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MAY, 2022 MONTH END MARKET REPORT

THE FIGURES BELOW REPRESENT BOTH THE HIGH AND LOW MONTHLY AVERAGES

SLAUGHTER COWS.
CANNERS..... \$ 62.20 TO \$ 68.20
BONING/UTILITY..... \$ 69.40 TO \$ 76.00
CUTTERS..... \$ 77.00 TO \$ 84.20

SLAUGHTER BULLS..... \$ 84.20 TO \$111.00

BRED COWS \$ 600.00 TO \$1575.00

REPLACEMENT COWS
COW/CALF PAIRS \$890.00 TO \$1950.00
FEEDER CALVES

FEEDER STEERS/BULLS.		FEEDER HEIFERS		
LARGE FRAME #1		LARGE FRAME #1		
	WT CLASS AVG.		WT CLASS AVG	
200 TO 300 LBS....	\$1.52 TO \$2.17	1.65	\$1.41 TO \$2.04	\$1.42
300 TO 400 LBS....	\$1.48 TO \$2.10	1.70	\$1.36 TO \$1.86	\$1.52
400 TO 500 LBS....	\$1.39 TO \$1.90	1.66	\$1.32 TO \$1.80	\$ 1.50
500 TO 600 LBS....	\$1.31 TO \$1.74	1.50	\$1.29 TO \$1.60.	\$ 1.46
600 TO 800 LBS....	\$1.21 TO \$1.61	1.44	\$1.22 TO \$1.47	\$ 1.38

MONTHLY SUMMARY

MAY REFLECTED THE PREVIOUS MONTH AS THE DROUGHT CONTINUED IT DOMINANCE OF THE WEATHER IN MUCH OF THE COUNTRY. LIQUIDATIONS CONTINUED THROUGHOUT THE WESTERN PART OF THE US BECAUSE OF THE TIGHT FORAGE SUPPLIES AND THE RISING COST. THE IMMEDIATE IMPACT OF THIS MAJOR DROUGHT HAS YET TO BE DETERMINED BUT ALL WEIGHTS OF FEEDER CALVES CONTINUE TO BE FORCED OFF THE PASTURES PREMATURELY INTO THE FEEDLOTS. THE US BEEF COWHERD HAS BEEN IN LIQUIDATION SINCE 2019 WITH THIS YEAR BEING THE 4TH CONSECUTIVE YEAR OF A DECLINING CALF CROP. DROUGHT ALONG WITH THE HIGHER FEED COST ARE FORCING RANCHERS TO CULL THEIR HERDS AT A TORRID PACE. THE US PASTURE AND RANGE CONDITIONS HAVE BEEN RATED 49% POOR TO VERY POOR BY THE USDA. THE GREAT PLAINS ARE HOME TO ROUGHLY 60% OF THE NATION'S BEEF COW HERD AND CURRENTLY RATED 46% POOR TO VERY POOR. LESS CORN HAS BEEN PLANTED THIS YEAR AND WITH THE CURRENT DROUGHT IN THE WESTERN CORN BELT, CORN PRICES ARE CONTINUING TO RISE.

BEEF EXPORTS CONTINUE TO REMAIN EXTREMELY STRONG. THE PACIFIC RIM COUNTRIES CONTINUE TO QUENCH THEIR APPETITES AS CHINA AND S. KOREA LEAD THE PACK WITH RECORD BREAKING EXPORTS EACH MONTH. BEEF PRICES CONTINUE TO REMAIN HIGH HERE IN THE US BUT THERE CONTINUES TO BE A DARK CLOUD STARING OUR INDUSTRY. THE CONSUMER PRICE INDEX HAS RISEN TO 8.5% AND PRIME RATE IS CURRENTLY 5.75% WITH THE FEDERAL RESERVE PROMISING MORE INCREASES THIS YEAR. CORN PRICES HAVE RISEN FROM \$6/BUSHEL TO \$7.75 CURRENTLY. THE UKRAINE, WHICH SUPPLIES 18% OF THE WORLD'S CORN, WILL BE OF NO HELP WHICH WILL IN TURN PUT MORE OF A PULL ON THE US PRODUCTION. LIVESTOCK TRANSPORTATION COST CONTINUE TO RISE BECAUSE OF FUEL COST WITH DIESEL CURRENTLY COSTING \$5.25 AND EXPECTED TO RISE. TRUCKERS HAVE INCREASED THEIR FEES FROM \$5.50 TO \$6.00 PER MILE. ALL THIS WILL CONTINUE TO PUT PRESSURE ON BEEF PRICES.

BEEF COW SLAUGHTER CONTINUES TO REMAIN STRONG AND RUNNING 17% OVER LAST YEAR WITH ANALYSTS PROJECTING 2022 A CONTINUATION OF THE HERD LIQUIDATION. THE LAST 2 CATTLE ON FEED REPORTS HAVE BOTH SHOWED HIGH PLACEMENTS WHICH IS ATTRIBUTED TO THE DROUGHT FORCING CALVES PREMATURE INTO THE FEEDLOTS.

THE FINAL MAY PRICE AVERAGES ARE BASICALLY THE SAME AS THE PREVIOUS MONTH. OUR PASTURES AND MOISTURE REMAIN IN GOOD SHAPE ENTERING JUNE. THE DEMAND REMAINS STRONG FOR OUR FEEDER CALVES BUT BUYERS ARE SELECTIVE IN THEIR PURCHASES. THE SLAUGHTER FIGURES ARE ALSO REMAIN HEALTHY.

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