Daily Livestock Report

Sponsored in part by CME Group

Vol. 16, No. 160/ August 13, 2018

Recap-Last Week

Beef/Cattle

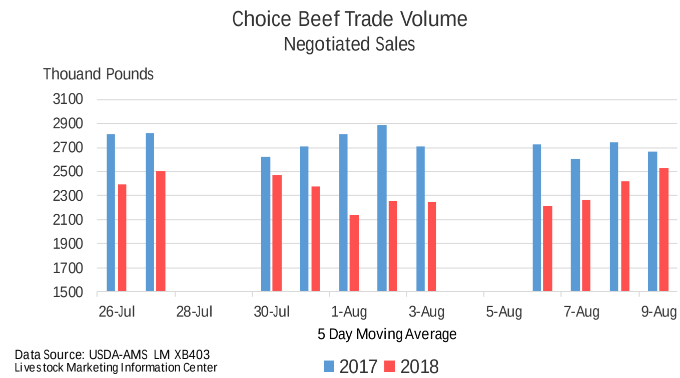
Initial estimate of weekly slaughter was up from the prior week based on higher Monday volume of both steers/heifers and cows and a big Saturday run. Saturday slaughter is pegged at 52,000 head, up 11,000 from the prior Saturday but 4,000 short of a year ago. Late week cow kill slipped slightly from the prior week. Negotiated beef trade volume reported by USDA-Agriculture Marketing Service (AMS) ran above a year ago for trim and select product while Choice grade beef volumes trailed a year ago. Choice product value gained 2-3 cents per cwt. during the week while Select product value was no better than steady. Fresh 90% lean beef trim prices slipped 3-4 cents during the week, extending the trend that has been in place since Memorial Day.

Choice cattle prices drifted lower during the week with good trade developing Thursday, $2 per cwt. lower than the end of the prior week. Spot month futures were $2.50 lower and the October contract was close to $3 lower at a discount to the spot market. This week's negotiated live trade through the USDA-AMS 5 Regions was the biggest volume so far this year. The rising trend in both Choice beef trade volume and value during the week should keep packers interested in buying cattle in coming weeks. Even though the futures market prices end the week lower, the average for the front month was still up from the prior week, a trend that has been intact since mid-July.

Feeder cattle prices were moving higher last week. Oklahoma City 750-800 pound steers were up $4 per cwt. and 500-550 pound steers were up $6 per cwt. Trade volume was up close to 40% in that market from the same week a year ago, indicative of very good demand for cattle. This was the highest price of the year, so far, for the heavier weight steers.

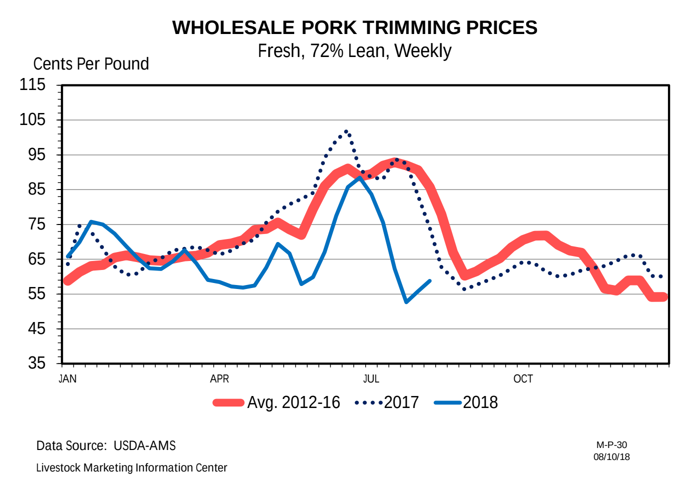
Pork/Hogs

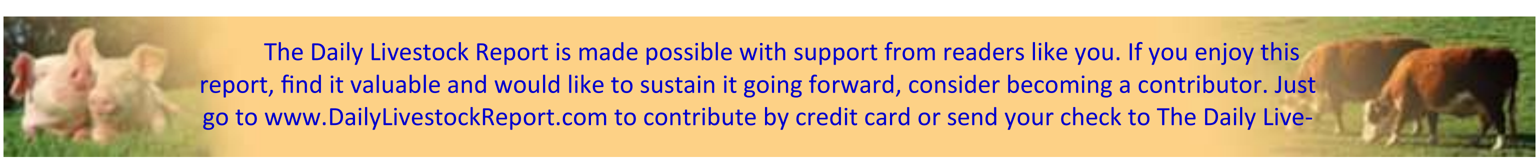
Hog slaughter was up less than a percent from the prior week and up 2% from a year earlier. Pork production showed the same changes from prior week and year as average weights held steady. The pork cutout held steady from the end of the prior week. Pork loin and butt values were up enough to offset belly prices that eroded. The primal belly value broke below $1 per pound for the first time since May, down 20% in the last week. The price drop is coming a few weeks earlier in the year than in 2017. Lean pork trimmings prices have been a positive surprise this week, rebounding for the



second week in a row after suffering sharp declines from mid-June to late July. Barrow and gilt prices dropped below $60 per cwt., based on negotiated producer sales reported by USDA-AMS, the second consecutive week of almost 10% declines.

The World Agriculture Supply and Demand Estimates issued by USDA-World Agricultural Outlook Board on Friday adjusted projections for pork production upward for 2019 and showed a smaller pork export forecast. This implies more pork supply bound for the US market, with per capita pork consumption expected to be up 1% from the prior projection for 2019, which would be up 4% from this year.





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PRODUCTION & PRICE SUMMARY

Week Ending 8/11/2018

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
			11-Aug-18	4-Aug-18		12-Aug-17			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,907	1,874	1.8%	1,870	2.0%	58,238	1.8%
C	FI Slaughter	Thou. Head	645	626	3.0%	636	1.4%	19,828	2.9%
A	FI Cow Slaughter **	Thou. Head	118	119	-1.3%	105	11.7%	9,292	6.9%
T	Avg. Dressed Weight	Lbs.	809	809	0.0%	818	-1.1%	810	0.3%
T	Beef Production	Million Lbs.	521.0	505.5	3.1%	519.4	0.3%	16,068	3.2%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	111.11	112.98	-1.7%	115.17	-3.5%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	175.89	177.96	-1.2%	183.87	-4.3%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	NQ	158.36	N/A	155.51	N/A		
&	Choice Beef Cutout	$ per cwt	205.91	204.26	0.8%	201.37	2.3%		
	Hide/Offal	$ per cwt, live wt	9.26	9.27	-0.1%	11.00	-15.8%		
B	Rib, Primal, Choice	$ per cwt	337.99	332.13	1.8%	319.65	5.7%		
E	Round, Primal, Choice	$ per cwt	162.14	162.92	-0.5%	172.83	-6.2%		
E	Chuck, Primal, Choice	$ per cwt	170.90	168.04	1.7%	162.93	4.9%		
F	Trimmings, 50%, Fresh	$ per cwt	80.31	73.99	8.5%	85.07	-5.6%		
	Trimmings, 90%, Fresh	$ per cwt	211.73	216.68	-2.3%	233.65	-9.4%		
	FI Slaughter	Thou. Head	2,333	2,320	0.6%	2,284	2.1%	73,842	2.6%
H	FI Sow Slaughter **	Thou. Head	59.4	57.4	3.4%	54.4	9.1%	4,678	2.0%
O	Avg. Dressed Weight	Lbs.	207.0	207.0	0.0%	207.0	0.0%	212	0.6%
G	Pork Production	Million Lbs.	482.8	480.7	0.4%	473.2	2.0%	15,658	3.2%
S	Iowa-S. Minn. Direct	Wtd. Avg.	48.94	58.55	-16.4%	79.85	-38.7%		
	Natl. Base Carcass Price	Wtd. Avg.	62.34	67.01	-7.0%	81.80	-23.8%		
&	Natl. Net Carcass Price	Wtd. Avg.	64.66	69.45	-6.9%	84.35	-23.3%		
	Pork Cutout	$ per cwt	71.67	73.48	-2.5%	95.53	-25.0%		
P	By-product Value	$ per cwt, live wt	3.78	3.74	1.1%	4.09	-7.6%		
O	Ham, Primal	$ per cwt	59.59	56.77	5.0%	68.96	-13.6%		
R	Loin, Primal	$ per cwt	76.21	75.52	0.9%	84.26	-9.6%		
K	Belly, Primal	$ per cwt	99.47	115.58	-13.9%	200.46	-50.4%		
	Trimmings, 72%, Fresh	$ per cwt	58.80	55.75	5.5%	73.98	-20.5%		
C	Young Chicken Slaughter *	Million Head	168.8	166.2	1.6%	163.70	3.1%	4,972	-0.4%
H	Avg. Weight (RTC)	Lbs.	4.71	4.69	0.5%	4.67	0.8%	4.68	0.7%
I	Young Chicken Production (RTC)	Million Lbs.	795.5	779.2	2.1%	765.1	4.0%	23,285	0.3%
C	Eggs Set (US)	Million	229.4	228.9	0.2%	227.9	0.6%	18,666	2.7%
K	Chicks Placed (US)	Million Head	184.3	186.7	-1.3%	183.6	0.4%	15,080	1.7%
E	National Composite Whole Bird	Composite	89.88	95.90	-6.3%	94.05	-4.4%		
N	Northeast Breast, B/S	$ per cwt	116.98	120.51	-2.9%	147.40	-20.6%		
	Northeast Leg Quarters	$ per cwt	31.57	33.09	-4.6%	43.33	-27.1%		
T	Total Turkey Slaughter *	Million Head	4.27	4.48	-4.6%	4.50	-5.2%	127.4	-0.3%
U	Avg. Weight (RTC)	Lbs.	25.14	24.19	3.9%	24.87	1.1%	25.34	-0.4%
R	Turkey Production (RTC)	Million Lbs.	107.3	108.3	-0.9%	112.0	-4.2%	3,227	-0.6%
K	National Hen (8-12 Lbs)	$ per cwt	81.00	82.00	-1.2%	96.71	-16.2%		
G	Corn, Omaha	$ per Bushel	3.44	3.46	-0.7%	3.23	6.5%		
R	Distillers Grain, Chicago	$ per Ton	150.00	150.00	0.0%	117.50	27.7%		
A	Wheat, Kansas City (delivered)	$ per Bushel	5.90	5.95	-0.9%	5.37	9.8%		
I	Soybean, Cntrl IL	$ per Bushel	8.74	8.68	0.7%	9.30	-6.0%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	342.60	343.30	-0.2%	297.30	15.2%		

* 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).