Daily Livestock Report

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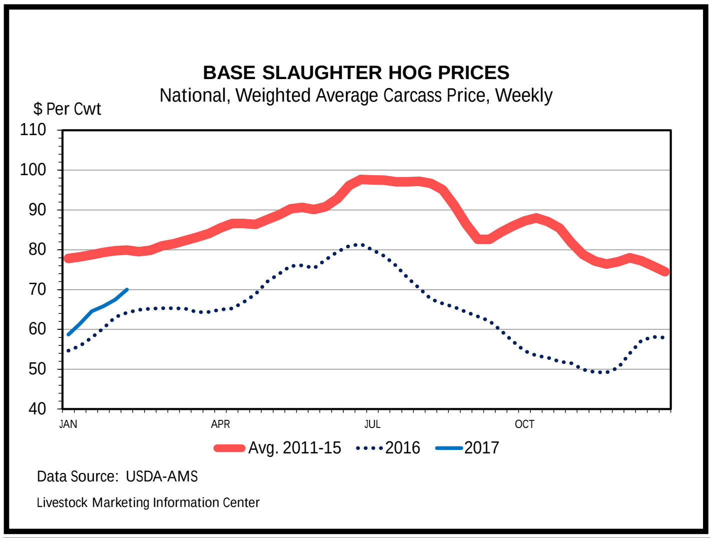
Looking back at last week, livestock futures contract prices generally increased some week-over-week. Averaging of the daily closing prices put the weekly average Live Cattle (fed) CME contract at $116.99 per cwt., up $0.79 for the week but below the levels posted from mid-January through the end of that month. The futures market expects the seasonal low fed cattle prices to be associated with the August contract which averaged $101.66 per cwt., up $0.98 week-over-week.

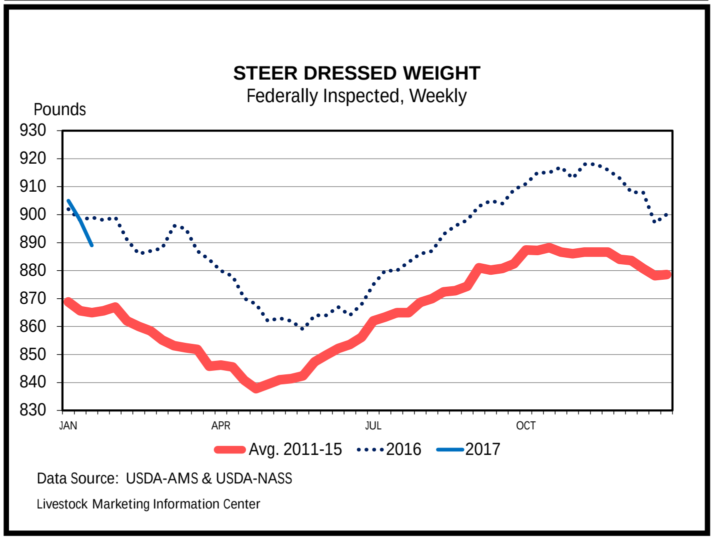
CME's Feeder Cattle contract for March 2017 slipped slightly for the week, averaging $123.15 per cwt. (down $0.04), remaining well below the recent high set the week ending January 20th at $130.26. That contract for the traditional end of the summer (September) and first of the fall (October) averaged $123.11 and $121.74, respectively. Both of those feeder contracts gained $1.50 or more compared to one week earlier.

All the CME's 2017 Hog contracts recorded price increases last week, with February averaging $73.17 per cwt. and jumping-up the most (up $3.92 week-over-week). Last week, the July 2017 contract averaged $78.56 per cwt, increasing $1.00 week-over-week, while the October contract gained $1.19 per cwt. to $68.32. For hogs, every 2017 contract has risen dramatically since last October. For example, the week ending October 21, 2016 the February and October 2017 contracts averaged $48.45 per cwt. and $58.72, respectively.

The second page of this newsletter provides our regular weekly production and cash price summary using data reported by USDA's Agricultural Marketing (Market News). Cash prices for cattle and hogs were higher last week. Cattle prices were well below 2016's, in contrast the national base hog price was higher year-over-year ($5.85 per cwt. above 2016's). In wholesale markets, as depicted by cutout values, Choice beef declined week-over-week while pork increased. Year-over-year, the beef cutout value was down 13.0% and the pork cutout was up 11.2%. As shown in the table, preliminary production projections for last week by Market News showed beef up 4.9% year-over-year and pork increasing 3.8%.

Last Thursday's AMS report titled "Actual Slaughter Under Federal Inspection" (released February 9th) provided data for the week ending January 28th showing that slaughter weights of steers and heifers continued to decline and dropped a bit more than normal during January. Dressed steer weight was down 14 pounds compared to 2016's and heifer weight declined 9 pounds.





Wrapping-up this weekly review, we turn to the USDA's monthly World Agricultural Supply and Demand Estimates (WASDE) report , which was released Thursday February 9th. From a general perspective the livestock and feedstuff supply numbers were in-line with the prior monthly report and market analysts did not expect significant changes in those commodities. In terms of 2017's export tonnage forecasts, the WASDE report raised beef slightly and did not change pork.

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PRODUCTION & PRICE SUMMARY

Week Ending 2/11/2017

Source: Various USDA Agricultural Marketing Service reports. Some data are preliminary.

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			11-Feb-17	4-Feb-17		13-Feb-16			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,838	1,868	-1.7%	1,790	2.7%	10,090	-0.3%
C	FI Slaughter	Thou. Head	574	593	-3.2%	547	4.9%	3,471	2.1%
A	FI Cow Slaughter **	Thou. Head	116	114	2.1%	113	2.3%	448	-1.7%
T	Avg. Dressed Weight	Lbs.	824	830	-0.7%	829	-0.6%	825	-0.6%
T	Beef Production	Million Lbs.	472.0	491.0	-3.9%	452.5	4.3%	2,865	1.5%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	119.75	118.76	0.8%	131.56	-9.0%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	190.06	189.78	0.1%	205.92	-7.7%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	141.14	136.06	3.7%	170.02	-17.0%		
&	Choice Beef Cutout	$ per cwt	189.39	192.88	-1.8%	217.63	-13.0%		
	Hide/Offal	$ per cwt, live wt	11.93	12.00	-0.6%	10.43	14.4%		
B	Rib, Primal, Choice	$ per cwt	286.77	294.07	-2.5%	331.77	-13.6%		
E	Round, Primal, Choice	$ per cwt	165.77	171.36	-3.3%	209.45	-20.9%		
E	Chuck, Primal, Choice	$ per cwt	155.78	158.92	-2.0%	182.55	-14.7%		
F	Trimmings, 50%, Fresh	$ per cwt	77.76	76.37	1.8%	51.31	51.5%		
	Trimmings, 90%, Fresh	$ per cwt	208.11	206.77	0.6%	209.13	-0.5%		
	FI Slaughter	Thou. Head	2,364	2,327	1.6%	2,278	3.8%	13,864	-1.9%
H	FI Sow Slaughter **	Thou. Head	58.1	55.8	4.1%	60.2	-3.4%	221	-4.3%
O	Avg. Dressed Weight	Lbs.	213.0	213.0	0.0%	213.0	0.0%	213	-0.2%
G	Pork Production	Million Lbs.	503.6	496	1.5%	484.2	4.0%	2,954	-2.0%
S	Iowa-S. Minn. Direct	Wtd. Avg.	71.30	67.12	6.2%	63.28	12.7%		
	Natl. Base Carcass Price	Wtd. Avg.	70.03	67.48	3.8%	64.18	9.1%		
&	Natl. Net Carcass Price	Wtd. Avg.	72.37	69.82	3.7%	66.31	9.1%		
	Pork Cutout	$ per cwt	85.11	83.72	1.7%	76.56	11.2%		
P	By-product Value	$ per cwt, live wt	3.96	3.92	1.0%	3.14	26.1%		
O	Ham, Primal	$ per cwt	61.60	61.07	0.9%	57.53	7.1%		
R	Loin, Primal	$ per cwt	74.45	74.61	-0.2%	81.09	-8.2%		
K	Belly, Primal	$ per cwt	181.32	172.33	5.2%	125.51	44.5%		
	Trimmings, 72%, Fresh	$ per cwt	61.46	62.94	-2.4%	61.12	0.6%		
C	Young Chicken Slaughter *	Million Head	162.4	163.9	-0.9%	158.43	2.5%	794	-0.1%
H	Avg. Weight (RTC)	Lbs.	4.63	4.70	-1.5%	4.73	-2.2%	4.71	0.2%
I	Young Chicken Production (RTC)	Million Lbs.	751.7	769.7	-2.3%	750.1	0.2%	3,740	0.1%
C	Eggs Set (19-state)	Million	210.1	211.1	-0.5%	207.4	1.3%	1,052	1.1%
K	Chicks Placed (19-state)	Million Head	170.4	172.4	-1.2%	169.4	0.6%	860	1.2%
E	National Composite Whole Bird	Composite	84.68	83.56	1.3%	81.95	3.3%		
N	Northeast Breast, B/S	$ per cwt	101.79	104.36	-2.5%	109.50	-7.0%		
	Northeast Leg Quarters	$ per cwt	33.59	33.11	1.4%	28.43	18.1%		
T	Total Turkey Slaughter *	Million Head	4.38	4.31	1.5%	4.07	7.6%	20.5	-3.2%
U	Avg. Weight (RTC)	Lbs.	25.19	25.90	-2.7%	25.24	-0.2%	25.90	0.7%
R	Turkey Production (RTC)	Million Lbs.	110.3	111.7	-1.3%	102.7	7.4%	531	-2.5%
K	National Hen (8-12 Lbs)	$ per cwt	100.50	100.50	0.0%	110.06	-8.7%		
G	Corn, Omaha	$ per Bushel	3.42	3.44	-0.4%	3.50	-2.3%		
R	Distillers Grain, Chicago	$ per Ton	102.50	NQ	N/A	NQ	N/A		
A	Wheat, Kansas City (delivered)	$ per Bushel	4.85	4.66	4.1%	NQ	N/A		
I	Soybean, Cntrl IL	$ per Bushel	10.37	10.24	1.2%	8.85	17.2%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	335.40	330.00	1.6%	272.70	23.0%		

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago (part of 'actual" rather than "preliminary" weekly slaughter report).