Daily Livestock Report

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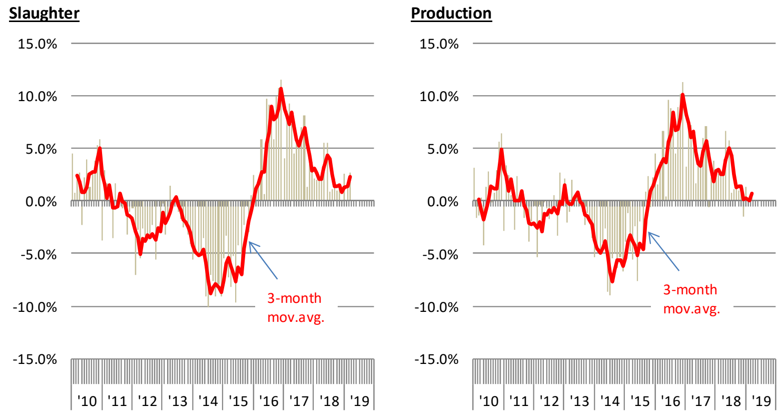
Vol. 17, No. 82 / April 29, 2019

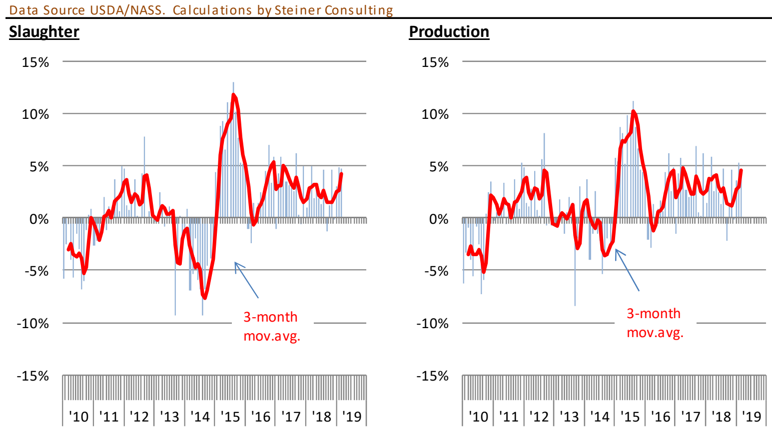
Cattle Slaughter & Beef Production Per Slaughter Day: Y/Y % Change

Data Source USDA/NASS. Calculations by Steiner Consulting



Hog Slaughter & Pork Production Per Slaughter Day: Y/Y % Change

Data Source USDA/NASS. Calculations by Steiner Consulting



The official USDA-NASS statistics for US beef, pork and poultry production were released last week, which allows us to finalize the numbers for Q1 supplies. Keep in mind that the per capita disappearance numbers will remain estimates for another couple of weeks since we still don't have the official data for US meat trade in March. Below is a quick update as to what March numbers showed and the trend through the first quarter of the year:

Beef: Total commercial cattle slaughter in March was 2.649 million head, 1.9% lower than the previous year. The decline was entirely due to one less marketing day last month. Daily slaughter was 126,167 head/wk, 2.7% higher than the previous year. **In the first three months of the year daily cattle slaughter has averaged about 2.3% higher than a year ago**. Total US cattle slaughter in the first quarter of the year was 7.934 million head, only 0.7% higher than a year ago. Q1 of 2019 also had one less marketing day than the previous year. Please keep in mind these marketing day differences when either looking or coming up with estimates for monthly and quarterly supplies. One thing that stands out looking at the slaughter data is the shift towards bringing more female stock to market. In March US steer slaughter was 1.222 million head, 8% lower than a year ago. Even after adjusting for the difference in marketing days steer slaughter was down 3.6% in March and down 2.5% for the first quarter. On the other hand, heifer slaughter in March was 797,300 head 5.7% higher than a year ago. **Adjusted on a daily basis heifer slaughter in March was up 10.7% and up 9.5% for Q1**. Cow slaughter has also been running well ahead of year ago levels. In March, daily cow slaughter was 26,210 head/wk, 8.2% higher than a year go. For the entire quarter cow slaughter has averaged around 25,600 head/wk, 5.1% higher than a year ago. The ratio of female slaughter to total slaughter since the start of the year has been around 50%, above the 47% level we consider as the long run maintenance level. We may not be at herd liquidation levels yet since there is a significant seasonality in the ratio of female slaughter but, if current trends persist, we could start talking about liquidation in the second half of the year and a lower beef cow herd by January 1, 2020. Beef production in Q1 barely increased compared to a year ago, even when we adjust for the difference in marketing days. Total production in March was 2.118 billion pounds, 3.9% lower than year ago. Daily beef production in March averaged 100.8 million pounds per day, 0.7% higher than year ago. **For all of Q1 beef production averaged less than 1% higher than last year, with lighter weights and more heifers in the mix offsetting the effect of higher slaughter** (see y/y growth charts above).

Pork: Hog slaughter in March was 10.724 million head, about unchanged compared to last year. Daily hog slaughter averaged 510,700 head (note that Sat slaughter is added to regular business day sltr), 4.8% higher than a year ago. In Q1 daily hog slaughter averaged 4.2% higher than year ago even as slaughter for the quarter, which has one less marketing day, was up only 2.6%. Sow slaughter in March was 249,100 head, 3.3% lower than a year ago. Adjusted for the difference in marketing days sow slaughter actually was 1.1% higher than a year ago and up 0.4% for the year. Sow slaughter was notably higher in May-Aug of last year and we expect to see sow culling to slow down compared to last year's spring and summer levels. Total pork production in March was 2.297 billion pounds, unchanged compared to last year. Average pork production per business day was 108.55 million pounds/day in Q1, 4.6% higher than a year ago.

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PRODUCTION & WKLY AVG. PRICE SUMMARY   Week Ending 4/27/2019

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
			27-Apr-19	20-Apr-19		28-Apr-18			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,851**	**1,900**	-2.55%	**1,867**	-0.86%	**30,861**	0.8%
	FI Slaughter	Thou. Head	643	641	0.31%	628	2.39%	10,358	1.2%
C	FI Cow Slaughter **	Thou. Head	124	129	-4.20%	116	6.58%	1,879	4.8%
T	Avg. Dressed Weight	Lbs.	805	803	0.25%	798	0.88%	808	-1.3%
T	Beef Production	Million Lbs.	516.5	513.8	0.53%	499.6	3.38%	8,366	-0.1%
L	Live Fed Steer Price	$ per cwt	126.75	128.42	-1.30%	123.73	2.44%		
E	Dressed Fed Steer Price	$ per cwt	204.62	207.76	-1.51%	196.21	4.29%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	165.79	141.00	17.59%	159.22	4.13%		
&	Choice Beef Cutout	$ per cwt	233.49	232.50	0.43%	218.62	6.80%		
	Hide/Offal	$ per cwt, live wt	8.91	9.12	-2.30%	9.63	-7.48%		
B	Rib Primal, Choice	$ per cwt	393.68	393.83	-0.04%	358.84	9.71%		
E	Round Primal, Choice	$ per cwt	171.89	173.41	-0.88%	168.79	1.84%		
E	Chuck Primal, Choice	$ per cwt	179.06	179.26	-0.11%	173.15	3.41%		
F	Trimmings, 50%	$ per cwt	90.31	89.99	0.36%	95.25	-5.19%		
	Trimmings, 90%	$ per cwt	221.07	219.58	0.68%	218.16	1.33%		
	FI Slaughter	Thou. Head	2,341	2,380	-1.64%	2,356	-0.64%	41,278	2.2%
	FI Sow Slaughter **	Thou. Head	60.0	60.3	-0.46%	59.3	1.32%	879	0.3%
H	Avg. Dressed Weight	Lbs.	215.0	215.0	0.00%	214.0	0.47%	215	0.2%
O	Pork Production	Million Lbs.	502.1	510.4	-1.63%	504.4	-0.46%	8,856	2.4%
G	Iowa-S. Minn. Base	Wtd. Avg.	81.95	79.29	3.35%	58.39	40.35%		
S	Natl. Base Carcass Price	Wtd. Avg.	80.78	78.12	3.41%	62.66	28.92%		
	Natl. Net Carcass Price	Wtd. Avg.	82.86	80.16	3.37%	64.70	28.07%		
	Pork Cutout	205 Lbs.	86.35	87.13	-0.90%	68.18	26.65%		
	Ham Primal	$ per cwt	69.13	64.75	6.76%	53.74	28.64%		
	Loin Primal	$ per cwt	75.83	76.17	-0.45%	71.24	6.44%		
	Belly Primal	$ per cwt	144.46	161.39	-10.49%	85.82	68.33%		
	Trimmings, 72%, Fresh	$ per cwt	85.82	94.57	-9.25%	57.45	49.38%		
	Hog By-Product Value	$ per cwt, live wt	3.71	3.62	2.49%	3.68	0.82%		
C	Young Chicken Slaughter *	Million Head	158.6	164.4	-3.51%	161.7	-1.90%	2,572	1.4%
H	Avg. Weight (RTC)	Lbs.	4.66	4.69	-0.65%	4.70	-0.81%	6.14	-0.7%
I	Young Chicken Production (RTC)	Million Lbs.	739.1	771.0	-4.14%	759.5	-2.69%	11,981	0.6%
C	Eggs Set (19-state)	Million	234.1	233.4	0.31%	229.9	1.85%	3,691	1.7%
K	Chicks Placed (19-state)	Million Head	186.5	185.9	0.35%	182.1	2.41%	2,951	1.5%
E	National Composite Whole Bird	Composite	100.34	97.11	3.33%	109.06	-8.00%		
	Northeast Breast, B/S	$/cwt	126.59	129.83	-2.50%	131.54	-3.76%		
	Northeast Leg Quarters	$/cwt	42.81	41.36	3.51%	40.23	6.41%		
T	Total Turkey Slaughter *	Million Head	3.542	3.92	-9.64%	4.046	-12.46%	62.749	-2.8%
U	Avg. Weight (RTC)	Lbs.	26.43	26.68	-0.92%	25.66	3.02%	33.40	4.6%
R	Turkey Production (RTC)	Million Lbs.	93.6	104.6	-10.48%	103.8	-9.81%	1,658	-1.5%
K	National Hen (8-12 lb)	8-16 Lbs.	83.50	85.00	-1.76%	78.50	6.37%		
G	Corn, Omaha	$ per Bushel	3.54	3.58	-1.12%	3.74	-5.35%		
R	Soybeans, Cntrl IL	$ per Bushel	8.38	8.53	-1.76%	10.15	-17.44%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	303.50	301.70	0.60%	386.70	-21.52%		
I	Distillers Grain, IL	$ per Bushel	152.00	152.00	0.00%	177.50	-14.37%		

* 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.

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