

Commercial beef production totaled 2.4 billion pounds, the largest single month since October 2019. Commercial cattle slaughter was down less than a percent but cattle weights made up the difference. Weights averaged 834 pounds dressed across all cattle, helping push total beef production to 3% over a year ago. Dressed weights are still much larger than last year. Steer and heifer fed carcasses are even heavier, both outpaced July 2019 by more than 30 pounds. Federally inspected classes of cattle slaughter for the month were all below last year, with the exception of beef cows, 3.5% higher and bulls up 3.4%. Dairy cow slaughter was 9% below a year ago in July. The Milk Production report released Wednesday showed the U.S. dairy herd added 2,000 head to the milk string in July. This is unique to see slaughter levels decline so significantly without seeing a significant increase in the dairy cow herd.

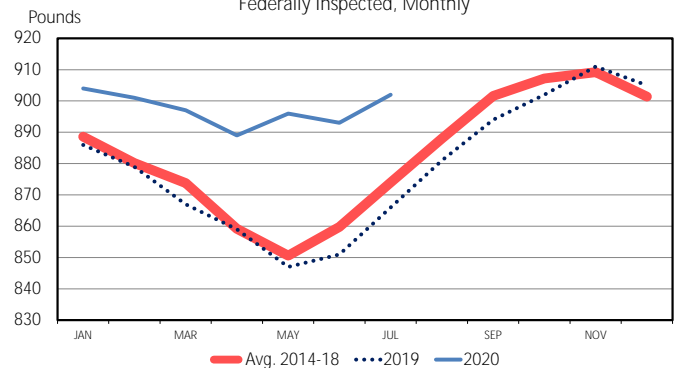
Commercial hog slaughter for the month was up 6.1% and produced 2.4 billion pounds of pork, 7.3% higher than last year. Hog dressed weights moderated significantly in July from the previous month falling 4 pounds in Federally Inspected data, and only 2 pounds ahead of last year. Average hog dressed weights tend to dip in the hot summer months and fell by similar pounds last year. Hog producers trimmed breeding supplies in July as well, showing sharp increases in boar and sow slaughter. In July sow slaughter was up 9.9% and boar slaughter increased 12.3%. Year to date sow slaughter increased nearly 12% over 2019's first seven months. The June Hogs and Pigs report showed hogs kept for breeding down 1.3% from last year and sows expecting to farrow in the next 2 quarters (Jun-Aug, Sep-Nov) were expected to be down 5% each. Ahead of the June 1 Hogs and Pigs report, sow slaughter in Jan-May was 10.1% higher than the previous year. Two more months of data implies culling pace has increased. Nearly 40% of the increase in those seven months came in June and July.

Commercial lamb production increased 0.8% in July. Counter to the other species dressed weights for lambs decreased in Federally Inspected facilities, as did commercial live weights. Commercial slaughter was up 3.4%, but federally inspected sheep and lamb slaughter was up less than 1%. Federally inspected slaughter as a percent of commercial slaughter took a noticeable dip, declining to 84% from 86.2% in June. Bankruptcy was filed on the lamb plant in Greeley, CO in March, and full shut down was implemented by the end of the July. About 20% of lamb slaughter ran through that plant. This likely contributed to the changes in

the slaughter mix last month.

Veal production was down 10%, and not unsurprising as weekly slaughter levels have not regained pre-COVID levels. Year-to-date veal production is off 10% as well. Veal dressed weights are up 20% over a year ago, or 23 pounds. Some of this in part could be to fill obligations on a reduced slaughter level. The veal industry was particularly hit hard during the pandemic due to its specialty market nature. Veal consumption in the U.S. has been declining for decades and this year it's estimated to be below a quarter of a pound per person per year.

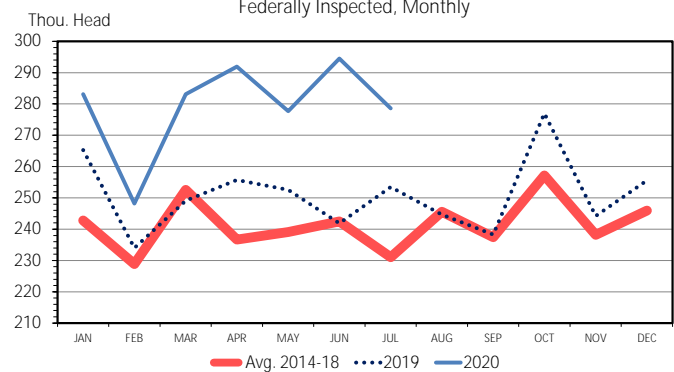
AVERAGE DRESSED WEIGHT -- STEERS
Federally Inspected, Monthly



Data Source: USDA-NASS
Livestock Marketing Information Center

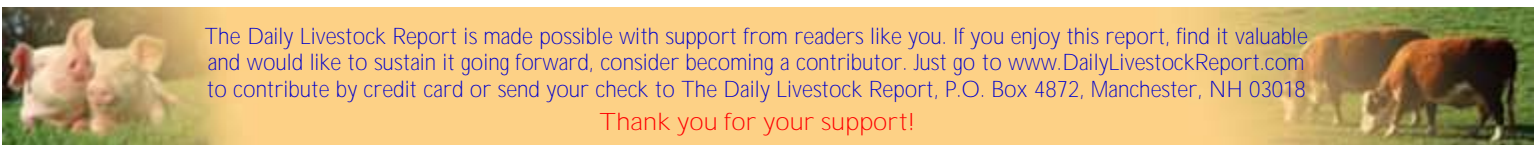
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SOW SLAUGHTER
Federally Inspected, Monthly



Data Source: USDA-NASS
Livestock Marketing Information Center

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