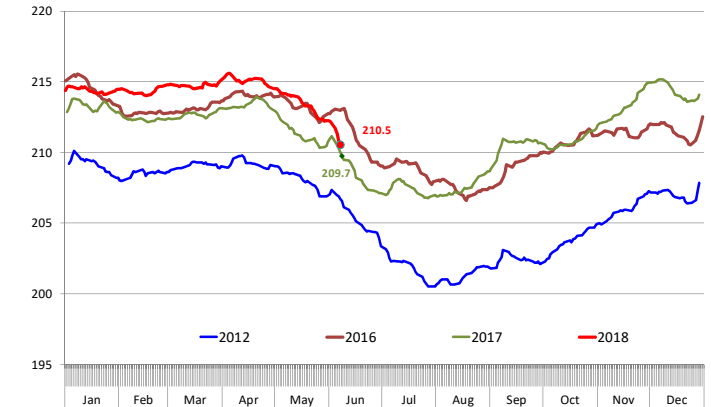


**In the next page we have included our regular price and production summary table.** The very first line in the table totals up the supply of beef, pork and poultry for the week, estimated at 1.783 billion pounds, up 1.9% from the previous year. **The challenge with this number is that it includes a bunch of estimates and likely will be revised.** Additionally, in the case of poultry, the production numbers are reported with a one week delay so you are looking at the production data for the week prior. One number that has been a constant issue in the production estimates is the weight of livestock and poultry coming to market. The actual livestock weights are reported by USDA with a two week delay. However, each week USDA does issue production estimates which are based on preliminary slaughter data and estimated carcass weights. For the most part actual slaughter data does not deviate much from the initial estimates although sometimes the revisions are significant. In the case of weights, USDA appears to use a trend factor. For the most part this works. The only time it does not work is when weights seasonally shift. We are in one of those times. Around this time steer weights start to turn higher while hog weights turn lower. It is a function of weather and biology and in any given year the magnitude of the shift will necessarily impact the pounds of beef and pork that show up in the market.

For the week ending June 9, **USDA pegged the average hog carcass weight at 213 pounds, 0.5% lower than the previous week but still about 1.9% higher than a year ago.** This estimate strikes us as high as the average weight of barrows and gilts has recently declined sharply and is quite close to the levels we observed a year ago. The chart to the right shows a 5-day moving average of daily barrow and gilt weights as reported in the USDA Mandatory Price Reporting (MPR) system. Please note that the absolute values are different from the USDA hog weights since the latter also includes sows in the mix. Still, we think that directionally the MPR data and actual USDA hog weights tend to correlate pretty well. **The barrow/gilt weights for the five days ending June 7 (latest 201 report) averaged 210.5 pounds compared to 209.7 pounds a year ago. This represents a 0.4% increase rather than a 1.9% increase that USDA last estimated.** Additionally, barrow and gilt weights (includes producer and packer owned hogs) are down 2 pounds or a full 1% in the last two weeks alone. Higher temperatures and a solid slaughter pace has made producers more current and helps explain the sudden jump in cash hog values. The IA/MN base price in last week increased by an average of 2.2% each day. By the end of the week the IA/MN base price was \$77.29/cwt compared to \$69.33/cwt the previous Friday. The cash hog index during this period did not increase at the same rate because the index is based on negotiated and formula hogs. The sharp increase in base prices reflects the currentness of hog supplies, something that is hard to recognize if you were simply looing at the weekly hog carcass weight estimate. Average cattle weights for the week were slightly above year ago levels. The chart to the right shows our estimates for steer weights for this week. Steer weights gained modestly last week but remain near last year's levels.

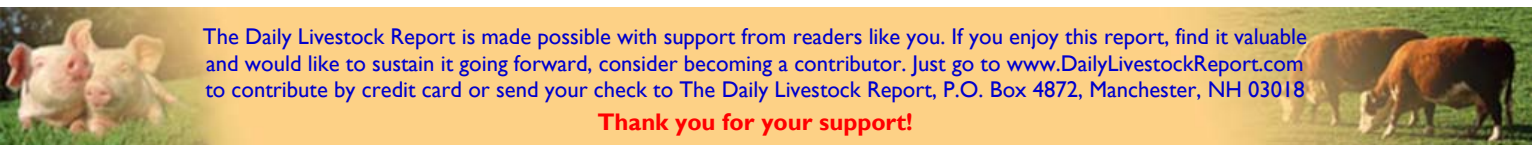
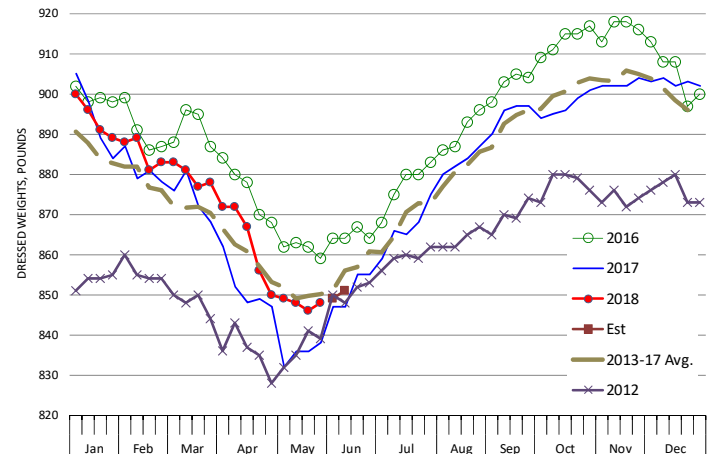
**Barrow/Gilt Dressed Carcass Weights, 5-day Moving Avg. - All Hogs**

Based on Daily MPR Report, LM\_HG201. Data through Jun 7, 2018



**Actual USDA Weekly Steer Weights. Reported with a Two week lag + Steiner Estimate**

Source: USDA & Steiner Consulting Estimates



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# Daily Livestock Report

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## PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **6/9/2018**

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	
		9-Jun-18	2-Jun-18		10-Jun-17				
<b>Total Beef, Pork, Chicken, Turkey</b>	<b>mil lbs., cwe</b>	<b>1,783</b>	<b>1,784</b>	<b>-0.03%</b>	<b>1,752</b>	<b>1.81%</b>	<b>41,718</b>	<b>1.9%</b>	
<b>C</b>	Fl Slaughter	Thou. Head	658	582	13.06%	636	3.46%	14,102	3.1%
<b>T</b>	Fl Cow Slaughter **	Thou. Head	115	116	-0.65%	106	8.40%	2,495	7.8%
<b>T</b>	Avg. Dressed Weight	Lbs.	797	797	0.00%	796	0.13%	812	0.6%
<b>L</b>	Beef Production	Million Lbs.	523.1	463.2	12.93%	504.9	3.60%	11,452	3.7%
<b>E</b>	Live Fed Steer Price	\$ per cwt	114.25	110.55	3.35%	136.07	-16.04%		
<b>E</b>	Dressed Fed Steer Price	\$ per cwt	180.90	177.35	2.00%	218.36	-17.16%		
<b>&amp;</b>	Oklahoma Steer (600-700 lbs)	\$ per cwt	157.20	N/A	N/A	170.24	-7.66%		
<b>B</b>	Choice Beef Cutout	\$ per cwt	226.95	227.99	-0.46%	250.22	-9.30%		
<b>E</b>	Hide/Offal	\$ per cwt, live wt	9.48	9.57	-0.94%	11.71	-19.04%		
<b>E</b>	Rib Primal, Choice	\$ per cwt	384.61	379.22	1.42%	432.92	-11.16%		
<b>E</b>	Round Primal, Choice	\$ per cwt	162.80	168.72	-3.51%	189.74	-14.20%		
<b>E</b>	Chuck Primal, Choice	\$ per cwt	167.02	170.44	-2.01%	186.54	-10.46%		
<b>F</b>	Trimming, 50%	\$ per cwt	74.26	79.88	-7.04%	146.48	-49.30%		
<b>F</b>	Trimming, 90%	\$ per cwt	221.96	222.43	-0.21%	229.33	-3.21%		
<b>H</b>	Fl Slaughter	Thou. Head	2,271	2,030	11.87%	2,201	3.19%	53,932	2.9%
<b>H</b>	Fl Sow Slaughter **	Thou. Head	57.4	59.3	-3.20%	58.2	-1.29%	1,223	0.8%
<b>O</b>	Avg. Dressed Weight	Lbs.	213.0	214.0	-0.47%	209.0	1.91%	214	0.8%
<b>O</b>	Pork Production	Million Lbs.	483.5	433.4	11.56%	460.8	4.93%	11,535	3.7%
<b>G</b>	Iowa-S. Minn. Base	Wtd. Avg.	73.97	67.86	9.00%	76.81	-3.70%		
<b>S</b>	Natl. Base Carcass Price	Wtd. Avg.	72.27	69.93	3.35%	77.00	-6.14%		
<b>S</b>	Natl. Net Carcass Price	Wtd. Avg.	74.73	72.24	3.45%	79.55	-6.06%		
<b>S</b>	Pork Cutout	205 Lbs.	78.49	76.73	2.29%	91.50	-14.22%		
<b>S</b>	Ham Primal	\$ per cwt	60.72	57.15	6.25%	64.93	-6.48%		
<b>S</b>	Loin Primal	\$ per cwt	76.10	75.59	0.67%	91.16	-16.52%		
<b>S</b>	Belly Primal	\$ per cwt	127.19	118.30	7.51%	151.55	-16.07%		
<b>S</b>	Trimming, 72%, Fresh	\$ per cwt	67.09	59.84	12.12%	94.10	-28.70%		
<b>S</b>	Hog By-Product Value	\$ per cwt, live wt	3.85	3.84	0.26%	4.05	-4.94%		
<b>C</b>	Young Chicken Slaughter *	Million Head	149.5	166.4	-10.21%	151.1	-1.12%	3,500	-0.9%
<b>H</b>	Avg. Weight (RTC)	Lbs.	4.66	4.66	0.00%	4.64	0.33%	6.18	0.9%
<b>I</b>	Young Chicken Production (RTC)	Million Lbs.	696.3	775.4	-10.21%	701.9	-0.80%	16,444	0.0%
<b>C</b>	Eggs Set (19-state)	Million	0.0	234.5	NA	227.3	NA	5,027	2.6%
<b>K</b>	Chicks Placed (19-state)	Million Head	0.0	185.4	NA	183.1	NA	4,020	1.3%
<b>E</b>	National Composite Whole Bird	Composite	121.00	120.18	0.68%	112.61	7.45%		
<b>E</b>	Northeast Breast, B/S	\$/cwt	116.46	119.81	-2.80%	166.72	-30.15%		
<b>E</b>	Northeast Leg Quarters	\$/cwt	37.93	38.2	-0.71%	40.09	-5.39%		
<b>T</b>	Total Turkey Slaughter *	Million Head	3.232	4.413	-26.76%	3.499	-7.63%	89,609	-0.8%
<b>U</b>	Avg. Weight (RTC)	Lbs.	24.87	25.31	-1.73%	24.02	3.54%	31.71	-0.6%
<b>R</b>	Turkey Production (RTC)	Million Lbs.	80.4	111.7	-28.03%	84.1	-4.37%	2,286	-1.1%
<b>K</b>	National Hen (8-12 lb)	8-16 Lbs.	80.00	79.45	0.69%	97.06	-17.58%		
<b>G</b>	Corn, Omaha	\$ per Bushel	3.58	3.74	-4.28%	3.59	-0.28%		
<b>R</b>	Distillers Grain, Chicago	\$ per Ton	175.00	180.00	-2.78%	102.50	70.73%		
<b>A</b>	Wheat, Kansas City (deliv.)	\$ per Bushel	5.36	5.36	0.00%	4.16	28.85%		
<b>I</b>	Soybeans, Cntrl IL	\$ per Bushel	9.60	10.03	-4.29%	9.39	2.24%		
<b>N</b>	Soybn Meal 48%, Cntrl IL	\$ per Ton	367.90	385.30	-4.52%	307.60	19.60%		

\* 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 due to reporting lag. YTD still references 2017.

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