

# Economics of Agriculture During the COVID-19 Pandemic: A Series of Online Gatherings

## *Livestock Markets*

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## *Beef Cattle Market Outlook*

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February 21, 2020

<https://www.agmanager.info/beef-cattle-market-outlook-7>



American Society  
of Farm Managers  
& Rural Appraisers

KANSAS CHAPTER

**BOY HOW THINGS  
CAN CHANGE  
QUICKLY!**



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# Snapshot of Market Changes

Major COVID19 Events	Daily CME Closing Values (\$/cwt)										Equities
	Market Date	Live Cattle		Feeder Cattle		Lean Hogs		Class III Milk		SP500 Close	
		APR	OCT	APR	OCT	APR	OCT	APR	OCT		
China's first reported death, Jan 11	1/10	\$ 127.96	\$ 119.40	\$ 150.05	\$ 156.90	\$ 74.13	\$ 74.93	\$ 17.29	\$ 17.68	3,265.35	
US's first reported death on American soil, Feb 29	3/2	\$ 110.15	\$ 109.20	\$ 135.05	\$ 146.48	\$ 62.80	\$ 67.55	\$ 16.23	\$ 17.22	3,090.23	
WHO declared pandemic, Mar 11	3/11	\$ 103.07	\$ 101.30	\$ 123.53	\$ 134.18	\$ 63.88	\$ 68.35	\$ 15.86	\$ 16.98	2,741.38	
US declares national emergency, Mar 13	3/13	\$ 95.57	\$ 93.80	\$ 112.60	\$ 122.93	\$ 56.38	\$ 60.88	\$ 15.89	\$ 16.77	2,711.02	
About 80% of Americans under lockdown, Mar 31	3/31	\$ 101.82	\$ 96.95	\$ 121.93	\$ 129.40	\$ 52.20	\$ 56.90	\$ 14.49	\$ 14.75	2,584.59	
	4/9	\$ 94.28	\$ 96.33	\$ 118.73	\$ 129.35	\$ 42.90	\$ 52.40	\$ 13.56	\$ 15.96	2,789.47	
Change: Jan 11 to April 9		\$ (33.68)	\$ (23.08)	\$ (31.33)	\$ (27.55)	\$ (31.23)	\$ (22.53)	\$ (3.73)	\$ (1.72)	(475.88)	
Change (%): Jan 11 to April 9		-26.3%	-19.3%	-20.9%	-17.6%	-42.1%	-30.1%	-21.6%	-9.7%	-14.6%	

Lots of variability  
3/31 - 4/9



SP 500 (to-date): peak on Feb 19; bottom on Mar 23

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# Snapshot of Market Changes

Major COVID19 Events	Weekly Cash Market Values							
	Live Cattle		Feeder Cattle		Barrows & Gilts (Carcass)		Early Weaned Pigs	
	Date	5-Area Wtd Avg	Date	KS 7-750	Date	Natl Wtd Avg Net	Date	Natl 10-12 lbs
China's first reported death, Jan 11	1/12	\$ 124.47	1/10	\$ 151.76	1/10	\$ 63.24	1/10	\$ 56.67
US's first reported death on American soil, Feb 29	3/1	\$ 114.85	2/28	\$ 141.88	2/28	\$ 61.22	2/28	\$ 41.04
WHO declared pandemic, Mar 11	3/8	\$ 113.17	3/6	\$ 146.82	3/6	\$ 61.36	3/6	\$ 35.55
US declares national emergency, Mar 13	3/15	\$ 108.84	3/20	\$ 125.61	3/20	\$ 64.90	3/20	\$ 25.45
About 80% of Americans under lockdown, Mar 31	3/29	\$ 119.31	3/27	\$ 141.51	3/27	\$ 67.48	3/27	\$ 25.73
	4/5	\$ 111.08	4/3	\$ 122.74	4/3	\$ 63.33	4/3	\$ 21.33
Change: Jan 11 to April 5		\$ (13.39)		\$ (29.02)		\$ 0.09		\$ (35.34)
Change (%): Jan 11 to April 5		-10.8%		-19.1%		0.1%		-62.4%



SP 500 (to-date): peak on Feb 19; bottom on Mar 23

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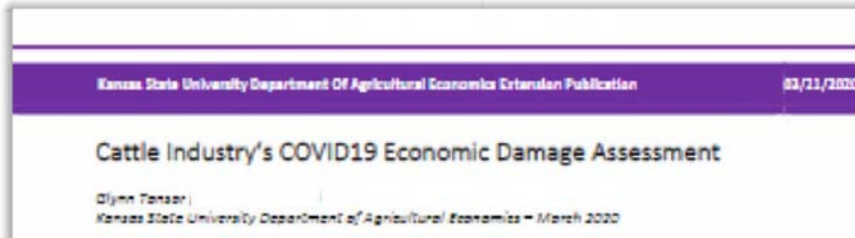
# Cattle Industry's COVID19 Economic Damage Assessment

← Back to Price Risk (/livestock-meat/marketing-extension-bulletins/price-risk)

**March 21, 2020**

Glynn Tonsor

Two broad approaches  
\$8.0 or \$9.4 Billion dollars



<https://www.agmanager.info/livestock-meat/marketing-extension-bulletins/price-risk/cattle-industry%E2%80%99s-covid19-economic-damage>

*Quick "chainsaw precision" approach for broad context: not a scalpel!*



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## Macroeconomic Decline = Meat Demand Decline

### Assessing Beef Demand Determinants

Prepared for the Cattlemen's Beef Board

Glynn T. Tonsor, Kansas State University ([gtonsor@ksu.edu](mailto:gtonsor@ksu.edu))

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and Ted C. Schroeder, Kansas State University ([ts@ksu.edu](mailto:ts@ksu.edu))

January 18, 2018



Table 2.1. Aggregate Meat Demand Elasticities Summary

Period	Beef Price Used	Beef Demand				Pork Demand		Chicken Demand	
		Own-Price	Pork Cross-Price	Chicken Cross-Price	Exp.	Own-Price	Exp.	Own-Price	Exp.
1988-2017	All-Fresh	-0.479	0.087	0.023	0.803	-0.307	0.141	-0.339	0.425
1988-2007	All-Fresh	-0.645	0.145	0.026	0.790	-0.229	-0.262	-0.345	0.371
2008-2017	All-Fresh	-0.450	-0.032	0.083	0.959	-0.089	1.231	-0.378	0.856
1970-2017	Choice	-0.593	0.120	0.041	0.118	-0.973	-0.170	-0.133	0.218
1988-2017	Choice	-0.490	0.085	0.021	0.781	-0.313	0.146	-0.345	0.430
1970-1994	Choice	-0.594	0.138	0.039	0.118	-0.924	-0.004	-0.159	0.003
1995-2017	Choice	-0.468	0.049	-0.044	0.867	-0.287	0.634	-0.469	0.960

Note: "Exp." is Expenditure abbreviated. All Rotterdam models were estimated using iterative three-stage least squares.



<https://www.beefboard.org/wp-content/uploads/2018/01/Assessing-Beef-Demand-Determinants.pdf>

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# Monthly Meat Demand Monitor [Survey Data]

<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

The Meat Demand Monitor (MDM) project is funded in-part by the beef checkoff and the pork checkoff. Monthly reports and supporting documentation are available here.



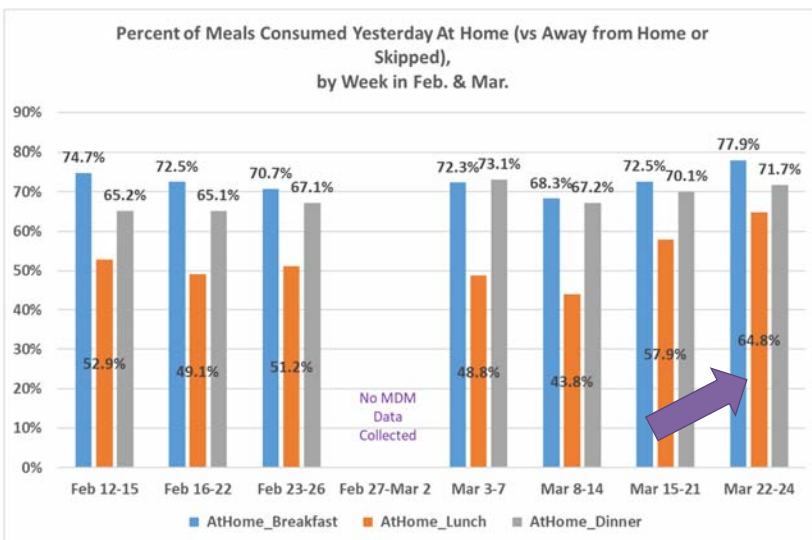
## Monthly Meat Demand Monitor

Title	Author	Date	Downloads
Meat Demand Monitor - COVID19 Impact Special Report (/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/meat-demand-monitor-covid19)	Tonsor (/contributors/tonsor)	March 26, 2020	<a href="#">Downloads</a>
Meat Demand Monitor - March 2020 (/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data/meat-demand-monitor-march-2020)	Tonsor (/contributors/tonsor)	March 26, 2020	<a href="#">Downloads</a>



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<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>



“...on March 24th the percent of breakfast, lunch, and dinner meals consumed at home was the highest across the 37 individual days where MDM data is available.”



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***GT on Feb 21***  
***What will be realized coronavirus impact?***



A deadly disease disrupts

The new coronavirus could have a lasting impact on global supply chains

Multinationals have failed to take seriously the risk of disruption



<https://www.economist.com/international/2020/02/15/the-new-coronavirus-could-have-a-lasting-impact-on-global-supply-chains>

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# Plant Closures / Slowdowns

## More than 80 coronavirus cases confirmed at Smithfield Foods in Sioux Falls

<https://www.argusleader.com/story/news/2020/04/08/smithfield-foods-sioux-falls-south-dakota-coronavirus-covid-19/2971621001/>

Megan Raposa and Joe Sveve, Sioux Falls Argus Leader | Published 1:51 p.m. CT April 8, 2020 | Updated 5:14 p.m. CT April 8, 2020

4/9/2020

Deaths Expose Fears for Strength of U.S. Food-Supply Chain - Bloomberg

4/9/2020

Meat plants are shutting down as workers get sick - CNN

### Meat plants are shutting down as workers get sick

By Danielle Wiener-Bronner, CNN Business  
Updated 3:57 PM ET, Wed April 8, 2020



<https://www.cnn.com/2020/04/08/business/meat-plant-closures-coronavirus/index.html>

Business

### Deaths Expose Fears for Strength of U.S. Food-Supply Chain

By Isis Almeida and Lydia Mulvaney  
April 8, 2020, 1:45 PM CDT  
Updated on April 8, 2020, 6:00 PM CDT

- ▶ Three Tyson, JBS employees were reported to have died
- ▶ That's fueling worries about supply disruptions as plants idle

[https://www.bloomberg.com/news/articles/2020-04-08/the-workers-who-produce-america-s-meat-are-starting-to-die?utm\\_campaign=news&utm\\_medium=bd&utm\\_source=applenews](https://www.bloomberg.com/news/articles/2020-04-08/the-workers-who-produce-america-s-meat-are-starting-to-die?utm_campaign=news&utm_medium=bd&utm_source=applenews)



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# Plant Closures / Slowdowns

## Key Drivers of Market Impacts

1. Duration
2. Slowdown vs. Closure vs. Re-scheduled Maintenance
3. Size, Location, & Number of Plants
4. Livestock / Meat Supply Bottlenecks



<https://www.startribune.com/with-restaurants-closed-a-bacon-backup-is-building-in-minnesota-and-prices-are-plunging/569470222/>

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# Plant Closures / Slowdowns

- ❑ Food Service to Retail Shift Adjustments
- +
- ❑ Labor Availability, Willingness, & Health Challenges
- = Closures, Slowdowns, Adj. Maintenance

4/9/2020 With restaurants closed, a bacon backup is building in Minn. and hog prices are plunging - StarTribune.com

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CORONAVIRUS Live: What you need to know | Open/Closed | Tracking Minnesota cases | Newsletter | Full cover

CORONAVIRUS

## With restaurants closed, a bacon backup is building in Minnesota and hog prices are plunging

About two-thirds of bacon sales happened in restaurants and hog farmers are suddenly losing significant revenue.

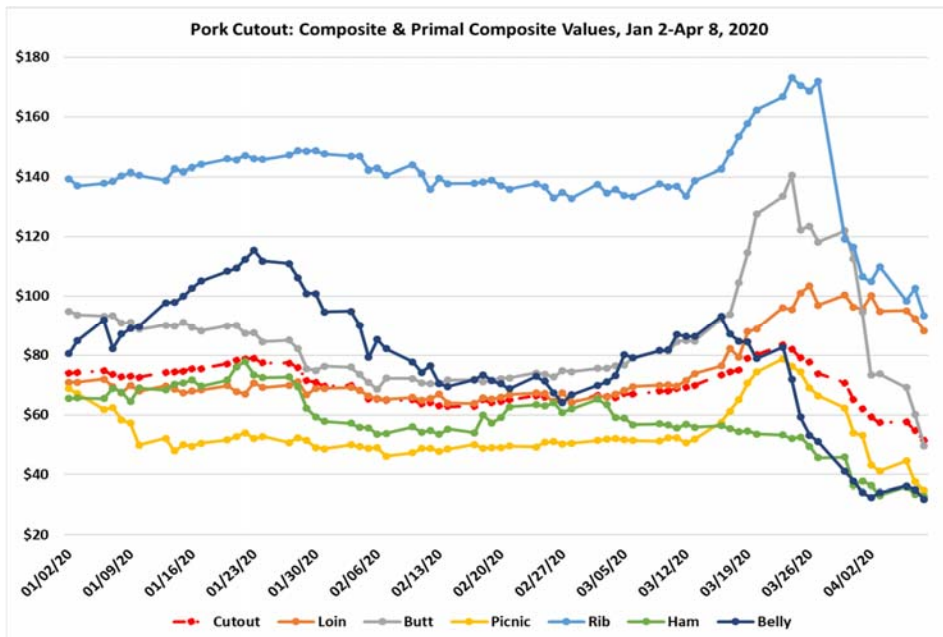
By Adam Beltz (<https://www.startribune.com/author/adam-beltz/158965945/>) Star Tribune |

APRIL 8, 2020 - 10:32PM



<https://www.startribune.com/with-restaurants-closed-a-bacon-backup-is-building-in-minnesota-and-prices-are-plunging/569470222/>

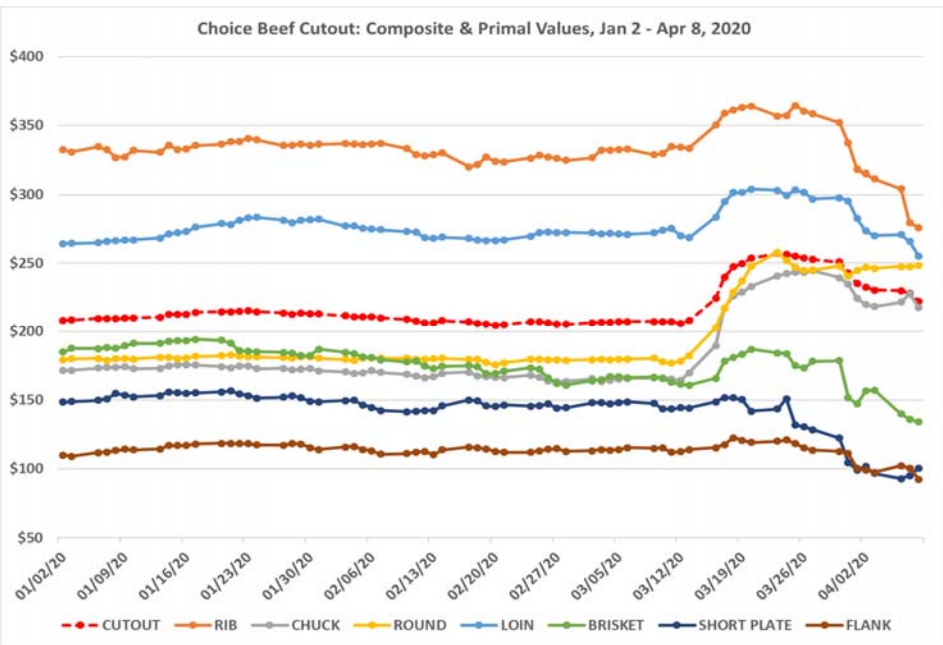
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Composite (FOB Plant, Neg.)  
 3/13: \$69.84  
 3/23: \$83.51  
 4/8: \$51.41

Only Loin up since 3/23

*Belly = Ham NOT NORMAL*



Composite Choice  
 3/13: \$208.14  
 3/23: \$257.32  
 4/8: \$222.34

Change 3/13 to 4/8:  
 Composite: +7%

Chuck: +28%  
 Round: +36%

Loin: -5%  
 Rib: -17%  
 Brisket: -17%  
 Short Plate: -30%  
 Flank: -19%



# Assessing Impact of Packing Plant Utilization on Livestock Prices

← Back to Price Risk (/livestock-meat/marketing-extension-bulletins/price-risk)  
**April 4, 2020**  
 Glynn Tonsor  
 Lee Schulz

**Operating @ 20% Lower Capacity:**  
 -27% Fed Cattle Price  
 -36% Market Hog Price



*"...The extent to which these effects are "already priced" into the market are beyond the scope of this report, but regardless this clearly demonstrates the economic importance of packing plant utilization on cattle prices."*

<https://www.agmanager.info/livestock-meat/marketing-extension-bulletins/price-risk/assessing-impact-packing-plant-utilization>



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## Quarterly Forecasts (LMIC: 4/3/20)

Year	Comm'l Slaughter	% Chg. from Year Ago	Average Dressed Weight	% Chg. from Year Ago	Comm'l Beef Production	% Chg. from Year Ago
<b>2019</b>						
I	7,934	0.7	808.4	-1.5	6,414	-0.8
II	8,573	1.7	794.8	-0.4	6,814	1.3
III	8,541	2.2	810.5	-0.6	6,923	1.5
IV	8,502	1.9	823.0	0.1	7,000	2.0
<b>Year</b>	<b>33,550</b>	<b>1.7</b>	<b>809.0</b>	<b>-0.6</b>	<b>27,151</b>	<b>1.0</b>
<b>2020</b>						
I	8,296	4.6	824.0	1.9	6,834	6.5
II	8,590	0.2	815.0	2.5	7,001	2.7
III	8,417	-1.5	824.0	1.7	6,937	0.2
IV	8,366	-1.6	827.0	0.4	6,918	-1.2
<b>Year</b>	<b>33,669</b>	<b>0.4</b>	<b>822.0</b>	<b>1.6</b>	<b>27,690</b>	<b>2.0</b>
<b>2021</b>						
I	7,979	-3.8	829.0	0.6	6,614	-3.2
II	8,456	-1.6	817.0	0.2	6,909	-1.3
III	8,279	-1.6	830.0	0.7	6,873	-0.9
IV	8,148	-2.6	831.0	0.5	6,770	-2.1
<b>Year</b>	<b>32,861</b>	<b>-2.4</b>	<b>826.0</b>	<b>0.5</b>	<b>27,165</b>	<b>-1.9</b>



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## Quarterly Forecasts: Cattle (LMIC: 4/3/20)

Year	Live Sitr.	% Chg. from	Feeder Steer Price	
	Steer Price		Southern Plains	
Quarter	5-Mkt Avg	Year Ago	7-800#	5-600#
2019				
I	125.27	-0.3	142.87	171.41
II	118.79	1.8	143.23	167.22
III	108	-2.4	144	157
IV	115	-0.4	148	158
Year	117	-0.3	145	163
2020				
I	118.46	-6.6	138.90	166.38
II	104-107	-11.2	124-127	148-151
III	102-107	-3.4	127-131	155-159
IV	112-117	-0.3	135-140	162-167
Year	109-111	-5.8	135-137	158-160
2021				
I	120-125	3.4	142-148	168-174
II	121-127	17.5	145-152	170-177
III	114-121	12.4	151-160	167-175
IV	117-125	5.7	153-163	167-176
Year	119-122	9.5	150-154	169-173

2020:  
Lower than Pre-COVID,  
Higher than CME Implied



## Quarterly Forecasts: Hogs & Milk (LMIC)

### Market Hogs – Natl Wtd Avg Base Price

(3/31 forecast vs. prior year)

2020.Q2 \$66-\$68 (-14.9%)

2020.Q3 \$66-\$69 (-4.3%)

2020.Q4 \$55-\$59 (-8.3%)

2021: \$64-\$73 (+7.9%)

2020:  
Lower than Pre-COVID,  
Higher than CME Implied

### Class III Milk (4/3 forecast vs. prior year)

2020.Q2 \$16.00-\$16.50 (+0.3%)

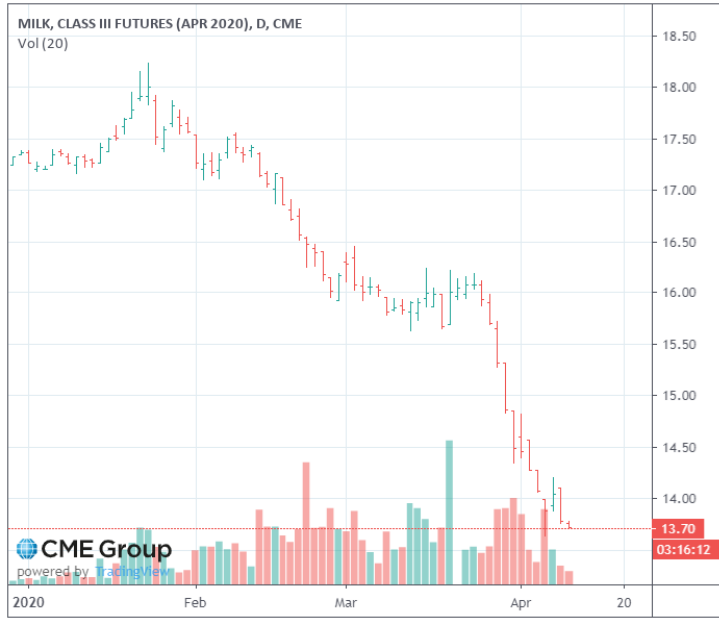
2020.Q3 \$15.85-\$16.85 (-8.2%)

2020.Q4 \$15.90-\$17.40 (-14.7%)

2021: \$16-\$18 (+3.6%)



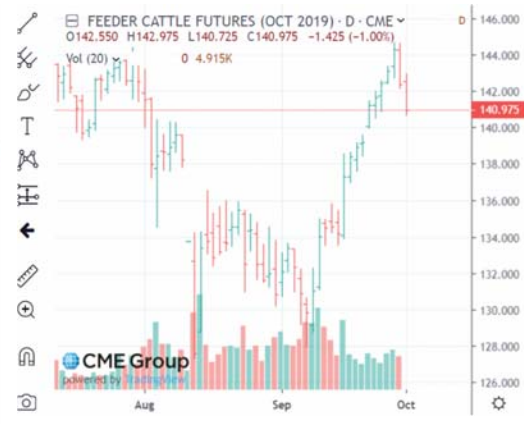
CME:DCJ2020, D 13.70 ▼ -0.08 (-0.58%) O:13.76 H:13.78 L:13.70 C:13.70



As of 4/3 LMIC Projected  
National Class III Prices  
2020: \$15.42-17.42  
2021: \$16-\$18



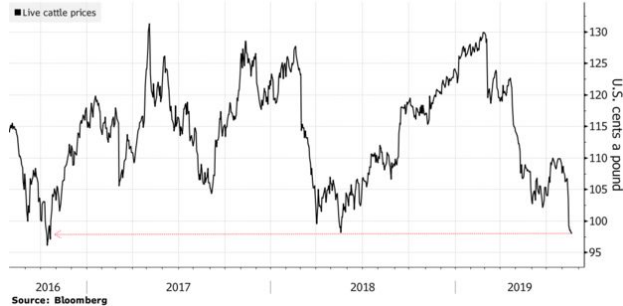
## Markets Often Operate Like A Pendulum Consider 2019 Holcomb Event



# Markets Often Operate Like A Pendulum

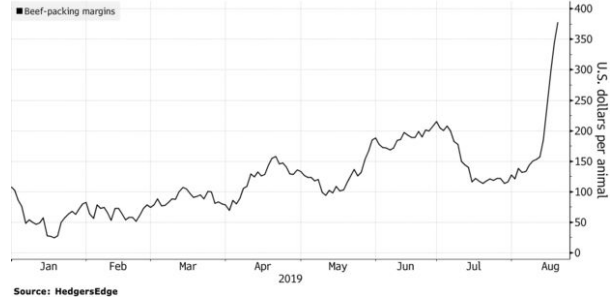
## Cattle Mauled

Futures tumble after Tyson plant fire on livestock glut



## Packer Win

Margins for beef packers have expanded to a record high



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## *Are there Insights from 1998 Hog Experience?*

- Decline in independent operations
  - Large shift away from traditional, negotiated cash marketing
- Changes in USDA price reporting – LMR Implemented April 2001
  - Multi-species impacts & LMR adjusts every 5 years now

➤ **GT can't fully predict (or even assess) COVID19 long-run impacts yet, but there will be several!**



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## GT's concerns after things "calm down"



- Populism was already growing +
- COVID tied, domestic security (food, supplies, etc.) comments =
  - 1) Further step away from globalization?

### Recent Export Demand Indices

◀ Back to Monthly Export Beef Demand Indices [USDA/BLS Data] (/livestock-meat/meat-demand/monthly-export-beef-demand-indices-usdabls-data)

March 13, 2020

Glynn Tonsor

Year	Month	Beef			Pork			Broiler		
		Index	% Change from previous month	% Change from previous year	Index	% Change from previous month	% Change from previous year	Index	% Change from previous month	% Change from previous year
2019	1	204.64	-6.93	2.63	137.79	-3.19	-10.20	137.44	-0.06	8.38
2019	2	185.28	-9.46	-2.91	125.26	-9.10	-18.35	127.04	-7.57	-0.82
2019	3	214.29	15.66	0.18	140.97	12.55	-11.97	141.66	11.50	-3.61
2019	4	216.22	0.90	2.24	149.25	5.87	-7.23	125.36	-11.50	-9.40
2019	5	236.00	9.15	6.27	162.36	8.78	6.75	152.16	21.37	20.05
2019	6	229.45	-2.78	3.38	157.27	-3.13	16.64	129.90	-14.63	-3.13
2019	7	227.96	-0.65	-3.86	174.91	11.22	37.46	146.46	12.75	5.43
2019	8	222.20	-2.53	-9.38	168.43	-3.70	25.06	144.65	-1.24	-5.33
2019	9	217.55	-2.09	-4.27	147.48	-12.44	17.56	136.04	-5.95	-0.55
2019	10	208.86	-4.00	-13.19	167.72	13.72	10.31	162.46	19.42	-4.30
2019	11	206.66	-1.05	-10.73	199.49	18.94	34.84	159.42	-1.87	5.03
2019	12	215.42	4.24	-2.03	220.37	10.47	54.83	139.53	-12.48	1.46
2020	1	207.09	-3.86	1.20	211.19	-4.17	53.26	142.79	2.34	3.89



<https://www.agmanager.info/livestock-meat/meat-demand/monthly-export-beef-demand-indices-usdabls-data/recent-export-demand>

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## GT's concerns after things "calm down"



- New role of government in US meat-livestock industry?
  - 2) What is impact on innovation, risk-taking, & global comparative advantages?



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## *GT's concerns after things "calm down"*

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- Pivot from "just-in-time" supply chain, targeting retail, food service, or export?
  - 3) At what cost? / Can't forget "peace time" benefits of our system!



## *Final Remarks: Relationships are Key*

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- Relationships are always important, perhaps now more than ever
  - Personal: Mental health & sound context for decision-making
  - Financial: Know & communicate with your lender
  - Operational: Know & communicate with your livestock/meat buyer



## ***Final Remarks: Society Will Prevail!***

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### THE WALL STREET JOURNAL.

4/7/2020: <https://www.wsj.com/>

On this day in 1927, in history's first public television broadcast, U.S. Secretary of Commerce Herbert Hoover, speaking from an office in Washington, D.C., was viewed by a dumbstruck audience in the Bell Telephone Laboratories at 55 Bethune Street in New York City. "Human genius has now destroyed the impediment of distance in a new respect, and in a manner hitherto unknown," Hoover said. "What its uses may finally be no one can tell." The New York Times, however, warned in part of its headline: "COMMERCIAL USE IN DOUBT."



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Additional questions on any topic?

Macro

Grains

Livestock

Land Values

Other ag industry questions?

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## Additional questions: *Should I hold on to my feeder cattle or sell now?*

### Response

1. *Do you think the COVID impacts are “nearly complete?”*
2. *Are you comfortable with extended price risk exposure?*
3. *Use BeefBasis.com to project VOG & compare to your COG*
4. *Compare price risk management alternatives:*



<https://www.agmanager.info/k-state-feeder-cattle-risk-management-tool>

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## Additional questions: *Should I retain ownership & sell as fed cattle?*

### Response

1. *Have you retained ownership before?*
2. *Examine historical info:* <https://www.agmanager.info/livestock-meat/cattle-finishing-historical-and-projected-returns>
3. *What does your lender think?*



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**Additional questions:**  
*Should I sell or hold my cull/open cows?*

Response

- 1. Do you have firm #s on COG if you hold?*
- 2. Past data analyses found “rule of thumb” that cull cow values of 44% 550# calves – if that holds for you, how do values currently compare?*



**Additional questions:**  
*My understanding is (USDA) Ag Secretary is looking at...*

Response

- 1. At this time I am not going to speculate on governmental policy or reports until official, publically available information is in-hand.*





More information available at:



This presentation will be available in PDF format at:

<http://www.agmanager.info/about/contributors/individual/tonsor.asp>

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## Livestock & Meat Marketing

Home (/) / Livestock & Meat

<https://www.agmanager.info/livestock-meat>

Livestock & Meat (/livestock-meat)

- Choose -

avorites ([https://www.agmanager.info/flag/flag/favorites/7145?destination=node/7145&token=6b0ed804883af0bd346e1bf8b64c79b7&has\\_js=1](https://www.agmanager.info/flag/flag/favorites/7145?destination=node/7145&token=6b0ed804883af0bd346e1bf8b64c79b7&has_js=1))

### Livestock & Meat

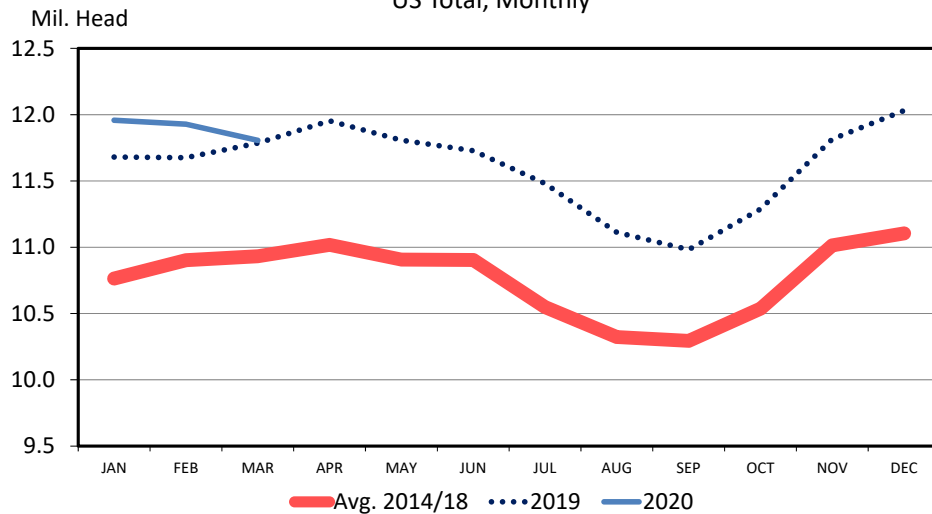
#### Livestock & Meat

- [Projected Feeder Cattle Prices \(/livestock-meat/projected-feeder-cattle-prices\)](/livestock-meat/projected-feeder-cattle-prices)
- [Cattle Finishing Returns \(/livestock-meat/cattle-finishing-historical-and-projected-returns\)](/livestock-meat/cattle-finishing-historical-and-projected-returns)
- [Meat Demand \(/livestock-meat/meat-demand\)](/livestock-meat/meat-demand)
  - [Monthly Domestic Meat Demand Indices \[USDA/BLS Data\] \(/livestock-meat/meat-demand/monthly-domestic-meat-demand-indices-usdabls-data\)](/livestock-meat/meat-demand/monthly-domestic-meat-demand-indices-usdabls-data)
  - [Monthly Export Beef Demand Indices \[USDA/BLS Data\] \(/livestock-meat/meat-demand/monthly-export-beef-demand-indices-usdabls-data\)](/livestock-meat/meat-demand/monthly-export-beef-demand-indices-usdabls-data)
  - [Monthly Meat Demand Monitor \[Survey Data\] \(/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data\)](/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data)
  - [Past Meat Demand Research Studies \(/livestock-meat/meat-demand/past-meat-demand-research-studies\)](/livestock-meat/meat-demand/past-meat-demand-research-studies)
- [Production Economics \(/livestock-meat/production-economics\)](/livestock-meat/production-economics)
- [Marketing Charts \(/livestock-meat/livestock-marketing-charts\)](/livestock-meat/livestock-marketing-charts)



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### CATTLE ON FEED US Total, Monthly



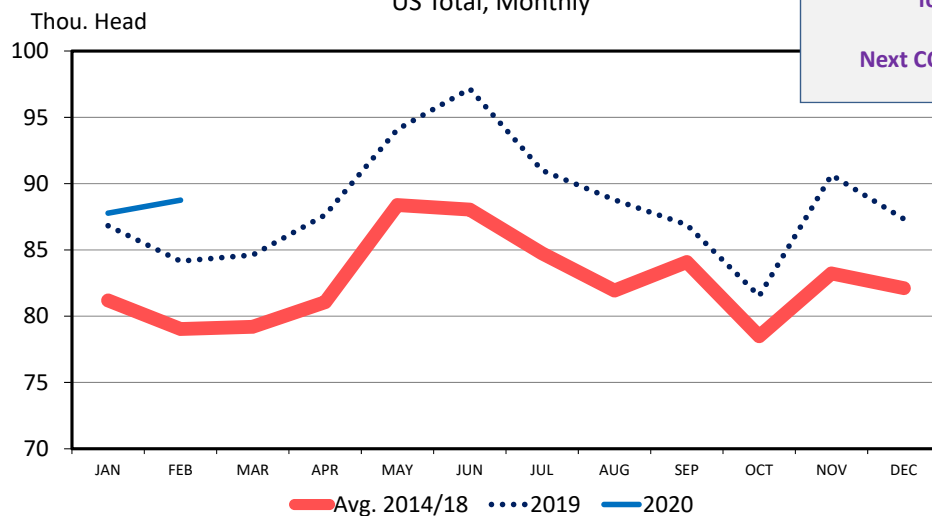
Data Source: USDA-NASS  
Livestock Marketing Information Center



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### DAILY AVERAGE FED CATTLE MARKETINGS US Total, Monthly



How much did we "pull cattle forward" ?  
Next COF report: 4/24



Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center

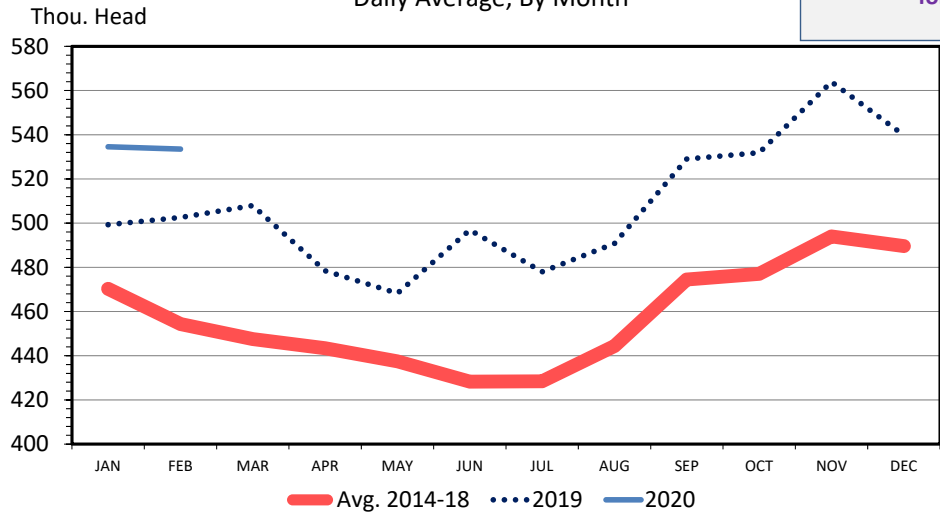


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## FEDERALLY INSPECTED HOG SLAUGHTER Daily Average, By Month

How much did we "pull hogs forward" ?



Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center

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4/9/2020

[https://www.ams.usda.gov/mnreports/lm\\_hg200.txt](https://www.ams.usda.gov/mnreports/lm_hg200.txt)

[https://www.ams.usda.gov/mnreports/lm\\_hg200.txt](https://www.ams.usda.gov/mnreports/lm_hg200.txt)

LM\_HG200  
Des Moines, Iowa Thu, Apr 09, 2020 USDA Market News

NATIONAL DAILY DIRECT PRIOR DAY HOG REPORT  
PLANT DELIVERED PURCHASE DATA FOR Wednesday, April 8, 2020

### CURRENT VOLUME BY PURCHASE TYPE BARROWS & GILTS LIVE AND CARCASS BASIS

	Actual Prior Day	Actual Week Ago	Actual Year Ago
<b>Producer Sold</b>			
Negotiated	3,042	7,008	9,784
Other Market Formula (Futures/Options)	32,459	23,326	44,023
Swine or Pork Market Formula	119,390	119,996	129,036
Other Purchase Arrangement	73,694	72,324	70,992
Negotiated Formula	852	669	1,706
<b>Packer Sold (all purchase types)</b>	<b>23,410</b>	<b>20,935</b>	<b>15,436</b>

	NEGOTIATED	OTHER MARKET FORMULA (FUT/OPT)**	SWINE OR PORK MARKET FORMULA	OTHER PURCHASE ARRGMENT	NEGOTIATED FORMULA	TOTALS/ WTD AVG
<b>Barrows &amp; Gilts (carcass basis):</b>						
<b>Producer Sold</b>						
Head Count	2,352	31,949	115,001	70,307	852	220,461
Base Price	40.34	47.84	46.58	54.46	50.83	49.23
<b>Packer Sold</b>						
Head Count						22,799
Base Price						46.85

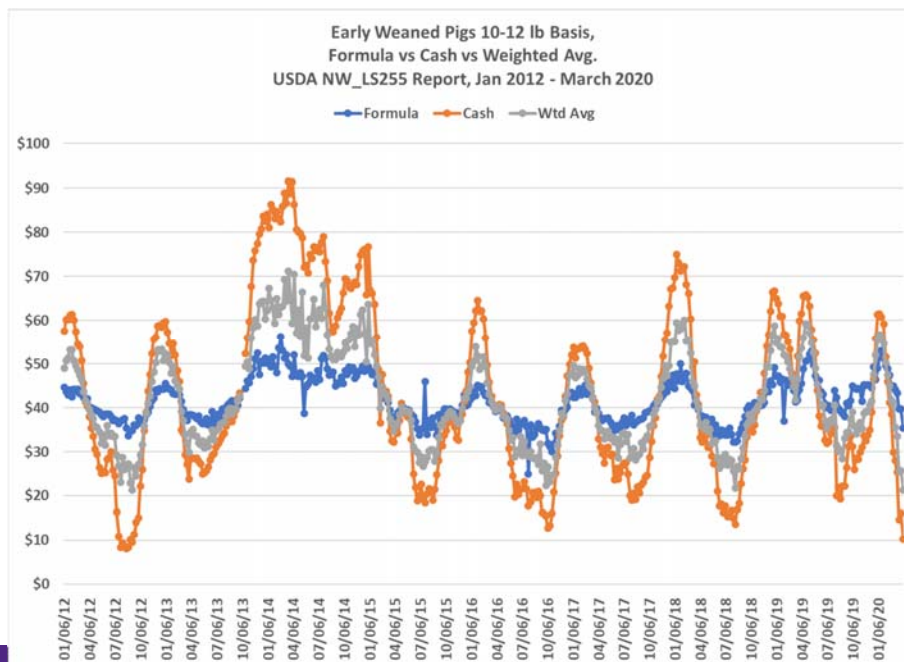


# USDA AMS Barrow & Gilt Prices (Producer Sold) April 8, 2020

[https://www.ams.usda.gov/mnreports/lm\\_hg200.txt](https://www.ams.usda.gov/mnreports/lm_hg200.txt)

	Negotiated	Other Market Formula (Futures/Options)	Swine or Pork Market Formula	Other Purchase Arrangement	Negotiated Formula	Totals/Wtd Avg
Head Count	2,352	31,949	115,001	70,307	852	220,461
Base Price (Carcass)	\$ 40.34	\$ 47.84	\$ 46.58	\$ 54.46	\$ 50.83	\$ 49.23
Head Count %	1.1%	14.5%	52.2%	31.9%	0.4%	
Base Price VS Negotiated		\$ 7.50	\$ 6.24	\$ 14.12	\$ 10.49	\$ 8.89
Implied Price (Cash):	\$ 29.45	\$ 34.92	\$ 34.00	\$ 39.76		\$ 35.94

Likely higher cost of production:  
ABF, Beta-agonist free, Stall-Free, etc.

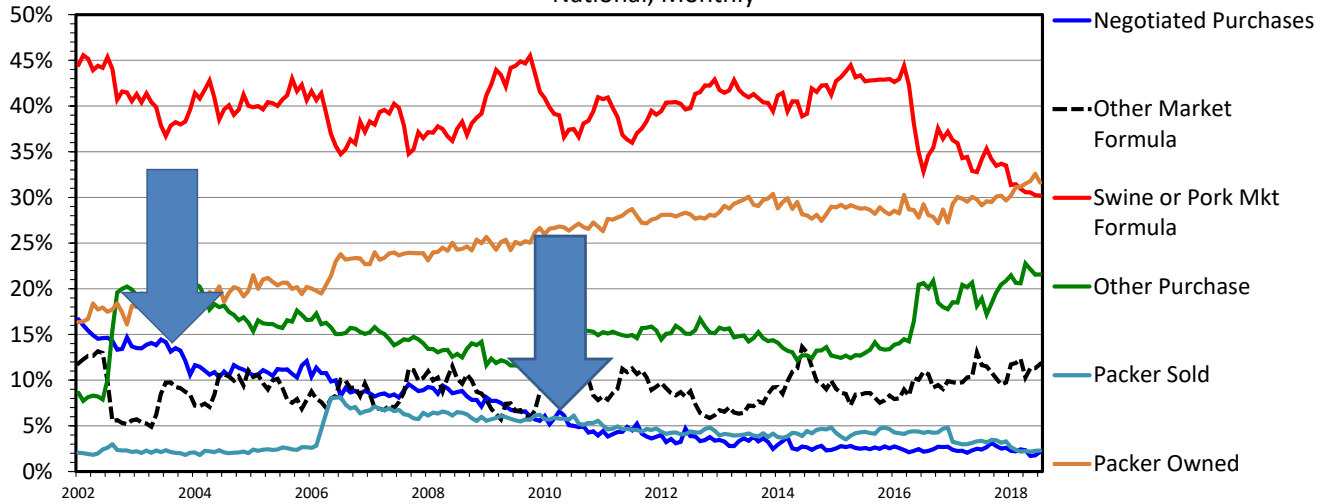


Data Source: USDA-AMS

Livestock Marketing  
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### HOGS SOLD BY TRANSACTION National, Monthly

Percent



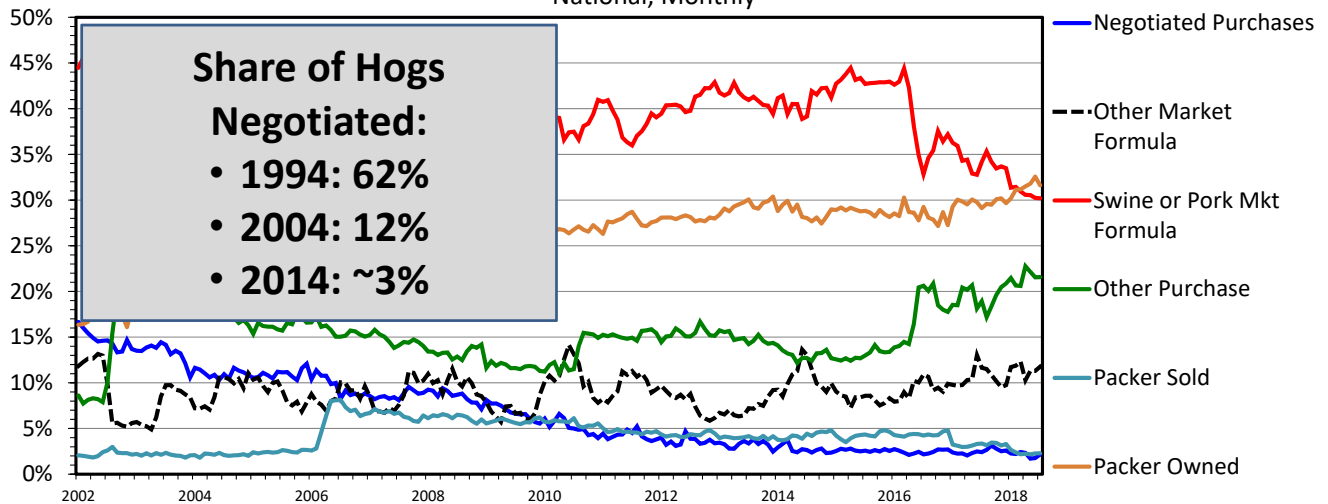
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Data Source: USDA-AMS

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Information Center

### HOGS SOLD BY TRANSACTION National, Monthly

Percent



**Share of Hogs  
Negotiated:**

- 1994: 62%
- 2004: 12%
- 2014: ~3%



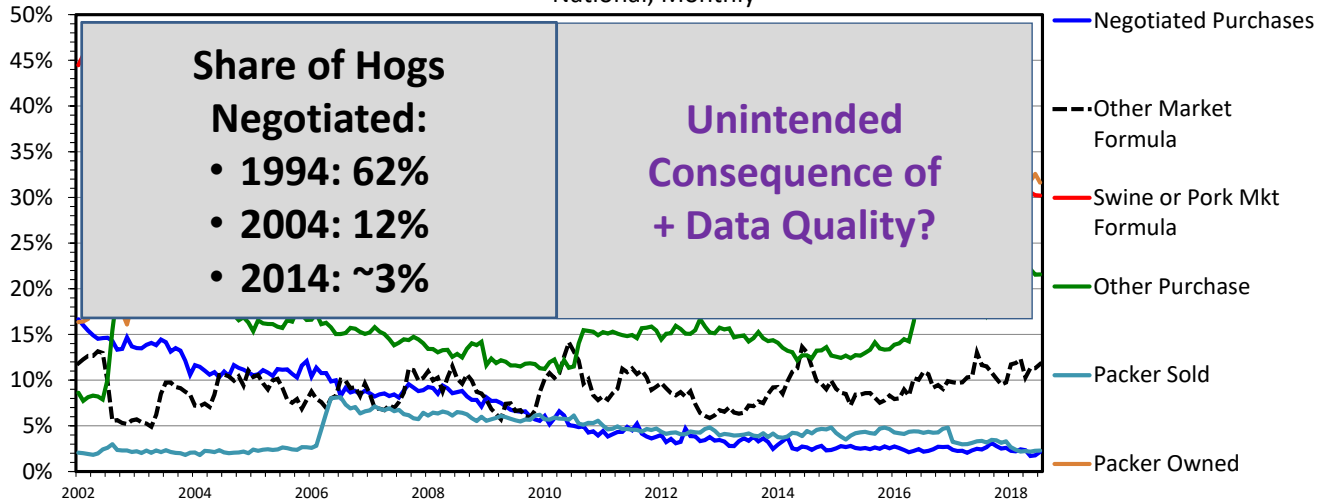
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Data Source: USDA-AMS

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Information Center

### HOGS SOLD BY TRANSACTION National, Monthly

Percent

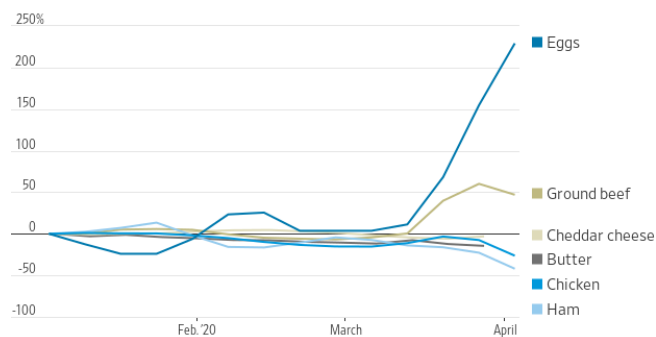


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Consumer response impacts ag in varied ways

- WSj price chart eggs/ gb vs dairy...

Change in average weekly national price since the first week of January



Source: USDA



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(<https://beefbasis.com>)

## Selected Forecasting Tools

<https://beefbasis.com/>

### Instant Price Forecast

Date:

State:

Location:

Sex:

Frame:

### Find the Right Tool

Start Over



STOCKER INDEX  
VALUE OF GAIN

RETAINED OWNERSHIP  
RATION CALCULATOR



#### BeefBasis Stocker Index

National Avg. Price (Avg. Lbs)	Region 1 Avg. Price (Avg. Lbs)	Region 2 Avg. Price (Avg. Lbs)	Region 3 Avg. Price (Avg. Lbs)	Region 4 Avg. Price (Avg. Lbs)	Region 5 Avg. Price (Avg. Lbs)
\$178.14 (547)	\$167.43 (585)	\$184.35 (587)	\$169.41 (554)	\$183.44 (545)	\$168.47 (516)

([data/stocker-index/](https://data/stocker-index/))

News - Tools



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# USDA LRP Changes

<https://www.rma.usda.gov/News-Room/Press/Press-Releases/2019-News/USDA-Announces-Enhancements-to-Livestock-and-Dairy-Insurance-Programs>

4/29/2019

USDA Announces Enhancements to Livestock and Dairy Insurance Programs | RMA



United States Department of Agriculture

## News Release

### USDA Announces Enhancements to Livestock and Dairy Insurance Programs

#### KSU-Feeder Cattle Risk Management Tool

An Excel spreadsheet for evaluating feeder cattle risk management strategies



Version- 2.18.2020



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<https://www.agmanager.info/k-state-feeder-cattle-risk-management-tool>

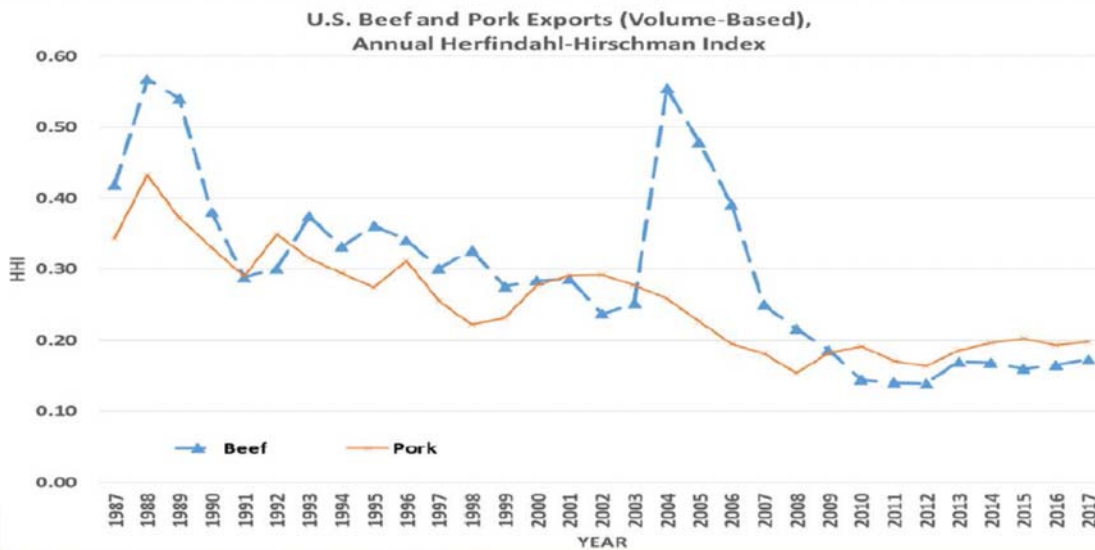


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<https://www.agmanager.info/livestock-meat/marketing-extension-bulletins/trade-and-demand/concentration-us-red-meat-exports>

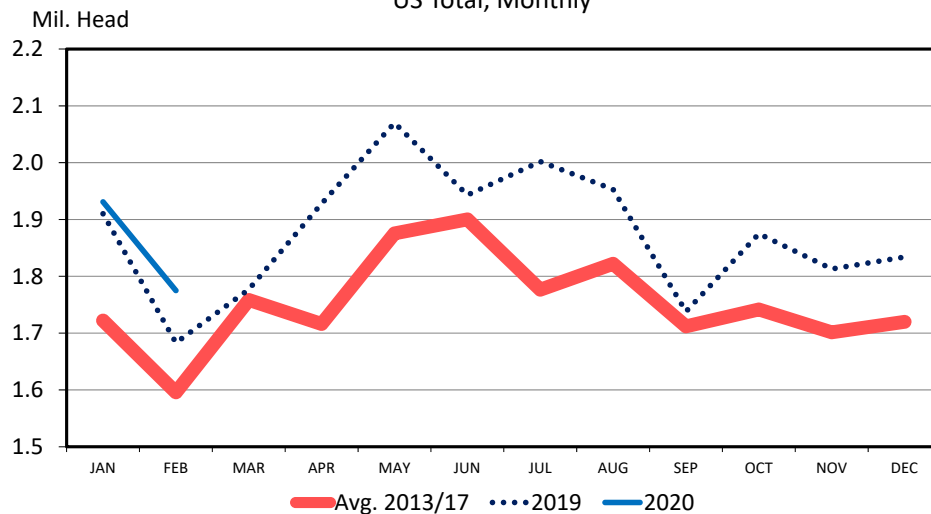
# Concentration of U.S. Red Meat Exports



Source: USDA ERS & USDA FAS Data, Tensor Calculations

## FED CATTLE MARKETINGS

US Total, Monthly

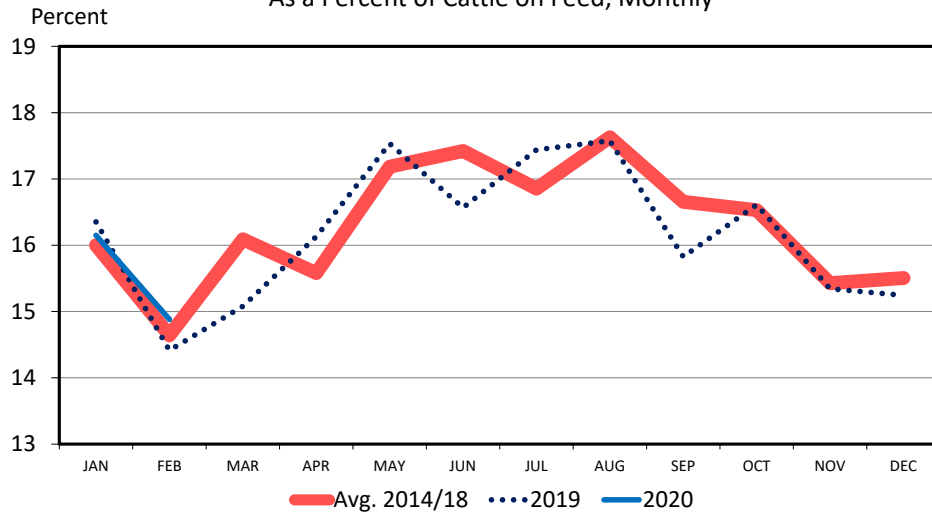


AgManager  
Data Source: USDA-NASS  
Livestock Marketing Information Center



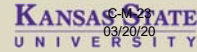
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### FED CATTLE MARKETINGS As a Percent of Cattle on Feed, Monthly



**AgManager**

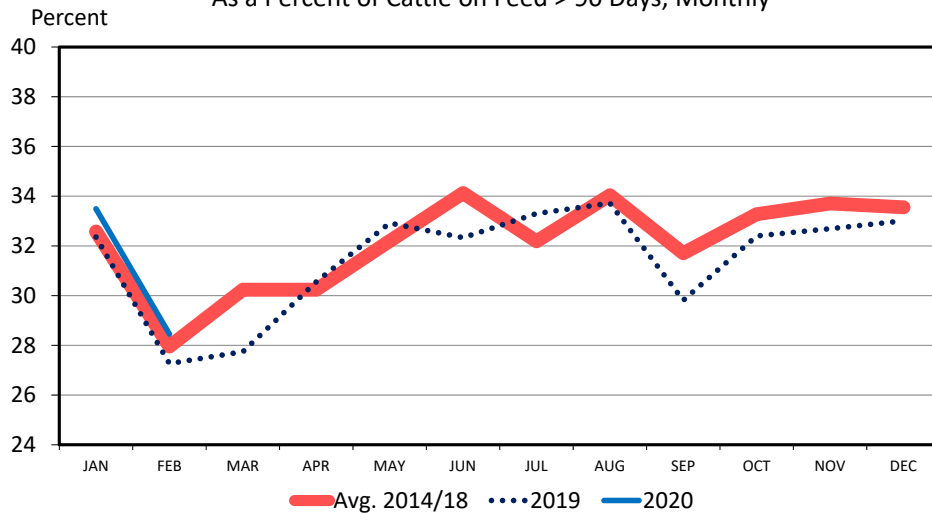
Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center



Agricultural Economics

C-1029  
03/20/20

### FED CATTLE MARKETINGS As a Percent of Cattle on Feed > 90 Days, Monthly



**AgManager**

Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center

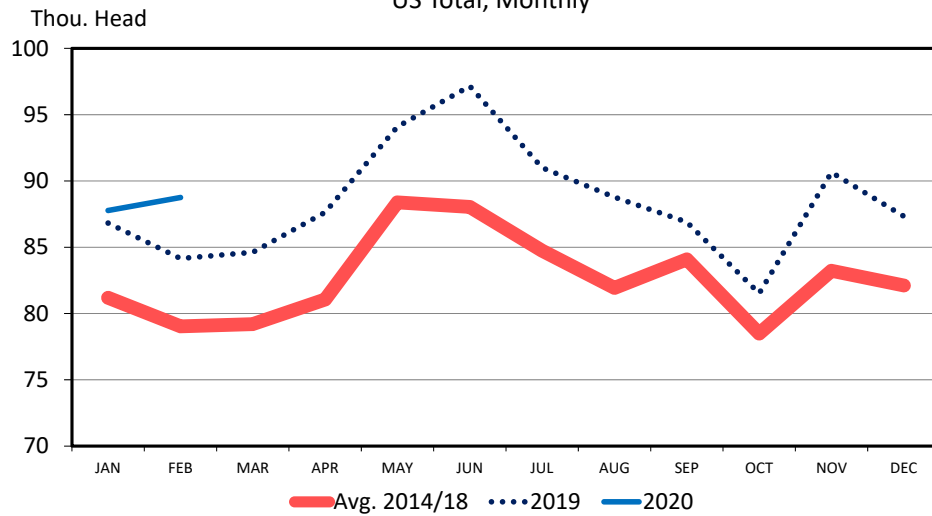


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## DAILY AVERAGE FED CATTLE MARKETINGS

US Total, Monthly



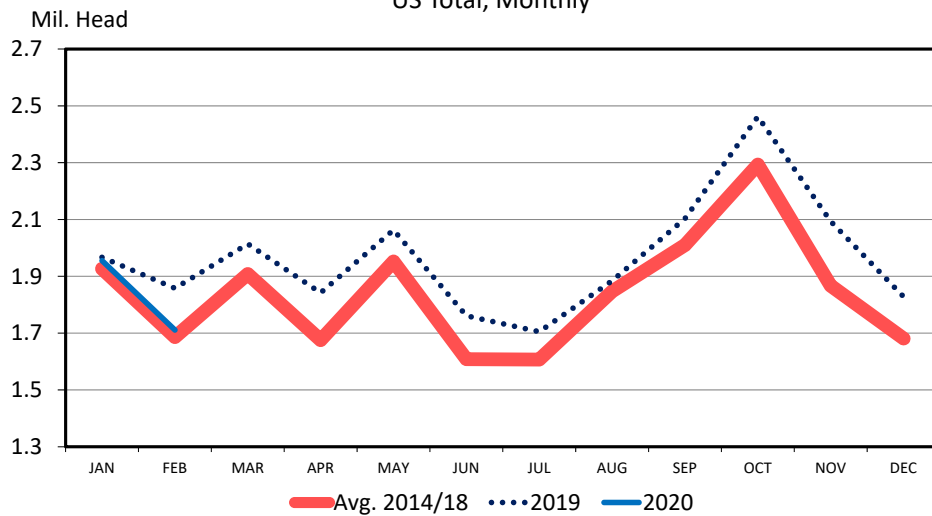
AgManager  
Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center



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## FEEDLOT PLACEMENTS

US Total, Monthly

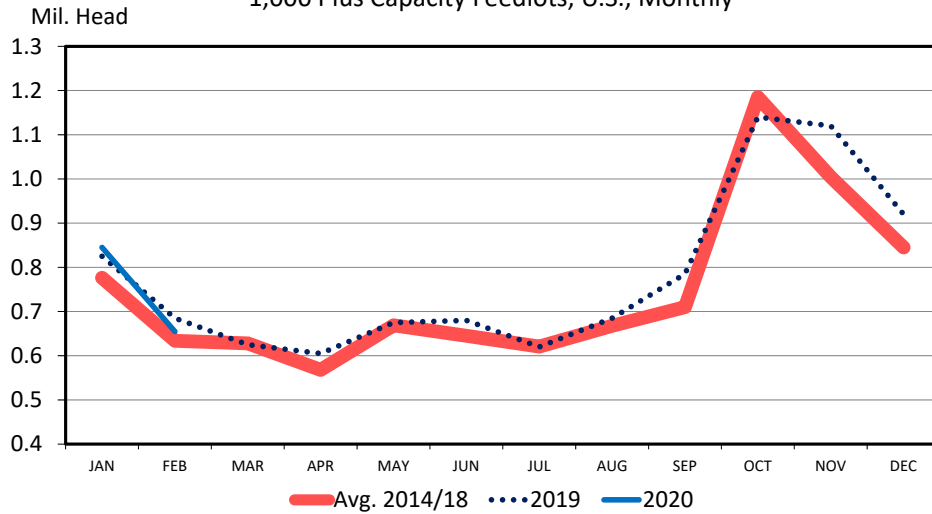


AgManager  
Data Source: USDA-NASS  
Livestock Marketing Information Center



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C-108  
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### CATTLE PLACED WEIGHING LESS THAN 700 POUNDS 1,000 Plus Capacity Feedlots, U.S., Monthly

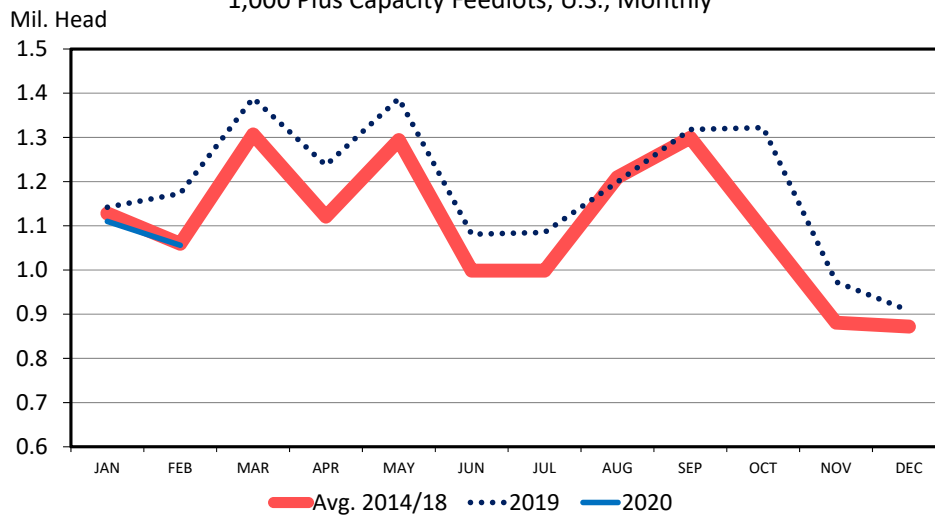


Data Source: USDA-NASS  
Livestock Marketing Information Center



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C-1099  
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### CATTLE PLACED WEIGHING MORE THAN 700 POUNDS 1,000 Plus Capacity Feedlots, U.S., Monthly



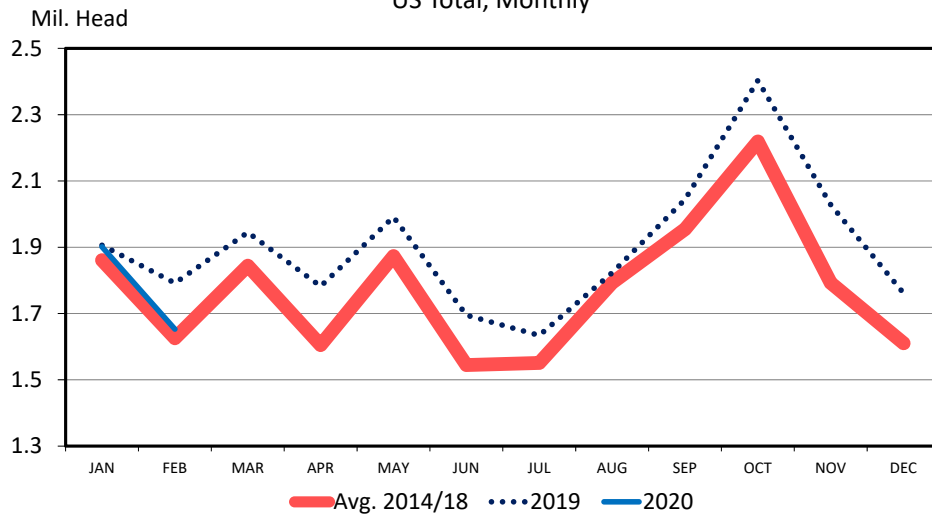
Data Source: USDA-NASS  
Livestock Marketing Information Center



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### NET FEEDLOT PLACEMENTS

US Total, Monthly



Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center

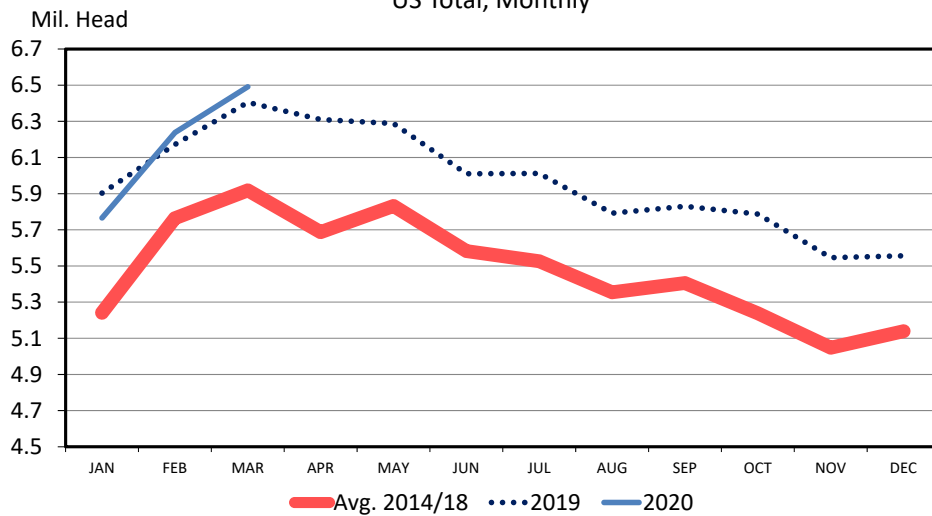


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### CATTLE ON FEED OVER 90 DAYS

US Total, Monthly



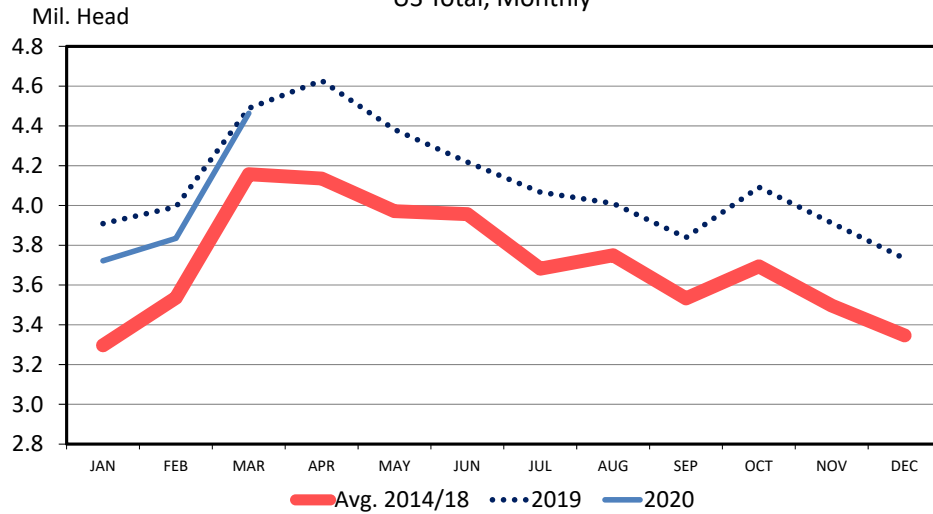
Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center



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### CATTLE ON FEED OVER 120 DAYS US Total, Monthly



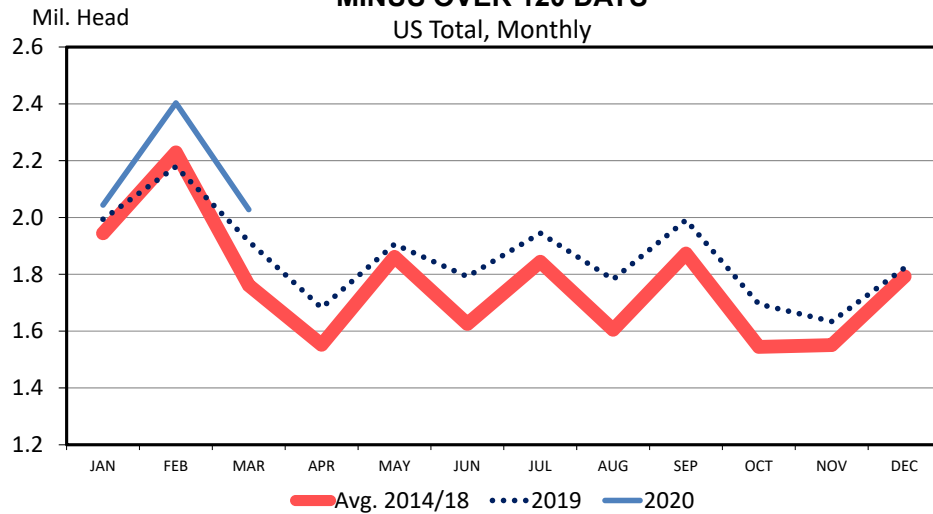
Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center



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### CATTLE ON FEED OVER 90 DAYS MINUS OVER 120 DAYS US Total, Monthly



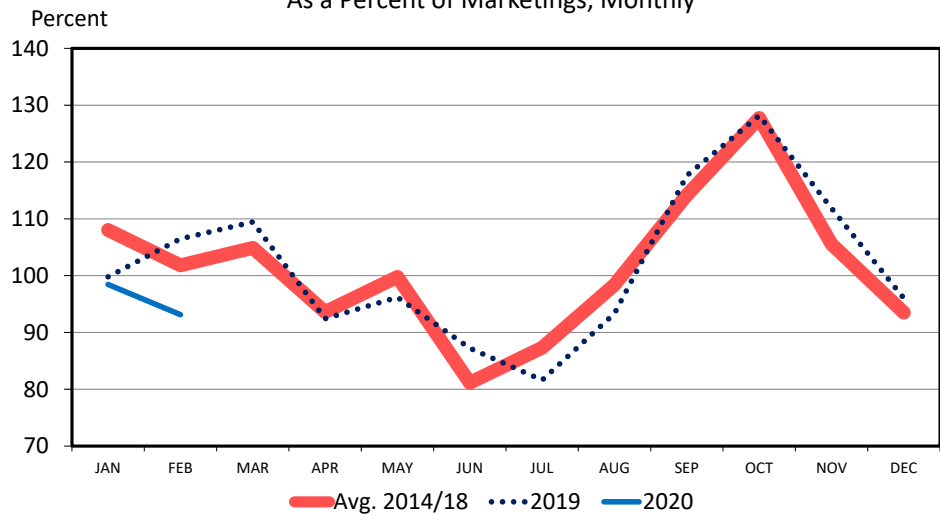
Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center



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### NET FEEDLOT PLACEMENTS As a Percent of Marketings, Monthly

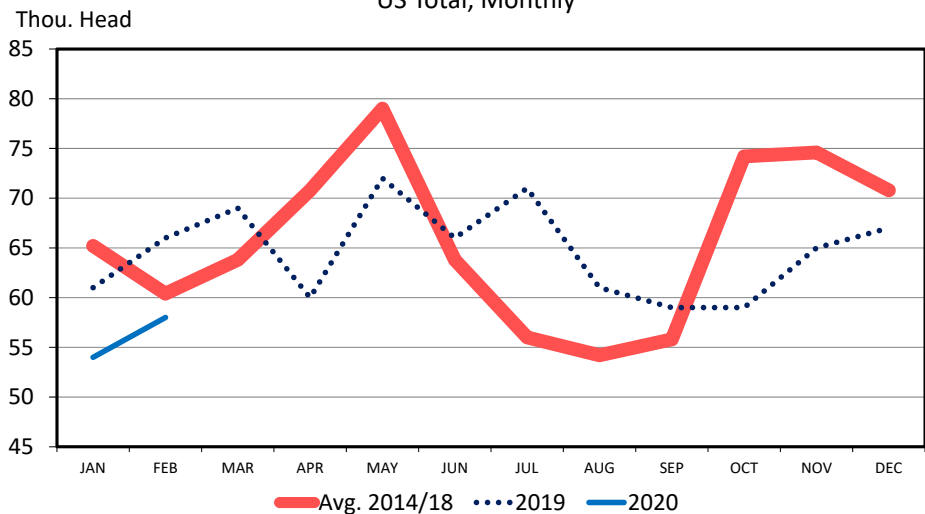


AgManager  
Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center



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### OTHER DISAPPEARANCE US Total, Monthly



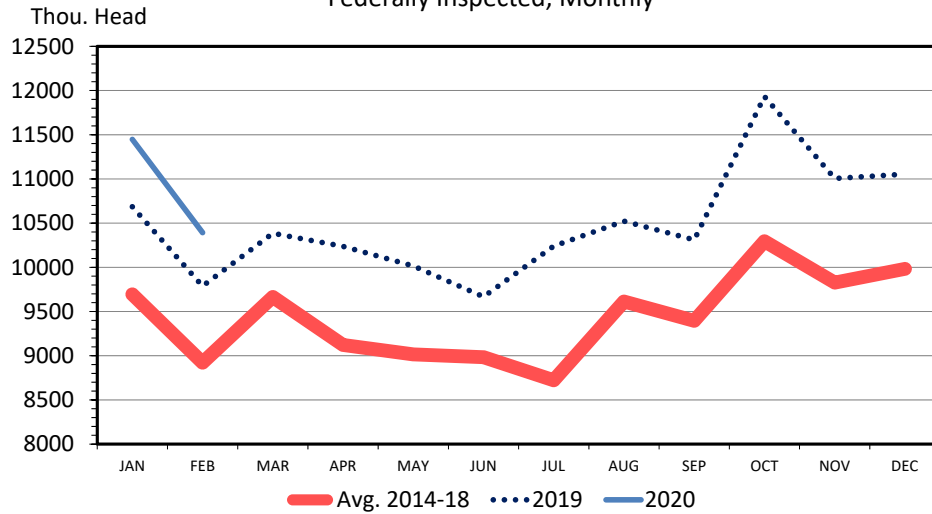
AgManager  
Data Source: USDA-NASS  
Livestock Marketing Information Center



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## BARROW AND GILT SLAUGHTER

Federally Inspected, Monthly

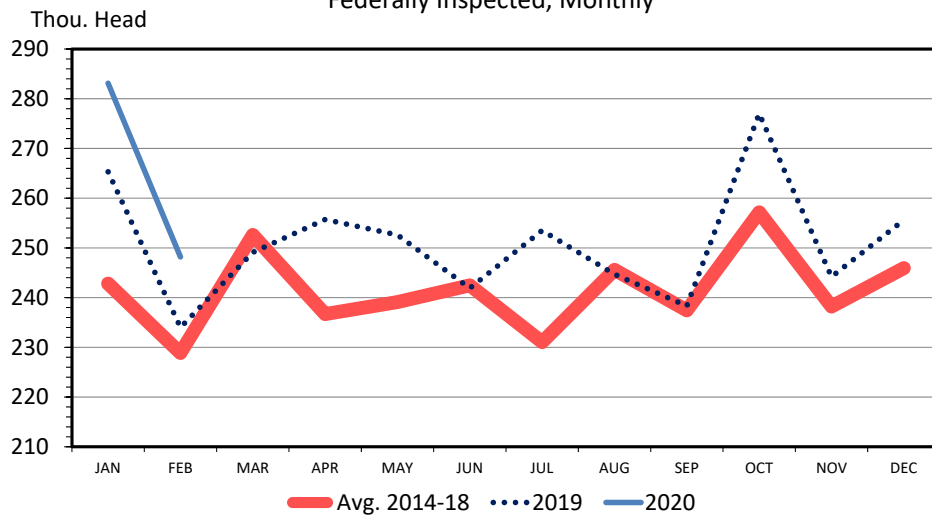


AgManager  
Data Source: USDA-NASS  
Livestock Marketing Information Center

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03/19/20

## SOW SLAUGHTER

Federally Inspected, Monthly

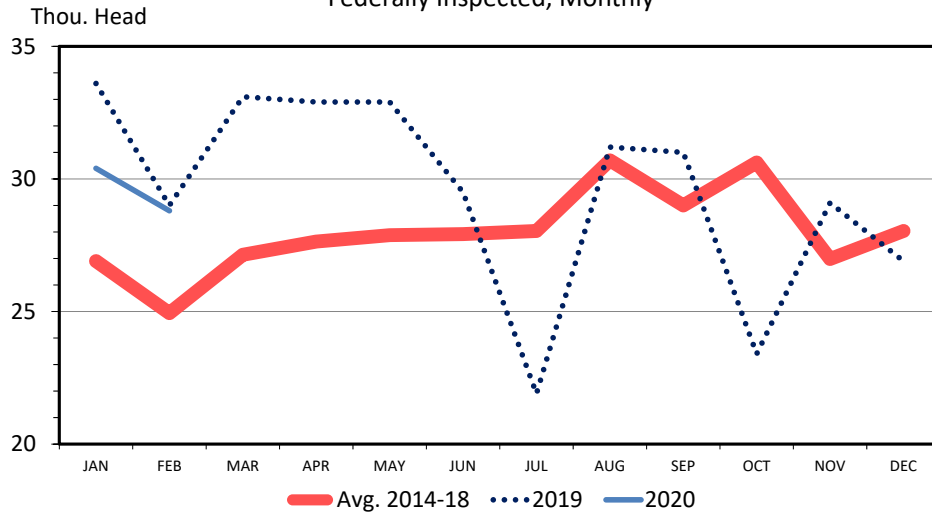


AgManager  
Data Source: USDA-NASS  
Livestock Marketing Information Center

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### STAG AND BOAR SLAUGHTER Federally Inspected, Monthly

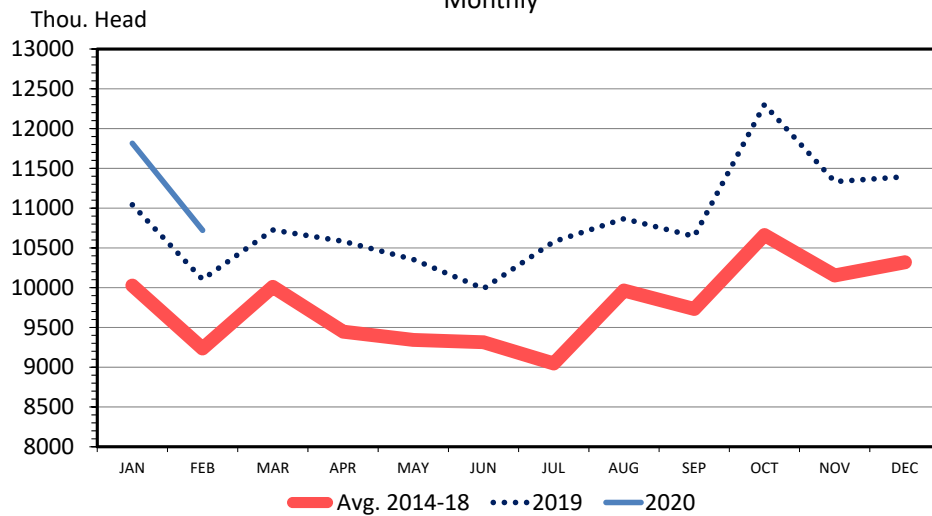


Data Source: USDA-NASS  
Livestock Marketing Information Center



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### COMMERCIAL HOG SLAUGHTER Monthly



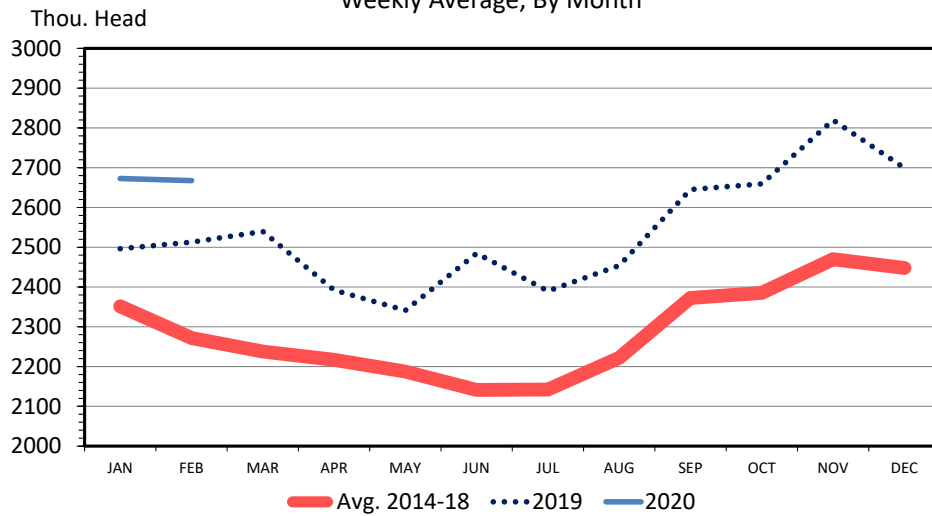
Data Source: USDA-NASS  
Livestock Marketing Information Center



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## FEDERALLY INSPECTED HOG SLAUGHTER

Weekly Average, By Month



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Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center

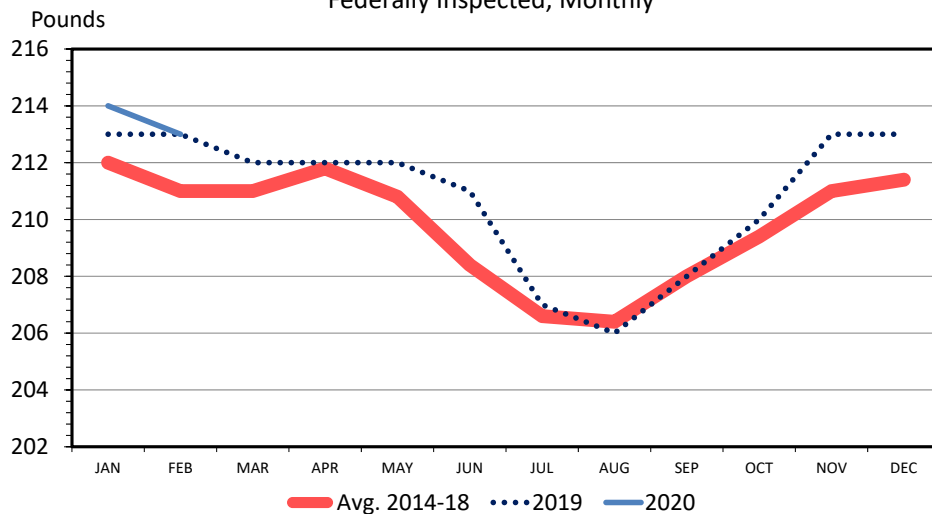
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11-10  
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## AVG DRESSED WEIGHT – BARROWS & GILTS

Federally Inspected, Monthly



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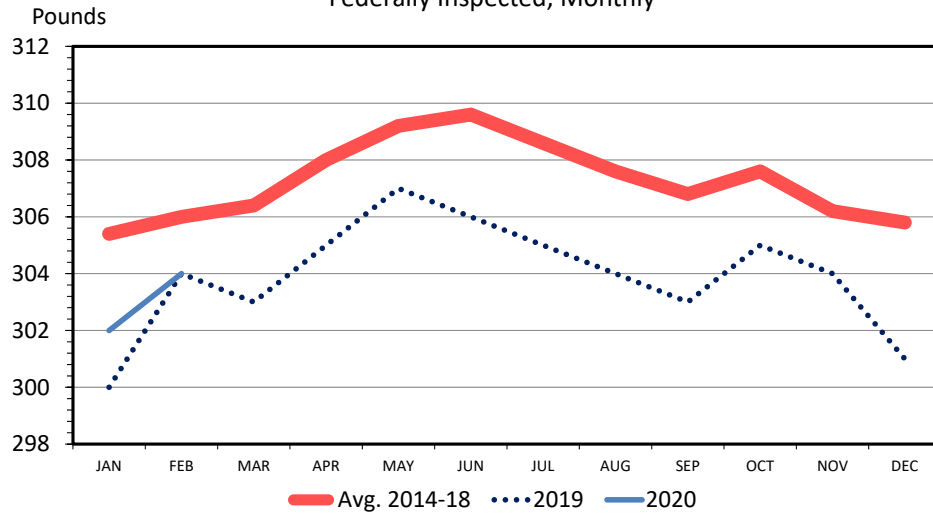
Data Source: USDA-NASS  
Livestock Marketing Information Center

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### AVG DRESSED WEIGHT – SOWS Federally Inspected, Monthly



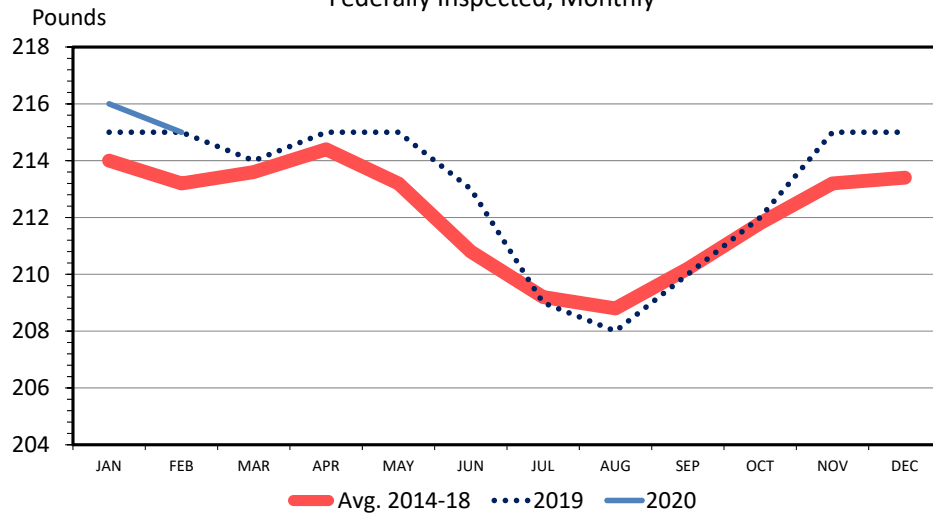
Data Source: USDA-NASS  
Livestock Marketing Information Center



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3/19/20

### AVG DRESSED WEIGHT – HOGS Federally Inspected, Monthly



Data Source: USDA-NASS  
Livestock Marketing Information Center



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