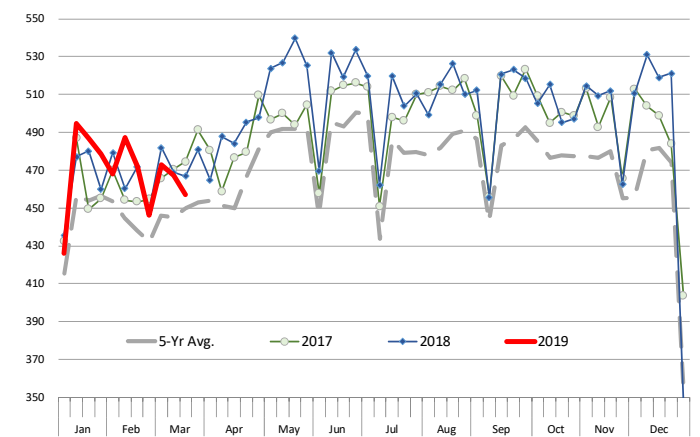


Before we review the supply/price information from the past week we thought we'd bring to your attention **the (now national) story of about 1 million pounds of pork, originating in China, discovered in the port of New Jersey.** While product was prevented from entering commerce, it highlights the risk that ASF presents for the global pork industry. Based on news stories the seized pork was mostly cured, shelf stable product. Does this discovery represent attempts to intentionally bring infected pork products into the US? Our guess is that this is unlikely. One can surmise this from the US response to this incident. Rather, this seems to be more a case of contraband that was discovered due to the heightened attention brought about by African Swine Fever. Global trade means millions of containers floating around. Unfortunately it is not humanly possible to physically check each and every one of them. At this time we think the risk to the US hog industry is still relatively low given the commercial nature of pork production in the US. But **the possibility of pork products mixed with other foodstuffs coming from China necessitates more scrutiny.** US producers need to maintain strong biosecurity measures and prevent food scraps and other such products entering the hog supply chain. More importantly, **US needs to work with our trading partners to develop clear rules on regionalization.** This needs to be done today, before a random outbreak in a small backyard farm creates havoc for the entire industry. BSE taught us some very painful lessons.

Hog market spiked higher last week on China demand speculation and the possibility of big volumes going to that market in the summer and fall. The last time China was a major buyer of pork in this market was in 2011 and market participants would do well to review the export patterns that year. The supply shortages in China in 2019 will be vastly greater than in 2011. One of the limiting export factors to China remains the availability of Ractopamine free pork. While the supply has increased in recent years it is still a fraction of the total supply. Some producers that have tighter control/ownership of hogs are better situated for this export demand. Last week we noted that the big sale of pork reported in the Thursday weekly update did not show up in the Mandatory Price Reporting system. This could be due to the rules that govern MPR, where product sold for immediate or future delivery needs to be priced in order to be reportable. This would presumably eliminate export sale commitments that may have some price formula to be determined at a later date. We don't know this is the reason for the discrepancy but it could explain it. We will also reach out to USDA to better understand what products are reportable in their weekly export sales report. Since the report explicitly says muscle cuts of beef or pork, does this mean that sales of full or half carcasses would be precluded from reporting? In the past, China has shown a

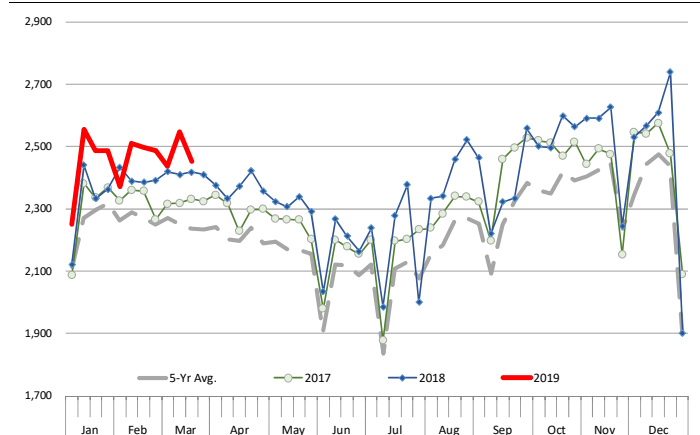
WEEKLY STEER AND HEIFER SLAUGHTER. '000 HEAD

Source: USDA



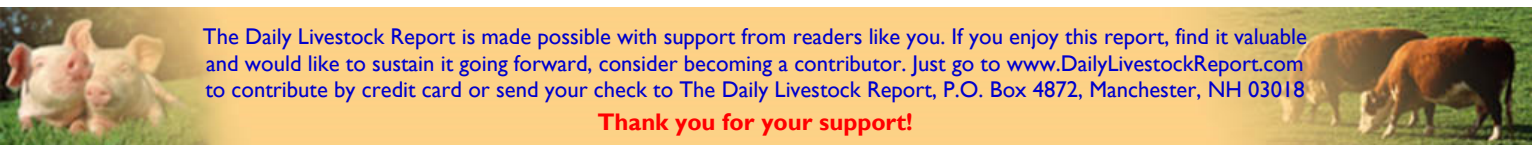
WEEKLY HOG SLAUGHTER. '000 HEAD

Source: USDA



preference for purchasing hog carcasses rather than muscle cuts. We will update you on this as we look more into it.

Finally, winter weather was a major factor for producers last week and it significantly impacted both hog and cattle slaughter. Transportation issues due to flooding and the effect of flooding on works and farms could be a factor this week as well. We think fed cattle slaughter last week was around 457,000 head, about 10k head or 2% lower than a year ago. Fed cattle marketings are down so far this month and this will make more long fed cattle available for marketing in April and early May. Cash fed cattle prices hold a bit of a weaker undertone at this time. Cash hog prices hold a firm upward momentum



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 4872, Manchester, NH 03018

Thank you for your support!

The Daily Livestock Report is published by Steiner Consulting Group, DLR Division, Inc.. To subscribe, support or unsubscribe please visit www.dailylivestockreport.com.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group®, CME® and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The Daily Livestock Report is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.

Daily Livestock Report

Sponsored by  **CME Group**

Vol. 17, No. 53 / March 18, 2019

PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **3/16/2019**

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
		16-Mar-19	9-Mar-19		17-Mar-18			
Total Beef, Pork, Chicken, Turkey	mil lbs., cwe	1,860	1,893	-1.71%	1,865	-0.27%	19,542	0.4%
FI Slaughter	Thou. Head	593	603	-1.66%	601	-1.28%	6,536	-0.3%
C FI Cow Slaughter **	Thou. Head	127	127	0.24%	120	6.47%	1,111	2.9%
T Avg. Dressed Weight	Lbs.	810	813	-0.37%	819	-1.10%	812	-1.4%
T Beef Production	Million Lbs.	479.5	489.1	-1.96%	490.7	-2.28%	5,310	-1.7%
L Live Fed Steer Price	\$ per cwt	126.98	128.15	-0.91%	127.91	-0.73%		
E Dressed Fed Steer Price	\$ per cwt	204.03	205.07	-0.51%	205.47	-0.70%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	152.77	151.91	0.57%	165.60	-7.75%		
& Choice Beef Cutout	\$ per cwt	227.70	224.94	1.23%	224.46	1.44%		
Hide/Offal	\$ per cwt, live wt	9.06	9.00	0.67%	10.18	-11.00%		
B Rib Primal, Choice	\$ per cwt	372.92	369.70	0.87%	368.94	1.08%		
E Round Primal, Choice	\$ per cwt	182.84	181.88	0.53%	173.03	5.67%		
E Chuck Primal, Choice	\$ per cwt	181.14	177.30	2.17%	180.50	0.35%		
F Trimmings, 50%	\$ per cwt	79.12	75.05	5.42%	83.72	-5.49%		
Trimmings, 90%	\$ per cwt	216.25	214.29	0.91%	218.00	-0.80%		
FI Slaughter	Thou. Head	2,452	2,535	-3.27%	2,418	1.40%	26,677	2.2%
FI Sow Slaughter **	Thou. Head	58.2	58.6	-0.71%	58.0	0.41%	521	-0.3%
H Avg. Dressed Weight	Lbs.	215.0	215.0	0.00%	214.0	0.47%	215	0.3%
O Pork Production	Million Lbs.	526.4	544.2	-3.27%	518.1	1.60%	5,727	2.5%
G Iowa-S. Minn. Base	Wtd. Avg.	50.91	45.26	12.48%	59.21	-14.02%		
S Natl. Base Carcass Price	Wtd. Avg.	56.42	54.29	3.92%	65.26	-13.55%		
Natl. Net Carcass Price	Wtd. Avg.	58.43	56.25	3.88%	67.31	-13.19%		
Pork Cutout	205 Lbs.	67.92	63.57	6.84%	73.43	-7.50%		
Ham Primal	\$ per cwt	53.40	46.69	14.37%	56.27	-5.10%		
Loin Primal	\$ per cwt	63.11	60.84	3.73%	73.76	-14.44%		
Belly Primal	\$ per cwt	123.53	113.07	9.25%	106.47	16.02%		
Trimmings, 72%, Fresh	\$ per cwt	51.37	45.77	12.24%	67.59	-24.00%		
Hog By-Product Value	\$ per cwt, live wt	3.30	3.32	-0.60%	3.75	-12.00%		
C Young Chicken Slaughter *	Million Head	160.3	162.6	-1.42%	160.4	-0.10%	1,600	1.1%
H Avg. Weight (RTC)	Lbs.	4.68	4.62	1.32%	4.70	-0.48%	6.14	-0.6%
I Young Chicken Production (RTC)	Million Lbs.	750.3	751.3	-0.13%	754.7	-0.59%	7,448	0.3%
C Eggs Set (19-state)	Million	233.2	231.5	0.72%	228.3	2.13%	2,300	1.7%
K Chicks Placed (19-state)	Million Head	185.9	183.6	1.22%	181.1	2.61%	1,837	1.6%
E National Composite Whole Bird	Composite	92.00	89.35	2.97%	99.04	-7.11%		
Northeast Breast, B/S	\$/cwt	110.07	103.89	5.95%	119.19	-7.65%		
Northeast Leg Quarters	\$/cwt	39.3	34.37	14.34%	39.47	-0.43%		
T Total Turkey Slaughter *	Million Head	3.949	3.94	0.23%	3.91	1.00%	39,076	-4.6%
U Avg. Weight (RTC)	Lbs.	26.37	27.45	-3.95%	26.02	1.32%	33.48	4.3%
R Turkey Production (RTC)	Million Lbs.	104.1	108.2	-3.73%	101.8	2.33%	1,057	0.7%
K National Hen (8-12 lb)	8-16 Lbs.	84.00	87.00	-3.45%	79.50	5.66%		
G Corn, Omaha	\$ per Bushel	3.63	3.55	2.25%	3.59	1.11%		
R Soybeans, Cntrl IL	\$ per Bushel	8.66	8.66	0.00%	10.15	-14.68%		
A Soybn Meal 48%, Cntrl IL	\$ per Bushel	308.90	303.30	1.85%	375.00	-17.63%		
I Distillers Grain, IL	\$ per Bushel	155.00	158.50	-2.21%	162.50	-4.62%		

* 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.

The Daily Livestock Report is made possible with support from readers like you. If you enjoy reading this report and would like to sustain it going forward, consider becoming a contributor by going to our website: www.DailyLivestockReport.com

Thank you for your support!

