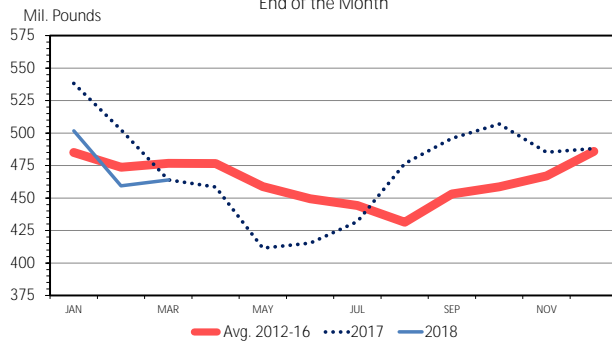


Beef trimmings prices have been unusually stable so far this year when compared to recent years, as well as beef cut prices at the wholesale level. The primary supply of lean trim material is cows and first quarter slaughter was up 8% from a year earlier. Average cow carcass weights were 2% heavier than a year earlier, supplementing the increase in head processed. Even with this increase in supply, lean beef trimmings prices have gradually moved higher. The same theme applies to the fat beef trimmings market, where supplies generally come from steer and heifer slaughter. Supply during the first quarter was up close to 2% from a year earlier, and 50% lean trim prices ended the quarter higher than at the start of the year, with less variation than in the first quarter of prior years.

**BEEF IN COLD STORAGE**  
End of the Month



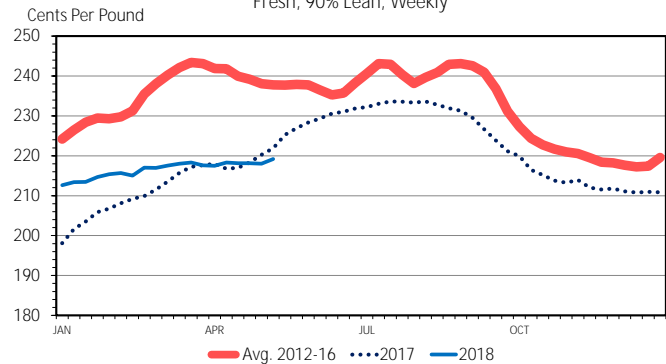
Data Source: USDA-NASS  
Livestock Marketing Information Center

M-S-09  
04/23/18

A salient factor in the market this year has been lower frozen product inventories and less of an orientation to liquidating those inventories. Given the perspective that beef production would be ample this spring and summer, driven by big placements of cattle into feedlots in the second half of 2017 and the first couple months of this year, expectations (e.g. the cattle futures market) have been that beef prices would plunge. Understandably, this would be detrimental to the value of frozen inventory going into these months, which might prompt liquidation of this stock. In 2017, frozen beef inventories were reduced 100 million pounds during the first quarter. With less in storage at the start of this year, inventory liquidation amounted to only 24 million pounds from January to March, offsetting some of the increase in beef supplies from more cow

**WHOLESALE BONELESS BEEF PRICES**

Fresh, 90% Lean, Weekly

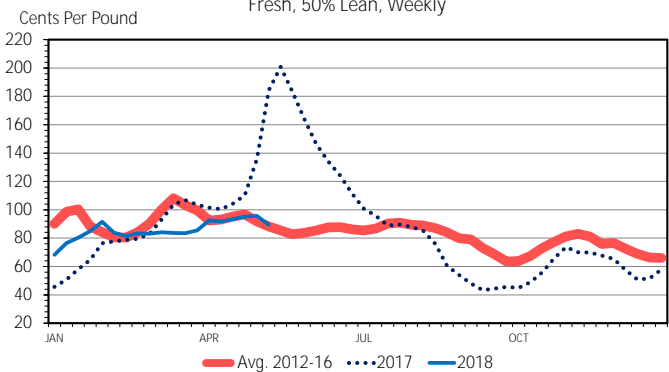


Data Source: USDA-AMS  
Livestock Marketing Information Center

M-P-24  
05/11/18

**WHOLESALE BONELESS BEEF PRICES**

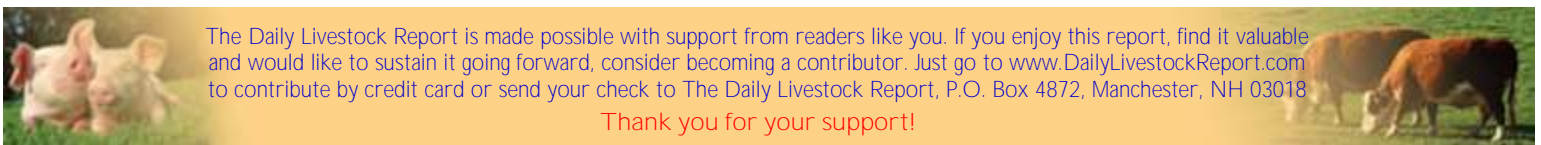
Fresh, 50% Lean, Weekly



Data Source: USDA-AMS  
Livestock Marketing Information Center

M-P-25  
05/11/18

slaughter. Consumer demand for beef has been a positive surprise this year, providing a foundation for the confidence to hold frozen inventory. Given the pattern of frozen beef inventories last year, year-over-year increases in coming months should not be a surprise. The stability of trimmings prices will play a role in how much beef is in cold storage as the spring and summer progress.



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to [www.DailyLivestockReport.com](http://www.DailyLivestockReport.com) to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 4872, Manchester, NH 03018

Thank you for your support!

The **Daily Livestock Report** is published by Steiner Consulting Group, DLR Division, Inc.. To subscribe, support or unsubscribe please visit [www.dailylivestockreport.com](http://www.dailylivestockreport.com).

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group, CME and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The *Daily Livestock Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.