

USING THE LIVESTOCK MARKET WATCH TOOLS TO VISUALIZE INFORMATION

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You cannot change the market, but you can enhance your management strategies. Accessible information is essential for that. The Livestock Market Watch tools summarize information from AMS reports and futures markets. You can see data on historical and current prices, historical basis and expected prices, and expected crush margins for cattle and hogs.

The crush margin is the difference between the value of a fed animal and the cost of a feeder animal and the feed. Therefore, the estimates of livestock crushing margins can be seen as a barometer of future profitability and serve as a flag for risk management decisions. For example, if you see an opportunity for profits three months ahead, it might be a good idea to think about strategies to lock in those prices and guarantee that profit. It can be done by hedging using futures contracts or through federal insurance programs like Livestock Risk Protection and Livestock Gross Margin.

Please be aware that the numbers presented here are just a complementary source of information, and that running the numbers for your own operation and market conditions is always the most appropriate way to anticipate market conditions and make the best decisions. Below we describe how to access information using the tools.

Cattle

Using the Missouri Cattle Market Information Tool: The first tab of this tool includes a short introduction describing data sources. The navigation bar allows you to open a tab for specific types of animal: Feeder Cattle, Slaughter Cattle, or Replacement Cattle. When you click on the Feeder Cattle tab, at the upper left you can select filters for animal quality, which will be applied to all data in the tab. For example, if you pick steers with Medium and Large Frame and muscle grade 1-2, everything shown refers to this type of animal. On the left side, you have the latest data: the latest report information (date, price, and pounds per head); and the average data by lot description over the last 30 days. If you point over the bars of the chart, you can see the number of heads sold and average lbs/head for each lot description. Please be aware that prices can vary across lots due to characteristics not described in the AMS reports. On the right side, you can drag the time slicer to see information for a specific selected period of time. Selecting, for example, the period between January 1, 2024, and July 1, 2024, we see that 35,000 heads of animals with these characteristics were sold, the average price was \$268.98/cwt, and the average weight was 585 lbs/head.

Using the Cattle Price Forecasts Tool (Northeast Missouri): The first tab of this tool includes a short introduction describing data sources. The navigation bar allows you to open a tab for specific types of animal: Live Cattle Prices or Feeder Cattle Prices. When you click on live cattle prices, you'll see a couple of lines describing how the prices are estimated, and two charts. The left chart shows the live cattle basis for Northeast Missouri, which is basically the difference between local prices and the nearby futures quotes. The right side graph shows the expected live cattle prices, which are estimated using futures quotes from CME, and the historical basis for Northeast Missouri. Expected prices are updated every Wednesday using the latest quotes from CME.

Using the Livestock Crush Margin Tool: The first tab of this tool includes a short introduction describing data sources. From here, you can navigate to the tab of Yearling to Finish Crush margins using the navigation bar. When you click on the yearling-to-finish tab, you'll see a couple of lines describing how the margins are estimated, and two charts. The left chart shows the price used for estimation for every month, including the price for feeder cattle, live cattle, and corn. Prices already known are displayed in red. For example, corn price at placement for animals that will be sold by October is \$4.29/bu. Prices displayed in black are price forecasts estimated using CME quotes and the historical basis for Northeast Missouri. The right side graph shows the expected crush margin per head.

Swine

Using the Lean Hog Prices Report (Western Cornbelt) Tool: The first tab of this tool includes a short introduction describing the tool and data sources. The navigation bar allows you to navigate to Historical and Current Prices. This tab shows data on prices by purchase arrangement. At the upper left, you can see a short description of the purchase arrangements, and below that a chart plotting the average historical price per month by arrangements, and a time slicer, which allows you to see the difference of prices across arrangements for a selected period of time. On the right side, there is a table with the most recent prices, and below that a graph that plots the average price per month for each year, and a filter to select the purchase type you are interested in.

Using the Expected Prices and Basis (Western Cornbelt) Tool: The first tab of this tool includes a short introduction describing data sources. The navigation bar allows you to navigate to the Expected Prices and Basis tab. Clicking on that tab, you'll see a couple of lines describing how the prices are estimated, and two charts. The left chart shows the lean hog basis for Western Cornbelt, which is basically the difference between local prices and the nearby futures quotes. The right side graph shows the expected lean hog prices, which are estimated using futures quotes from CME, and the historical basis for the Western Cornbelt. Expected prices are updated every Wednesday using the latest quotes from CME.

Using the Wean to Finish Crush Margin (Western Cornbelt) Tool: The first tab of this tool includes a short introduction describing data sources. From here, you can navigate to the Wean to Finish Crush Margin tab using the navigation bar. When you click on that tab, you'll see a couple of lines describing how the margins are estimated, and two charts. The left chart shows the price used for estimation for every month, including the price for lean hogs, pigs, corn, and soybean meal. Prices already known are displayed in red. For example, corn price at placement for animals that will be sold by October is \$4.29/bu. Prices displayed in black are price forecasts estimated using CME quotes and the historical basis for Missouri (corn and soybean meal) and the Western Cornbelt (lean hog). The right-side graph shows the expected crush margin per head.