Daily Livestock Report

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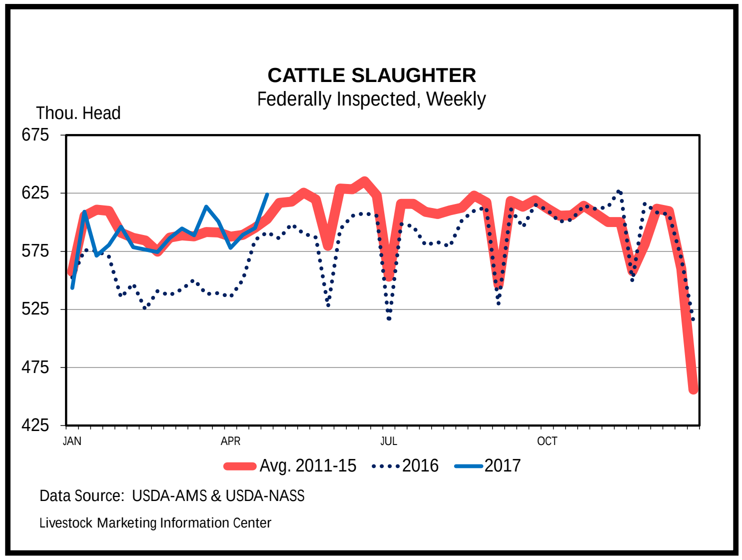
Cash cattle prices surged last week as packers chased limited supplies of market-ready animals. Surging cash prices pulled futures market prices much higher during the week and "life of contract" high prices were common. USDA's Agricultural Marketing Service (AMS) Market News Division reported that through Thursday, negotiated (cash) fed steers were $2.00 to $7.00 per cwt. higher week-over-week. For Monday-Thursday, AMS reported the high end of the price range at $140.00 per cwt. The average fed steer cash price through Thursday was $136.25 per cwt., jumping $4.63 per cwt. week-over-week and up $12.28 compared to a year ago. Later this morning, AMS will report the full Friday and weekly average cash fed cattle prices. After eroding for several weeks, cash hog prices last week showed some signs of attempting to stabilize. On the second page of this newsletter is our weekly cash price and production summary.

Last week, the April Live Cattle (fed) futures price jumped $4.78 per cwt. (comparison using weekly average of the daily closing prices). Prices for contracts listed for the balance of 2017 also increased, for example the December 2017 contract was up nearly $3.00 for the week. Compared to mid-February's level, the August Live Cattle contract has increased $14.50 per cwt. The May Feeder Cattle futures market contract price averaged $142.66 per cwt., up $2.76 for the week. Compared to mid-February, the May contract is now up $20.00 per cwt. and the September contract is $24.00 per cwt. higher.

Hog futures were about unchanged last week. The May Hog contract gained 12 cents per cwt. last week compared to the prior weekly average and the December contract slipped by 10 cents. Hog futures prices have been eroding since early February, but appear now be stabilizing. The summer contract months (June, July, and August) remained above the $70.00 per cwt. mark.

Graphically, today we highlight weekly cattle slaughter (note that slaughter data from USDA for the last two weeks are preliminary). Head slaughtered last week was the largest for any week since mid-November 2016. Last week's slaughter level is indicative of the head packers need to process to fulfill their customers meat tonnage needs.



Now we turn out attention to the USDA-National Agricultural Statistics Service (NASS) annual Meat Animals Production, Disposition, and Income 2016 Summary (PDI) report, which was released last Thursday (the full report is 19 pages long and is available here). That report includes estimates on the animal value of production for two sectors: 1) cattle and calves; and 2) hogs and pigs. Those numbers are provided nationally and by state. Nationally, the 2016 value of U.S. cattle and calves totaled $48.6 billion. That was a dramatic decline from 2015's as it fell by $11.2 billion or 18.7%. Animal marketing's increased year-over-year so the value drop was all caused by lower cattle prices. The U.S. value of hogs and pigs in 2016 was $17.2 billion compared to 2015's level of $18.9 billion.

By state, in 2016, Texas retained its long standing position as having the largest value of cattle and calf production ($7.2 billion). Nebraska was second ($6.3 billion). Rounding out the top five states were: Kansas ($4.6 billion), Oklahoma ($2.6 billion), and Iowa ($2.5 billion). Those top five states represented 48% of the U.S. value of cattle and calf production.

Looking at hogs by state, the 2016 NASS PDI report showed the leading state continued to be Iowa ($5.5 billion). North Carolina ($2.1 billion) came in second followed closely by Minnesota ($2.0 billion). Also in the top five states were Illinois ($1.1 billion) and Indiana ($916 million). Together those five states comprised 68% of the U.S. total value.

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PRODUCTION & PRICE SUMMARY

Week Ending 4/29/2017

Source: Various USDA Agricultural Marketing Service (Market News) reports. Some data are preliminary.

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			29-Apr-17	22-Apr-17		30-Apr-16			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,838	1,797	2.3%	1,810	1.5%	30,088	1.9%
C	FI Slaughter	Thou. Head	624	595	4.9%	591	5.5%	10,000	6.0%
A	FI Cow Slaughter **	Thou. Head	103	108	-5.3%	104	-1.6%	1,666	4.5%
T	Avg. Dressed Weight	Lbs.	805	809	-0.5%	815	-1.2%	815	-1.3%
T	Beef Production	Million Lbs.	501.2	480.1	4.4%	479.9	4.4%	8,152	4.6%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	136.25	131.60	3.5%	123.79	10.1%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	216.81	209.22	3.6%	194.16	11.7%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	156.97	154.46	1.6%	160.25	-2.0%		
&	Choice Beef Cutout	$ per cwt	219.56	215.63	1.8%	215.51	1.9%		
	Hide/Offal	$ per cwt, live wt	11.90	12.05	-1.2%	11.31	5.2%		
B	Rib, Primal, Choice	$ per cwt	343.73	341.72	0.6%	325.05	5.7%		
E	Round, Primal, Choice	$ per cwt	171.74	170.46	0.7%	170.42	0.8%		
E	Chuck, Primal, Choice	$ per cwt	173.56	168.43	3.0%	165.56	4.8%		
F	Trimmings, 50%, Fresh	$ per cwt	110.40	104.32	5.8%	60.68	81.9%		
	Trimmings, 90%, Fresh	$ per cwt	218.37	217.01	0.6%	219.84	-0.7%		
	FI Slaughter	Thou. Head	2,290	2,287	0.1%	2,136	7.2%	39,236	2.3%
H	FI Sow Slaughter **	Thou. Head	55.8	59.5	-6.3%	56.3	-0.9%	865	2.1%
O	Avg. Dressed Weight	Lbs.	213.0	213.0	0.0%	213.0	0.0%	213	-0.3%
G	Pork Production	Million Lbs.	487.4	486.5	0.2%	455.8	6.9%	8,343	2.0%
S	Iowa-S. Minn. Direct	Wtd. Avg.	54.87	54.24	1.2%	68.93	-20.4%		
	Natl. Base Carcass Price	Wtd. Avg.	60.24	61.17	-1.5%	68.92	-12.6%		
&	Natl. Net Carcass Price	Wtd. Avg.	62.52	63.47	-1.5%	71.20	-12.2%		
	Pork Cutout	$ per cwt	73.98	75.06	-1.4%	81.79	-9.5%		
P	By-product Value	$ per cwt, live wt	3.94	3.96	-0.5%	3.70	6.5%		
O	Ham, Primal	$ per cwt	59.58	57.82	3.0%	67.70	-12.0%		
R	Loin, Primal	$ per cwt	75.51	75.14	0.5%	83.00	-9.0%		
K	Belly, Primal	$ per cwt	107.68	117.03	-8.0%	112.12	-4.0%		
	Trimmings, 72%, Fresh	$ per cwt	69.70	69.59	0.2%	81.57	-14.6%		
C	Young Chicken Slaughter *	Million Head	158.9	160.4	-0.9%	161.75	-1.7%	2,556	0.9%
H	Avg. Weight (RTC)	Lbs.	4.64	4.61	0.7%	4.72	-1.6%	4.66	-0.7%
I	Young Chicken Production (RTC)	Million Lbs.	738.0	740.1	-0.3%	763.4	-3.3%	11,905	0.3%
C	Eggs Set (19-state)	Million	212.8	212.6	0.1%	208.8	1.9%	3,400	1.9%
K	Chicks Placed (19-state)	Million Head	174.3	173.2	0.6%	171.2	1.8%	2,767	1.4%
E	National Composite Whole Bird	Composite	97.26	96.44	0.9%	88.75	9.6%		
N	Northeast Breast, B/S	$ per cwt	134.14	127.72	5.0%	118.02	13.7%		
	Northeast Leg Quarters	$ per cwt	38.29	37.94	0.9%	36.82	4.0%		
T	Total Turkey Slaughter *	Million Head	4.04	3.46	17.0%	4.40	-8.2%	65.3	-1.8%
U	Avg. Weight (RTC)	Lbs.	27.61	26.19	5.4%	25.25	9.4%	25.85	2.8%
R	Turkey Production (RTC)	Million Lbs.	111.7	90.5	23.4%	111.2	0.4%	1,687	1.0%
K	National Hen (8-12 Lbs)	$ per cwt	99.50	99.00	0.5%	116.50	-14.6%		
G	Corn, Omaha	$ per Bushel	3.41	3.28	4.0%	3.64	-6.2%		
R	Distillers Grain, Chicago	$ per Ton	99.00	NQ	N/A	NQ	N/A		
A	Wheat, Kansas City (delivered)	$ per Bushel	4.67	4.48	4.2%	NQ	N/A		
I	Soybean, Cntrl IL	$ per Bushel	9.42	9.37	0.6%	10.14	-7.0%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	310.30	302.40	2.6%	337.10	-8.0%		

* 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).