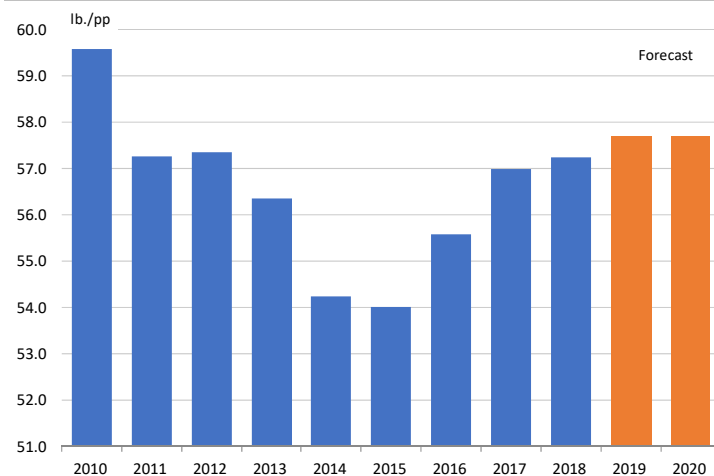


**USDA issued last week its first forecasts for meat supplies/prices in 2020.** Beef production for 2019 is currently projected to be 27.335 billion pounds, 397 million pounds or 1.5% higher than a year ago. This forecast is notably lower than what was expected last fall and reflects both a slower than expected slaughtering rate and lower fed cattle weights. While beef production is expected to increase again next year, a function of higher slaughter and weights, the rate of increase will continue to slow down. USDA now expects beef output next year to be 27.576 billion pounds, 241 million pounds or 0.9% higher than a year ago. Beef per capita disappearance, arguably a better indicator of price direction than simply production estimates, are expected to be unchanged in 2020 vs. 2019 and only marginally higher than in 2018. Beef trade will be a key factor for the market next year. USDA is currently forecasting that the US will have a positive beef trade balance of 285 million pounds, with imports down 52 million (-1.8%) and exports up 74 million lb. (+2.3%). Global economic outlook and spread of ASF in Southeast Asia remain bullish for beef prices in the short to medium term.

**Pork supplies in the US have been on a growth track for a number of years and USDA is currently forecasting record supplies both in 2019 and 2020.** Total pork production for 2019 is currently forecast at 27.337 billion pounds, about 1 billion pounds higher than a year ago (+3.8%). Hog prices/futures have rallied in recent weeks on expectations that lower hog supplies in Asia will bolster demand for US pork and thus help clean up the additional supply of pork in the US market. The growth in US pork supplies comes at a time when some of our competitors in the EU and Canada, have either kept production flat or actually reduced it. USDA made a small adjustment to its pork export forecast for 2019, raising it to 6.246 billion pounds, 376 million pounds or 6.4% higher than a year ago. While this may appear low given all the speculation about future China demand, keep in mind that USDA forecasts reflect current conditions. Furthermore, in Q1 US pork exports were actually lower than a year ago and tariffs on US pork in China and Mexico remain in place. But while a reasonable approach, it is important to note that the rather modest increase in pork exports means a big jump in US per capita consumption this year. USDA is now forecasting domestic pork per capita disappearance to jump to 52.1 pounds per person this year, a 2.4% jump compared to a year ago, a year during which pork cutout values 11% from the previous year and the lowest in over 5 years. Pork market activity in the US remains extremely volatile precisely due to the wide divergence between supply availability in the short term and the potential for that supply to quickly contract when/if China enters the US market to source product. In the first quarter of this year the value of the pork cutout was 12% lower than a year ago but in April, when China speculation and

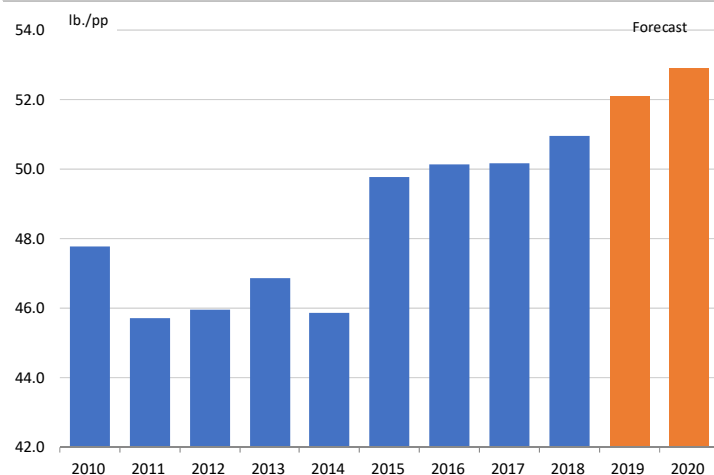
## Per Capita Beef Consumption. 2010 - 2020

Forecasts reflect May USDA WASDE Update. Analysis by Steiner Consulting

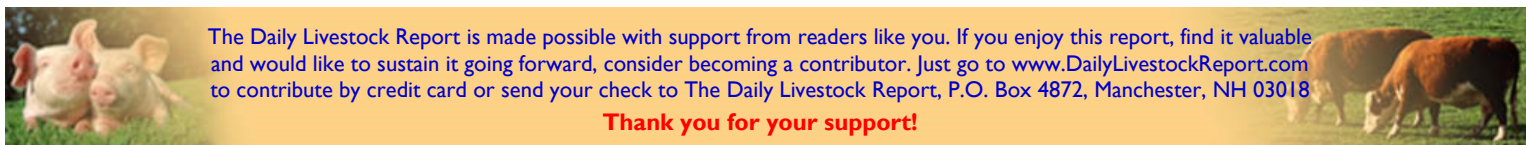


## Per Capita Pork Consumption. 2010 - 2020

Forecasts reflect May USDA WASDE Update. Analysis by Steiner Consulting



seasonal demand kicked in, the value of the cutout was 25% higher than the previous year. Further underscoring the odd situation in the pork complex, USDA had to revise higher its hog forecast by 18.5% compared to the earlier forecast and current prices are about 19% higher than a year ago despite the still high per capita consumption number. Hog prices for 2020 are forecast at \$60/cwt (live basis), 10% higher than the most recent 2019 forecast.



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# Daily Livestock Report

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Vol. 17, No. 92 / May 13, 2019

## PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **5/11/2019**

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
		11-May-19	4-May-19		12-May-18			
<b>Total Beef, Pork, Chicken, Turkey</b>	<b>mil lbs., cwe</b>	<b>1,932</b>	<b>1,902</b>	<b>1.55%</b>	<b>1,879</b>	<b>2.81%</b>	<b>34,691</b>	<b>0.9%</b>
<b>C</b>	FI Slaughter	Thou. Head	664	670	-0.90%	655	11,692	1.3%
<b>T</b>	FI Cow Slaughter **	Thou. Head	119	121	-0.90%	119	2,119	4.3%
<b>T</b>	Avg. Dressed Weight	Lbs.	803	804	-0.12%	799	807	-1.1%
<b>L</b>	Beef Production	Million Lbs.	531.8	537.6	-1.08%	521.9	9,431	0.1%
<b>E</b>	Live Fed Steer Price	\$ per cwt	120.40	123.76	-2.71%	121.65		
<b>E</b>	Dressed Fed Steer Price	\$ per cwt	192.42	198.92	-3.27%	191.99		
<b>&amp;</b>	Oklahoma Steer (600-700 lbs)	\$ per cwt	160.88	161.11	-0.14%	164.06		
<b>B</b>	Choice Beef Cutout	\$ per cwt	223.49	230.27	-2.94%	230.61		
<b>E</b>	Hide/Offal	\$ per cwt, live wt	8.47	8.59	-1.40%	9.85		
<b>E</b>	Rib Primal, Choice	\$ per cwt	372.18	387.79	-4.03%	380.10		
<b>E</b>	Round Primal, Choice	\$ per cwt	162.80	168.03	-3.11%	177.16		
<b>F</b>	Chuck Primal, Choice	\$ per cwt	171.77	175.89	-2.34%	178.12		
	Trimblings, 50%	\$ per cwt	81.83	86.49	-5.39%	89.49		
	Trimblings, 90%	\$ per cwt	222.67	222.53	0.06%	219.20		
<b>H</b>	FI Slaughter	Thou. Head	2,341	2,382	-1.72%	2,306	46,010	2.2%
<b>O</b>	FI Sow Slaughter **	Thou. Head	59.9	54.2	10.53%	56.8	985	-0.6%
<b>G</b>	Avg. Dressed Weight	Lbs.	215.0	215.0	0.00%	214.0	215	0.2%
<b>S</b>	Pork Production	Million Lbs.	502.5	511	-1.66%	492.6	9,873	2.5%
<b>S</b>	Iowa-S. Minn. Base	Wtd. Avg.	80.67	81.67	-1.22%	60.97		
	Natl. Base Carcass Price	Wtd. Avg.	80.33	80.55	-0.27%	64.73		
	Natl. Net Carcass Price	Wtd. Avg.	82.36	82.57	-0.25%	66.92		
	Pork Cutout	205 Lbs.	85.30	83.03	2.73%	72.19		
	Ham Primal	\$ per cwt	70.44	68.61	2.67%	51.10		
	Loin Primal	\$ per cwt	78.38	75.84	3.35%	75.25		
	Belly Primal	\$ per cwt	122.89	118.55	3.66%	92.13		
	Trimblings, 72%, Fresh	\$ per cwt	83.77	83.31	0.55%	69.45		
	Hog By-Product Value	\$ per cwt, live wt	3.71	3.68	0.82%	3.76		
<b>C</b>	Young Chicken Slaughter *	Million Head	164.1	158.1	3.77%	160.7	2,895	1.3%
<b>H</b>	Avg. Weight (RTC)	Lbs.	4.79	4.71	1.61%	4.71	6.15	-0.5%
<b>I</b>	Young Chicken Production (RTC)	Million Lbs.	785.6	745.1	5.44%	757.2	13,512	0.6%
<b>C</b>	Eggs Set (19-state)	Million	231.9	233.3	-0.62%	230.7	4,157	1.5%
<b>K</b>	Chicks Placed (19-state)	Million Head	188.7	186.2	1.38%	183.8	3,326	1.6%
<b>E</b>	National Composite Whole Bird	Composite	101.54	100.46	1.08%	116.42		
	Northeast Breast, B/S	\$/cwt	121.72	127.17	-4.29%	130.51		
	Northeast Leg Quarters	\$/cwt	43.54	42.29	2.96%	40.43		
<b>T</b>	Total Turkey Slaughter *	Million Head	4.229	4.118	2.70%	4.312	71,096	-2.9%
<b>U</b>	Avg. Weight (RTC)	Lbs.	26.39	26.31	0.30%	24.82	33.33	4.7%
<b>R</b>	Turkey Production (RTC)	Million Lbs.	111.6	108.3	3.00%	107.0	1,875	-1.5%
<b>K</b>	National Hen (8-12 lb)	8-16 Lbs.	83.02	83.50	-0.57%	79.00		
<b>G</b>	Corn, Omaha	\$ per Bushel	3.50	3.67	-4.63%	3.78		
<b>R</b>	Soybeans, Cntrl IL	\$ per Bushel	7.83	8.13	-3.69%	10.02		
<b>A</b>	Soybn Meal 48%, Cntrl IL	\$ per Bushel	286.10	292.40	-2.15%	396.60		
<b>I</b>	Distillers Grain, IL	\$ per Bushel	139.00	137.00	1.46%	177.50		

\* 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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