

Daily Livestock Subscriber,

We are writing to ask for your support ([our regular report is on page 2](#))

Back in about 2002 the CME came to Steve Meyer and me and requested that we invent a one page economic newsletter that would go out to the trade every day. The CME wanted a vehicle to deliver information to the trade as they evolved from an open outcry market to today's electronic market for livestock futures. At that time the CME paid for the whole service.

Today CME funding is a small percentage of the costs of producing and distributing the DLR. But interest from subscribers, like you, continues to be as strong as it has ever been.

Since 2012 we have asked subscribers for regular support payments to keep the CME Daily Livestock Report operating. That request system has not been working very well, partially because we have not been very diligent in asking for support.

Recently, we have started sending out invoices to subscribers. Organizations with multiple subscribers have received the first batch of invoices and we will send the rest shortly. **A number of companies and individuals have already responded and we greatly appreciate their generous support. Many others have not.**

We are at a crossroad. If we don't get adequate funding from our readers the Daily Livestock Report will simply go away within a year. On the other hand we recognize that some people, like students in an economics class at a University, do not have funds to pay for subscriptions. But they have an interest in this industry and we intend to make it available to them as long as we can.

We have tried to keep a family type honor system in running the DLR and have approached various companies for support commensurate with the number of subscribers from that company. Our plan is to send an invoice based on the number of subscribers that we have in our list when the invoice goes out rather than try and keep track of when people join or leave. If someone already has sent a contribution and 10 people from that company join tomorrow, we will not send you an invoice until next year. We want to concentrate our efforts on writing great reports. We don't want to become experts on accounting matters.

Bottom line, we need financial funding to keep the CME Daily Livestock Report operating. We are counting on YOU to provide that funding.

If you have not already done so please do your part today.

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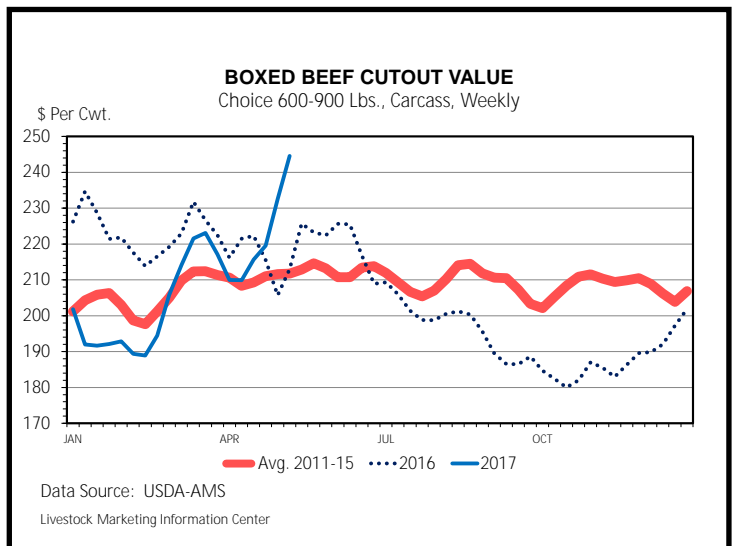
On the final page of this newsletter is our weekly cash price and production summary, which rely on USDA Agricultural Marketing Service (Market News) reports. As indicated, that summary is preliminary because: 1) Friday's price data are often not published until Monday; and 2) slaughter data are revised as USDA collects more detailed data from packers.

After surging during late April and the first week of May, cash fed cattle prices declined last week by several dollars per cwt. Still, fed cattle prices remained above a year ago. Cash feeder cattle prices were mostly unchanged early in the week, but then tended to erode. Hog prices strengthened significantly last week, with national prices averaging nearly \$5.00 per cwt. (dressed basis) higher week-over-week. Cash hog prices remained below 2016's. Both the Choice beef (see the provided graphic) and pork cutout values increased last week.

After setting life of contacts highs recently, last week both the Live Cattle (fed) and Feeder Cattle futures prices declined. Using the average of the daily closes, the October 2017 Live Cattle contract was \$117.14 per cwt., dropping \$1.09 week-over-week. The October Feeder Cattle contract averaged \$150.00 per cwt. down \$3.16 from the prior week's average. Still, hedgers should note that the October Feeder Cattle contract last week was \$30.00 above where it began the year (the week ending January 6, 2017 that contract was \$120.01 per cwt.).

For the May through November 2017 hog futures contracts, prices increased week-over-week. Last week, the August Lean Hog futures contract increased compared to the prior week's average by \$1.58 per cwt. and posted its highest level since the week ending March 17, 2017. The December 2017 contract posted a slight price decline.

Looking at the news, at the top of the list was Thursday's joint announcement by the U.S. departments of Commerce and Treasury that progress had been made on the "U.S.-China Economic Cooperation 100-Day Plan" (link to the Fact Sheet is [here](#)). Eleven items were listed and at the top was beef. Per the announcement, following one more round of technical consultations, China is to allow imports of U.S. beef beginning no later than July 16, 2017. Background and comments regarding the situation and recent announcements have been provided in earlier editions of this newsletter and elsewhere. The U.S. beef industry awaits the details and then assessments



of impacts can be developed.

The other item we bring to attention was the release last week of a USDA Foreign Agriculture Service (FAS) report regarding U.S. beef exports to Japan, our largest foreign market. Global Agricultural Information Network (GAIN) reports are done by experts stationed at our foreign embassy offices. A GAIN report from Tokyo, titled "Beef Market Share Competition to Intensify in 2018", was released May 8th (available [here](#)). The report provides insight into the competitive position of U.S. beef in Japan relative to other countries, especially Australia. From the report: "Monthly total U.S. beef exports to Japan outpaced Australian beef shipments in February 2017 for the first time in 14 years. These recent successes have occurred in spite of a comparatively stronger dollar and an eight percentage point tariff disadvantage relative to Australian chilled beef, the dominant beef supplier in the Japanese market." Looking ahead, Australia's significant tariff advantage and their rebuilding beef herd will challenge the U.S. Further, at the end of the report the authors state: "Improved market access for Australia and other Pacific Rim beef exporters (New Zealand, Canada, and Mexico) under a modified TPP, or a comparable successor agreement, could further reduce U.S. competitiveness in its most valuable export market."

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Thank you for your support!

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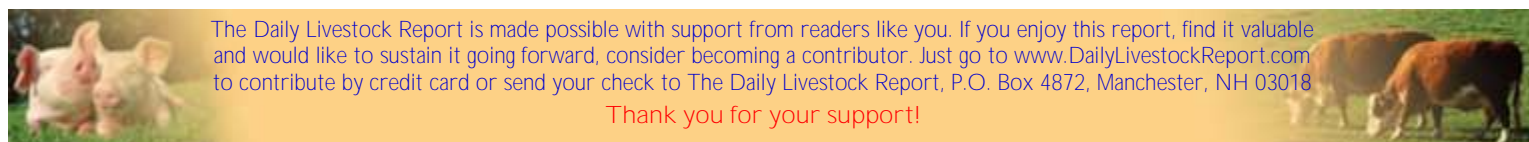
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PRODUCTION & PRICE SUMMARY					Week Ending		5/13/2017		
Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY.									
	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			13-May-17	6-May-17		14-May-16			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,823	1,848	-1.4%	1,790	1.8%	33,757	2.0%
C	Fl Slaughter	Thou. Head	609	612	-0.5%	598	1.8%	11,233	5.8%
A	Fl Cow Slaughter **	Thou. Head	109	110	-1.0%	102	6.8%	1,886	5.0%
T	Avg. Dressed Weight	Lbs.	800	802	-0.2%	812	-1.5%	813	-1.4%
T	Beef Production	Million Lbs.	486.5	489.6	-0.6%	485.0	0.3%	9,129	4.3%
L	Live Fed Steer Price, 5-Mkt	\$ per cwt	137.86	144.60	-4.7%	132.56	4.0%		
E	Dressed Steer Price, 5-Mkt	\$ per cwt	220.53	229.80	-4.0%	208.39	5.8%		
	Oklahoma Steer (600-700 lbs)	\$ per cwt	158.23	159.57	-0.8%	161.56	-2.1%		
&	Choice Beef Cutout	\$ per cwt	244.55	232.55	5.2%	213.00	14.8%		
	Hide/Offal	\$ per cwt, live wt	11.54	11.83	-2.5%	11.14	3.6%		
B	Rib, Primal, Choice	\$ per cwt	399.14	373.98	6.7%	322.54	23.8%		
E	Round, Primal, Choice	\$ per cwt	182.76	178.99	2.1%	172.01	6.2%		
E	Chuck, Primal, Choice	\$ per cwt	189.35	181.20	4.5%	164.21	15.3%		
F	Trimnings, 50%, Fresh	\$ per cwt	184.29	135.76	35.7%	50.34	266.1%		
	Trimnings, 90%, Fresh	\$ per cwt	221.90	220.25	0.7%	218.46	1.6%		
H	Fl Slaughter	Thou. Head	2,258	2,262	-0.2%	2,162	4.5%	43,776	2.5%
H	Fl Sow Slaughter **	Thou. Head	58.3	59.0	-1.2%	56.6	2.9%	982	2.3%
O	Avg. Dressed Weight	Lbs.	213.0	213.0	0.0%	213.0	0.0%	213	-0.2%
G	Pork Production	Million Lbs.	480.8	481.9	-0.2%	459.6	4.6%	9,311	2.2%
S	Iowa-S. Minn. Direct	Wtd. Avg.	69.40	62.68	10.7%	74.44	-6.8%		
	Natl. Base Carcass Price	Wtd. Avg.	67.62	62.85	7.6%	73.93	-8.5%		
&	Natl. Net Carcass Price	Wtd. Avg.	70.05	65.26	7.3%	76.26	-8.1%		
	Pork Cutout	\$ per cwt	81.25	76.37	6.4%	82.81	-1.9%		
P	By-product Value	\$ per cwt, live wt	3.93	3.90	0.8%	3.69	6.5%		
O	Ham, Primal	\$ per cwt	65.35	63.03	3.7%	63.30	3.2%		
R	Loin, Primal	\$ per cwt	81.82	77.07	6.2%	88.86	-7.9%		
K	Belly, Primal	\$ per cwt	120.83	111.08	8.8%	105.81	14.2%		
	Trimnings, 72%, Fresh	\$ per cwt	78.78	75.53	4.3%	71.70	9.9%		
C	Young Chicken Slaughter *	Million Head	161.9	164.8	-1.8%	159.54	1.5%	2,833	-0.6%
H	Avg. Weight (RTC)	Lbs.	4.61	4.68	-1.6%	4.65	-1.0%	4.74	1.1%
I	Young Chicken Production (RTC)	Million Lbs.	745.5	771.6	-3.4%	742.1	0.5%	13,422	0.5%
C	Eggs Set (19-state)	Million	214.0	213.1	0.4%	209.6	2.1%	3,829	2.0%
K	Chicks Placed (19-state)	Million Head	173.5	174.9	-0.8%	170.7	1.7%	3,114	1.4%
E	National Composite Whole Bird	Composite	104.25	99.12	5.2%	90.95	14.6%		
N	Northeast Breast, B/S	\$ per cwt	144.89	138.37	4.7%	127.11	14.0%		
	Northeast Leg Quarters	\$ per cwt	39.85	41.13	-3.1%	36.82	8.2%		
T	Total Turkey Slaughter *	Million Head	4.25	4.18	1.6%	4.13	3.0%	73.7	-1.8%
U	Avg. Weight (RTC)	Lbs.	25.84	25.19	2.6%	25.02	3.3%	25.70	2.2%
R	Turkey Production (RTC)	Million Lbs.	109.8	105.3	4.2%	103.2	6.4%	1,894	0.4%
K	National Hen (8-12 Lbs)	\$ per cwt	101.50	99.25	2.3%	117.50	-13.6%		
G	Corn, Omaha	\$ per Bushel	3.43	3.38	1.5%	3.67	-6.5%		
R	Distillers Grain, Chicago	\$ per Ton	97.50	96.50	1.0%	137.50	-29.1%		
A	Wheat, Kansas City (delivered)	\$ per Bushel	4.81	4.74	1.5%	5.39	-10.8%		
I	Soybean, Cntrl IL	\$ per Bushel	9.58	9.61	-0.4%	10.57	-9.4%		
N	Soybn Meal 48%, Cntrl IL	\$ per Ton	310.40	315.10	-1.5%	370.90	-16.3%		

* 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).



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