

These are **extremely difficult times for the meat industry in general but especially cattle, hog and poultry producers.** Difficult as the situation is for packers, they are generally well capitalized and can handle being down for a period of time. Similarly, retailers can handle getting shorted product by either raising prices to ration out demand or mixing and matching products that are available. Producers, on the other hand, cannot tell their cattle, hogs or chickens to stop growing for a while until plants opens up. There is a flow of animals that moves through the farm and if you stop what goes out the door, the entire system breaks down. **This is an extremely difficult time for producers and, like with any natural disaster, immediate support and assistance is needed to assure their survival.**

Over the weekend, **Smithfield Foods**, the largest pork processor in the country, issued a press release notifying industry that it would **indefinitely close its hog slaughter and pork processing plant in Sioux Falls, SD.** This is the 9th largest hog slaughter facility in the United States, with a two shift capacity of 19,500 hogs per day (see table). While this is a major issue for hog producers that normally send hogs to this plant, it should be possible with current available capacity to continue to process hogs at other facilities. The challenge at this time is that other plants are facing increasing concerns relating to their employee's health, the need to do more cleaning, health checks, distancing, etc. Labor was a challenge for packers before this novel Corona virus hit, it is a much bigger issue now. Rising rates of absenteeism have been noted by many that we talk to. Ramping up to address this capacity hole is now more difficult. The collapse in pork cutout values has also removed the profit incentive as pork packer margins have all but disappeared. More importantly, there is no guarantee that other plants will not be affected. When there is a plant fire, like the one in Finney County last August, the chances of a fire affecting multiple plants was extremely small. Today, the chances of a pandemic impacting workers in multiple states are actually quite high. Already **one of the largest cattle processing plants in Greeley Colorado has been closed for a week due to dozens of workers there getting sick with COVID-19.** Two workers have reportedly died from the disease as well. While processing plants are considered essential to the national food supply, if the disease breaks among the labor force, plants may have no choice but to shut down. The risks were spelled out quite clearly by the Smithfield CEO in a statement where he said: **““The closure of this facility (Sioux Falls), combined with a growing list of other protein plants that have shuttered across our industry, is pushing our country perilously close to the edge in terms of our meat**

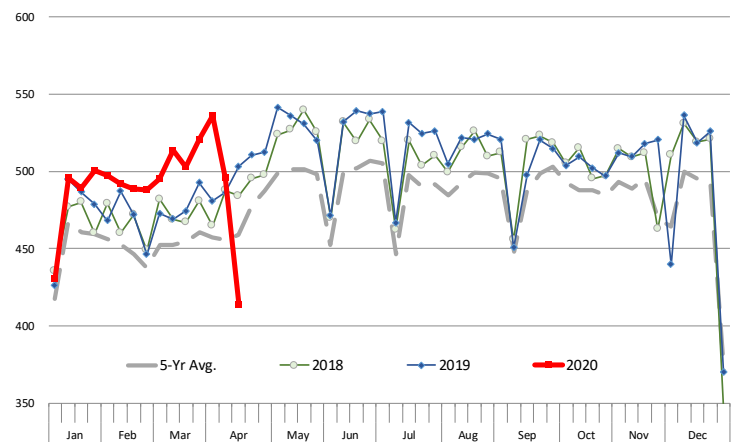
## Top 20 Hog Processing Facilities Account for 70% of Capacity

Source: National Pork Board & Kerns and Associates

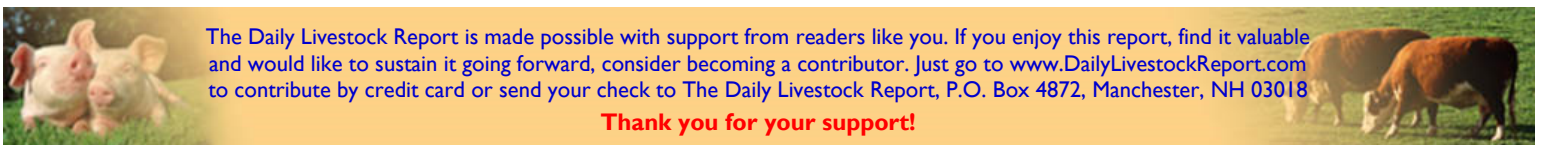
	Company	Plant Location	head/day	% total	% cumm.
1	Smithfield	Tar Heel, North Carolina	34,500	6.8%	6.8%
2	Triumph	St. Joseph, Missouri	21,500	4.2%	11.0%
3	JBS	Worthington, Minnesota	21,000	4.1%	15.1%
4	JBS	Marshalltown, Iowa	21,000	4.1%	19.2%
5	JBS	Beardstown, Illinois	21,000	4.1%	23.3%
6	Seaboard	Guymon, Oklahoma	20,500	4.0%	27.3%
7	Triumph-Seaboard	Sioux City, Iowa	20,400	4.0%	31.3%
8	JBS	Ottumwa, Iowa	20,000	3.9%	35.3%
9	Smithfield	Sioux Falls, South Dakota	19,500	3.8%	39.1%
10	Tyson	Waterloo, Iowa	19,500	3.8%	42.9%
11	Hormel	Austin, Minnesota	19,000	3.7%	46.6%
12	Indiana Packing Co.	Delphi, Indiana	17,300	3.4%	50.0%
13	Tyson	Storm Lake, Iowa	17,250	3.4%	53.4%
14	Tyson	Logansport, Indiana	15,400	3.0%	56.4%
15	Smithfield	Monmouth, Illinois	12,600	2.5%	58.9%
16	Clemens	Coldwater, Michigan	12,000	2.4%	61.3%
17	Clemens	Hatfield, Pennsylvania	11,700	2.3%	63.6%
18	Wholestone Foods	Fremont, Nebraska	10,675	2.1%	65.6%
19	Smithfield	Clinton, North Carolina	10,600	2.1%	67.7%
20	Smithfield	Milan, Missouri	10,500	2.1%	69.8%
	Rest of Industry		154,145		30.2%
	<b>Total</b>		<b>510,070</b>		

## WEEKLY STEER AND HEIFER SLAUGHTER. '000 HEAD

Source: USDA



supply. It is impossible to keep our grocery stores stocked if our plants are not running," **As with many things related to this pandemic, we are now in uncharted waters and it will take concerted effort on the part of industry and government to overcome this.**



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## PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **4/11/2020**

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
		11-Apr-20	4-Apr-20		13-Apr-19			
<b>Total Beef, Pork, Chicken, Turkey</b>	<b>mil lbs., cwe</b>	<b>1,839</b>	<b>1,971</b>	<b>-6.70%</b>	<b>1,901</b>	<b>-3.27%</b>	<b>28,568</b>	<b>5.2%</b>
<b>C</b> FI Slaughter	Thou. Head	536	626	-14.38%	638	-15.94%	9,190	1.3%
<b>T</b> FI Cow Slaughter **	Thou. Head	128	131	-2.10%	127	0.39%	1,670	2.7%
<b>T</b> Avg. Dressed Weight	Lbs.	829	832	-0.36%	806	2.85%	828	2.3%
<b>L</b> Beef Production	Million Lbs.	443.5	519.3	-14.60%	512.8	-13.51%	7,605	3.6%
<b>E</b> Live Fed Steer Price	\$ per cwt	105.00	111.08	-5.47%	126.19	-16.79%		
<b>E</b> Dressed Fed Steer Price	\$ per cwt	168.00	176.93	-5.05%	204.91	-18.01%		
<b>&amp;</b> Oklahoma Steer (600-700 lbs)	\$ per cwt	134.57	137.94	-2.45%	166.25	-19.06%		
<b>B</b> Choice Beef Cutout	\$ per cwt	225.37	238.47	-5.49%	228.72	-1.46%		
<b>E</b> Hide/Offal	\$ per cwt, live wt	8.01	8.03	-0.25%	9.14	-12.36%		
<b>B</b> Rib Primal, Choice	\$ per cwt	282.77	326.77	-13.47%	384.54	-26.47%		
<b>E</b> Round Primal, Choice	\$ per cwt	248.30	245.36	1.20%	174.07	42.64%		
<b>E</b> Chuck Primal, Choice	\$ per cwt	221.54	227.38	-2.57%	177.31	24.95%		
<b>F</b> Trimmings, 50%	\$ per cwt	33.57	28.49	17.83%	87.90	-61.81%		
<b>F</b> Trimmings, 90%	\$ per cwt	240.32	240.95	-0.26%	218.32	10.08%		
<b>H</b> FI Slaughter	Thou. Head	2,407	2,565	-6.16%	2,393	0.58%	38,295	4.8%
<b>H</b> FI Sow Slaughter **	Thou. Head	67.2	66.5	0.99%	61.0	10.22%	809	7.8%
<b>O</b> Avg. Dressed Weight	Lbs.	215.0	215.0	0.00%	215.0	0.00%	215	0.4%
<b>G</b> Pork Production	Million Lbs.	517.8	552	-6.20%	513.3	0.88%	8,251	5.2%
<b>S</b> Iowa-S. Minn. Base	Wtd. Avg.	40.69	49.07	-17.08%	75.58	-46.16%		
<b>S</b> Natl. Base Carcass Price	Wtd. Avg.	53.37	61.21	-12.81%	76.23	-29.99%		
<b>S</b> Natl. Net Carcass Price	Wtd. Avg.	55.35	63.33	-12.60%	78.27	-29.28%		
<b>S</b> Natl. Early Wean Feeder	Wtd. Avg.	20.56	21.33	-3.61%	55.95	-63.25%		
<b>S</b> Pork Cutout	205 Lbs.	53.55	62.88	-14.84%	84.10	-36.33%		
<b>S</b> Ham Primal	\$ per cwt	35.05	37.94	-7.62%	63.61	-44.90%		
<b>S</b> Loin Primal	\$ per cwt	90.30	97.44	-7.33%	74.92	20.53%		
<b>S</b> Belly Primal	\$ per cwt	34.54	35.93	-3.87%	155.28	-77.76%		
<b>S</b> Trimmings, 72%, Fresh	\$ per cwt	37.46	51.44	-27.18%	91.01	-58.84%		
<b>S</b> Hog By-Product Value	\$ per cwt, live wt	3.67	3.64	0.82%	3.60	1.94%		
<b>C</b> Young Chicken Slaughter *	Million Head	164.7	169.7	-2.92%	164.3	0.28%	2,362	5.0%
<b>H</b> Avg. Weight (RTC)	Lbs.	4.69	4.67	0.49%	4.67	0.49%	6.24	1.7%
<b>I</b> Young Chicken Production (RTC)	Million Lbs.	772.5	791.8	-2.44%	766.6	0.77%	11,202	7.0%
<b>C</b> Eggs Set (19-state)	Million	239.7	238.9	0.33%	232.2	3.23%	3,348	3.9%
<b>K</b> Chicks Placed (19-state)	Million Head	190.3	191.6	-0.67%	185.9	2.39%	2,667	3.8%
<b>E</b> National Composite Whole Bird	Composite	50.51	66.61	-24.17%	96.25	-47.52%		
<b>E</b> Northeast Breast, B/S	\$/cwt	88.72	105.56	-15.95%	126.61	-29.93%		
<b>E</b> Northeast Leg Quarters	\$/cwt	31.89	36.46	-12.53%	41.86	-23.82%		
<b>T</b> Total Turkey Slaughter *	Million Head	4.047	4.077	-0.74%	4.011	0.90%	56.681	2.5%
<b>U</b> Avg. Weight (RTC)	Lbs.	25.98	26.44	-1.75%	27.01	-3.84%	33.11	-1.0%
<b>R</b> Turkey Production (RTC)	Million Lbs.	105.1	107.8	-2.48%	108.4	-2.98%	1,510	1.6%
<b>K</b> National Hen (8-12 lb)	8-16 Lbs.	101.30	100.50	0.80%	87.24	16.12%		
<b>G</b> Corn, Omaha	\$ per Bushel	3.13	3.11	0.64%	3.56	-12.08%		
<b>R</b> Soybeans, Cntrl IL	\$ per Bushel	8.74	8.68	0.69%	8.69	0.58%		
<b>A</b> Soybn Meal 48%, Cntrl IL	\$ per Bushel	294.00	310.60	-5.34%	305.70	-3.83%		
<b>I</b> Distillers Grain, IL	\$ per Bushel	252.50	207.50	21.69%	153.00	65.03%		

\* 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.

