

Update on the Livestock & Meat Situation

Jayson Lusk, Department Head & Distinguished Professor of Agricultural Economics

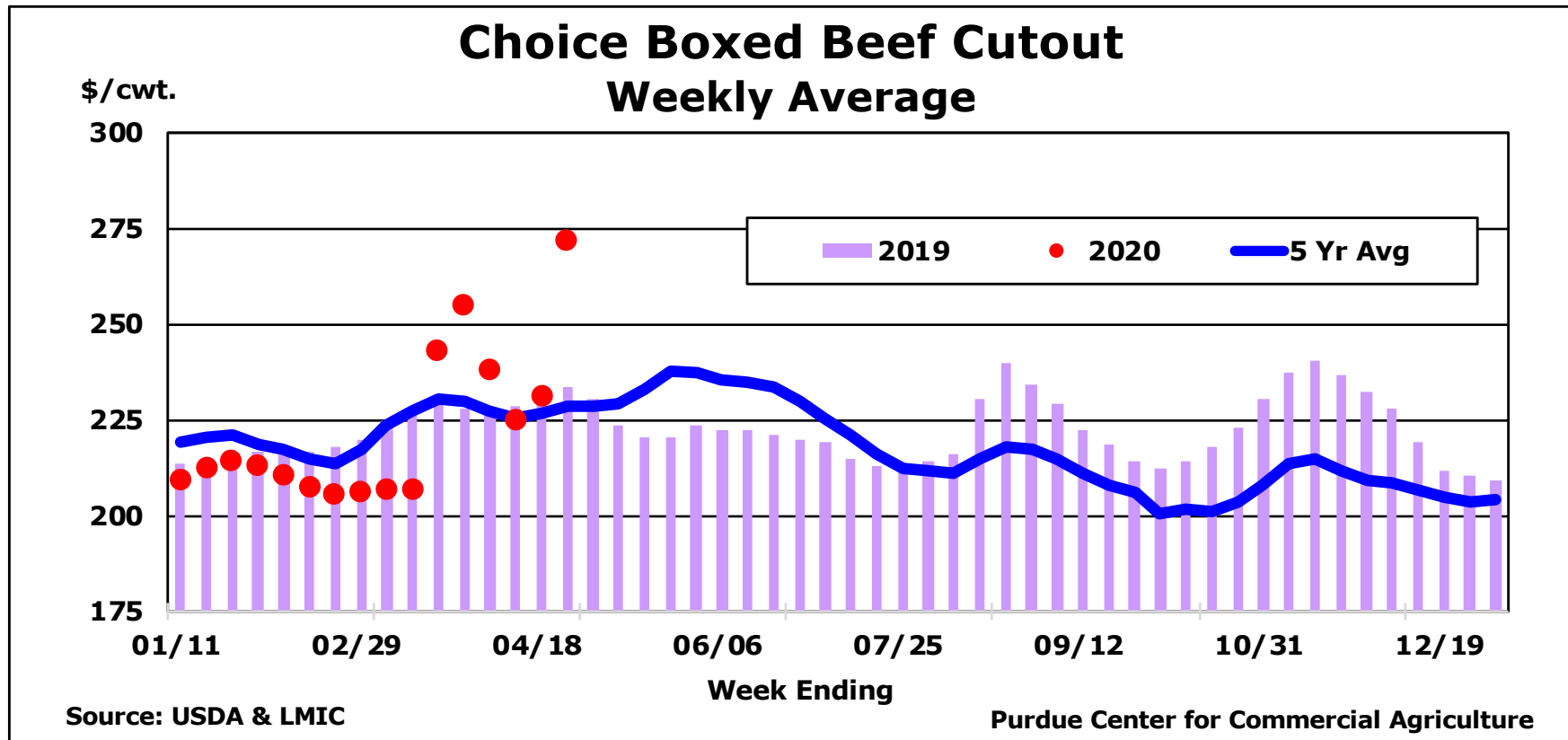
James Mintert, Director, Center for Commercial Agriculture

PURDUE
UNIVERSITY

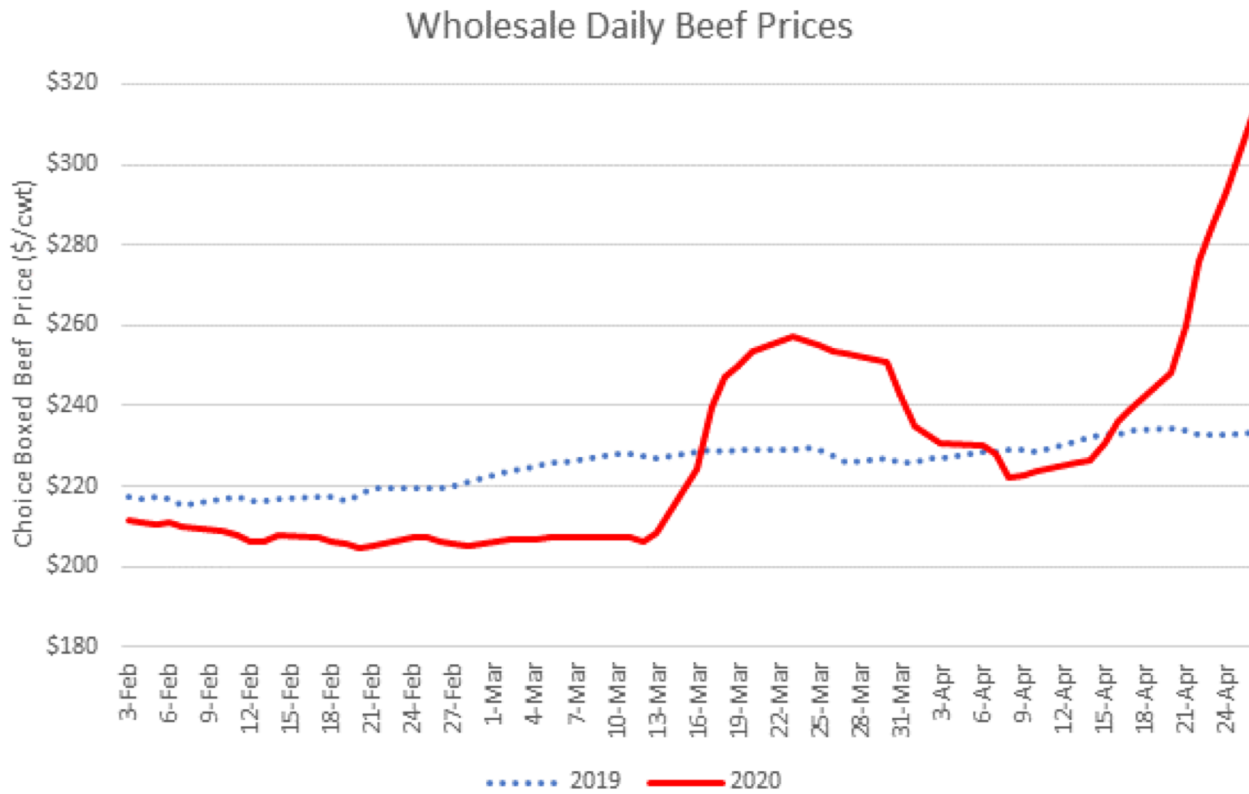
Center for
Commercial Agriculture

April 28, 2020

Boxed Beef Prices Strengthened As Meat Supplies Tightened

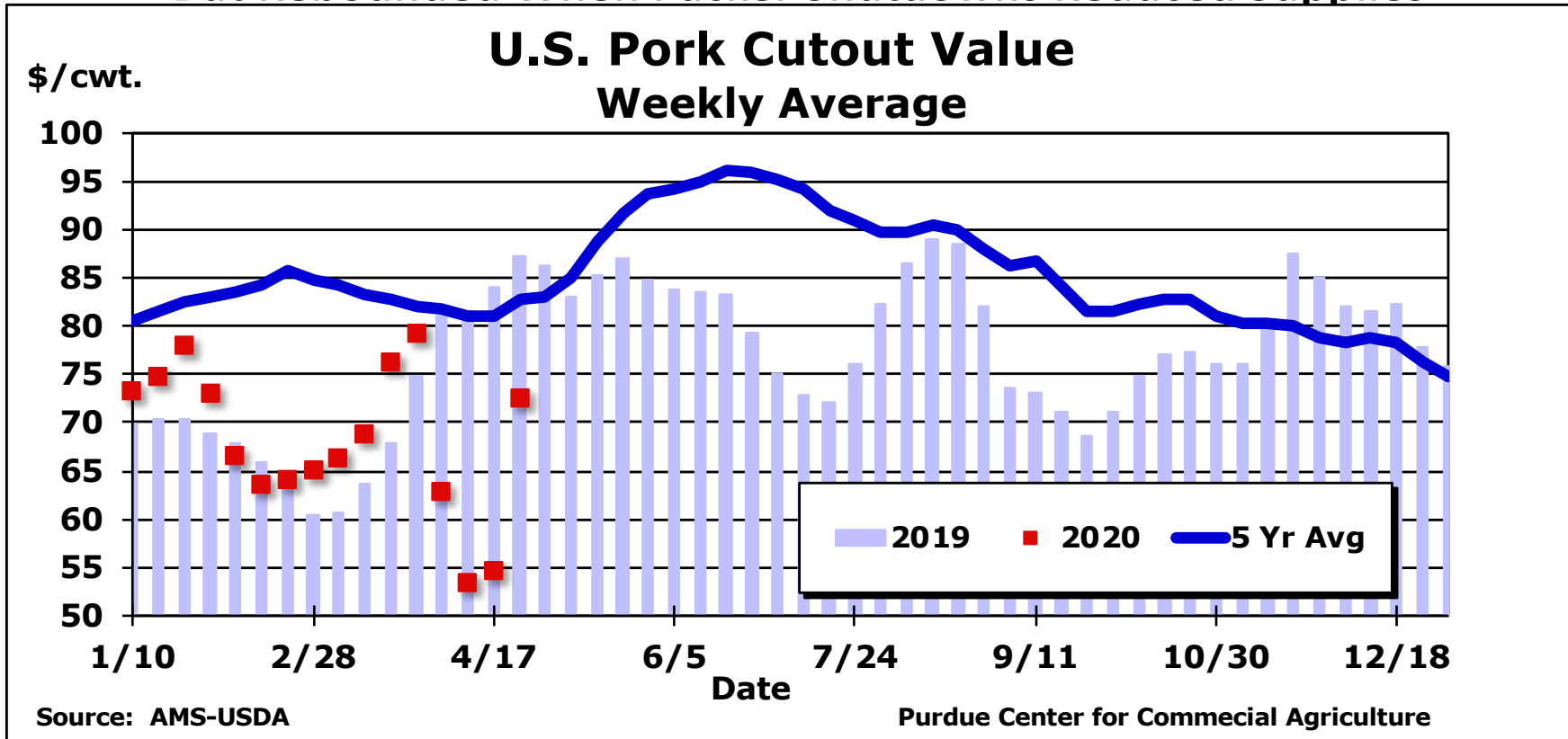


Meat prices taking off again

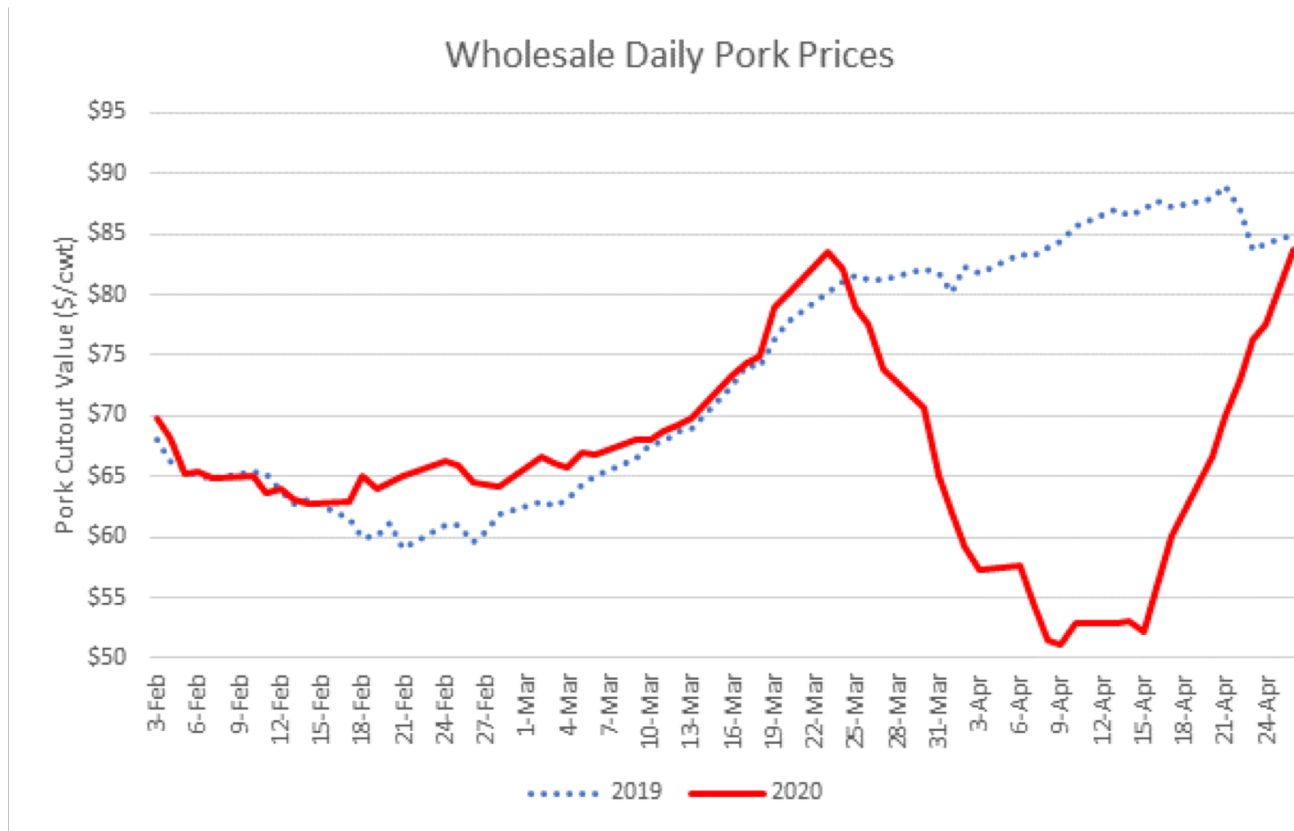


Source: Lusk calculations based on USDA data

Wholesale Pork Values Collapsed Initially But Rebounded When Packer Shutdowns Reduced Supplies



Meat prices taking off again

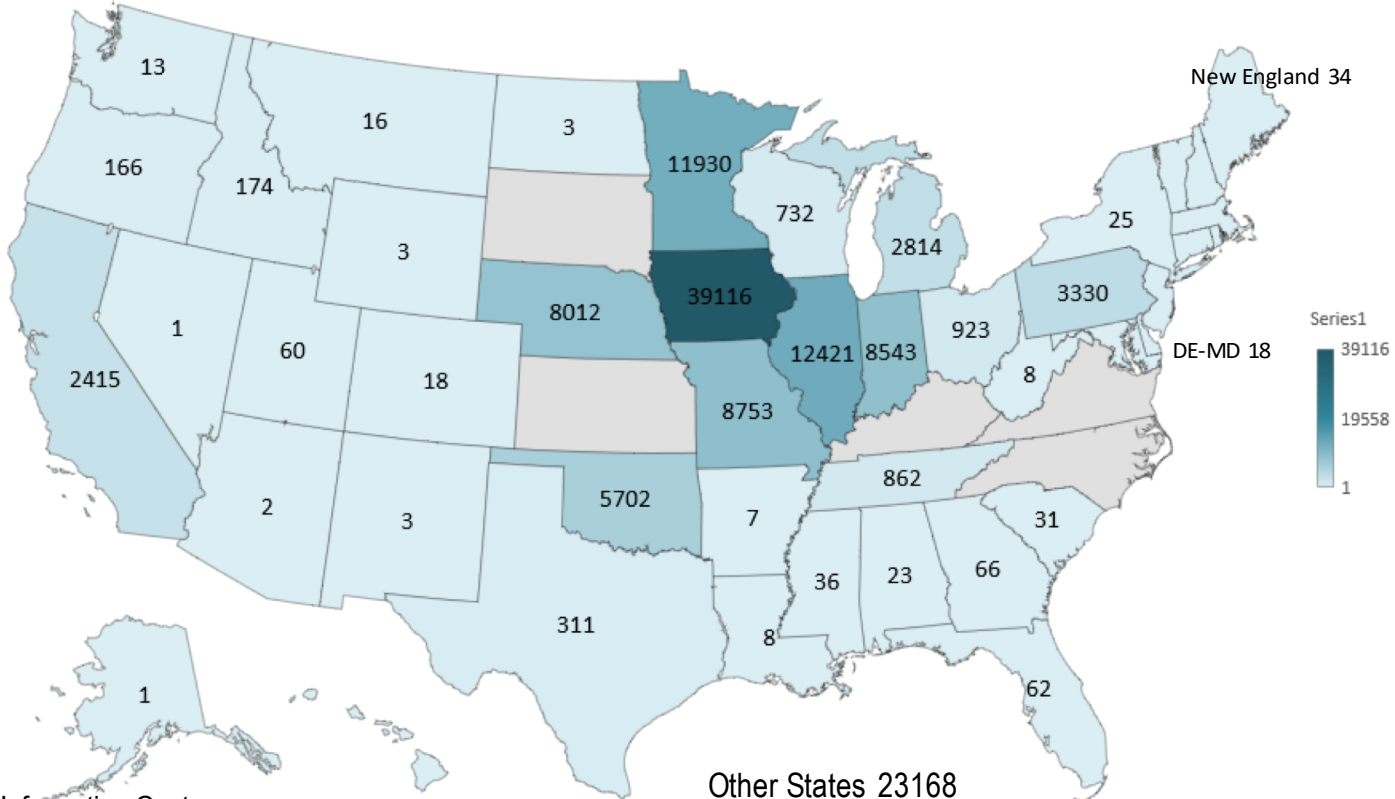


Source: Lusk calculations based on USDA data

Meat packing is vulnerable to worker illnesses



COMMERCIAL HOG SLAUGHTER 2019 (1000 Head)



State Share

- IA = 30%
- IL = 10%
- MN = 9%
- NC = 7%
- MO = 7%
- IN = 7%
- NE = 6%
- SD = 4%

Livestock Marketing Information Center
Data Source: USDA-NASS

Other States 23168
U.S. Total 129913

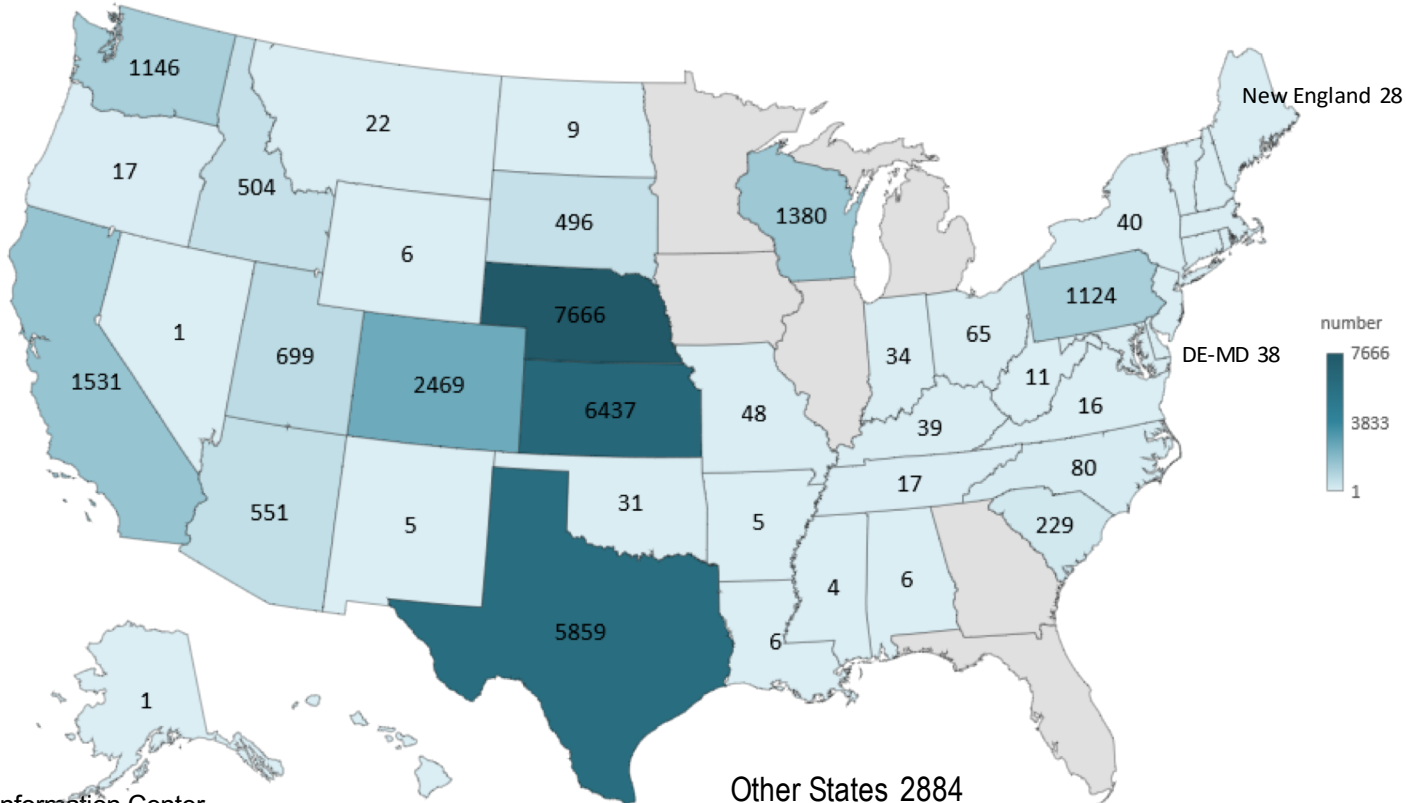
Powered by Bing
© GeoNames, HERE, MSFT



Center for
Commercial Agriculture

COVID19's Impact on Meat and Livestock, April 28, 2020

COMMERCIAL CATTLE SLAUGHTER 2019 (1000 Head)



Livestock Marketing Information Center
Data Source: USDA-NASS

Other States 2884
U.S. Total 33555

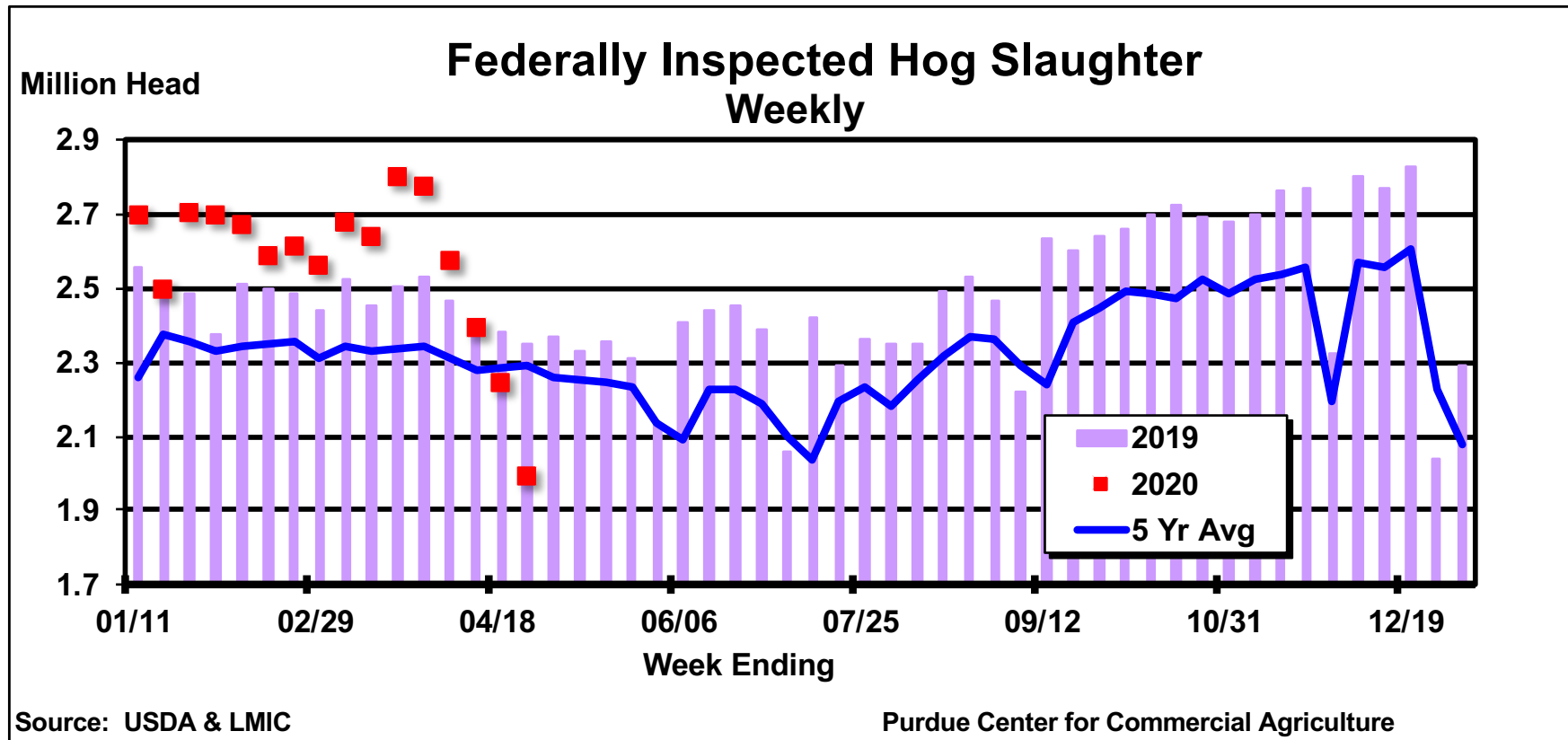
Powered by Bing
© GeoNames, HERE, MSFT



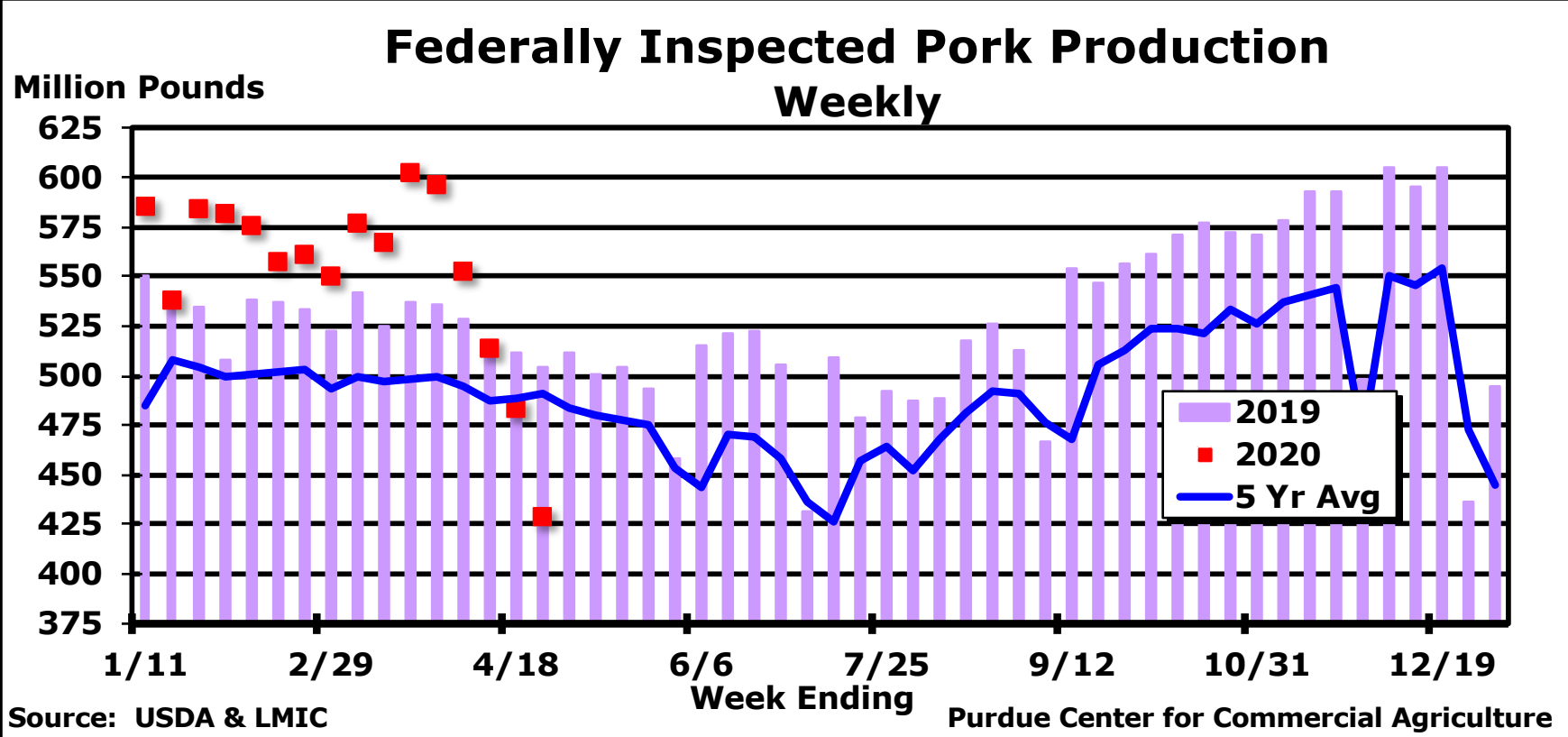
Center for
Commercial Agriculture

COVID19's Impact on Meat and Livestock, April 28, 2020

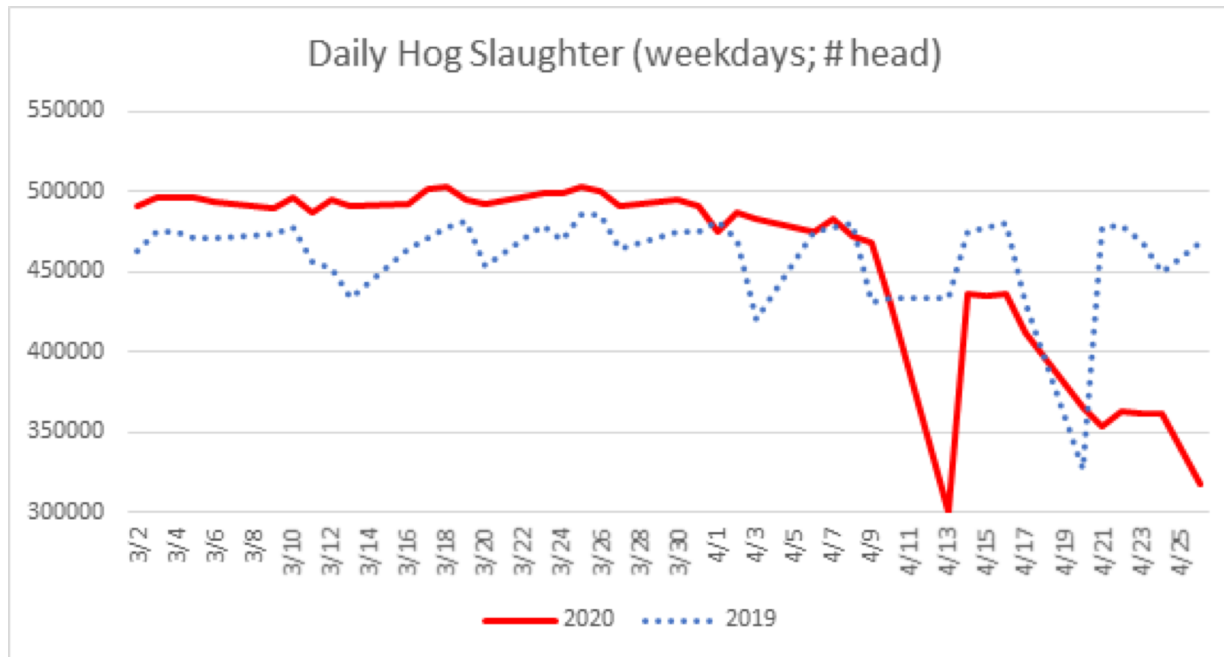
Weekly Hog Processing Volume Has Declined 26% Since Early March



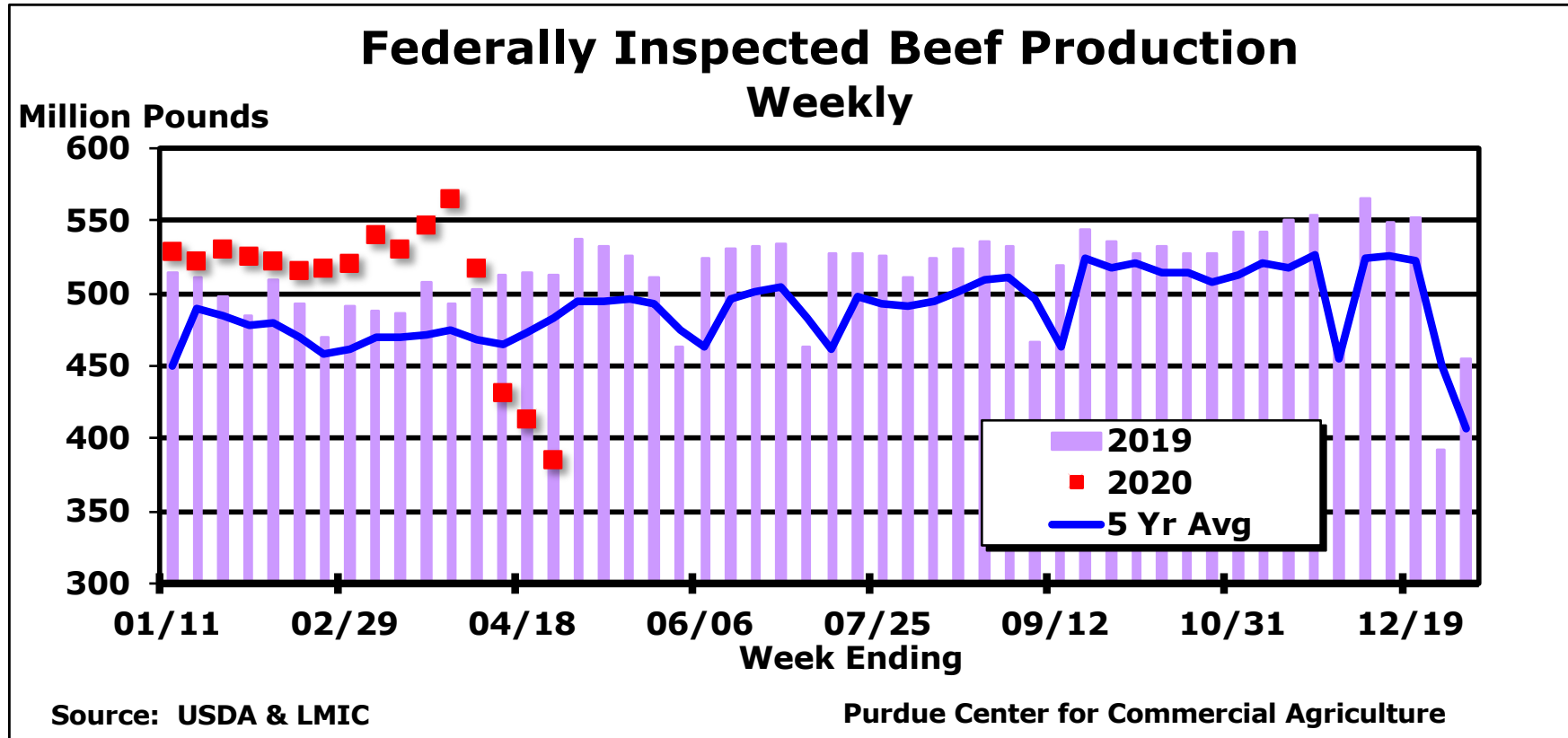
Weekly Pork Production Has Declined 26% Since Early March



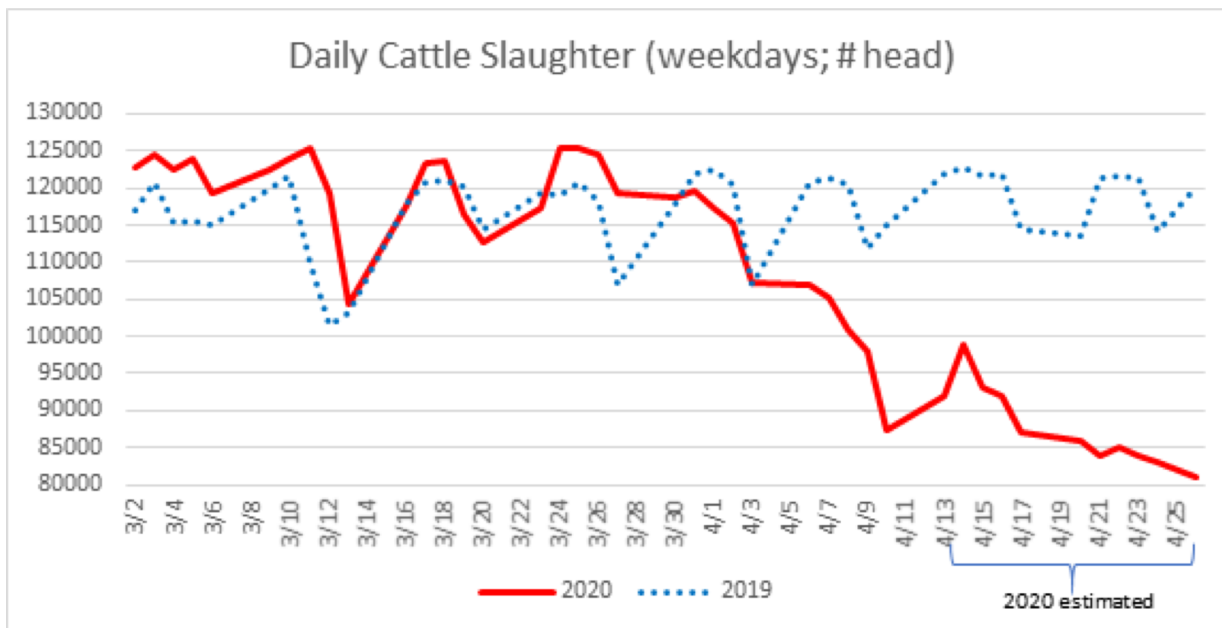
Daily hog processing down almost 50% yesterday



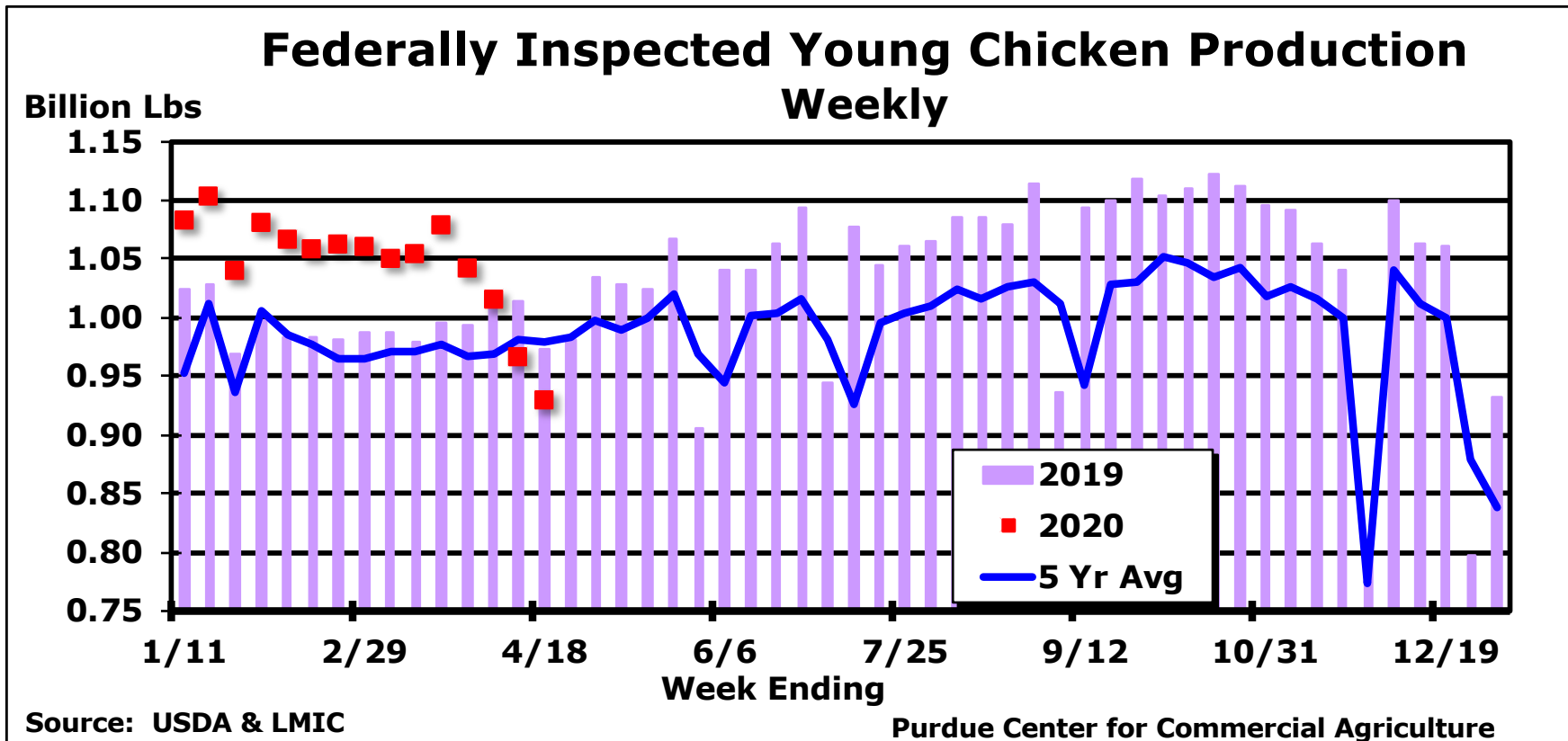
Weekly Beef Production Has Declined 32% Since Last Week of March



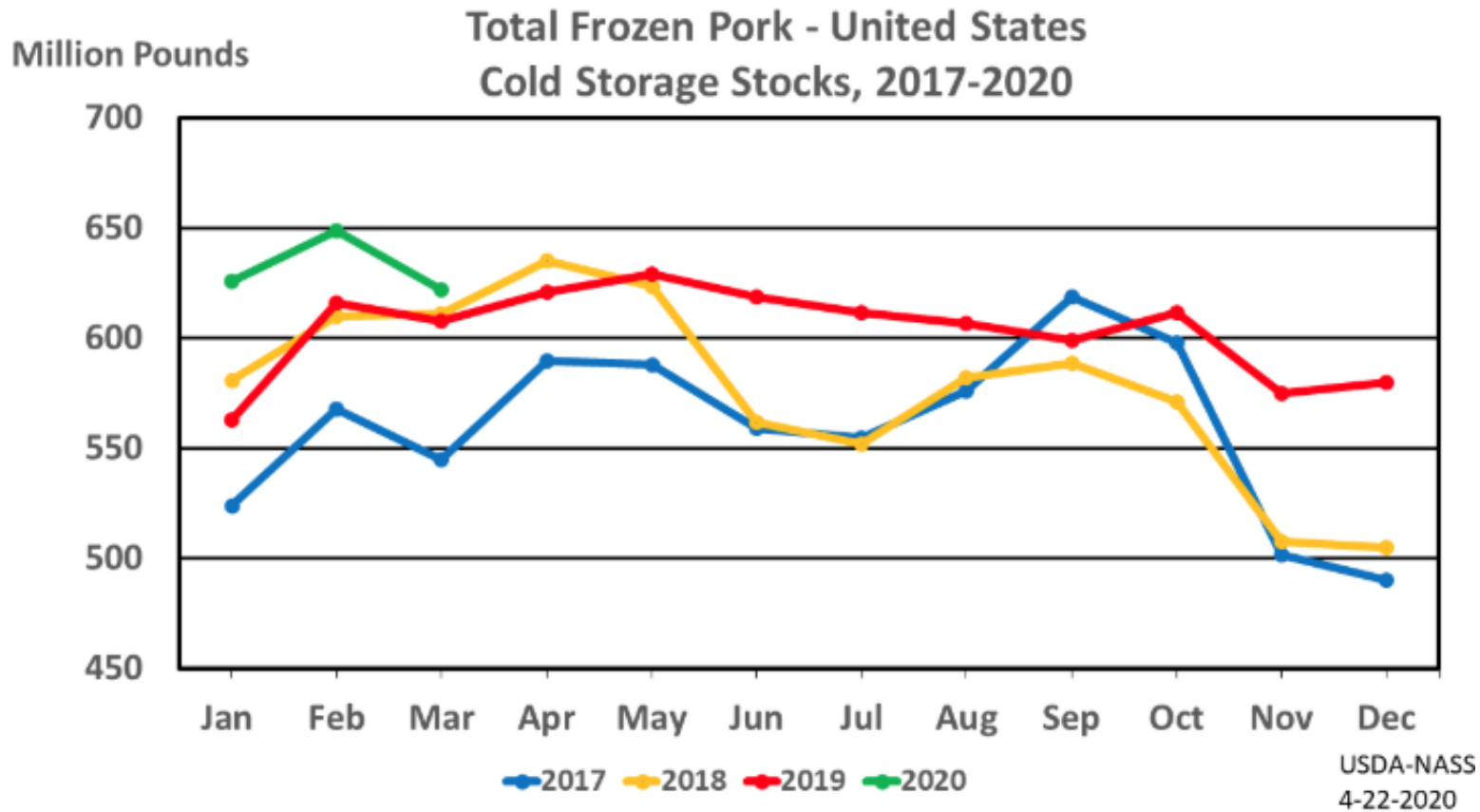
Daily cattle processing down almost 50% yesterday



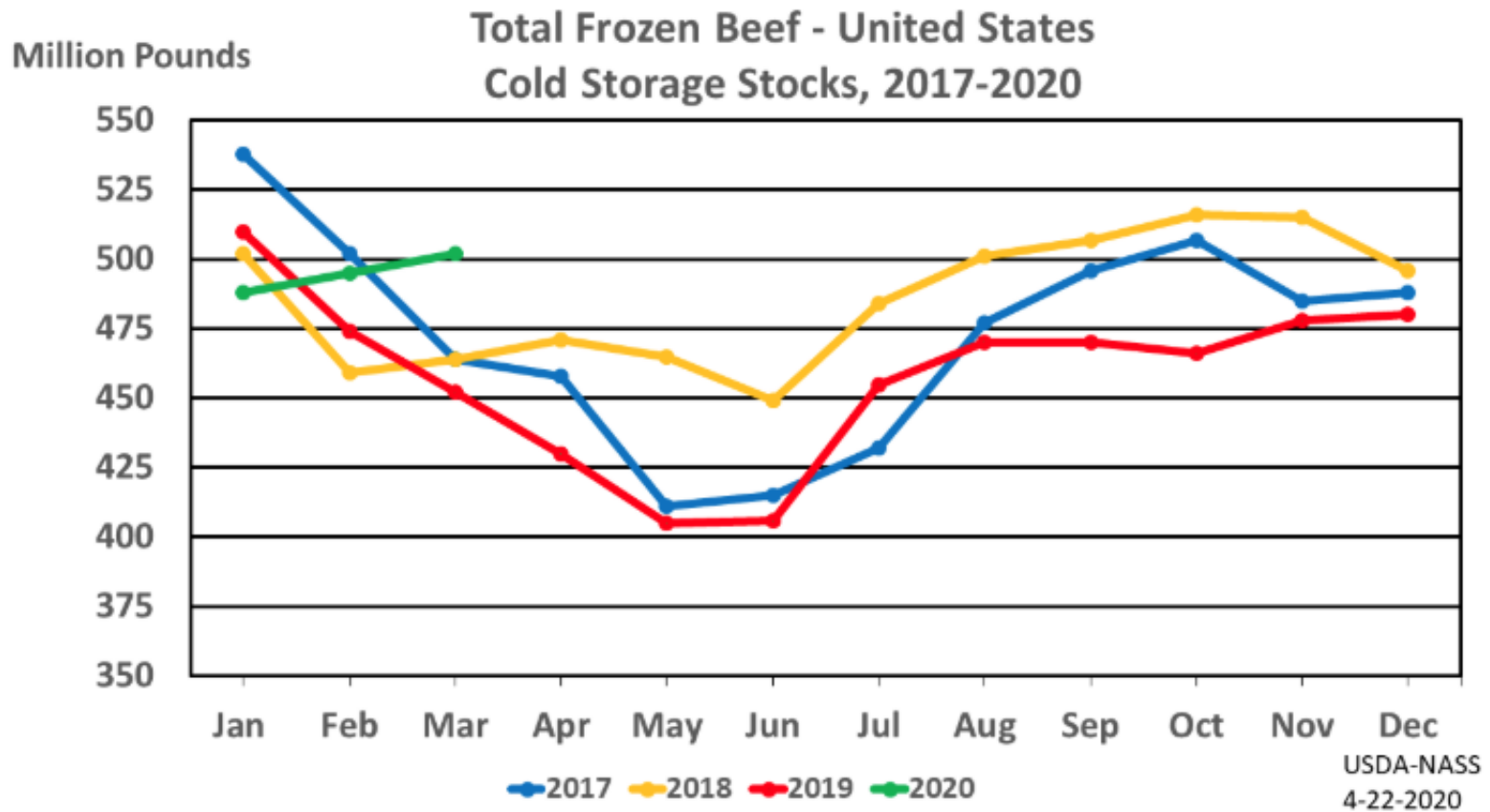
Chicken Production Down 12% Since Early March



Cold Storage May Help Buffer the Supply Shock



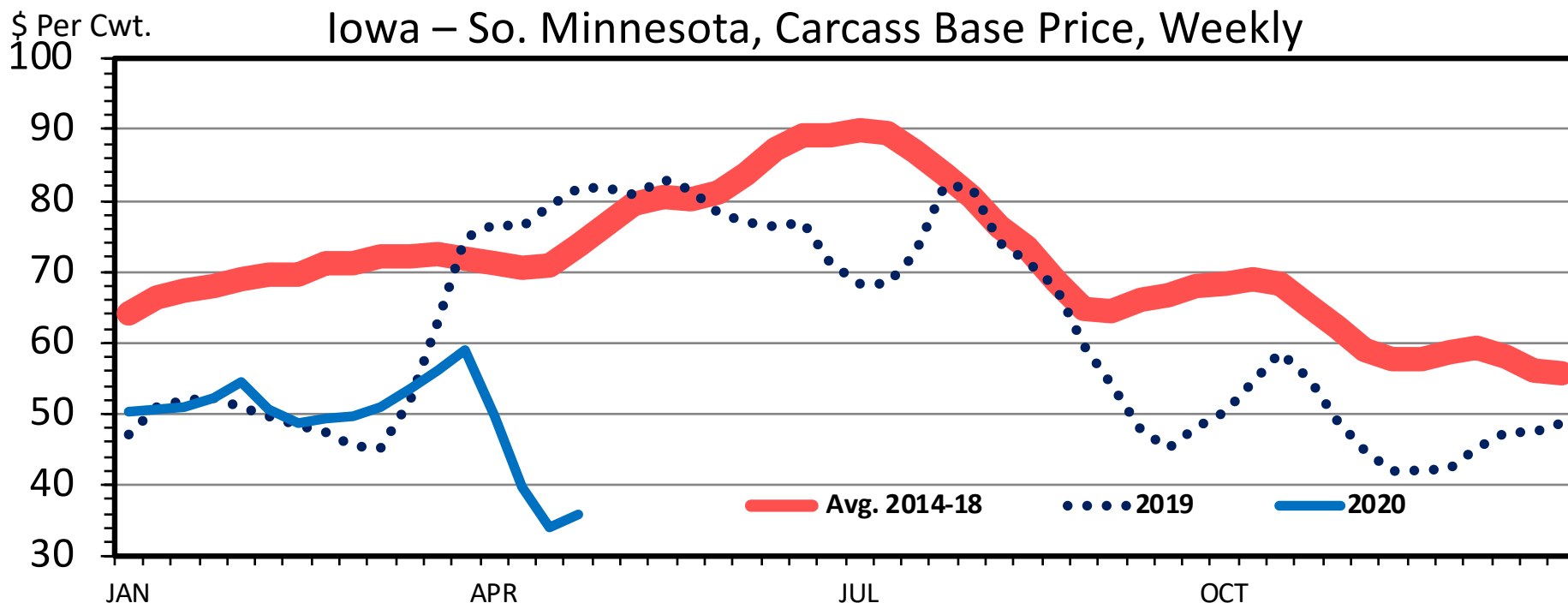
Cold Storage May Help Buffer the Supply Shock



Hog Prices Down Nearly 40% Since Mid-March

BARROW AND GILT PRICES

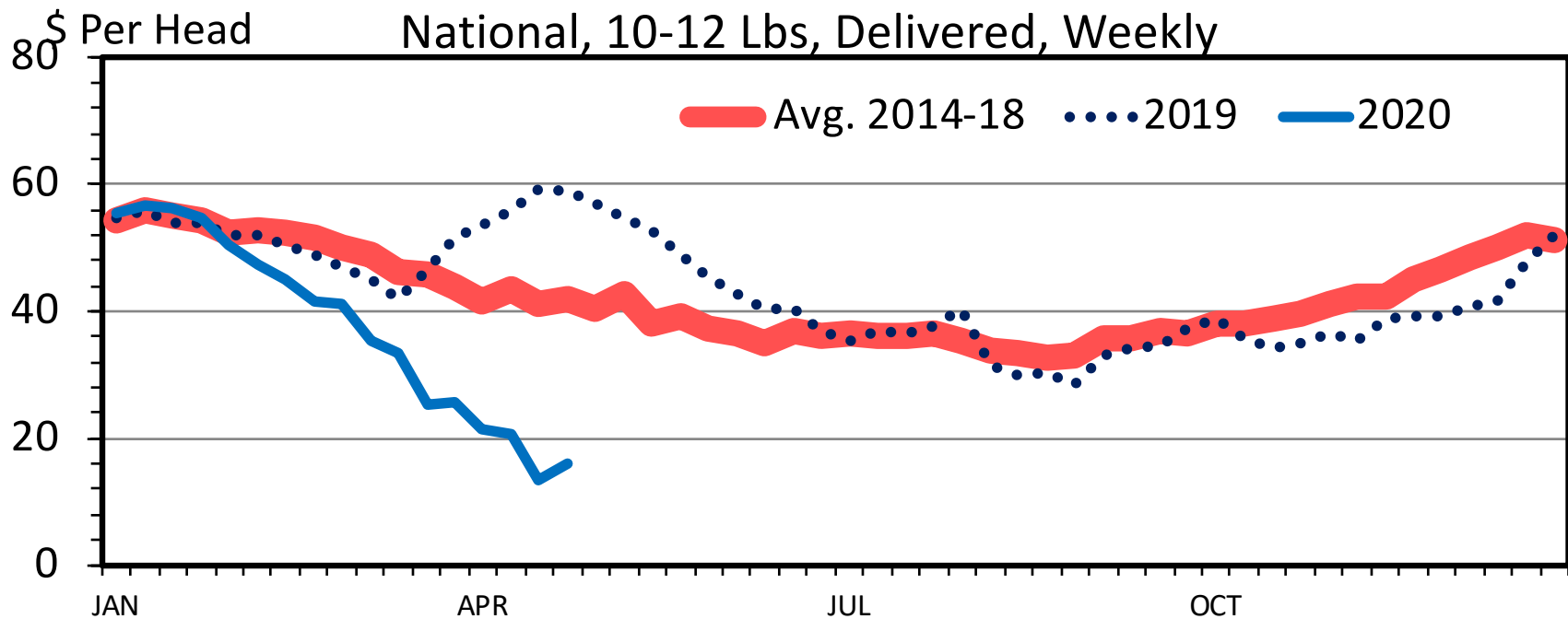
Iowa – So. Minnesota, Carcass Base Price, Weekly



Data Source: USDA-AMS & LMIC

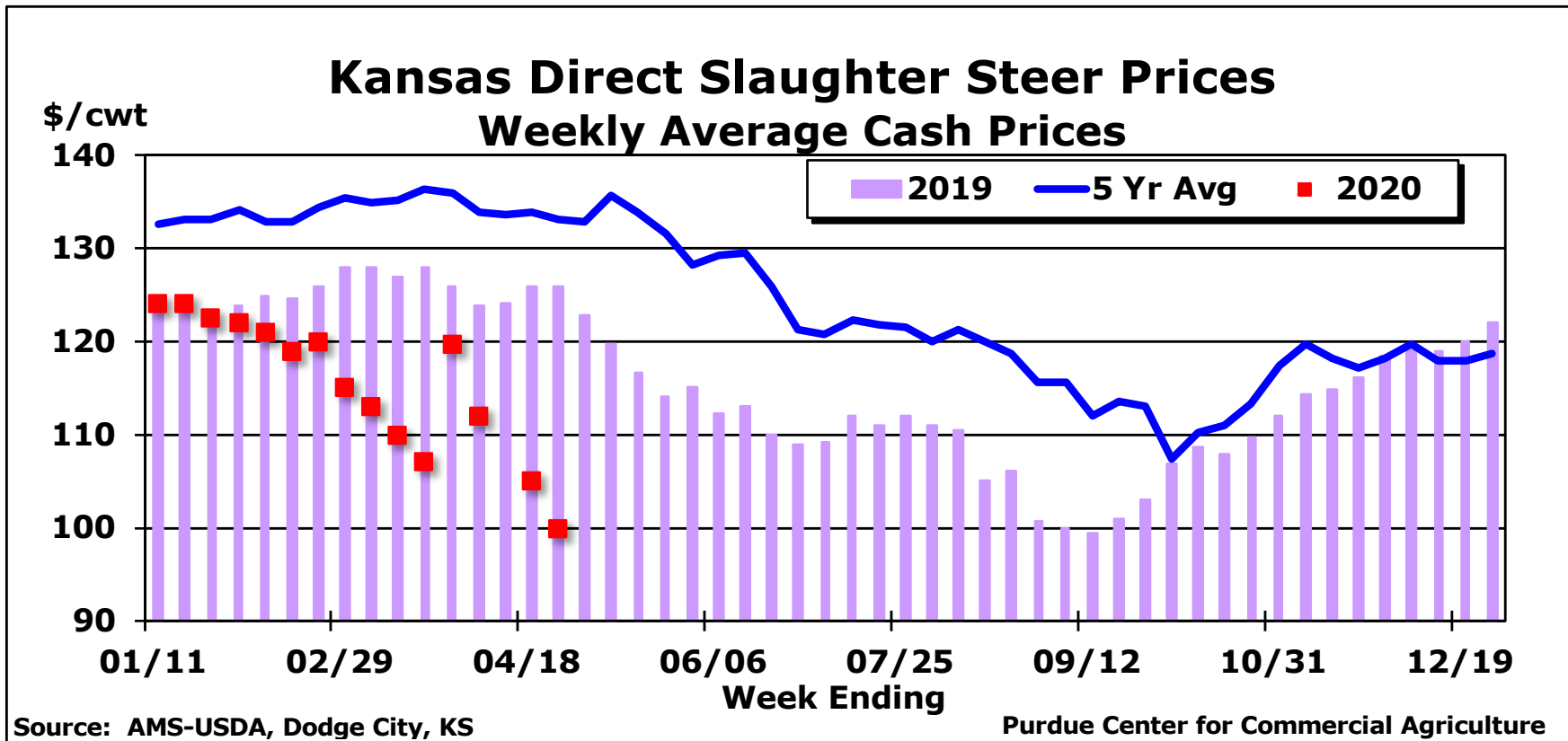
Baby Pig Prices Down Sharply Based Upon Weak Market Hog Price Expectations for Late 2019

EARLY WEANED PIG PRICES

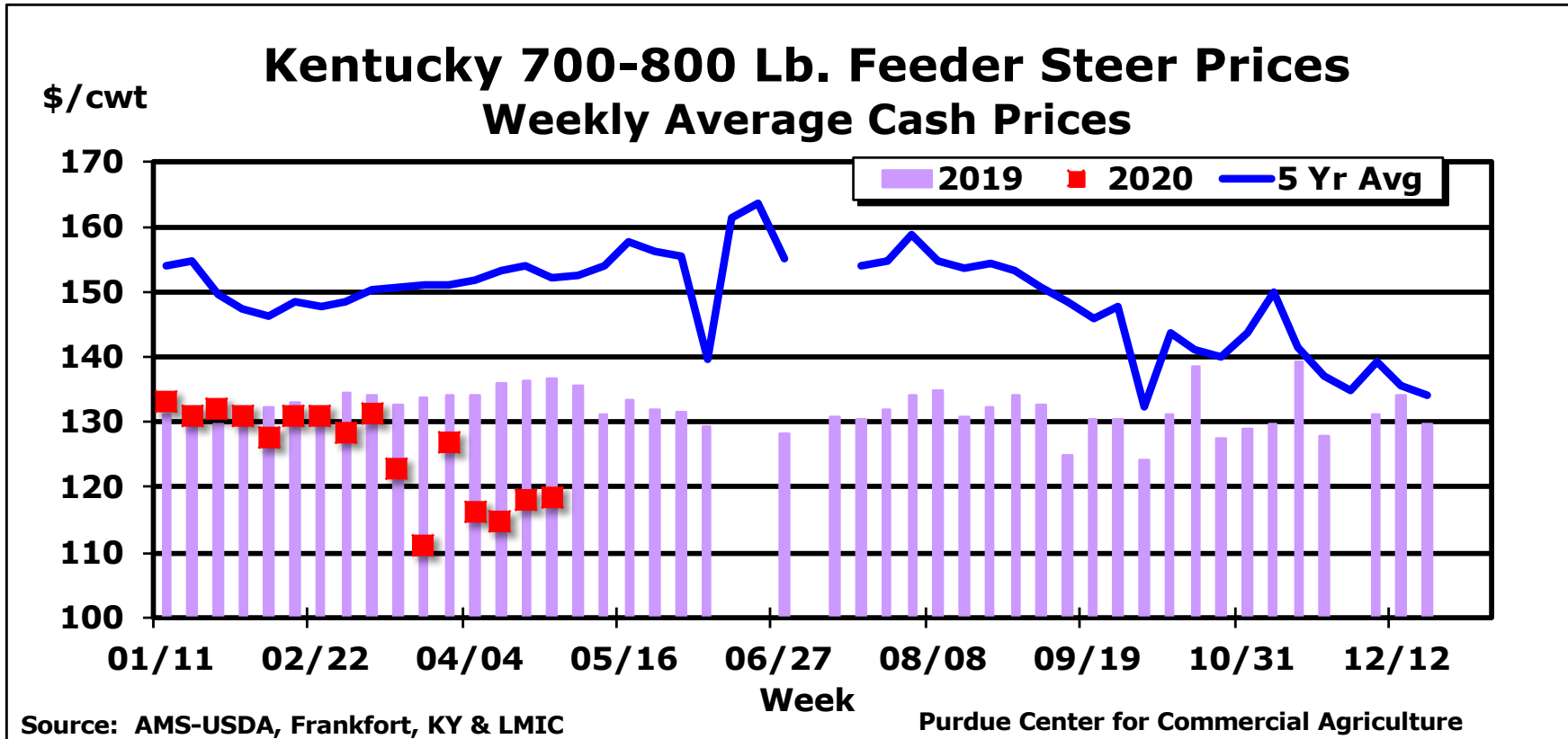


Data Source: USDA-AMS, Livestock Marketing Information Center

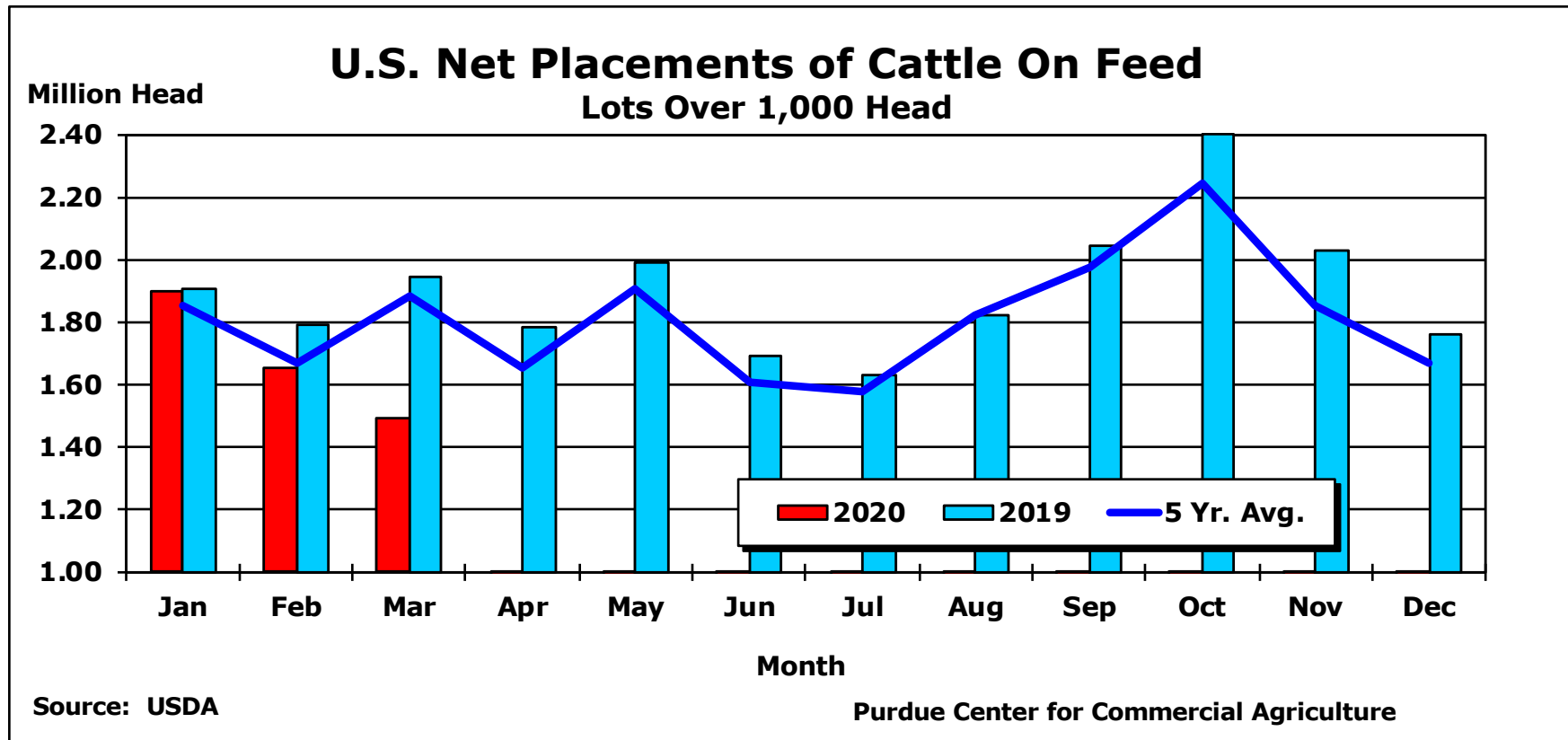
Fed Steer Prices Have Fallen 17% Since Last Week of March



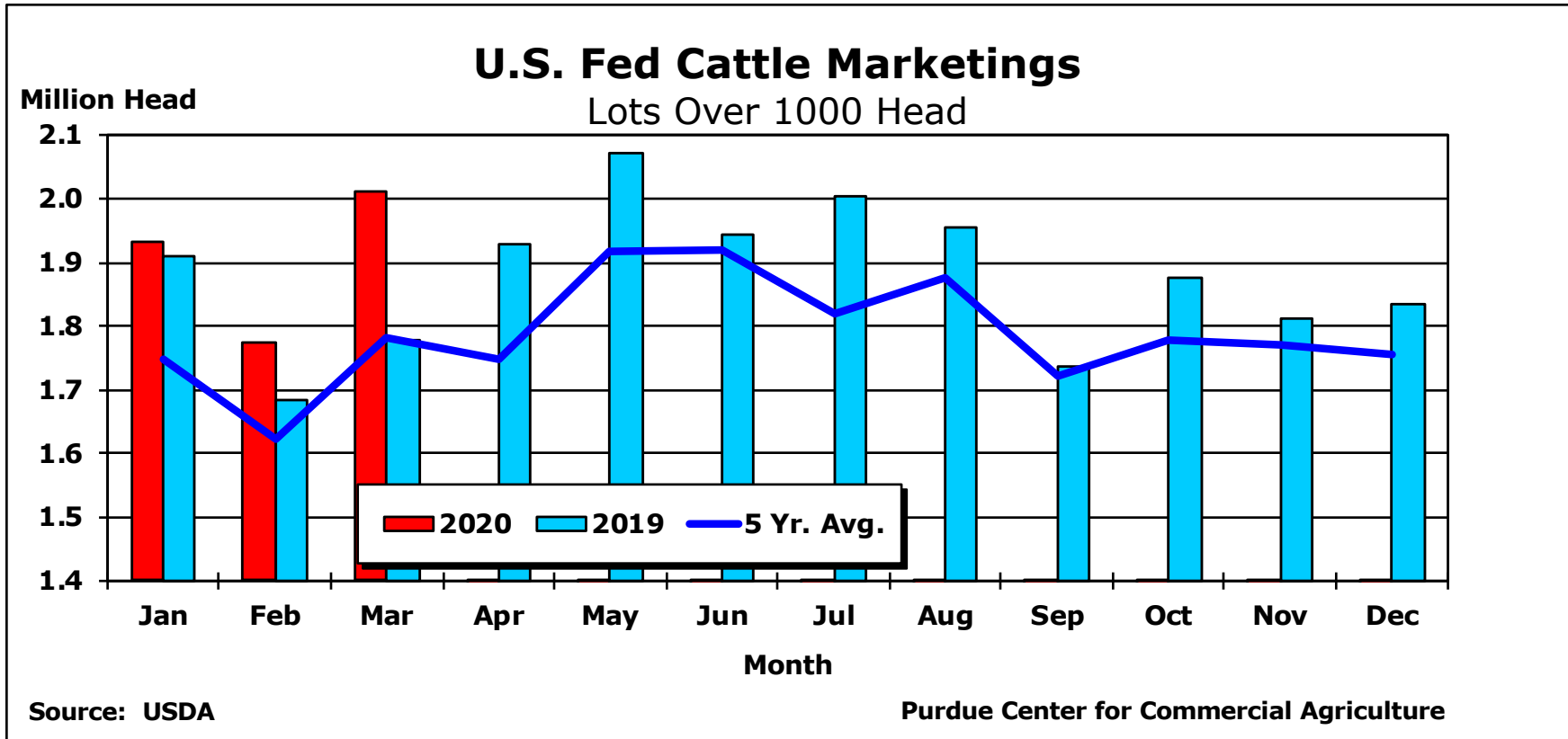
Feeder Cattle Prices Have Rebounded From Their Lows But Are Still 10% Lower than in Early March



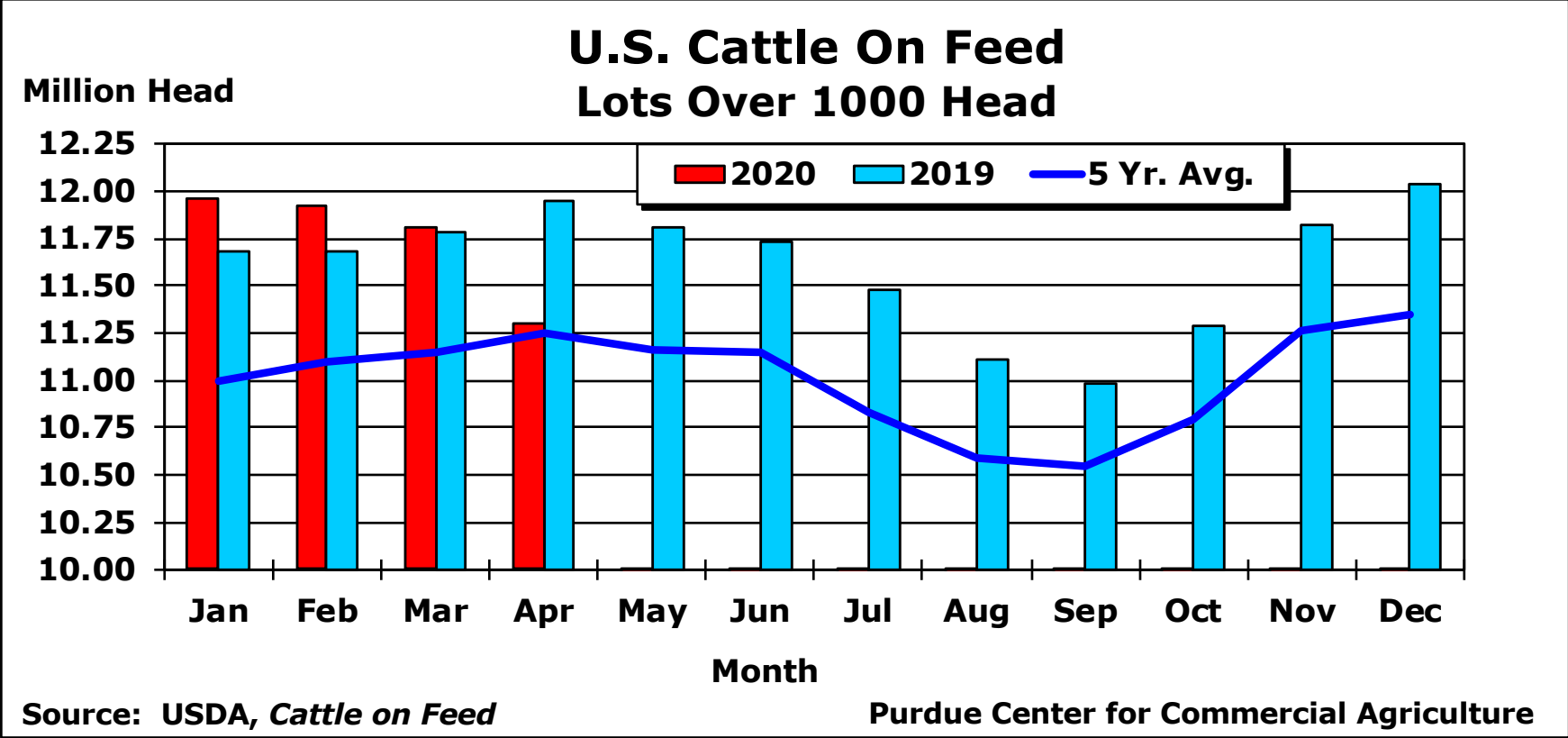
Responding to Declining Prices & Concern About Future Demand Cattle Feeders Reduced Placements of Cattle On Feed in Late February & March



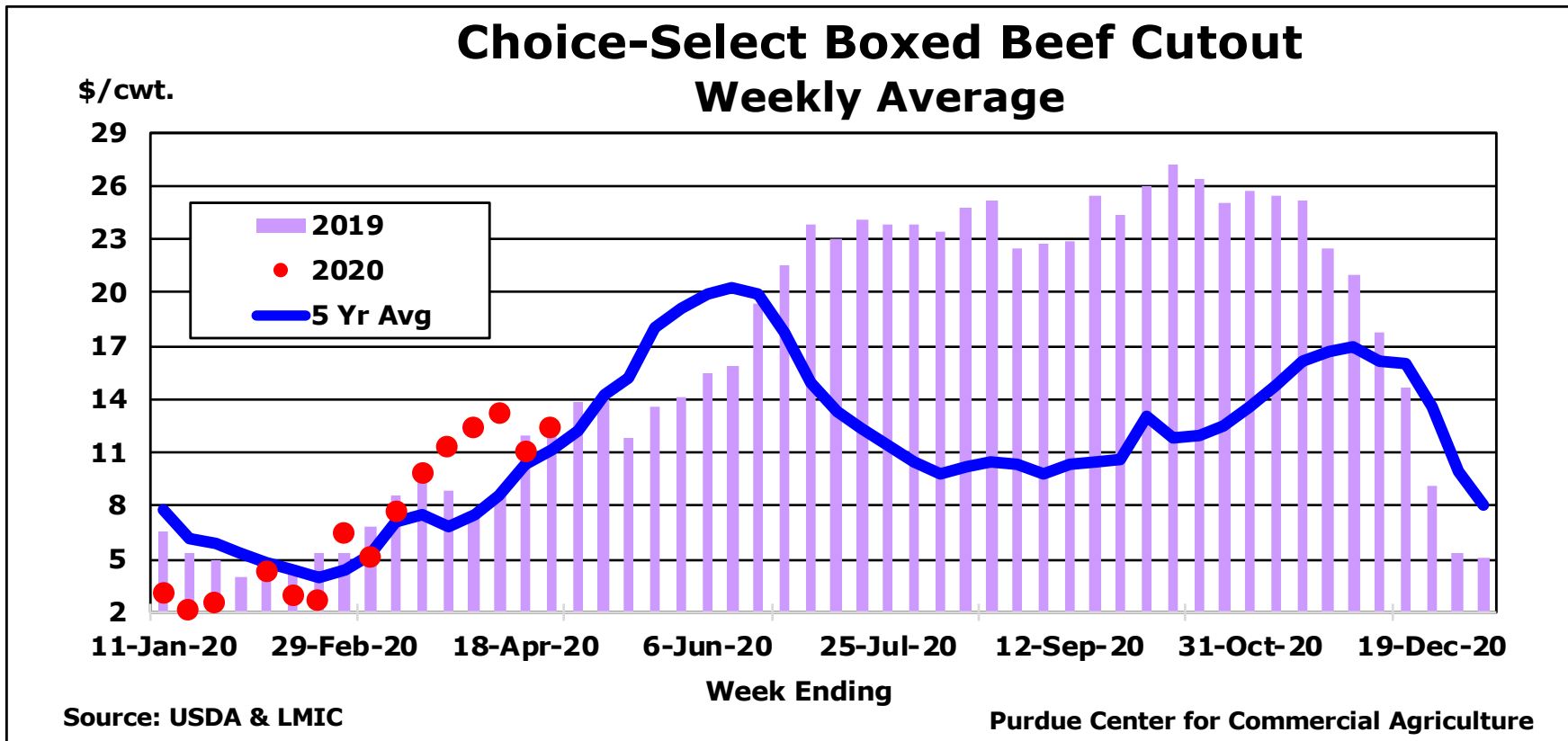
Cattle Feeders Pulled Marketings of Fed Cattle Ahead in Late February and March



Result: Cattle On Feed Inventory 6% Below A Year Ago



Seasonal Strengthening of Choice-Select Spread Still On Track



Next Crop Outlook Webinar

May 15, 2020

More info & register at
purdue.ag/webinar

PURDUE
UNIVERSITY

Center for
Commercial Agriculture

April 28, 2020