Daily Livestock Report

Sponsored in part by CME Group

Vol. 16, No. 65 / April 2, 2018

Prospective plantings was released by USDA-NASS on Thursday, March 29, 2018 articulating the intentions of crop farmers planting principle crops. Futures prices reacted to U.S. corn acres coming in at 88.0 million acres, and soybeans at 89.0 million acres. These figures were considerably lower than trade analyst's pre-report estimates which pegged both crops (see table to the right), but still within the range of estimates submitted.

December corn futures closed $0.14 per bushel higher on lower corn acres and September soybean futures moved 30 cents higher per bushel. Prospective plantings showed overall lower principle crop acres, down 1.2 million acres. Corn and soybean acres are expected to decline broadly across many states both in the Midwest and other parts of the country. In the south, acres are expected to shift to cotton, which nationally is expected to gain 858,000 acres. Spring wheat is also taking a few acres, up 2.9% nationally.

Planting intentions wasn't the only piece of new news to be had on Thursday. Quarterly Grain Stocks was also released by USDA-NASS and showed much higher stocks that last year for corn and beans. Corn stocks grew 3% or 266 million bushels compared to March 1, 2017, and was outside the upper range of pre-report estimates. Soybean stocks grew 368 million bushels year-over-year, up 21 percent from March 1, 2017. <u>This is the largest March 1 U.S. stock number on record for corn and soybeans</u>**.**

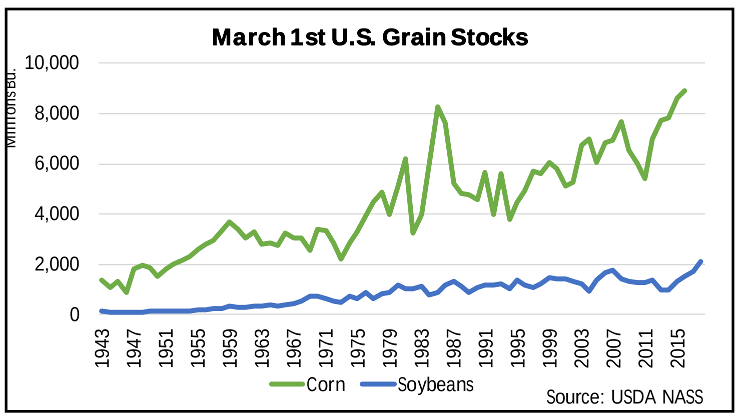
Weekly grain exports show that disappearance through overseas marketing channels has been sluggish. Corn exports are down 28 percent current marketing year to date, and soybeans are down 12 percent, which in large part is pushing stock figures up.

Plenty of soybeans and corn remain in the pipeline for domestic use for the remainder of this year but the lower acreage number has markets reacting to tightening supplies in the future, particularly if exports remain slow. For the livestock sector, ample and relatively inexpensive feedstuffs has allowed for profitable expansion in recent years across cattle, hogs, and poultry sectors.

Moving acreage lower to these levels is unlikely to put these sectors in check, because normal yields and current stock levels will likely keep price levels close to long-term season averages. In other words, it will take more than these lower acres to see substantial price increases in corn and beans, such as drought associated with significant yield drag, or exports remaining on the sidelines for an extended period of time.

Quarterly Grain Stocks - March 1, 2018		
USDA-NASS Grain Pre Report Estimates		
	Average Estimates	USDA Report
	Mar. 1 2018	Mar. 1 2018
	Million Bushels	
Corn	8.706	8.888
Soybeans	2.030	2.107
Source: Various News ServicesReuters		

U.S. 2018 Prospective Plantings, Actuals and Estimates		
	Corn	**Soybeans**
Source	*millions of acres*	
USDA 2018 March Actuals	**88.026**	**88.982**
Average trade estimate	89.420	91.056
Highest trade estimate	91.000	92.600
Lowest trade estimate	87.550	89.900
USDA outlook forum estimate	90.000	90.000
USDA 2018 planted acreage	90.167	90.142
Source: Reuters & USDA-NASS		



Daily Livestock Report

Sponsored in part by CME Group

Vol. 16, No. 65 / April 2, 2018

PRODUCTION & PRICE SUMMARY

Week Ending 3/31/2018

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY.

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			31-Mar-18	24-Mar-18		1-Apr-17			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,837	1,870	-1.8%	1,820	0.9%	23,176	1.4%
C	FI Slaughter	Thou. Head	594	607	-2.1%	601	-1.1%	7,755	1.9%
A	FI Cow Slaughter **	Thou. Head	124	120	2.8%	105	18.2%	7,095	6.6%
T	Avg. Dressed Weight	Lbs.	822	823	-0.1%	810	1.5%	824	0.6%
T	Beef Production	Million Lbs.	487.1	498.5	-2.3%	485.4	0.4%	6,388	2.4%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	120.97	125.90	-3.9%	127.38	-5.0%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	192.33	201.79	-4.7%	205.01	-6.2%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	156.54	155.17	0.9%	147.76	5.9%		
&	Choice Beef Cutout	$ per cwt	221.72	224.18	-1.1%	217.15	2.1%		
	Hide/Offal	$ per cwt, live wt	10.10	10.09	0.1%	11.84	-14.7%		
B	Rib, Primal, Choice	$ per cwt	365.34	368.77	-0.9%	337.35	8.3%		
E	Round, Primal, Choice	$ per cwt	169.86	172.99	-1.8%	174.55	-2.7%		
E	Chuck, Primal, Choice	$ per cwt	178.07	179.17	-0.6%	163.61	8.8%		
F	Trimmings, 50%, Fresh	$ per cwt	85.47	83.47	2.4%	103.43	-17.4%		
	Trimmings, 90%, Fresh	$ per cwt	217.61	218.31	-0.3%	217.63	0.0%		
	FI Slaughter	Thou. Head	2,391	2,403	-0.5%	2,344	2.0%	30,897	2.6%
H	FI Sow Slaughter **	Thou. Head	60.4	58.3	3.7%	58.5	3.3%	3,593	2.3%
O	Avg. Dressed Weight	Lbs.	214.0	214.0	0.0%	213.0	0.5%	214	0.7%
G	Pork Production	Million Lbs.	512.4	514.9	-0.5%	498.7	2.7%	6,613	3.3%
S	Iowa-S. Minn. Direct	Wtd. Avg.	49.61	54.68	-9.3%	62.45	-20.6%		
	Natl. Base Carcass Price	Wtd. Avg.	60.29	62.97	-4.3%	66.47	-9.3%		
&	Natl. Net Carcass Price	Wtd. Avg.	62.37	65.01	-4.1%	68.86	-9.4%		
	Pork Cutout	$ per cwt	70.29	71.40	-1.6%	76.71	-8.4%		
P	By-product Value	$ per cwt, live wt	3.70	3.66	1.1%	3.98	-7.0%		
O	Ham, Primal	$ per cwt	52.73	53.06	-0.6%	56.78	-7.1%		
R	Loin, Primal	$ per cwt	70.75	73.05	-3.2%	75.80	-6.7%		
K	Belly, Primal	$ per cwt	101.38	101.78	-0.4%	130.68	-22.4%		
	Trimmings, 72%, Fresh	$ per cwt	59.06	63.89	-7.6%	67.62	-12.7%		
C	Young Chicken Slaughter *	Million Head	157.5	159.2	-1.1%	158.40	-0.6%	1,899	-0.9%
H	Avg. Weight (RTC)	Lbs.	4.67	4.72	-1.0%	4.62	1.2%	4.69	0.6%
I	Young Chicken Production (RTC)	Million Lbs.	736.0	751.6	-2.1%	731.9	0.6%	8,912	-0.3%
C	Eggs Set (US)	Million	226.6	227.5	-0.4%	221.7	2.2%	14,293	2.8%
K	Chicks Placed (US)	Million Head	183.0	182.3	0.4%	181.8	0.7%	11,555	1.7%
E	National Composite Whole Bird	Composite	108.59	106.13	2.3%	98.45	10.3%		
N	Northeast Breast, B/S	$ per cwt	149.16	130.96	13.9%	128.24	16.3%		
	Northeast Leg Quarters	$ per cwt	41.21	39.85	3.4%	38.08	8.2%		
T	Total Turkey Slaughter *	Million Head	4.05	4.16	-2.6%	4.10	-1.2%	49.2	-0.6%
U	Avg. Weight (RTC)	Lbs.	25.02	25.19	-0.7%	25.26	-1.0%	25.69	-0.2%
R	Turkey Production (RTC)	Million Lbs.	101.3	104.7	-3.3%	103.5	-2.1%	1,263	-0.8%
K	National Hen (8-12 Lbs)	$ per cwt	73.50	79.50	-7.5%	100.40	-26.8%		
G	Corn, Omaha	$ per Bushel	3.66	3.49	4.9%	3.22	13.7%		
R	Distillers Grain, Chicago	$ per Ton	165.00	165.00	0.0%	102.50	61.0%		
A	Wheat, Kansas City (delivered)	$ per Bushel	5.53	5.55	-0.4%	4.54	21.8%		
I	Soybean, Cntrl IL	$ per Bushel	10.19	10.03	1.6%	9.50	7.3%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	387.50	372.50	4.0%	305.90	26.7%		

* 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 (part of 'actual" rather than "preliminary" weekly slaughter report).