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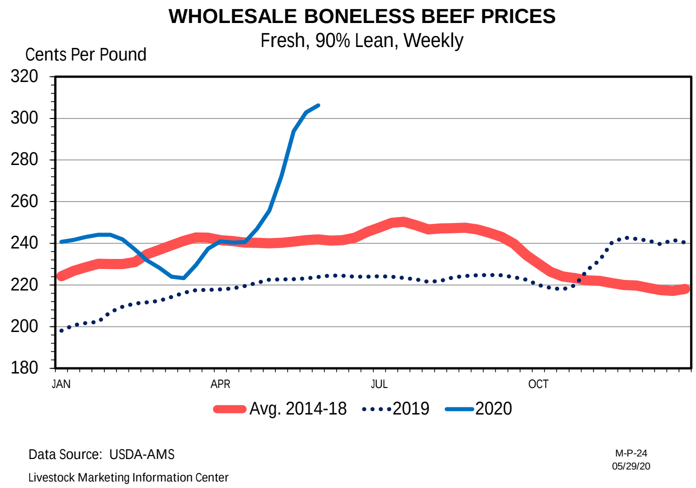
A recent WATT Agnet webinar, titled "COVID-19 Impact: Global poultry and egg purchases, behaviors," explored consumer trends in the meat case. To view a list of webinars and other events visit: https://www.wattagnet.com/webinars

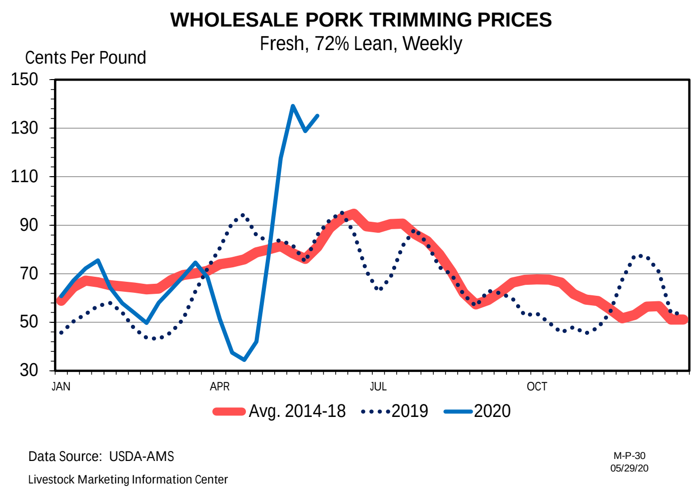
One of those trends explored was the strong increase in consumers buying of ground products. This newsletter has commented on the surge in ground beef demand, but ground pork, chicken, and turkey are doing well also. The Livestock Marketing Information Center tracks trimming prices for beef and pork and will focus on that data for this article. A similar trimmings price for chicken and turkey prices are not available through USDA AMS data. Weekly Prices and Production is summarized on page 2 of this newsletter.

Wholesale weighted average pork trimmings values have climbed higher in the last two weeks. Negotiated prices for 72% lean fresh trimmings rose once again last week to $135.11 per cwt. The highest weekly weighted average price on record was $150.84 back in July of 2014. Formula prices for this same product have been even higher, with last week topping $136.05, compared to the highest weekly weighted average on record of $147.60 per cwt. Some of this surge is likely related to the increased demand for hot dogs, and other further processed products that include a ground pork mix as well as consumers buying more ground pork. Negotiated sales volume has seen an increase over year ago volumes for most of the weeks since the beginning of March. On a weekly average basis, negotiated sales volume is 73% ahead of last year for the last 13 weeks.

Beef trimmings are often looked at in two fresh components: 50% lean and 90% lean. Fresh 50% lean prices have been climbing and now falling largely in step with changes to slaughter levels. Trimmings volume sold was as low as 815,281 pounds in a single week in April, among the lowest of any volumes in the series dating back to 2003. Interestingly, even though a decline in slaughter levels resulted in a dip in the weekly data volume, the weekly average number of pounds was up 72% over the last 13 weeks. The month of May showed higher volumes than normal. Heavier weights of fed cattle coming through the system will likely increase supplies of 50% trim at a faster rate than slaughter levels imply. Weekly 50% fresh trim prices sold as high as $275.28 per cwt in the last 13 weeks but has since fallen to $103.16 per cwt last week.

Fresh 90% trim, primarily coming from cull cows have seen prices continue to rise. Last week's 90% fresh beef price was $306.23 per cwt, setting a new record high. The previous record weekly weighted average price was as high as $303.51 back in January of 2015. The volume of 90% trimmings has pulled back and is showing a weekly average number of pounds over the last 13 weeks down 20% from those same weeks in 2019. If we look at the slaughter data discussed in Friday's DLR, this could be from the dramatic reduction in beef cows, even though dairy cow slaughter levels have remained fairly steady. Total cow slaughter year-to-date is even with a year ago.





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PRODUCTION & PRICE SUMMARY

Week Ending 5/30/2020

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
			30-May-20	23-May-20		1-Jun-19			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,742	1,807	-3.6%	1,843	-5.5%	40,389	0.0%
C	FI Slaughter	Thou. Head	524	555	-5.6%	588	-10.9%	12,657	-6.9%
A	FI Cow Slaughter **	Thou. Head	117	114	2.6%	120	-2.9%	2,475	-0.2%
T	Avg. Dressed Weight	Lbs.	820	816	0.5%	790	3.8%	823	2.3%
T	Beef Production	Million Lbs.	428.6	451.4	-5.1%	463.8	-7.6%	10,422	-4.7%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	115.65	117.06	-1.2%	115.74	-0.1%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	183.30	183.35	0.0%	186.08	-1.5%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	142.10	139.63	1.8%	148.10	-4.1%		
&	Choice Beef Cutout	$ per cwt	374.04	405.40	-7.7%	223.40	67.4%		
	Hide/Offal	$ per cwt, live wt	7.12	7.01	1.6%	8.27	-13.9%		
B	Rib, Primal, Choice	$ per cwt	506.05	516.65	-2.1%	359.03	40.9%		
E	Round, Primal, Choice	$ per cwt	339.43	391.59	-13.3%	168.53	101.4%		
E	Chuck, Primal, Choice	$ per cwt	326.38	364.24	-10.4%	175.94	85.5%		
F	Trimmings, 50%, Fresh	$ per cwt	103.16	154.98	-33.4%	86.74	18.9%		
	Trimmings, 90%, Fresh	$ per cwt	306.23	302.82	1.1%	223.81	36.8%		
	FI Slaughter	Thou. Head	1,966	2,137	-8.0%	2,131	-7.7%	52,098	-1.3%
H	FI Sow Slaughter **	Thou. Head	69.8	70.3	-0.8%	57.7	20.9%	1,280	10.6%
O	Avg. Dressed Weight	Lbs.	219.0	218.0	0.5%	215.0	1.9%	216	0.7%
G	Pork Production	Million Lbs.	430.6	466	-7.6%	458.7	-6.1%	11,259	-0.6%
S	Natl. Negotiated Purchase	Wtd. Avg.	38.07	38.38	-0.8%	76.83	-50.4%		
	Natl. Base Carcass Price	Wtd. Avg.	65.45	68.36	-4.3%	80.02	-18.2%		
&	Natl. Net Carcass Price	Wtd. Avg.	66.73	69.59	-4.1%	81.88	-18.5%		
	Natl. Early Wean Feeder	10-12 Lbs.	15.47	15.78	-2.0%	45.28	-65.8%		
P	Pork Cutout	$ per cwt	90.98	99.94	-9.0%	83.74	8.6%		
O	By-product Value	$ per cwt, live wt	3.73	3.72	0.3%	3.73	0.0%		
R	Ham, Primal	$ per cwt	51.04	46.36	10.1%	77.30	-34.0%		
K	Loin, Primal	$ per cwt	131.60	150.09	-12.3%	81.08	62.3%		
	Belly, Primal	$ per cwt	83.75	82.01	2.1%	113.65	-26.3%		
	Trimmings, 72%, Fresh	$ per cwt	135.11	128.79	4.9%	86.08	57.0%		
C	Young Chicken Slaughter *	Million Head	162.2	160.6	1.0%	171.69	-5.5%	3,471	2.2%
H	Avg. Weight (RTC)	Lbs.	4.88	4.88	0.0%	4.73	3.2%	4.76	1.9%
I	Young Chicken Production (RTC)	Million Lbs.	791.5	783.6	1.0%	811.6	-2.5%	16,527	4.1%
C	Eggs Set (US)	Million	231.1	231.9	-0.3%	234.0	-1.2%	4,908	1.0%
K	Chicks Placed (US)	Million Head	179.5	172.6	4.0%	188.4	-4.7%	3,885	-0.2%
E	National Composite Whole Bird	Composite	74.00	74.45	-0.6%	99.52	-25.6%		
N	Northeast Breast, B/S	$ per cwt	151.37	164.95	-8.2%	114.47	32.2%		
	Northeast Leg Quarters	$ per cwt	32.54	32.57	-0.1%	46.7	-30.3%		
T	Total Turkey Slaughter *	Million Head	3.46	4.03	-13.9%	4.12	-15.9%	82.8	-0.9%
U	Avg. Weight (RTC)	Lbs.	26.25	26.36	-0.4%	26.37	-0.4%	26.34	-1.2%
R	Turkey Production (RTC)	Million Lbs.	90.9	106.1	-14.3%	108.5	-16.2%	2,181	-2.1%
K	National Hen (8-12 Lbs)	$ per cwt	105.00	105.20	-0.2%	86.00	22.1%		
G	Corn, Omaha	$ per Bushel	3.16	3.03	4.5%	4.19	-24.5%		
R	Distillers Grain, IA	$ per Ton	137.50	142.50	-3.5%	119.00	15.5%		
A	Soybean, Cntrl IL	$ per Bushel	8.53	8.39	1.7%	8.59	-0.8%		
I	Soybn Meal 48%, Cntrl IL	$ per Ton	285.80	284.00	0.6%	326.40	-12.4%		
N									

* 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).