

**Meat protein supplies have recovered from the COVID induced collapse in late April and May but tight labor supplies, especially among processors, continue to reverberate in the market.**

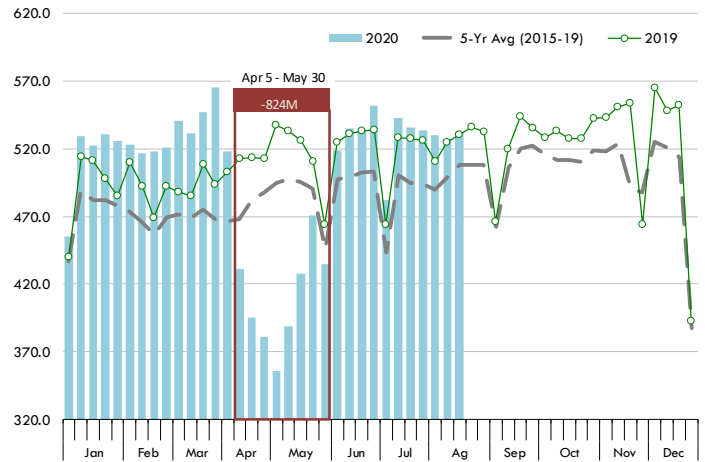
Total beef production last week was estimated at 532.4 million pounds, about 0.4% higher than the previous year. Weekly production has been above year ago levels for the last two and a half months even as daily slaughter remains below last year. Packers have been able to offset the reduction in daily capacity by running more shifts on Saturday. Heavier carcass weights have also bolstered supplies. Fed cattle weights are reported with a two week lag. For the week ending August 1, the average steer carcass weight was pegged at 905 pounds, 3.8% higher than the previous year. Heifer weights for the week averaged 828 pounds, 2.9% higher. The weighted average carcass weight for steers and heifers was 876 pounds, 29 pounds or 3.5% higher than a year ago. Pork production in the last two months has been higher than last year. Last week pork output was estimated at 541.2 million pounds, 4.5% higher than a year ago. Carcass weights were estimated at 1.4% above last year although we think this number may be revised lower when actual statistics are published (USDA uses an estimate). Hog slaughter has yet to reach 2.6 million head and there are plenty of questions as to when/whether packers will be able to get there in September. Labor is a critical bottleneck across the supply chain at this time. Qualified workers are needed not only to slaughter and break down carcasses but also to trim product into muscle cuts and process those cuts into finished goods that go through retail and foodservice channels. We have seen a widening of the price spread between products that call for additional trimming as well as boneless cuts.

We are currently also seeing more pressure on the value of lean trim even as the supply of cow meat coming to market is lower than a year ago. As the table on page 2 shows, cow slaughter last week was estimated at just 110,000 head, down 6% from a year ago. The price of 90CL boneless beef, however, declined 1.3% from the week prior. Part of reason for the decline is seasonal as retailers wrap up their buying for Labor Day needs. But also with beef production near year ago levels and problems with labor to trim all the beef coming off the slaughter floor, more cuts are likely going into the grinder.

The one item where supplies are running under last year is chicken. Chicken production was near year ago levels through May and early June but it has been well below those levels recently. For the week ending August 8 (latest data), **USDA estimated total broiler production at 789.5 million pounds (ready to cook basis), 4.3% lower than the previous year.** Broiler slaughter was down 4% from a year ago. In the past, producers have been able to offset some of the decline in slaughter by bringing birds to market at heavier weights. That appears to have changed, however. The supply cuts may be a response to a slowdown in foodservice demand. They also may reflect ongoing challenges in finding sufficient labor to further process birds. It appears more whole birds are going to market, causing the composite whole bird price to drop under 70 cents per pound (66.5 cents last quoted). This is 19.4% lower than a year ago. The value of leg quarters was last quoted at 26 cents, 42% lower than a year ago.

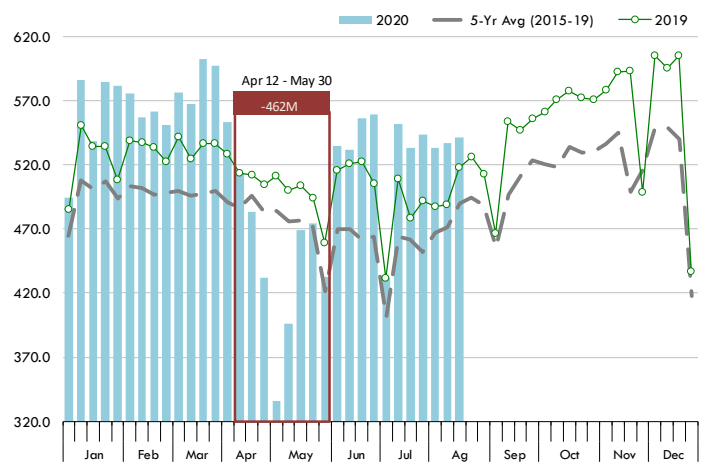
Weekly US Beef Production. Million Pounds. Carcass Wt. Basis

Source: USDA-NASS and USDA-AMS. Analysis by Steiner Consulting



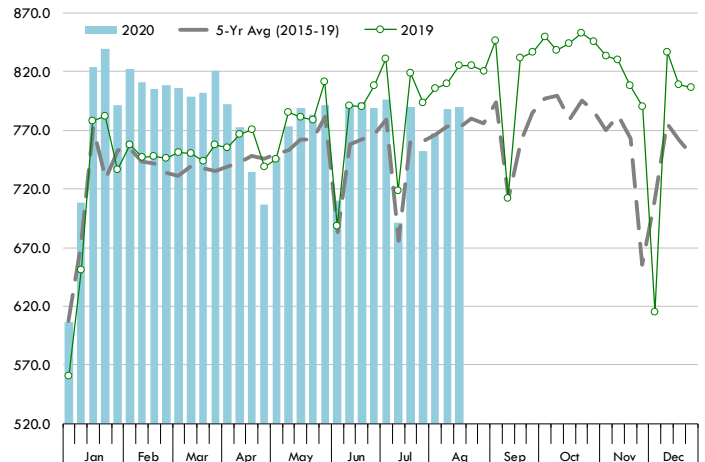
Weekly US Pork Production. Million Pounds. Carcass Wt. Basis

Source: USDA-NASS and USDA-AMS. Analysis by Steiner Consulting



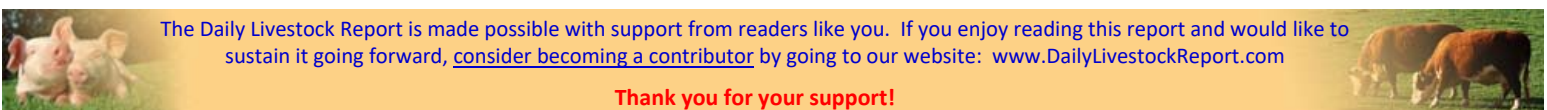
Weekly US Broiler Production. Million Pounds. Carcass Wt. Basis

Source: USDA-NASS and USDA-AMS. Analysis by Steiner Consulting



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## PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **8/15/2020**

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
		15-Aug-20	8-Aug-20		17-Aug-19				
<b>Total Beef, Pork, Chicken, Turkey</b>	<b>mil lbs., cwe</b>	<b>1,971</b>	<b>1,959</b>	<b>0.61%</b>	<b>1,986</b>	<b>-0.74%</b>	<b>61,694</b>		<b>0.5%</b>
<b>C</b> FI Slaughter	Thou. Head	640	633	1.11%	653	-2.03%	19,685		-5.1%
<b>C</b> FI Cow Slaughter **	Thou. Head	110	111	-0.78%	117	-6.10%	3,734		-0.4%
<b>T</b> Avg. Dressed Weight	Lbs.	834	835	-0.12%	814	2.46%	826		2.8%
<b>T</b> Beef Production	Million Lbs.	532.4	527.2	0.99%	530.3	0.40%	16,269		-2.4%
<b>L</b> Live Fed Steer Price	\$ per cwt	104.49	101.34	3.11%	106.68	-2.05%			
<b>E</b> Dressed Fed Steer Price	\$ per cwt	168.06	163.20	2.98%	170.95	-1.69%			
	Oklahoma Steer (600-700 lbs)	\$ per cwt	N/A	N/A	138.33	N/A			
<b>&amp;</b> Choice Beef Cutout	\$ per cwt	209.91	204.52	2.64%	230.43	-8.91%			
	Hide/Offal	\$ per cwt, live wt	7.59	7.24	4.83%	9.16	-17.14%		
<b>B</b> Rib Primal, Choice	\$ per cwt	349.16	341.25	2.32%	389.33	-10.32%			
<b>E</b> Round Primal, Choice	\$ per cwt	170.51	167.41	1.85%	178.97	-4.73%			
<b>E</b> Chuck Primal, Choice	\$ per cwt	164.62	160.85	2.34%	181.40	-9.25%			
<b>F</b> Trimmings, 50%	\$ per cwt	58.40	62.62	-6.74%	91.02	-35.84%			
	Trimmings, 90%	\$ per cwt	226.73	229.67	-1.28%	223.64	1.38%		
<b>H</b> FI Slaughter	Thou. Head	2,565	2,534	1.22%	2,491	2.96%	79,651		1.1%
<b>H</b> FI Sow Slaughter **	Thou. Head	63.4	59.8	5.98%	55.8	13.58%	1,978		11.4%
<b>H</b> Avg. Dressed Weight	Lbs.	211.0	212.0	-0.47%	208.0	1.44%	215		0.8%
<b>O</b> Pork Production	Million Lbs.	541.2	536.7	0.84%	518.1	4.46%	17,122		1.9%
<b>G</b> Iowa-S. Minn. Base	Wtd. Avg.	37.68	38.62	-2.43%	69.86	-46.06%			
<b>S</b> Natl. Base Carcass Price	Wtd. Avg.	54.58	54.78	-0.37%	77.88	-29.92%			
	Natl. Net Carcass Price	Wtd. Avg.	56.69	56.98	-0.51%	80.22	-29.33%		
	Natl. Early Wean Feeder	Wtd. Avg.	22.08	20.99	5.19%	30.09	-26.62%		
	Pork Cutout	205 Lbs.	72.32	68.41	5.72%	88.56	-18.34%		
	Ham Primal	\$ per cwt	60.17	48.73	23.48%	76.11	-20.94%		
	Loin Primal	\$ per cwt	72.02	69.35	3.85%	74.86	-3.79%		
	Belly Primal	\$ per cwt	106.86	105.78	1.02%	172.27	-37.97%		
	Trimmings, 72%, Fresh	\$ per cwt	78.36	86.18	-9.07%	69.67	12.47%		
	Hog By-Product Value	\$ per cwt, live wt	3.77	3.77	0.00%	3.60	4.72%		
<b>C</b> Young Chicken Slaughter *	Million Head	165.4	165.9	-0.29%	172.4	-4.03%	5,238		0.0%
<b>H</b> Avg. Weight (RTC)	Lbs.	4.77	4.75	0.48%	4.79	-0.32%	6.28		1.7%
<b>I</b> Young Chicken Production (RTC)	Million Lbs.	789.5	788.0	0.19%	825.2	-4.33%	24,987		1.7%
<b>C</b> Eggs Set (19-state)	Million	230.4	231.9	-0.66%	233.7	-1.41%	7,479		0.8%
<b>K</b> Chicks Placed (19-state)	Million Head	187.2	185.5	0.90%	187.6	-0.21%	5,959		0.0%
<b>E</b> National Composite Whole Bird	Composite	66.50	67.39	-1.32%	82.55	-19.44%			
	Northeast Breast, B/S	\$/cwt	116.95	117.95	-0.85%	106.18	10.14%		
	Northeast Leg Quarters	\$/cwt	26.08	26.58	-1.88%	44.69	-41.64%		
<b>T</b> Total Turkey Slaughter *	Million Head	4.408	4.239	3.99%	4.527	-2.63%	127.062		-0.9%
<b>U</b> Avg. Weight (RTC)	Lbs.	24.56	25.35	-3.11%	24.84	-1.14%	32.43		-1.1%
<b>R</b> Turkey Production (RTC)	Million Lbs.	108.3	107.5	0.75%	112.5	-3.73%	3,316		-1.8%
<b>K</b> National Hen (8-12 lb)	8-16 Lbs.	110.67	110.40	0.24%	88.00	25.76%			
<b>G</b> Corn, Omaha	\$ per Bushel	3.13	2.97	5.39%	3.59	-12.81%			
<b>R</b> Soybeans, Cntrl IL	\$ per Bushel	8.99	8.76	2.63%	8.56	5.02%			
<b>A</b> Soybn Meal 48%, Cntrl IL	\$ per Bushel	291.10	282.20	3.15%	294.80	-1.26%			
<b>I</b> Distillers Grain, IL	\$ per Bushel	136.00	137.50	-1.09%	140.00	-2.86%			

\* Chicken & turkey slaughter. Production, egg sets 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.

