

Last Friday, the CME Group posted a review on their website and requested responses regarding the Feeder Cattle Index. They are investigating whether or not to include certain types of commented cattle (e.g., fancy, thin, fleshy) into the Index that have previously been excluded. Please see this link [SURVEY](#).

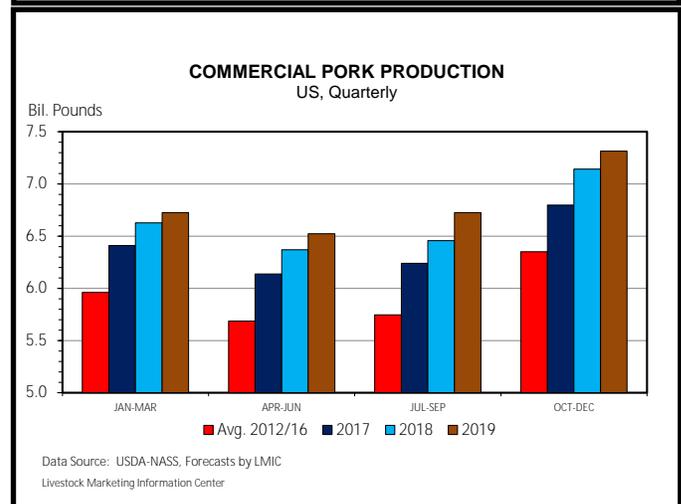
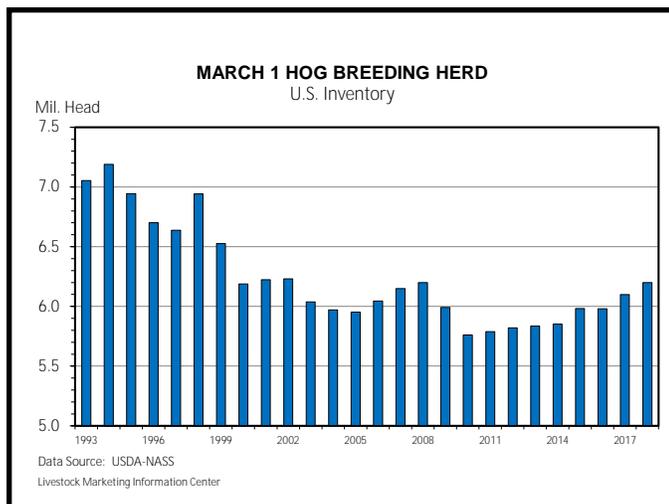
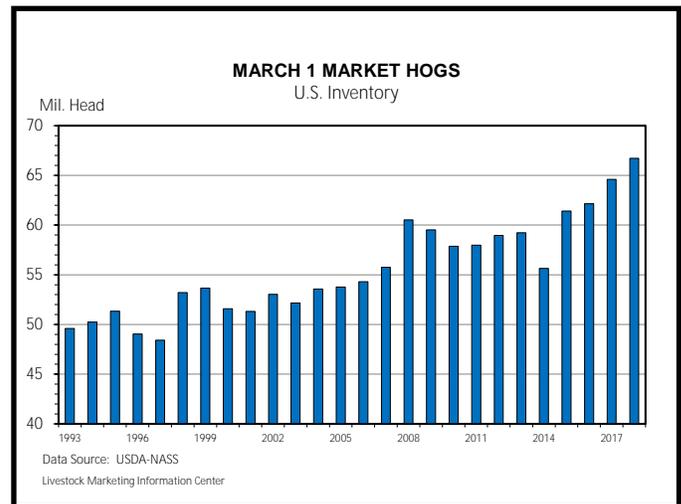
Yesterday, USDA's National Agricultural Statistics Service (NASS) released the Quarterly Hogs and Pigs report (the full publication is available [here](#)). The numbers were in-line with the average of industry analyst pre-report estimates. As expected, the U.S. herd continues to grow.

As of March 1st, the overall U.S. hogs and pigs count was 72.9 million animals, which was a year-over-year increase of 3.1%. The U.S. breeding herd has increased rather steadily since 2010 and was the largest as of March 1 since 2008. Pigs weaned per litter continued its long-term uptrend reaching 10.58 pigs during the December 1, 2017 through February 28, 2018, timeframe. That was an increase of 1.4% compared to a year ago. More pigs per litter combined with more sows farrowed have translated into a record-large number of market hogs as of March 1 (66.7 million animals; rising 3.3% from a year earlier).

Producers reported they intend to farrow more sows than a year earlier for the next two quarters. March-May intentions are up 2.1%, and the June-August timeframe has intended farrowings up 1.4% year-over-year.

As discussed in this newsletter earlier this week, barrow and gilt dressed weights have been running well above a year ago. So, where is U.S. pork production headed? The Livestock Marketing

Information Center (LMIC) made some slight updates to their forecasts after the USDA's report. For the first quarter of this calendar year (January-March), LMIC projected commercial pork output would be about 6.6 billion pounds (3.4% above 2017's). Year-over-year increases of more than 3.3% are forecast for the second and third quarters of 2018. On a quarterly basis, commercial tonnage during October-December is forecast to be fully 5.0% above a year earlier. Note that 2018's fourth quarter will have one more slaughter day than occurred in 2017, which adds about 1.6% to output. Additional increases in U.S. pork production are forecast for 2019, though the pace may slow.



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