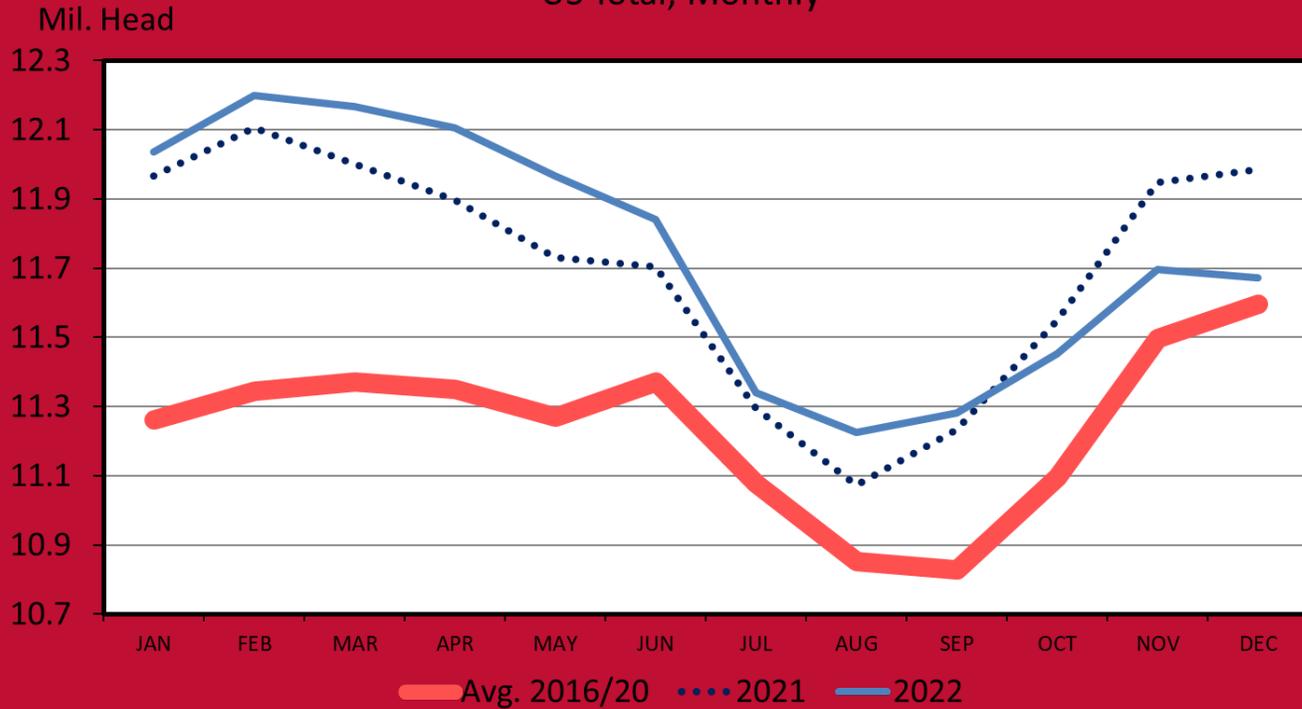
- Placements have dropped in Q4, 2022
- Down 5.5% YoY



Production & Outlook

Beef

CATTLE ON FEED
US Total, Monthly



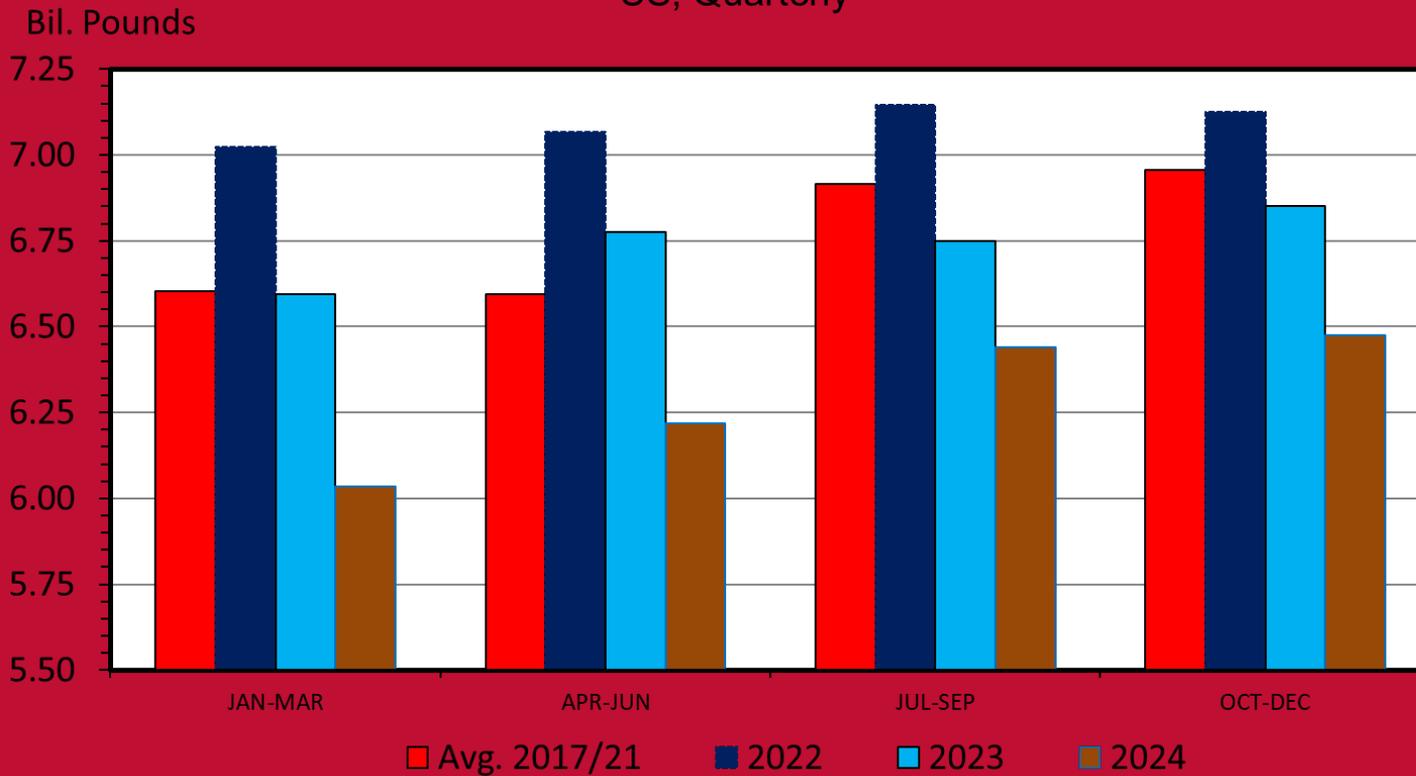
- Feedlots remained full for 3 years
- Start 2023 down 2.9%



Production & Outlook

Beef

COMMERCIAL BEEF PRODUCTION
US, Quarterly



- 2023 production down 5.1%

Forecast

Where will prices and output go from here?

	Domestic Demand	Retail Price	Exports	Farm Prod	Farm Price
Broilers	↑	↓ 1%	↑ 1%	↑ 2%	↔
Turkey	↑	↓ 1%	↑ 1%	↑ 8%	↓ 1.1%
Pork / Hogs	↔	↔	↓ 1.8%	↑ 0.9%	↓ 0.9%
Beef / Cattle	↓	↑ 1%	↓ 13.3%	↓ 4.9%	↑ variable



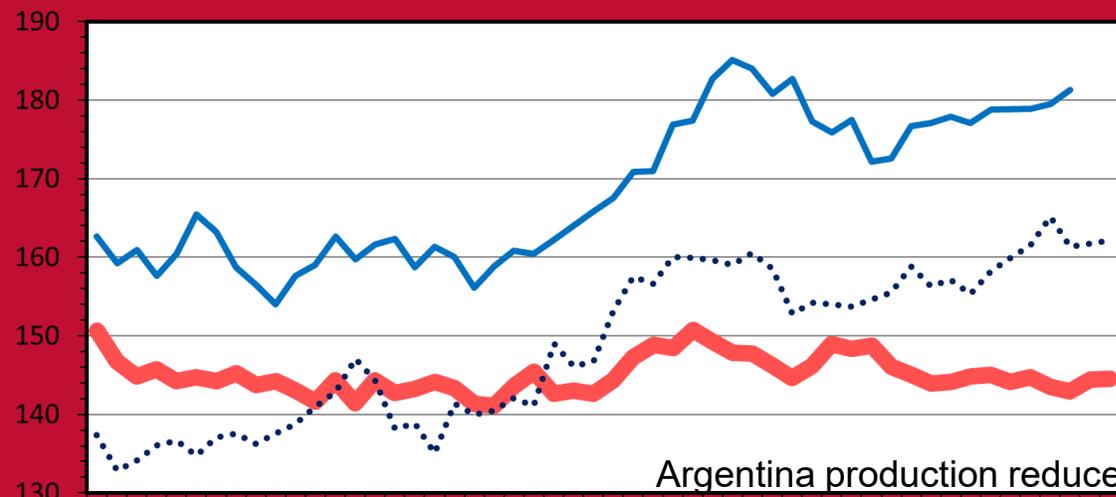
Production & Outlook

Beef

MED. & LRG. #1 FEEDER STEER PRICES

700-800 Pounds, Southern Plains, Weekly

\$ Per Cwt.



Argentina production reduced 10 MMT

Brazil record production, but likely also lower

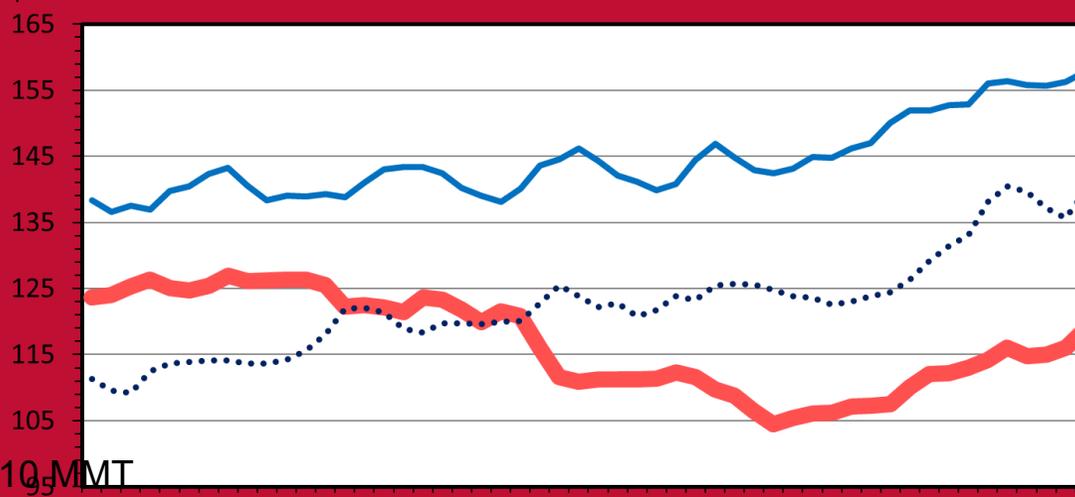
Right carryover

— Avg. 2016-20 ••• 2021 — 2022

SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly

\$ Per Cwt.



— Avg. 2016-20 ••• 2021 — 2022

Futures are inverted

Feeders

- Q1 – 11.9%
- Q2 – 12.2%
- Q3 – 3.1%
- Q4 – 4.8%

Calves

- Q1 – 0.9%
- Q2 – 6.7%
- Q3 – 9.4%
- Q4 – 17.5%

Live Steers

- Q1 – 7.4%
- Q2 – 9.6%
- Q3 – 6.7%
- Q4 – 3.0%



Factors to Watch

- Recession & Value of Dollar
- HPAI, ASF, PURS, etc
- Weather



Questions or Comments

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