Daily Livestock Report

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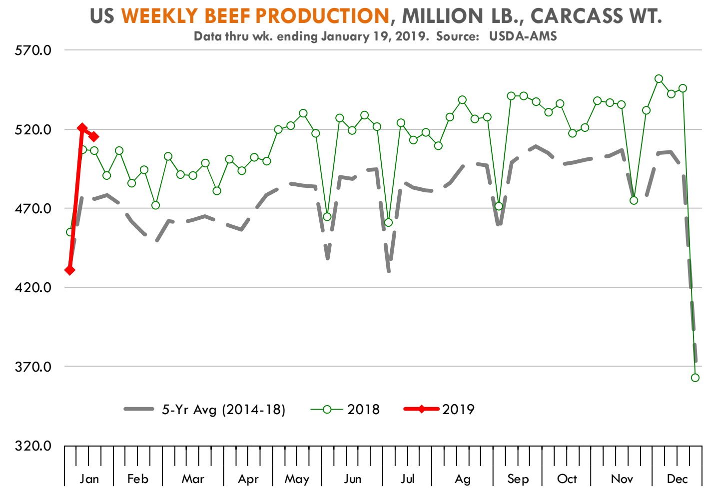
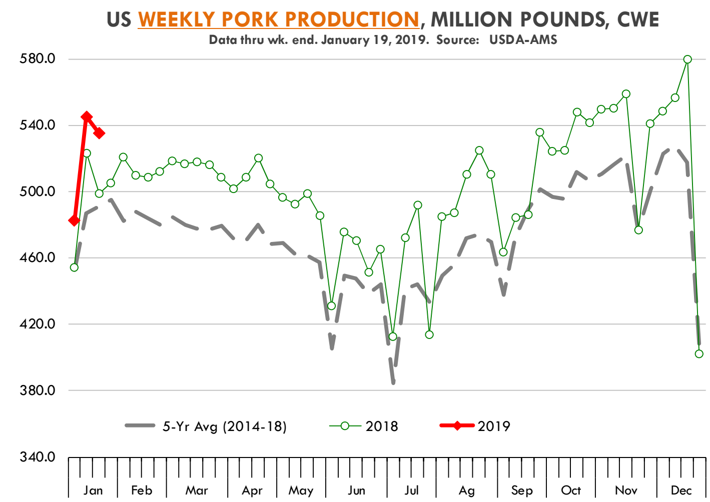
Vol. 17, No. 14 / January 21, 2019

The table on page 2 continues to have a few gaps in it. **Missing is weekly cow and sow slaughter data well as the number of broiler chick placements and egg sets**. But even if most of the supply information still appears to be there, **we would caution about the fact that the numbers presented are at best estimates**. The beef and pork supply information that is included comes from USDA-AMS. In the past, that information would get updated using actual slaughter/weight/production data from NASS, based on detailed reports they received from the field. At this time the slaughter information, for instance, comes from daily contacts with plants. The weekly weight information is even fuzzier. AMS normally calculates average weights based on the trend from previous weeks. That trend is constantly adjusted as actual information becomes available and thus it is normally close to the actual. The only time when there is a big discrepancy comes during seasonal inflection points, with weights sharply diverging from trend. The problem is that actual information has not been available since December 8. So what is the trend. Notice in the table that the average cattle carcass weight for week ending January 19 was reported to be 832 pounds (fed/non-fed), unchanged from the previous week and 0.4% higher than a year ago. And yet, the information that is available from Mandatory Price Reporting suggests that at least fed cattle weights are sharply lower than a year ago and they continue to decline. Cattle slaughter last week was 620,000 head, 1.2% higher than a year ago. Add to this the estimated 0.4% increase in weights and it results in a 1.7% increase in beef production (rounding affects the total). But if we were to adjust weights to levels where we think they are right now, production for the week would be fairly close to where it was last year. So yes, some information is still available but the longer we continue to miss the actual statistics the more difficult it will be to truly understand what is happening on the ground.

Hog slaughter last week was estimated by USDA-AMS at 2.508 million pounds, 2.2% lower than the previous week but 7.5% higher than a year ago. **Since the first week of December (7 weeks) hog slaughter has been a total of 17.181 million head, 3.6% higher than a year ago**. The numbers have been higher than what was suggested in the December 'Hogs and Pigs' report. That report indicated that the supply of +180 pound hogs as of December 1 was 13.282 million head, 1.5% higher than a year ago and the supply of 120-179 pound hogs was 14.412 million head, 3.5% higher than last year. At this point it appears that the +180 pound inventory may have been underestimated. Is it possible that the increase in packing capacity is causing plants to pull hogs forward? Looking at average weights of barrows and gilts coming to market that does not appear to be the case. Here we again caution about the difference between information from Mandatory Price Reporting and the data included in our table on page 2, which comes from USDA-AMS. According to the published weekly production report, hogs weights last week were 0.5% lower than a year ago and total production was up 7.25%. However, barrow and gilt data from MPR suggests weights are running 0.7% above year ago levels. Barrow and gilt weights have drifted modestly lower in the last two weeks but not enough to suggest that packers are pulling hog supplies forward at this time.



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PRODUCTION & WKLY AVG. PRICE SUMMARY Week Ending 1/19/2019

Source: Various USDA Agricultural Marketing Service reports. Some data are preliminary. *Weekly Avg. Prices*

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			19-Jan-19	12-Jan-19		20-Jan-18			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,938**	**1,798**	7.80%	**1,908**	1.61%	**4,505**	206.8%
	FI Slaughter	Thou. Head	620	626	-0.96%	613	1.18%	1,695	-4.2%
C	FI Cow Slaughter **	Thou. Head	data not available			104			
T	Avg. Dressed Weight	Lbs.	832	832	0.00%	829	0.36%	830	0.1%
T	Beef Production	Million Lbs.	515.1	520.3	-1.00%	506.5	1.70%	1,407	-4.2%
L	Live Fed Steer Price	$ per cwt	125.00	123.71	1.04%	122.89	1.72%		
E	Dressed Fed Steer Price	$ per cwt	197.00	196.78	0.11%	194.89	1.08%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	147.68	150.33	-1.77%	158.94	-7.09%		
&	Choice Beef Cutout	$ per cwt	212.36	213.70	-0.63%	205.89	3.14%		
	Hide/Offal	$ per cwt, live wt	8.98	9.01	-0.33%	10.63	-15.52%		
B	Rib Primal, Choice	$ per cwt	344.79	348.78	-1.14%	314.08	9.78%		
E	Round Primal, Choice	$ per cwt	168.40	171.69	-1.92%	171.42	-1.76%		
E	Chuck Primal, Choice	$ per cwt	174.23	175.78	-0.88%	178.62	-2.46%		
F	Trimmings, 50%	$ per cwt	58.92	57.16	3.08%	80.37	-26.69%		
	Trimmings, 90%	$ per cwt	201.72	200.68	0.52%	213.43	-5.49%		
	FI Slaughter	Thou. Head	2,508	2,565	-2.22%	2,332	7.53%	6,924	#DIV/0!
	FI Sow Slaughter **	Thou. Head	data not available			46.9		N/A	
H	Avg. Dressed Weight	Lbs.	213.0	213.0	0.00%	214.0	-0.47%	213	#VALUE!
O	Pork Production	Million Lbs.	535.2	545.2	-1.83%	499	7.25%	1,477	#DIV/0!
G	Iowa-S. Minn. Base	Wtd. Avg.	51.98	51.00	1.92%	69.75	-25.48%		
S	Natl. Base Carcass Price	Wtd. Avg.	59.01	57.72	2.23%	70.68	-16.51%		
	Natl. Net Carcass Price	Wtd. Avg.	60.81	59.40	2.37%	72.61	-16.25%		
	Pork Cutout	205 Lbs.	70.25	70.36	-0.16%	80.97	-13.24%		
	Ham Primal	$ per cwt	49.83	47.60	4.68%	63.74	-21.82%		
	Loin Primal	$ per cwt	64.68	63.51	1.84%	71.73	-9.83%		
	Belly Primal	$ per cwt	134.47	138.99	-3.25%	135.98	-1.11%		
	Trimmings, 72%, Fresh	$ per cwt	53.31	50.36	5.86%	75.78	-29.65%		
	Hog By-Product Value	$ per cwt, live wt	3.39	3.39	0.00%	3.78	-10.32%		
C	Young Chicken Slaughter *	Million Head	165.9	137.9	20.30%	165.3	0.38%	304	N/A
H	Avg. Weight (RTC)	Lbs.	4.69	4.72	-0.64%	4.75	-1.28%	6.19	#DIV/0!
I	Young Chicken Production (RTC)	Million Lbs.	777.8	650.7	19.53%	785.0	-0.91%	1,429	N/A
C	Eggs Set (19-state)	Million	data not available			225.6			-100.0%
K	Chicks Placed (19-state)	Million Head				184.1			-100.0%
E	National Composite Whole Bird	Composite	99.96	103.87	-3.76%	94.62	5.64%		
	Northeast Breast, B/S	$/cwt	99.57	101.13	-1.54%	104.83	-5.02%		
	Northeast Leg Quarters	$/cwt	29.08	30.35	-4.18%	35.58	-18.27%		
T	Total Turkey Slaughter *	Million Head	4.166	3.053	36.46%	4.544	-8.32%	7.219	N/A
U	Avg. Weight (RTC)	Lbs.	26.44	26.80	-1.37%	25.78	2.53%	33.07	1.8%
R	Turkey Production (RTC)	Million Lbs.	110.1	81.8	34.58%	117.2	-6.00%	192	N/A
K	National Hen (8-12 lb)	8-16 Lbs.	81.00	80.01	1.24%	80.68	0.40%		
G	Corn, Omaha	$ per Bushel	3.60	3.56	1.12%	3.35	7.46%		
R	Soybeans, Cntrl IL	$ per Bushel	8.72	8.72	0.00%	9.60	-9.17%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	313.70	317.80	-1.29%	321.90	-2.55%		
I	Distillers Grain, IL	$ per Bushel	152.50	160.00	-4.69%	140.00	8.93%		

* Chicken & turkey slaughter. Production, egg sets are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago due to reporting lag.

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