Daily Livestock Report

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Halfway through the year, year-to-date weekly feeder cattle imports from Mexico are up year-over-year by 3%. The last two weeks of May and the month of June recorded significantly higher volumes than 2019 and played catch up to offset the lower volumes seen at the beginning of the year. Feeder cattle imports from Canada have been below a year ago almost every week this year, and are off more than 50% year-to-date compared to last year.

COVID-19 has undoubtedly played a role in trade flows, impacting supply, demand, currency rates, and behavior. Drought too has played a role, and in May the North American Drought Monitor showed dry conditions in 32% of Mexico. Northern Mexico states of Durango, Chihuahua, and Coahuila all showed significant drought coverage although the worst of the country's drought is in the southern border areas. June's North American Drought Monitor has not been posted at this time and will likely be out next week.

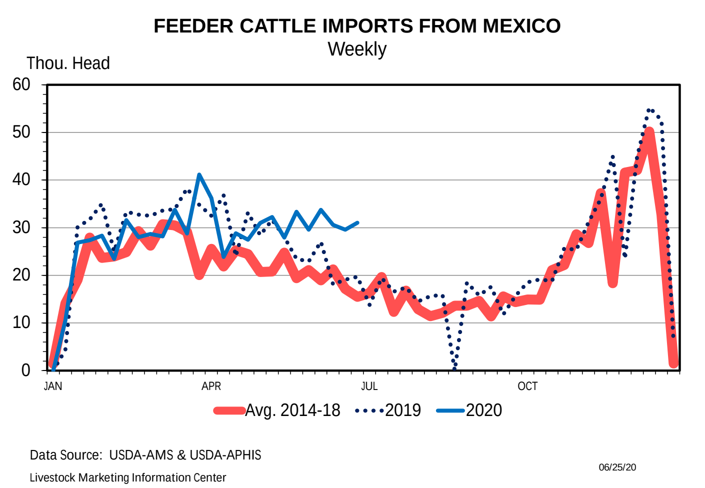
Imported cattle can go direct to feedlots, or out to pasture, and they do not necessarily remain in the states they are imported into. LMIC tracks ports of entry from Mexico of Arizona, New Mexico, and Texas. U.S. drought conditions imply significant drought in all three states. Still, year-to-date Arizona feeder cattle imports from Mexico are up 15%, New Mexico's are up 4% and Texas is down 10%. The weekly import feeder cattle data implies heavier volumes of feeder steers are the reason for the increase. Year-to-date feeder heifers from Mexico are about even with a year ago while feeder steer volumes are up 3.9%.

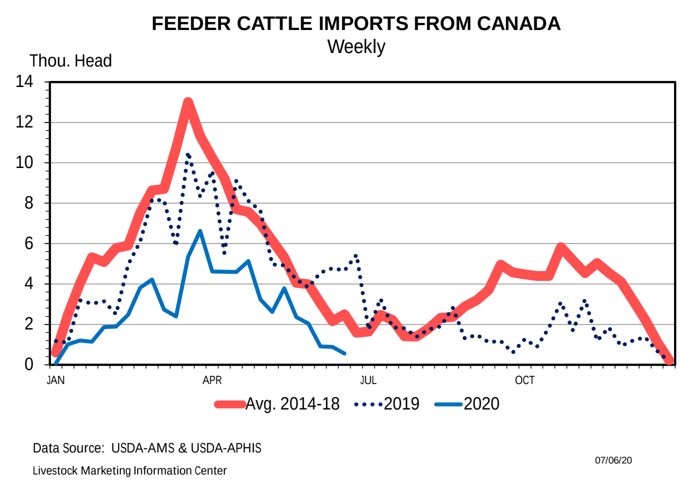
Cattle on Feed placement numbers were down overall in May 1.3%. By state, breakdowns indicated that California, Colorado, Iowa, and Kansas all placed at higher rates than a year ago. It's impossible to tease out additions directly influenced by Mexican feeder cattle imports. State-level cattle on feed data indicates states placing more cattle last month may have had less of a backlog of cattle on feed greater than 120 days. As of June 1, Arizona and Iowa cattle on feed more than 120 days were down from the prior year by 13% and 20% respectively. California had 6% more cattle on feed 120 days plus, and Colorado had 11% more than June of last year. Kansas was the only state to place more animals in May and have significantly higher volumes of cattle over 120 days, 38% higher than last year on June 1.

Most of the higher volumes of feeder cattle imported from Mexico were in the month of June. Feedlot placement data for June will not be available to the middle of July, but there are still a lot of cattle on feed at 120 days or longer.

Other states, whose placement rates were lower, had large changes compared to a year ago in cattle on feed 120 days and longer. Idaho, and Minnesota have 10-15% more cattle on feed 120 days and longer. Nebraska, Texas and Oklahoma have 25% or more. Oklahoma has the largest volume compared to a year ago with 66% more than on June 1 2019.

The July Cattle Inventory should see additional steers and heifers backlogged show up in the "Other Heifers" and "Steers Over 500lbs", which has the potential to skew the total number of cattle and calves above a year ago. That remains one of the wildcards of the July 1 inventory set to be released on July 24th, by USDA NASS.





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PRODUCTION & PRICE SUMMARY

Week Ending 7/4/2020

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
			4-Jul-20	27-Jun-20		6-Jul-19			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,837	2,022	-9.2%	1,842	-0.2%	50,080	0.4%
C	FI Slaughter	Thou. Head	593	680	-12.8%	578	2.6%	15,868	-5.8%
A	FI Cow Slaughter **	Thou. Head	122	120	1.3%	119	2.3%	3,057	-0.1%
T	Avg. Dressed Weight	Lbs.	829	829	0.0%	804	3.1%	825	2.7%
T	Beef Production	Million Lbs.	490.7	562.3	-12.7%	463.9	5.8%	13,087	-3.2%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	94.87	96.21	-1.4%	111.24	-14.7%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	153.84	154.78	-0.6%	180.09	-14.6%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	141.26	139.21	1.5%	140.21	0.8%		
&	Choice Beef Cutout	$ per cwt	206.54	210.20	-1.7%	219.28	-5.8%		
	Hide/Offal	$ per cwt, live wt	6.94	7.11	-2.4%	8.48	-18.2%		
B	Rib, Primal, Choice	$ per cwt	336.87	349.06	-3.5%	359.63	-6.3%		
E	Round, Primal, Choice	$ per cwt	169.01	168.20	0.5%	167.72	0.8%		
E	Chuck, Primal, Choice	$ per cwt	168.65	170.10	-0.8%	177.39	-4.9%		
F	Trimmings, 50%, Fresh	$ per cwt	54.52	67.47	-19.2%	92.89	-41.3%		
	Trimmings, 90%, Fresh	$ per cwt	248.05	256.44	-3.3%	224.15	10.7%		
	FI Slaughter	Thou. Head	2,043	2,625	-22.2%	2,056	-0.6%	64,327	-0.3%
H	FI Sow Slaughter **	Thou. Head	64.3	67.3	-4.5%	59.4	8.2%	1,604	11.6%
O	Avg. Dressed Weight	Lbs.	216.0	217.0	-0.5%	210.0	2.9%	216	0.9%
G	Pork Production	Million Lbs.	441.3	570.3	-22.6%	431.7	2.2%	13,903	0.6%
S	Natl. Negotiated Purchase	Wtd. Avg.	28.62	28.55	0.2%	67.47	-57.6%		
	Natl. Base Carcass Price	Wtd. Avg.	50.21	50.41	-0.4%	72.51	-30.8%		
&	Natl. Net Carcass Price	Wtd. Avg.	52.00	52.34	-0.7%	74.88	-30.6%		
	Natl. Early Wean Feeder	10-12 Lbs.	14.66	15.21	-3.6%	35.30	-58.5%		
P	Pork Cutout	$ per cwt	64.60	65.34	-1.1%	72.78	-11.2%		
O	By-product Value	$ per cwt, live wt	3.62	3.61	0.3%	3.57	1.4%		
R	Ham, Primal	$ per cwt	44.89	46.46	-3.4%	59.78	-24.9%		
K	Loin, Primal	$ per cwt	66.55	64.88	2.6%	75.19	-11.5%		
	Belly, Primal	$ per cwt	91.25	93.50	-2.4%	98.17	-7.0%		
	Trimmings, 72%, Fresh	$ per cwt	60.22	67.36	-10.6%	62.55	-3.7%		
C	Young Chicken Slaughter *	Million Head	164.8	161.9	1.8%	176.31	-6.6%	4,267	0.9%
H	Avg. Weight (RTC)	Lbs.	4.83	4.87	-0.8%	4.71	2.6%	4.78	2.2%
I	Young Chicken Production (RTC)	Million Lbs.	796.4	788.7	1.0%	830.8	-4.1%	20,408	3.1%
C	Eggs Set (US)	Million	232.5	234.1	-0.7%	229.3	1.4%	6,082	1.0%
K	Chicks Placed (US)	Million Head	189.9	189.2	0.4%	189.7	0.1%	4,826	-0.4%
E	National Composite Whole Bird	Composite	74.97	74.24	1.0%	93.75	-20.0%		
N	Northeast Breast, B/S	$ per cwt	119.53	123.09	-2.9%	115.86	3.2%		
	Northeast Leg Quarters	$ per cwt	28.99	29.14	-0.5%	44.43	-34.8%		
T	Total Turkey Slaughter *	Million Head	4.17	3.97	5.0%	4.41	-5.4%	102.3	-1.3%
U	Avg. Weight (RTC)	Lbs.	26.07	25.42	2.6%	26.15	-0.3%	26.21	-1.3%
R	Turkey Production (RTC)	Million Lbs.	108.7	100.9	7.7%	115.3	-5.7%	2,682	-2.6%
K	National Hen (8-12 Lbs)	$ per cwt	108.00	110.00	-1.8%	87.00	24.1%		
G	Corn, Omaha	$ per Bushel	3.27	3.05	7.2%	4.39	-25.5%		
R	Distillers Grain, IA	$ per Ton	121.00	128.50	-5.8%	136.50	-11.4%		
A	Soybean, Cntrl IL	$ per Bushel	8.96	8.75	2.5%	8.90	0.7%		
I	Soybn Meal 48%, Cntrl IL	$ per Ton	296.70	288.50	2.8%	311.10	-4.6%		
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).