

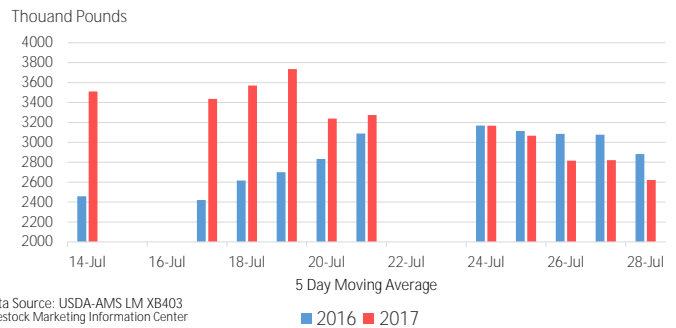
Livestock markets were under the influence of the summer doldrums last week. Values in most markets were drifting lower. The average weekly price for the pork belly primal component of hog carcass set another record last week, but the record high daily price that was set Thursday July 27th was not breached last week. The pork cutout value lost four cents a pound for the week based on declines of close to 10 cents for the butt and rib components. The national average price paid for barrows and gilts eased lower by \$2 per cwt. Similar trends were in place for the cattle markets, with Choice steers losing \$3 from the prior week. The Choice Beef Cutout started out the week moving slightly higher from the prior week's closing values that were the lowest since the last week in February, but beef trade volume was not sufficient to maintain a price uptrend. The Choice Cutout resumed a downward tilt from mid-week onward and the cattle trade suffered accordingly.

The initial USDA-AMS (Agriculture Marketing Service) estimate of livestock slaughter for the week put cattle numbers up 8% (627,000 head) from a year ago and hog numbers up 2% (2.239 million head). Beef production for the week was up 5.7% from a year ago and pork production was up 2.0%. The Saturday hog slaughter estimate of 64,000 head was the biggest non-holiday week Saturday volume since mid-May but was still down 30% from the same week in 2016. The 2% increase in hog slaughter continues to be a modest surprise relative to the USDA-NASS (National Agriculture Statistics Service) estimate of 4% more market hogs on farms over 120 pounds than a year ago, as of June 1.

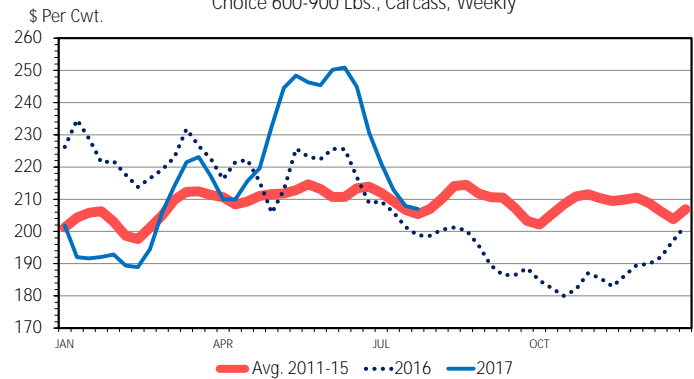
Feeder cattle prices moved lower last week. Steers weighing 750-800 pounds at Oklahoma City declined \$4 per cwt. in value to \$138. Steer calf (500-550 pound) prices were also \$4 lower to \$150. Some of this decline was fallout from the USDA Cattle on Feed Report issued on the prior Friday that showed feedlot placements in June increased by 16% from the prior June, much higher than market expectations. Feeder cattle price trends in other regions of the country varied greatly during the week with 750-800 steers in the Northwestern US down \$8 per cwt from the prior week (according to USDA-AMS in Washington state). For the same weight steers in Georgia, prices were up \$1 per cwt. from the prior week.

Live cattle futures responded to the recent Cattle on Feed Report without hesitation to the downside. The August contract fell \$3 early in the week and then began to recover. October and December futures fell by \$3 to start and then continued down another \$2, consistent with when the big feedlot placements in June will hit the slaughter cattle market. Feeder cattle futures prices fell \$3-\$4 for most delivery months, similar to Oklahoma City cash values of the week. Hog futures held their value from the end of the previous week, ignoring the trends in the cattle market.

Choice Beef Trade Volume
Negotiated Sales



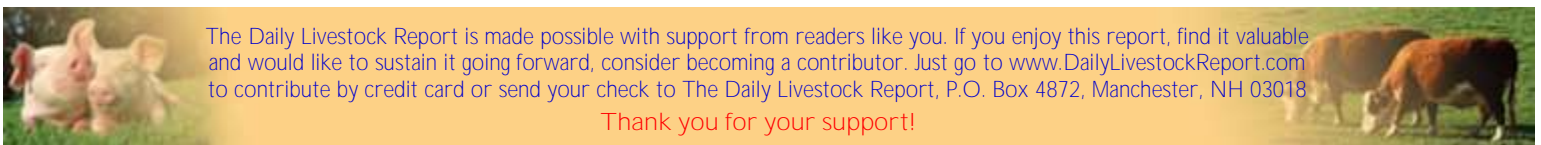
BOXED BEEF CUTOUT VALUE
Choice 600-900 Lbs., Carcass, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

C-P-62
07/28/17

Historical weekly tendencies for the Choice Beef Cutout and Live Cattle futures for this week favor a reversal in recent trends. Over the last seven years, the Choice Beef Cutout went up 5 of those years and then went up 6 of the 7 years in the second week in August. In 2010 and 2014, the cutout moved lower during the week, with 2014 showing the bigger decline of \$2.68 per cwt. The August contract of the Live Cattle futures market has moved up 6 out of the last 7 years in both the first and second week of August. The exception year of Live Cattle futures performance was 2014. The October Live Cattle futures contract went up 6 of the last 7 years in the first week in August, similar to the August contract, but in the second week in August only went up 3 out of the 7 years.



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PRODUCTION & PRICE SUMMARY

Week Ending 7/29/2017

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
		29-Jul-17	22-Jul-17		30-Jul-16			
Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,831	1,827	0.2%	1,803	1.5%	51,580	2.0%
C FI Slaughter	Thou. Head	627	622	0.8%	581	8.0%	16,779	5.9%
A FI Cow Slaughter **	Thou. Head	114	88	29.0%	103	10.7%	3,055	6.4%
T Avg. Dressed Weight	Lbs.	807	806	0.1%	825	-2.2%	806	-1.7%
T Beef Production	Million Lbs.	505.0	500.3	0.9%	477.8	5.7%	13,531	4.1%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	117.18	119.33	-1.8%	117.00	0.2%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	187.88	189.74	-1.0%	186.08	1.0%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	157.78	162.57	-2.9%	149.04	5.9%		
& Choice Beef Cutout	\$ per cwt	206.96	207.88	-0.4%	198.79	4.1%		
Hide/Offal	\$ per cwt, live wt	11.51	11.69	-1.5%	11.31	1.8%		
B Rib, Primal, Choice	\$ per cwt	318.06	317.97	0.0%	308.97	2.9%		
E Round, Primal, Choice	\$ per cwt	176.34	173.86	1.4%	161.52	9.2%		
E Chuck, Primal, Choice	\$ per cwt	167.01	167.29	-0.2%	152.08	9.8%		
F Trimmings, 50%, Fresh	\$ per cwt	89.63	88.96	0.8%	86.91	3.1%		
Trimmings, 90%, Fresh	\$ per cwt	233.58	233.63	0.0%	216.26	8.0%		
H FI Slaughter	Thou. Head	2,239	2,213	1.2%	2,192	2.1%	63,021	2.8%
H FI Sow Slaughter **	Thou. Head	56.2	43.4	29.4%	54.3	3.5%	1,593	3.7%
O Avg. Dressed Weight	Lbs.	207.0	207.0	0.0%	208.0	-0.5%	211	-0.5%
G Pork Production	Million Lbs.	464	458.7	1.2%	454.9	2.0%	13,320	2.2%
S Iowa-S. Minn. Direct	Wtd. Avg.	82.76	85.35	-3.0%	68.13	21.5%		
Natl. Base Carcass Price	Wtd. Avg.	85.38	87.26	-2.2%	73.02	16.9%		
& Natl. Net Carcass Price	Wtd. Avg.	87.91	89.91	-2.2%	75.45	16.5%		
Pork Cutout	\$ per cwt	100.78	103.93	-3.0%	83.49	20.7%		
P By-product Value	\$ per cwt, live wt	4.10	4.12	-0.5%	4.10	0.0%		
O Ham, Primal	\$ per cwt	76.59	79.12	-3.2%	67.06	14.2%		
R Loin, Primal	\$ per cwt	88.58	94.11	-5.9%	84.53	4.8%		
K Belly, Primal	\$ per cwt	214.69	211.76	1.4%	119.25	80.0%		
Trimmings, 72%, Fresh	\$ per cwt	92.51	93.87	-1.4%	78.29	18.2%		
C Young Chicken Slaughter *	Million Head	164.6	164.5	0.0%	164.37	0.1%	4,664	1.2%
H Avg. Weight (RTC)	Lbs.	4.59	4.65	-1.3%	4.63	-0.8%	4.65	-0.2%
I Young Chicken Production (RTC)	Million Lbs.	755.4	765.2	-1.3%	760.8	-0.7%	21,697	0.9%
C Eggs Set (19-state)	Million	217.3	216.9	0.2%	209.3	3.8%	6,201	2.3%
K Chicks Placed (19-state)	Million Head	174.5	174.9	-0.2%	169.8	2.8%	5,041	1.4%
E National Composite Whole Bird	Composite	98.24	101.96	-3.6%	81.70	20.2%		
N Northeast Breast, B/S	\$ per cwt	149.50	154.73	-3.4%	124.10	20.5%		
Northeast Leg Quarters	\$ per cwt	43.13	44.42	-2.9%	33.77	27.7%		
T Total Turkey Slaughter *	Million Head	4.24	4.11	3.1%	4.54	-6.5%	119.0	-2.0%
U Avg. Weight (RTC)	Lbs.	25.06	25.06	0.0%	24.21	3.5%	25.48	1.9%
R Turkey Production (RTC)	Million Lbs.	106.3	103.1	3.1%	109.8	-3.2%	3,033	-0.1%
K National Hen (8-12 Lbs)	\$ per cwt	97.00	97.00	0.0%	118.50	-18.1%		
G Corn, Omaha	\$ per Bushel	3.38	3.54	-4.7%	3.06	10.3%		
R Distillers Grain, Chicago	\$ per Ton	115.00	107.50	7.0%	147.50	-22.0%		
A Wheat, Kansas City (delivered)	\$ per Bushel	5.23	5.40	-3.1%	NQ	N/A		
I Soybean, Cntrl IL	\$ per Bushel	9.93	10.09	-1.6%	10.12	-1.9%		
N Soybn Meal 48%, Cntrl IL	\$ per Ton	322.80	332.00	-2.8%	348.50	-7.4%		

* 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).

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