

Below is a brief review of key numbers from last week:

- On Friday USDA released the results of its 'Prospective Plantings' and 'Grain Stocks' surveys and the results were viewed as bearish for corn. USDA reported that **on farm corn inventory was 5.131 billion bushels, 2.6% higher than a year ago while off farm inventory at 3.474 billion bushels was 10.7% lower.** The total inventory at 8.605 billion bushels was about 270 million bushels or 3.3% higher than analysts were expecting. This implies slower than expected demand for corn in Q2 and could affect expected carryout stocks when USDA updates its balance table in the next WASDE. And in addition to having more corn in the bin than expected, USDA also noted that farmers intend to plant more acres with corn this spring. **USDA survey pegged the intended corn plantings at 92.792 million acres, 1.46 million acres more than the average of analyst estimates.**

Using a trend yield of 176 bushels per acre implies that the higher plantings would result in about 257 million more bushels of corn than was expected. Much can change between now and the end of May when most corn will be planted but, for now, the planting survey points to ample corn supplies in 2019-20, which is key for livestock and poultry production. The table to the right outlines some ideas as to what the corn balance sheet may look like in the coming year. Needless to say such balance sheets are a dime a dozen at this point and will be revised quite substantially once planting gets under way and Mother Nature has her say.

- Hog futures have pulled back in the last few sessions, in part because of the uncertainty surrounding the pace of US exports to China. The tweet from President Trump threatening to shut down the border with Mexico also did not help. **Mexico is the biggest buyer of US pork and a disruption to trade could have significant impacts on US pork prices.** At this time US pork producers continue to contend with a retaliatory 50% tariff in China (on top of regular tariffs faced by other countries) and a 20% retaliatory tariff in Mexico. The tariff in China continues to make product from other countries more competitive vs. US, at least in the short term. The chart to the right currently shows the difference between US and Canadian ham prices in USD per pound terms. Canadian pork product prices have increased dramatically in the last few weeks as China has become particularly active there. Despite the current premium of Canadian pork prices to US product it still is less than the 50% tariff on US pork in China.

- **Cattle slaughter last week was estimated by USDA to be 614,000 head, 2.7% lower than the previous week but 4% higher than a year ago.** Based on preliminary USDA data we estimate that fed cattle slaughter last week was 480,000 head, 3.3% higher than a year ago. Seasonally fed cattle slaughter increases during this time of year. The increase in slaughter and slow retail sales at the start of April seasonally put some pressure on the cutout. It is not unusual for the cutout to be lower in the first two weeks of April before moving higher in late April and May. Fed cattle weights remain about 1.5% lower than a year ago, offsetting some of the slaughter gains.

U.S. Corn Supply and Use

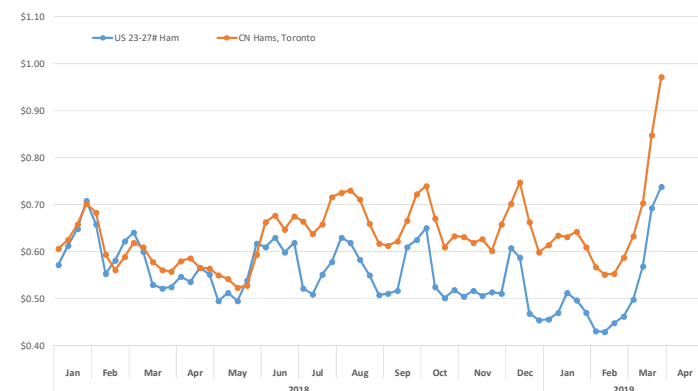
	2016/17	2017/18	2018/19		% Change		2019-20 Steiner Estimate
	USDA Actual	USDA Est	USDA Feb Est	USDA Mar Est	vs. 2016/17	vs. 2017/18	
Planted	94.0	90.2	89.1	89.1	-5.2%	-1.2%	92.8
Harvested	86.7	82.7	81.7	81.7	-5.8%	-1.2%	85.2
Yield per harvested acre	174.6	176.6	176.4	176.4	1.0%	-0.1%	176.0
Beginning stocks	1,737	2,293	2,140	2,140	23.2%	-6.7%	1,975
Production	15,148	14,609	14,420	14,420	-4.8%	-1.3%	14,992
Imports	57	36	40	40	-29.8%	11.1%	40
Supply, total	16,942	16,939	16,600	16,600	-2.0%	-2.0%	17,007
Feed and residual	5,470	5,304	5,375	5,375	-1.7%	1.3%	5,425
Ethanol for fuel	5,432	5,605	5,575	5,550	2.2%	-1.0%	5,600
Food, seed and residual	1,453	1,451	1,465	1,465	0.8%	1.0%	1,485
Domestic use, total	12,355	12,360	12,415	12,390	0.3%	0.2%	12,530
Exports	2,294	2,438	2,450	2,375	3.5%	-2.6%	2,400
Use, total	14,649	14,798	14,865	14,765	0.8%	-0.2%	14,930
Ending stocks	2,293	2,140	1,735	1,835	-20.0%	-14.3%	2,077
Avg. farm price (\$/bu)	3.36	3.36	3.35-3.85	3.35-3.75	5.7%	4.4%	13.9%
Ending Stocks/Use	15.7%	14.5%	11.7%	12.4%			

Source: USDA Monthly WASDE Report.

** Corn crop marketing year starts September 1.

COMPARISON OF #23-27 USA HAMS VS. CANADA BONE-IN HAMS, TORONTO BASIS

Canadian Prices Converted to US\$/lb. USA Price Source is USDA Wt. Avg. Canada Price Source is Chisholm.



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PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **3/30/2019**

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
		30-Mar-19	23-Mar-19		31-Mar-18			
Total Beef, Pork, Chicken, Turkey	mil lbs., cwe	1,894	1,898	-0.18%	1,827	3.69%	23,325	0.7%
C FI Slaughter	Thou. Head	614	631	-2.69%	590	4.00%	7,799	0.6%
C FI Cow Slaughter **	Thou. Head	125	129	-3.51%	124	0.91%	1,365	3.1%
T Avg. Dressed Weight	Lbs.	806	808	-0.25%	817	-1.35%	810	-1.6%
T Beef Production	Million Lbs.	493.4	508.9	-3.05%	480.9	2.60%	6,317	-1.0%
L Live Fed Steer Price	\$ per cwt	126.34	128.96	-2.03%	120.96	4.45%		
E Dressed Fed Steer Price	\$ per cwt	205.60	207.64	-0.98%	192.32	6.91%		
& Oklahoma Steer (600-700 lbs)	\$ per cwt	162.60	160.18	1.51%	155.75	4.40%		
& Choice Beef Cutout	\$ per cwt	228.20	228.95	-0.33%	221.72	2.92%		
& Hide/Offal	\$ per cwt, live wt	9.24	9.09	1.65%	10.10	-8.51%		
B Rib Primal, Choice	\$ per cwt	374.67	378.35	-0.97%	365.34	2.55%		
E Round Primal, Choice	\$ per cwt	181.92	183.27	-0.74%	169.86	7.10%		
E Chuck Primal, Choice	\$ per cwt	181.51	180.71	0.44%	178.07	1.93%		
F Trimmings, 50%	\$ per cwt	81.71	82.76	-1.27%	85.47	-4.40%		
F Trimmings, 90%	\$ per cwt	217.69	217.51	0.08%	217.61	0.04%		
H FI Slaughter	Thou. Head	2,509	2,496	0.52%	2,376	5.60%	31,674	2.5%
H FI Sow Slaughter **	Thou. Head	60.0	57.3	4.76%	60.4	-0.70%	638	-0.5%
H Avg. Dressed Weight	Lbs.	214.0	215.0	-0.47%	214.0	0.00%	215	0.3%
O Pork Production	Million Lbs.	537.5	535.4	0.39%	508.8	5.64%	6,795	2.8%
G Iowa-S. Minn. Base	Wtd. Avg.	74.74	62.86	18.90%	49.41	51.26%		
S Natl. Base Carcass Price	Wtd. Avg.	70.36	62.91	11.84%	59.67	17.92%		
S Natl. Net Carcass Price	Wtd. Avg.	72.21	64.76	11.50%	61.80	16.84%		
S Pork Cutout	205 Lbs.	81.09	74.92	8.24%	70.29	15.36%		
S Ham Primal	\$ per cwt	71.24	63.76	11.73%	52.73	35.10%		
S Loin Primal	\$ per cwt	73.06	68.79	6.21%	70.75	3.27%		
S Belly Primal	\$ per cwt	146.11	135.46	7.86%	101.38	44.12%		
S Trimmings, 72%, Fresh	\$ per cwt	72.16	62.78	14.94%	59.06	22.18%		
S Hog By-Product Value	\$ per cwt, live wt	3.39	3.33	1.80%	3.70	-8.38%		
C Young Chicken Slaughter *	Million Head	163.4	160.7	1.65%	157.5	3.76%	1,924	1.3%
H Avg. Weight (RTC)	Lbs.	4.64	4.63	0.16%	4.67	-0.81%	6.13	-0.7%
I Young Chicken Production (RTC)	Million Lbs.	757.5	744.0	1.82%	736.0	2.92%	8,949	0.4%
C Eggs Set (19-state)	Million	230.4	231.4	-0.42%	228.1	1.03%	2,760	1.6%
K Chicks Placed (19-state)	Million Head	184.0	185.7	-0.91%	182.9	0.65%	2,205	1.4%
E National Composite Whole Bird	Composite	95.48	96.33	-0.88%	108.59	-12.07%		
E Northeast Breast, B/S	\$/cwt	123.81	119.58	3.54%	149.16	-17.00%		
E Northeast Leg Quarters	\$/cwt	41.88	40.92	2.35%	41.21	1.63%		
T Total Turkey Slaughter *	Million Head	3.933	4.114	-4.40%	4.048	-2.84%	47,123	-4.2%
U Avg. Weight (RTC)	Lbs.	26.93	26.59	1.27%	25.02	7.63%	33.44	4.7%
R Turkey Production (RTC)	Million Lbs.	105.9	109.4	-3.18%	101.3	4.57%	1,263	-0.1%
K National Hen (8-12 lb)	8-16 Lbs.	86.00	82.07	4.79%	73.50	17.01%		
G Corn, Omaha	\$ per Bushel	3.64	3.70	-1.62%	3.66	-0.55%		
R Soybeans, Cntrl IL	\$ per Bushel	8.59	8.82	-2.61%	10.19	-15.70%		
A Soybn Meal 48%, Cntrl IL	\$ per Bushel	305.00	313.30	-2.65%	387.50	-21.29%		
I Distillers Grain, IL	\$ per Bushel	158.50	157.50	0.63%	165.00	-3.94%		

* 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.

