Daily Livestock Report

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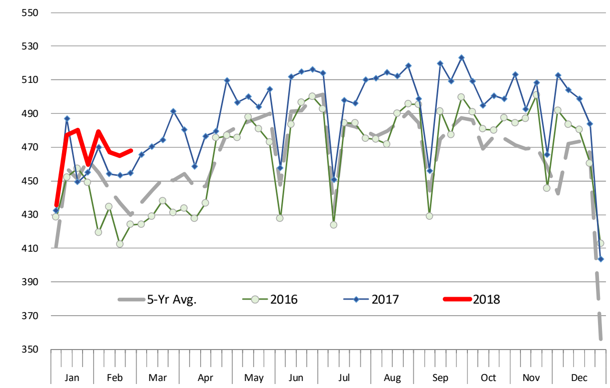
Markets were closed on Monday so no Daily Livestock Report was issued. USDA, however, issued its regular reports and below are some key data points from the previous week:

- **Fed cattle slaughter** last week was estimated at 462k head, 1.9% higher than the previous year. In the last four weeks fed cattle has averaged 1.9% above year ago levels, a little behind the pace that analysts have been expecting based on available supplies. Seasonally fed cattle slaughter should ramp up in March, April and May, with some expecting fed cattle slaughter to increase by as much as 6% y/y during some weeks. At the moment cutout prices are moving higher, which is not that unusual for this time of year. Weather start to improve and this tends to support better demand from both retail and foodservice. Futures are currently pricing a fairly bullish demand scenario for 2018, with the average futures price for the year currently at $121/cwt. Non-fed slaughter last week was 134,000 head, 8.8% higher than a year ago. In the last four weeks non-fed slaughter has averaged 5.4% above last year.
- Higher beef prices appear to have **negatively impacted the amount of beef that packers have sold on a forward basis**. Keep in mind that it was the low prices in late fall 2016 and early 2017 that set the stage for last year's spring rally. Packers were able to sell a fair amount of beef forward and retailers featured beef aggressively in March, April and May. The latest weekly comprehensive cutout report showed that for week ending February 16 packers sold 881 loads for delivery between mid March and mid April. Last year sales for the comparable week were 1,062 loads. In the last four weeks, beef sales for delivery 22-60 days out, are down 15% from the comparable period a year ago. The trend on forward sales bears watching, especially with more cattle expected to be market ready by Q2.
- **Beef packer margins** were likely negative last week on a combination of higher prices paid for cattle (near $130/cwt) and a lower comprehensive cutout. USDA quoted the comprehensive cutout for the week ending February 16 at $206.93/cwt, down $2.27/cwt from the previous week. The comprehensive beef cutout declined even as the negotiated choice cutout was flat for the week..
- **Hog slaughter for the week** was estimated at 2.384 million head, 1.2% higher than the previous year. Daily hog slaughter has averaged in the low 460s, in large part because of two new plants that are now operational. However, this has meant a lower Saturday slaughter, which will likely be the norm as we go into the spring and summer. Saturday slaughter was 84,000 head, 62% lower than a year ago. Pork export sales to non-NAFTA markets last week were 25.6 million pounds, down from near 34 million pounds sold in late January but still as much as 40% higher that the same week a year ago. The chart to the right shows the weekly export sales to non-NAFTA countries based on MPR data. It is a four week moving average, currently up 16% y/y.

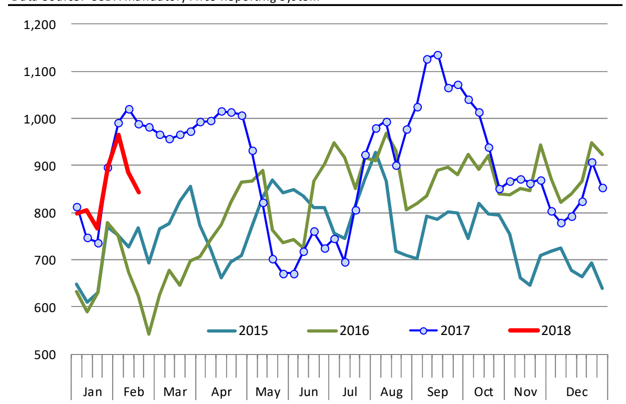
WEEKLY STEER AND HEIFER SLAUGHTER. '000 HEAD

Source: USDA



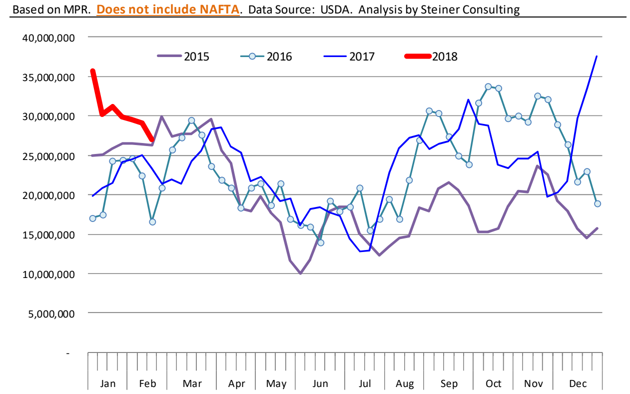
Beef Loads Sold For Delivery 22 - 60 Days. 4-WK MA

Data Source: USDA Mandatory Price Reporting System



Weekly MPR Pork Export Sales Volume, 4-week Moving Avg. - TOTAL

Based on MPR. Does not include NAFTA. Data Source: USDA. Analysis by Steiner Consulting



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PRODUCTION & WKLY AVG. PRICE SUMMARY   Week Ending 2/17/2018

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
			17-Feb-18	10-Feb-18		18-Feb-17			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,867**	**1,882**	-0.76%	**1,818**	2.74%	**12,013**	0.9%
	FI Slaughter	Thou. Head	596	591	0.85%	576	3.39%	4,164	2.7%
C	FI Cow Slaughter **	Thou. Head	124	125	-0.70%	117	6.25%	602	6.6%
T	Avg. Dressed Weight	Lbs.	828	829	-0.12%	821	0.85%	828	0.6%
T	Beef Production	Million Lbs.	492.3	488.8	0.72%	472.1	4.28%	3,447	3.3%
L	Live Fed Steer Price	$ per cwt	128.29	126.15	1.70%	119.59	7.27%		
E	Dressed Fed Steer Price	$ per cwt	NQ	200.30	NA	189.91	N/A		
	Oklahoma Steer (600-700 lbs)	$ per cwt	162.96	160.28	1.67%	142.74	14.17%		
&	Choice Beef Cutout	$ per cwt	208.47	208.46	0.00%	188.93	10.34%		
	Hide/Offal	$ per cwt, live wt	10.27	10.33	-0.58%	11.90	-13.70%		
B	Rib Primal, Choice	$ per cwt	331.79	326.23	1.70%	279.79	18.59%		
E	Round Primal, Choice	$ per cwt	172.26	174.68	-1.39%	166.60	3.40%		
E	Chuck Primal, Choice	$ per cwt	173.69	176.32	-1.49%	155.56	11.65%		
F	Trimmings, 50%	$ per cwt	81.42	83.88	-2.93%	78.76	3.38%		
	Trimmings, 90%	$ per cwt	215.53	215.68	-0.07%	209.22	3.02%		
	FI Slaughter	Thou. Head	2,382	2,389	-0.29%	2,356	1.12%	16,464	1.5%
	FI Sow Slaughter **	Thou. Head	61.5	58.3	5.46%	59.8	2.77%	288	2.5%
H	Avg. Dressed Weight	Lbs.	214.0	214.0	0.00%	212.0	0.94%	214	0.6%
O	Pork Production	Million Lbs.	509.9	511.2	-0.25%	500	1.98%	3,523	2.1%
G	Iowa-S. Minn. Base	Wtd. Avg.	67.74	71.88	-5.76%	73.90	-8.34%		
S	Natl. Base Carcass Price	Wtd. Avg.	71.20	72.25	-1.45%	72.81	-2.21%		
	Natl. Net Carcass Price	Wtd. Avg.	73.27	74.32	-1.41%	75.18	-2.54%		
	Pork Cutout	205 Lbs.	77.21	77.41	-0.26%	85.01	-9.18%		
	Ham Primal	$ per cwt	57.20	57.44	-0.42%	59.55	-3.95%		
	Loin Primal	$ per cwt	72.50	71.82	0.95%	75.08	-3.44%		
	Belly Primal	$ per cwt	125.54	128.28	-2.14%	181.91	-30.99%		
	Trimmings, 72%, Fresh	$ per cwt	65.26	68.73	-5.05%	60.96	7.05%		
	Hog By-Product Value	$ per cwt, live wt	3.76	3.80	-1.05%	3.98	-5.53%		
C	Young Chicken Slaughter *	Million Head	162.8	165.3	-1.52%	162.2	0.38%	936	-2.1%
H	Avg. Weight (RTC)	Lbs.	4.65	4.69	-0.81%	4.61	0.82%	6.19	0.2%
I	Young Chicken Production (RTC)	Million Lbs.	757.3	775.3	-2.32%	748.3	1.21%	4,403	-1.9%
C	Eggs Set (19-state)	Million	0.0	225.9	NA	222.7	NA	1,353	2.4%
K	Chicks Placed (19-state)	Million Head	0.0	178.3	NA	179.2	NA	1,087	1.4%
E	National Composite Whole Bird	Composite	91.24	90.63	0.67%	85.67	6.50%		
	Northeast Breast, B/S	$/cwt	103.8	105.21	-1.34%	106.86	-2.86%		
	Northeast Leg Quarters	$/cwt	37.87	38.53	-1.71%	33.52	12.98%		
T	Total Turkey Slaughter *	Million Head	4.165	4.09	1.83%	3.742	11.30%	24.574	1.4%
U	Avg. Weight (RTC)	Lbs.	25.88	26.00	-0.44%	25.97	-0.35%	32.40	0.6%
R	Turkey Production (RTC)	Million Lbs.	107.8	106.3	1.38%	97.2	10.92%	640	2.0%
K	National Hen (8-12 lb)	8-16 Lbs.	80.99	79.50	1.87%	99.35	-18.48%		
G	Corn, Omaha	$ per Bushel	3.48	3.47	0.29%	3.39	2.65%		
R	Distillers Grain, Chicago	$ per Ton	152.50	155.00	-1.61%	100.00	52.50%		
A	Wheat, Kansas City (deliv.)	$ per Bushel	4.74	4.61	2.82%	4.06	16.75%		
I	Soybeans, Cntrl IL	$ per Bushel	10.13	9.77	3.68%	10.35	-2.13%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	378.20	344.20	9.88%	339.00	11.56%		

* 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 due to reporting lag. YTD still references 2017.