Daily Livestock Report

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Vol. 18, No. 164/ August 24, 2020

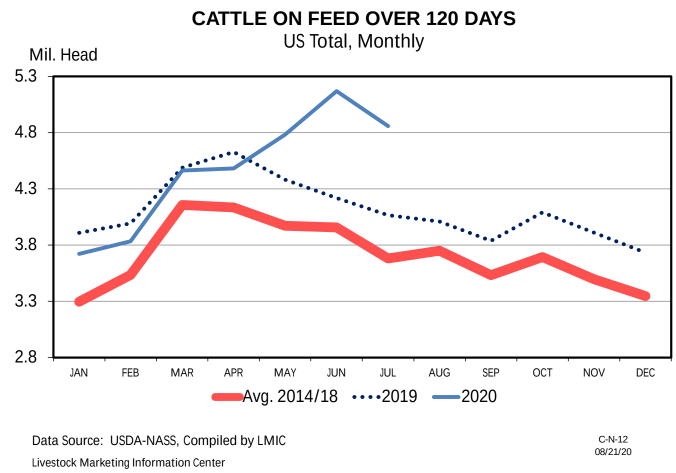
Cattle on feed placements landed far outside analysts pre-report expectations coming in at 11% higher than a year ago. The top end of the pre-report range called for an 8.7% increase. Feedlots placed aggressively across all categories under 899lbs, but were below a year ago in the two heaviest weight categories: 900-999 lbs. and 1000lbs. and higher. The highest gains were under 600 lbs. (+16%), 600-699 lbs. (+21%), 700-799 lbs. (+6%), and 800-899 lbs. (+19%).

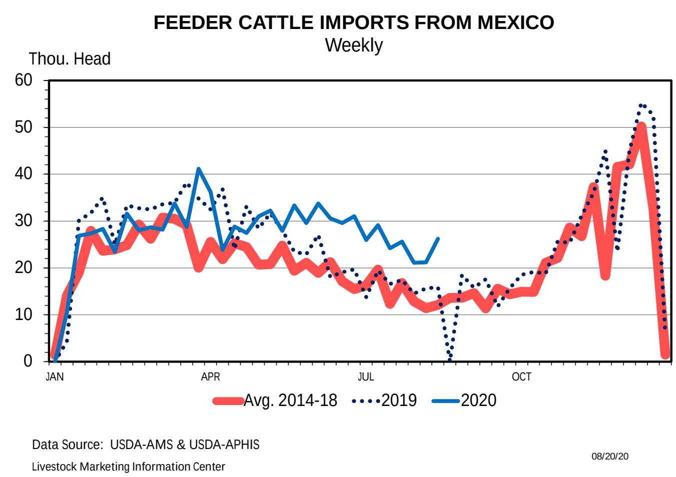
Heavier cattle were likely coming off summer pastures slightly early last month. Nebraska placed 28% more than last year in the 800-899 lbs. category and Kansas showed 26% more. Texas on the other hand placed very high volumes of lightweight feeder cattle, increasing 19% in cattle under 600 lbs.

Cattle marketed fell by 10,000 head, about 1% below last year. Certain states appeared to clean up pens remarkably. Idaho, although a smaller feeding state increased marketings 13%. Kansas was up 8%, Nebraska and Oklahoma were both up 2%. Texas increased 6%. Those numbers imply cattle feeders are making significant headway on backlogged cattle, particularly in the Southern Plains. Calculations for cattle on feed longer than 120, 150, and 180 days remain very high though.

Still, smaller marketings overall and very strong placements pushed cattle on feed up 172,000 head over last July, a 2% increase. This is the highest August cattle on feed number in our dataset that reaches back to 1996. May, was an uncharacteristic low point brought on be extremely low placements. A typical seasonal pattern would see the low point for cattle on feed for the year set in September.

Halfway through August, the daily marketing rate looks to be increasing. However, using the estimated slaughter numbers has proved to be understandably more variable in the pandemic. The average difference on a daily basis between the first estimated steers and heifers slaughtered and actual slaughter figures from January 1, 1999 through August 8, 2020 is only off by 300 head. March, April, May, and June, all had variances greater than the long term historical average. July had a difference of only 400 head and in the first 7 slaughter days in August the variance has been very close to the historical average as things have settled out for the packing industry.





Indicators of placements such as feeder cattle imports continued to be high in the early part of August. Weekly imports from Mexico are up 20,000 in the first three weeks of August. Weekly receipts are up in the first half of the month as well, 27% through Auctions, 62% through direct sales and video auctions are down 14%. In total receipts, the first half of August is up 12%. These two indicators are currently pointing to a year-over-year increase in August placements as well.

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PRODUCTION & PRICE SUMMARY

Week Ending 8/22/2020

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
			22-Aug-20	15-Aug-20		24-Aug-19			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	2,004	1,970	1.7%	1,995	0.4%	63,699	0.5%
C	FI Slaughter	Thou. Head	652	640	1.9%	657	-0.8%	20,337	-5.0%
A	FI Cow Slaughter **	Thou. Head	111	110	0.6%	115	-3.3%	3,845	-0.5%
T	Avg. Dressed Weight	Lbs.	835	834	0.1%	817	2.2%	827	2.8%
T	Beef Production	Million Lbs.	542.9	532.4	2.0%	535.9	1.3%	16,811	-2.3%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	106.62	105.06	1.5%	107.12	-0.5%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	169.11	168.04	0.6%	175.34	-3.6%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	154.22	148.67	3.7%	144.90	6.4%		
&	Choice Beef Cutout	$ per cwt	222.50	209.91	6.0%	239.87	-7.2%		
	Hide/Offal	$ per cwt, live wt	7.81	7.59	2.9%	9.25	-15.6%		
B	Rib, Primal, Choice	$ per cwt	369.12	349.16	5.7%	403.26	-8.5%		
E	Round, Primal, Choice	$ per cwt	177.84	170.51	4.3%	189.45	-6.1%		
E	Chuck, Primal, Choice	$ per cwt	175.41	164.62	6.6%	189.10	-7.2%		
F	Trimmings, 50%, Fresh	$ per cwt	48.85	58.40	-16.4%	99.63	-51.0%		
	Trimmings, 90%, Fresh	$ per cwt	226.10	226.73	-0.3%	224.32	0.8%		
	FI Slaughter	Thou. Head	2,618	2,559	2.3%	2,531	3.4%	82,288	1.2%
H	FI Sow Slaughter **	Thou. Head	65.9	63.4	3.9%	56.2	17.1%	2,044	11.6%
O	Avg. Dressed Weight	Lbs.	211.0	211.0	0.0%	208.0	1.4%	215	0.8%
G	Pork Production	Million Lbs.	551.8	540	2.2%	526.1	4.9%	17,677	2.1%
S	Natl. Negotiated Purchase	Wtd. Avg.	38.26	37.67	1.6%	67.41	-43.2%		
	Natl. Base Carcass Price	Wtd. Avg.	56.14	54.88	2.3%	73.77	-23.9%		
&	Natl. Net Carcass Price	Wtd. Avg.	58.27	57.04	2.2%	76.14	-23.5%		
	Natl. Early Wean Feeder	10-12 Lbs.	21.60	22.08	-2.2%	30.51	-29.2%		
P	Pork Cutout	$ per cwt	74.64	72.32	3.2%	81.94	-8.9%		
O	By-product Value	$ per cwt, live wt	3.78	3.77	0.3%	3.57	5.9%		
R	Ham, Primal	$ per cwt	67.32	60.17	11.9%	60.43	11.4%		
K	Loin, Primal	$ per cwt	72.91	72.02	1.2%	72.31	0.8%		
	Belly, Primal	$ per cwt	104.84	106.86	-1.9%	159.57	-34.3%		
	Trimmings, 72%, Fresh	$ per cwt	78.10	78.36	-0.3%	61.35	27.3%		
C	Young Chicken Slaughter *	Million Head	168.1	165.4	1.6%	174.00	-3.4%	5,406	-0.1%
H	Avg. Weight (RTC)	Lbs.	4.79	4.77	0.3%	4.74	1.0%	4.77	1.7%
I	Young Chicken Production (RTC)	Million Lbs.	804.9	789.5	2.0%	825.2	-2.5%	25,792	1.6%
C	Eggs Set (US)	Million	232.3	230.9	0.6%	232.7	-0.2%	7,698	0.6%
K	Chicks Placed (US)	Million Head	184.2	183.6	0.4%	189.0	-2.5%	6,137	-0.3%
E	National Composite Whole Bird	Composite	66.73	66.50	0.3%	79.31	-15.9%		
N	Northeast Breast, B/S	$ per cwt	117.76	116.95	0.7%	104.23	13.0%		
	Northeast Leg Quarters	$ per cwt	26.11	26.08	0.1%	43.19	-39.5%		
T	Total Turkey Slaughter *	Million Head	4.24	4.41	-3.8%	4.13	2.7%	131.3	-0.8%
U	Avg. Weight (RTC)	Lbs.	24.66	24.56	0.4%	26.24	-6.0%	26.05	-1.0%
R	Turkey Production (RTC)	Million Lbs.	104.6	108.3	-3.4%	108.3	-3.5%	3,420	-1.8%
K	National Hen (8-12 Lbs)	$ per cwt	108.16	110.67	-2.3%	89.71	20.6%		
G	Corn, Omaha	$ per Bushel	3.12	3.13	-0.2%	3.64	-14.2%		
R	Distillers Grain, IA	$ per Ton	123.50	116.00	6.5%	127.50	-3.1%		
A	Soybean, Cntrl IL	$ per Bushel	9.08	8.99	1.0%	8.55	6.2%		
I	Soybn Meal 48%, Cntrl IL	$ per Ton	292.80	291.10	0.6%	295.70	-1.0%		
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).