Daily Livestock Report

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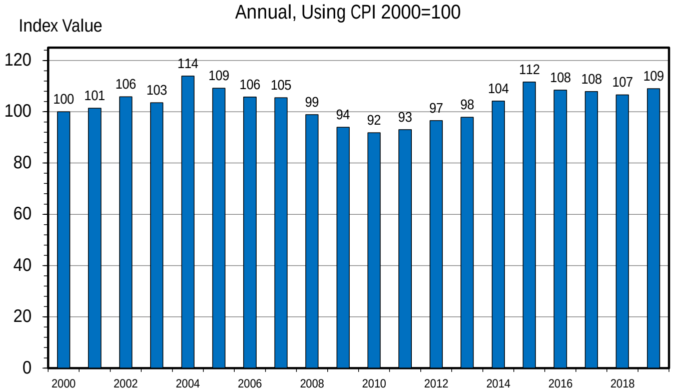
The Livestock Marketing Information Center (LMIC) calculates demand indexes for beef and pork. The demand index is driven by two primary factors, per capita retail beef (pork) consumption and retail beef (pork) prices. It is worth noting that per capita consumption is not demand, rather it is a measure of product availability. Recall demand is the consumer's willingness to purchase a good at a given price depending on their tastes and preferences. Prices used in the demand index are deflated using the consumer price index (CPI) with 2000 as the base year. As expected, final calculations for 2019 demand indexes showed strong increases for both beef and pork.

RETAIL ALL FRESH BEEF DEMAND INDEX

Annual, Using CPI 2000=100



Data Source: Bureau of Labor Statistics, USDA-ERS, Compiled & Analysis by LMIC

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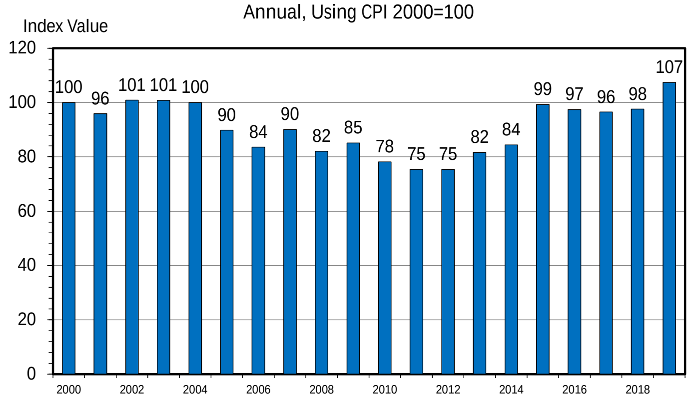
The retail all fresh beef demand index value of 109.02 for 2019 was a 2.3% increase from last year and the highest level since 2015 (111.59). Per capita retail beef consumption grew 1.3% in 2019 to 57.95 pounds per person continuing the trend which started in 2014. The most recent high in per capita consumption of retail all fresh beef was 2010 at 59.58. While beef consumption grew so did prices. Retail beef prices were $581.94 cents per pound in 2019, also increasing 2.3% from 2018 in nominal terms. In real terms (CPI deflated) retail all fresh beef prices increased 0.6% in 2019. In 2020, beef supplies are expected to tighten on lower available cattle supplies which may push cattle prices higher, possibly impacting retail prices and perhaps shrinking the demand index.

The pork demand index was 107.44, a sizeable increase of 10.1% over 2018. Much of the increase in the demand index is due to per capita consumption which increased 2.6%, over the prior year, to 52.27 pounds per person, the highest level in two decades. In 2019, commercial pork production increased 5.0% to 27.6 billion pounds;

RETAIL PORK DEMAND INDEX

Annual, Using CPI 2000=100



Data Source: Bureau of Labor Statistics, USDA-ERS, Compiled & Analysis by LMIC

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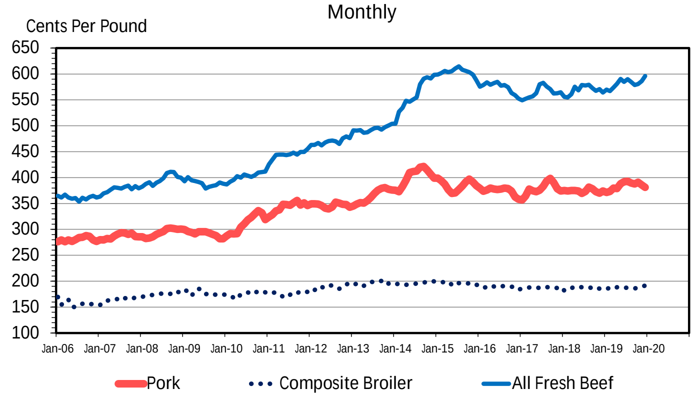
this indicates that there was more pork available for consumers. The 2019 retail pork price was $384.33 cents per pound (nominal), a 2.6% increase over 2018. In real terms, pork prices increased 0.9%. If pork remains competitively priced coupled with an LMIC forecasted 3.8% increase in pork production, the pork demand index could see further improvements in 2020.

Increases in the demand index for both retail all fresh beef and pork were good indications that demand was strong in 2019. This was a positive sign given production increased for both meats. LMIC is forecasting production to increase again in 2020 for total read meat and poultry. Also noteworthy is per capita disposable income increased just under 4.0% in 2019, assuming this trend continues into 2020, this would lend support for continued strength in beef and pork demand this year.

RETAIL PRICE COMPARISON

Monthly



Data Source: Bureau of Labor Statistics & USDA-ERS

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PRODUCTION & PRICE SUMMARY

Week Ending 2/15/2020

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY .

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			15-Feb-20	8-Feb-20		16-Feb-19			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,990	2,032	-2.0%	1,888	5.4%	12,590	4.4%
C	FI Slaughter	Thou. Head	620	631	-1.7%	608	2.1%	4,137	-0.3%
A	FI Cow Slaughter **	Thou. Head	131	134	-2.0%	117	11.4%	650	8.5%
T	Avg. Dressed Weight	Lbs.	827	827	0.0%	812	1.8%	825	1.1%
T	Beef Production	Million Lbs.	511.5	520.3	-1.7%	492.5	3.9%	3,413	0.7%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	118.88	121.05	-1.8%	124.96	-4.9%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	190.26	193.18	-1.5%	199.92	-4.8%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	149.80	147.21	1.8%	152.10	-1.5%		
&	Choice Beef Cutout	$ per cwt	207.52	210.85	-1.6%	216.68	-4.2%		
	Hide/Offal	$ per cwt, live wt	9.07	9.12	-0.5%	9.03	0.4%		
B	Rib, Primal, Choice	$ per cwt	329.60	336.47	-2.0%	355.20	-7.2%		
E	Round, Primal, Choice	$ per cwt	180.14	180.09	0.0%	177.67	1.4%		
E	Chuck, Primal, Choice	$ per cwt	167.76	170.27	-1.5%	173.50	-3.3%		
F	Trimmings, 50%, Fresh	$ per cwt	57.98	54.58	6.2%	65.29	-11.2%		
	Trimmings, 90%, Fresh	$ per cwt	237.10	241.91	-2.0%	211.11	12.3%		
	FI Slaughter	Thou. Head	2,596	2,691	-3.5%	2,497	3.9%	17,280	3.1%
H	FI Sow Slaughter **	Thou. Head	62.3	61.8	0.8%	52.8	18.0%	303	8.3%
O	Avg. Dressed Weight	Lbs.	216.0	216.0	0.0%	215.0	0.5%	216	0.6%
G	Pork Production	Million Lbs.	560.2	582.2	-3.8%	536.9	4.3%	3,735	3.7%
S	Natl. Negotiated Purchase	Wtd. Avg.	49.18	51.22	-4.0%	48.41	1.6%		
	Natl. Base Carcass Price	Wtd. Avg.	57.71	60.35	-4.4%	55.93	3.2%		
&	Natl. Net Carcass Price	Wtd. Avg.	59.84	62.29	-3.9%	57.73	3.7%		
	Natl. Early Wean Feeder	10-12 Lbs.	44.89	47.36	-5.2%	50.52	-11.1%		
P	Pork Cutout	$ per cwt	63.70	66.69	-4.5%	64.07	-0.6%		
O	By-product Value	$ per cwt, live wt	3.64	3.63	0.3%	3.29	10.6%		
R	Ham, Primal	$ per cwt	54.71	55.14	-0.8%	43.52	25.7%		
K	Loin, Primal	$ per cwt	65.37	66.84	-2.2%	65.07	0.5%		
	Belly, Primal	$ per cwt	73.60	86.31	-14.7%	108.04	-31.9%		
	Trimmings, 72%, Fresh	$ per cwt	53.87	57.81	-6.8%	47.34	13.8%		
C	Young Chicken Slaughter *	Million Head	171.3	172.0	-0.4%	162.01	5.7%	1,004	5.1%
H	Avg. Weight (RTC)	Lbs.	4.73	4.78	-1.0%	4.61	2.6%	4.78	2.5%
I	Young Chicken Production (RTC)	Million Lbs.	811.0	822.1	-1.4%	747.4	8.5%	4,796	7.7%
C	Eggs Set (US)	Million	239.6	238.8	0.4%	228.3	4.9%	1,433	4.5%
K	Chicks Placed (US)	Million Head	190.8	192.1	-0.7%	183.3	4.1%	1,144	4.0%
E	National Composite Whole Bird	Composite	81.62	85.82	-4.9%	90.94	-10.2%		
N	Northeast Breast, B/S	$ per cwt	88.84	85.69	3.7%	107.22	-17.1%		
	Northeast Leg Quarters	$ per cwt	40.1	41.49	-3.4%	29.99	33.7%		
T	Total Turkey Slaughter *	Million Head	4.03	4.04	-0.2%	4.06	-0.9%	23.8	3.9%
U	Avg. Weight (RTC)	Lbs.	26.71	26.53	0.7%	27.27	-2.1%	27.15	0.7%
R	Turkey Production (RTC)	Million Lbs.	107.6	107.1	0.4%	110.8	-2.9%	646	4.6%
K	National Hen (8-12 Lbs)	$ per cwt	98.00	98.00	0.0%	83.00	18.1%		
G	Corn, Omaha	$ per Bushel	3.81	3.79	0.5%	3.68	3.4%		
R	Distillers Grain, IA	$ per Ton	145.50	145.50	0.0%	147.50	-1.4%		
A	Soybean, Cntrl IL	$ per Bushel	9.05	8.89	1.8%	8.79	2.9%		
I	Soybn Meal 48%, Cntrl IL	$ per Ton	292.90	289.20	1.3%	306.00	-4.3%		
N									

* 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).