Daily Livestock Report

Vol. 15, No. 129 / July 3, 2017

Have a safe and enjoyable July 4th!

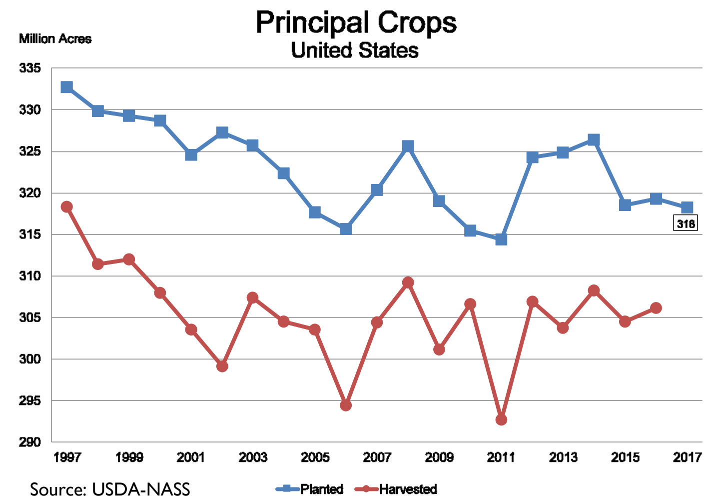
Prospects for grain supplies for the second half of this year and into 2018 were brought into better focus on Friday with a couple reports released by USDA's National Agriculture Statistical Service (NASS). Total U.S. crop plantings this spring will decline slightly from last year's, although soybean acreage will set a new record, just short of 90 million acres. The soybean acreage was in line with industry expectations and slightly higher than the NASS survey results (Prospective Plantings report) of last March. Corn plantings were estimated to be 90.9 million acres, down 3 million acres from last year but above industry expectations by 1 million acres. For more details, see the Acreage report here.

Mid-year grain stocks were significantly higher than a year earlier, a consequence of record-large harvests in 2016, although soybean stocks came in slightly below expectations. June 1 inventories of corn and soybeans were 10% larger than a year earlier and wheat stocks were 20% higher.

Perhaps the biggest surprise in spring crop planting activities was the lack of spring wheat acreage. Spring wheat plantings declined 6% from last year with market expectations looking for a decline of only half of that. Following on the big decline in winter wheat plantings last fall and adverse crop development conditions in the key production sates of North and South Dakota this spring, the supply situation for wheat in the next year looks to be tighter than the last couple of years, regardless of the larger June wheat stocks.

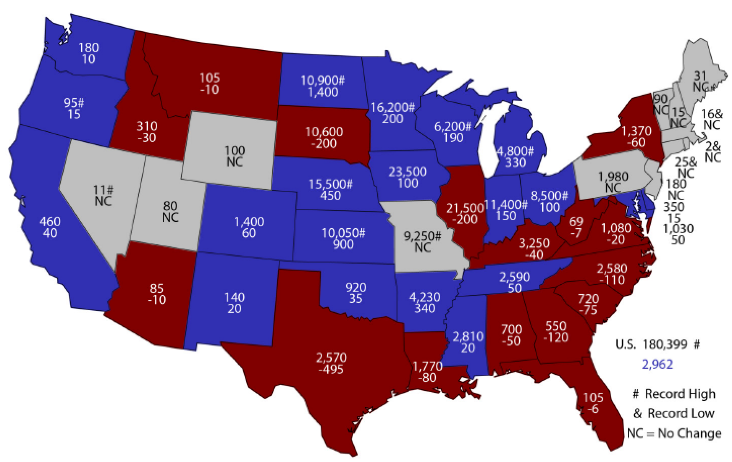
Wheat prices rocketed higher in the minutes following the reports being released, with soybean complex prices moving in tandem as the June 1 soybean inventory surprise was price supportive. Corn prices retreated 2% immediately after the news of corn plantings coming in above 90 million acres but the rally in soybean and wheat markets filtered over to the corn market to allow those price declines to be erased. A weather forecast calling for hot weather across the Midwest during the next week may also be a threat to favorable early season crop development.

NASS is estimating that the U.S. area harvested for all hay this year will be unchanged from last year at 53.5 million acres. This estimate tops their estimate made in March based on a survey made at that time by 1%. The source of most of the upward adjustments came from the Southeast and Midwestern US, as



Source: USDA-NASS

2017 Combined Corn and Soybean Planted Area
(000) Acres and Change from Previous Year



Source: USDA-NASS

well as Texas. Oklahoma showed the biggest decline from the March estimate, going to the smallest harvested hay area since 2012 and down 6% from last year. Alfalfa hay harvested area is pegged to be up 1.3% this year, or up 230,000 acres. Iowa accounts for 190,000 acres of that increase. Oklahoma boosted alfalfa cultivation by 120,000 acres while Minnesota registered the biggest decline in alfalfa area of 100,000 acres.

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PRODUCTION & PRICE SUMMARY

Week Ending 7/1/2017

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
			1-Jul-17	24-Jun-17		2-Jul-16			
	Beef, Pork, Chicken, & Turkey	**Mil Lbs., cwe**	**1,828**	**1,824**	0.2%	**1,805**	1.3%	**46,427**	2.0%
C	FI Slaughter	Thou. Head	638	632	0.9%	606	5.4%	15,589	5.8%
A	FI Cow Slaughter **	Thou. Head	111	112	-0.3%	99	13.1%	2,632	5.8%
T	Avg. Dressed Weight	Lbs.	799	795	0.5%	813	-1.7%	806	-1.7%
T	Beef Production	Million Lbs.	508.5	501.0	1.5%	491.5	3.5%	12,570	3.9%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	121.51	121.50	0.0%	122.50	-0.8%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	193.80	205.94	-5.9%	195.53	-0.9%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	156.39	151.91	2.9%	148.84	5.1%		
&	Choice Beef Cutout	$ per cwt	230.64	244.90	-5.8%	208.88	10.4%		
	Hide/Offal	$ per cwt, live wt	11.86	11.76	0.9%	11.41	3.9%		
B	Rib, Primal, Choice	$ per cwt	367.84	419.39	-12.3%	324.60	13.3%		
E	Round, Primal, Choice	$ per cwt	186.06	190.20	-2.2%	158.22	17.6%		
E	Chuck, Primal, Choice	$ per cwt	179.63	184.62	-2.7%	156.57	14.7%		
F	Trimmings, 50%, Fresh	$ per cwt	111.49	124.14	-10.2%	87.69	27.1%		
	Trimmings, 90%, Fresh	$ per cwt	231.84	231.04	0.3%	218.02	6.3%		
	FI Slaughter	Thou. Head	2,192	2,144	2.2%	2,119	3.5%	58,951	2.7%
H	FI Sow Slaughter **	Thou. Head	58.3	61.0	-4.4%	54.2	7.6%	1,378	3.5%
O	Avg. Dressed Weight	Lbs.	209.0	210.0	-0.5%	209.0	0.0%	212	-0.4%
G	Pork Production	Million Lbs.	458.8	450	2.0%	441.8	3.8%	12,485	2.3%
S	Iowa-S. Minn. Direct	Wtd. Avg.	87.07	86.99	0.1%	80.29	8.4%		
	Natl. Base Carcass Price	Wtd. Avg.	86.92	84.61	2.7%	81.41	6.8%		
&	Natl. Net Carcass Price	Wtd. Avg.	89.60	87.35	2.6%	84.02	6.6%		
	Pork Cutout	$ per cwt	102.49	99.44	3.1%	89.19	14.9%		
P	By-product Value	$ per cwt, live wt	4.10	4.09	0.2%	4.06	1.0%		
O	Ham, Primal	$ per cwt	74.12	72.53	2.2%	77.17	-4.0%		
R	Loin, Primal	$ per cwt	94.29	91.54	3.0%	87.05	8.3%		
K	Belly, Primal	$ per cwt	193.37	182.43	6.0%	131.86	46.6%		
	Trimmings, 72%, Fresh	$ per cwt	98.15	102.15	-3.9%	67.36	45.7%		
C	Young Chicken Slaughter *	Million Head	163.9	165.0	-0.7%	165.57	-1.0%	4,024	1.3%
H	Avg. Weight (RTC)	Lbs.	4.57	4.66	-2.0%	4.60	-0.7%	4.65	-0.5%
I	Young Chicken Production (RTC)	Million Lbs.	748.7	768.8	-2.6%	761.3	-1.7%	18,730	0.7%
C	Eggs Set (19-state)	Million	214.2	213.9	0.2%	209.5	2.2%	5,335	2.1%
K	Chicks Placed (19-state)	Million Head	176.1	176.4	-0.1%	173.0	1.8%	4,340	1.4%
E	National Composite Whole Bird	Composite	108.17	107.75	0.4%	94.29	14.7%		
N	Northeast Breast, B/S	$ per cwt	163.31	163.56	-0.2%	133.96	21.9%		
	Northeast Leg Quarters	$ per cwt	44.05	40.76	8.1%	36.07	22.1%		
T	Total Turkey Slaughter *	Million Head	4.54	4.08	11.3%	4.47	1.7%	103.4	-1.4%
U	Avg. Weight (RTC)	Lbs.	24.72	25.53	-3.2%	24.77	-0.2%	25.54	1.7%
R	Turkey Production (RTC)	Million Lbs.	112.3	104.2	7.7%	110.6	1.5%	2,642	0.3%
K	National Hen (8-12 Lbs)	$ per cwt	98.50	98.50	0.0%	116.29	-15.3%		
G	Corn, Omaha	$ per Bushel	3.32	3.32	0.0%	3.29	1.1%		
R	Distillers Grain, Chicago	$ per Ton	100.00	107.50	-7.0%	167.50	-40.3%		
A	Wheat, Kansas City (delivered)	$ per Bushel	4.95	4.98	-0.6%	NQ	N/A		
I	Soybean, Cntrl IL	$ per Bushel	9.15	9.02	1.5%	11.73	-22.0%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	296.40	295.80	0.2%	413.30	-28.3%		

* 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).