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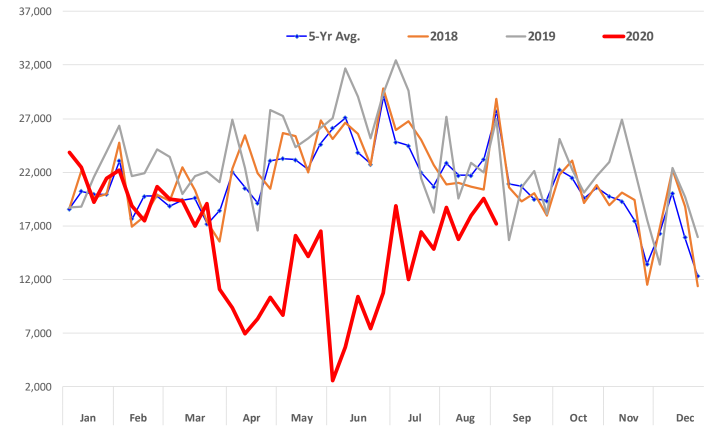
Beef production has been running above year ago levels in recent weeks thanks to a recovery in cattle slaughter and a significant increase in the average carcass weight of cattle coming to market. Beef production last week was estimated at 544.6 million pounds, 2.3% higher than a year ago. In the last six weeks, beef production have averaged 1.7% higher than a year ago and 6.9% higher than the five year average. **Retailers have responded to the recovery in supply by slowly increasing the number of beef features they run in their weekly printed or web circulars and also by lowering the average price of product featured**. This is critical in order to keep the flow of product moving this fall. It is also important as there are signs consumer buying behavior is starting to shift. At the start of the pandemic, consumers rushed to stock up their freezers, afraid of the unknown. Fear of the unknown and willingness to spend has been replaced income uncertainty. Congress and the White House have not bridged the gap in order to put in place another round of stimulus. At this juncture, retailers appear to be quickly adjusting their merchandising strategies. The charts to the right illustrate the latest data on ground beef features and feature prices at retail. For the week ending August 28, the ground beef feature index was still below a year ago but near the levels we saw in March, prior to the start of the lockdowns. The price of ground beef features is somewhat mixed. Last week the weighted average feature price was up 9% from a year ago. However, **the price of 80-89% ground beef was about the same as last year and the average price of ground sirloin was down 10% from a year ago**. Ground beef patty prices were only 2% higher. Retailers appear to be featuring significantly more round cuts, which is reflected in the improvement of round beef prices at wholesale. Round beef cut features last week were up 89% from a year ago and the average feature price was down 2% compared to last year. Top sirloin steak was the most featured item and the average price was 13% lower than last year. The second most featured item was bottom round roast and prices were only slightly higher than last year. Feature prices for beef chuck and loin items were also lower than a year ago.

Pork feature activity has also improved in the last few weeks but remains below what it was a year ago. Please note that Labor Day last year was on September 2 while this year it is on September 7 so the year/year weekly comparisons will be off. However, pork features are almost double what they were after the Memorial Day weekend. As was the case with beef, pork feature prices are now lower than a year ago. Loins are a ubiquitous item in the retail meat case. Overall loin features for the week ending August 28 were 17% lower than last year. The weighted average feature price for the week was also 15% lower than last year, a significant change compared to June when feature prices were up by more than 35% from last year. Some items remain significantly higher than last year. Backrib features were down 76% from last year and the feature price was 53% higher. This reflects the still very high wholesale price of this item. On the other hand, the feature price of assorted bone-in chops was down 34% from last year and features were up 53%. Sliced bacon features remain very limited, down 64% from last year and prices were up 4%. Despite plentiful and inexpensive bellies, it appears processors are bumping up against processing capacity/labor issues.

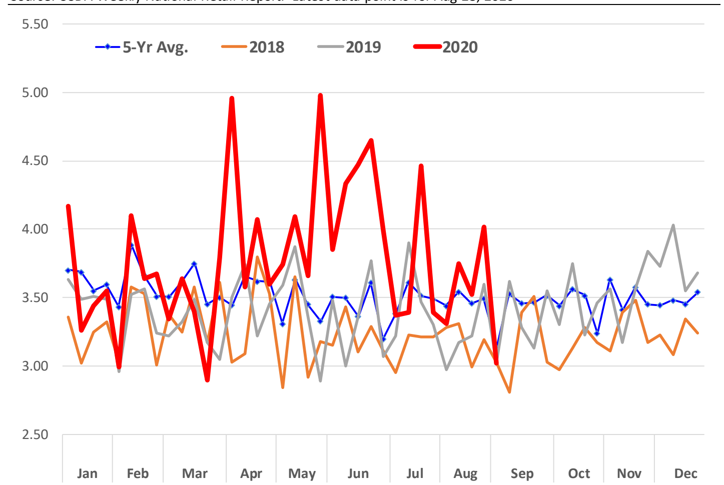
Weekly Ground Beef Retail Activity Index. USDA National Retail Report

Source: USDA Weekly National Retail Report. Latest data point is for Aug 28, 2020



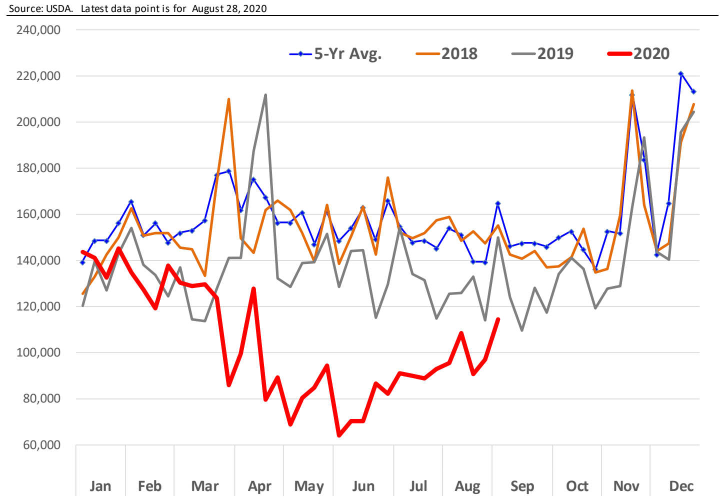
Weekly Reported Retail Feature Prices, USDA National Retail Report: GROUND BEEF 80-89%

Source: USDA Weekly National Retail Report. Latest data point is for Aug 28, 2020



NATIONAL RETAIL PORK FEATURES REPORT: ACTIVITY INDEX

Source: USDA. Latest data point is for August 28, 2020



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PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending 8/29/2020

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
			29-Aug-20	22-Aug-20		31-Aug-19			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**2,040**	**2,004**	1.79%	**1,975**	3.28%	**65,744**	0.6%
	FI Slaughter	Thou. Head	654	652	0.31%	653	0.08%	20,995	-4.8%
C	FI Cow Slaughter **	Thou. Head	113	111	2.02%	121	-6.81%	3,958	-0.7%
T	Avg. Dressed Weight	Lbs.	835	835	0.00%	816	2.33%	827	2.8%
T	Beef Production	Million Lbs.	544.6	542.9	0.31%	532.2	2.33%	17,360	-2.1%
L	Live Fed Steer Price	$ per cwt	105.12	106.59	-1.38%	105.59	-0.45%		
E	Dressed Fed Steer Price	$ per cwt	166.52	169.41	-1.71%	171.52	-2.92%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	150.06	159.00	-5.62%	146.54	2.40%		
&	Choice Beef Cutout	$ per cwt	229.91	222.50	3.33%	234.35	-1.89%		
	Hide/Offal	$ per cwt, live wt	7.82	7.70	1.56%	9.17	-14.72%		
B	Rib Primal, Choice	$ per cwt	376.94	369.12	2.12%	385.76	-2.29%		
E	Round Primal, Choice	$ per cwt	181.51	177.84	2.06%	190.22	-4.58%		
E	Chuck Primal, Choice	$ per cwt	180.01	175.41	2.62%	185.96	-3.20%		
F	Trimmings, 50%	$ per cwt	45.04	48.85	-7.80%	95.13	-52.65%		
	Trimmings, 90%	$ per cwt	226.01	226.10	-0.04%	224.62	0.62%		
	FI Slaughter	Thou. Head	2,664	2,618	1.76%	2,468	7.94%	84,954	1.4%
	FI Sow Slaughter **	Thou. Head	63.1	65.9	-4.24%	55.8	13.12%	2,107	11.6%
H	Avg. Dressed Weight	Lbs.	211.0	211.0	0.00%	208.0	1.44%	215	0.9%
O	Pork Production	Million Lbs.	561.4	551.8	1.74%	512.9	9.46%	18,238	2.3%
G	Iowa-S. Minn. Base	Wtd. Avg.	42.39	38.66	9.65%	60.33	-29.74%		
S	Natl. Base Carcass Price	Wtd. Avg.	56.89	56.19	1.25%	68.86	-17.38%		
	Natl. Net Carcass Price	Wtd. Avg.	59.16	58.38	1.34%	71.21	-16.92%		
	Natl. Early Wean Feeder	Wtd. Avg.	24.99	21.60	15.69%	28.43	-12.10%		
	Pork Cutout	205 Lbs.	73.09	74.64	-2.08%	73.64	-0.75%		
	Ham Primal	$ per cwt	57.30	67.32	-14.88%	57.08	0.39%		
	Loin Primal	$ per cwt	71.51	72.91	-1.92%	69.90	2.30%		
	Belly Primal	$ per cwt	110.57	104.84	5.47%	117.34	-5.77%		
	Trimmings, 72%, Fresh	$ per cwt	80.07	78.10	2.52%	56.69	41.24%		
	Hog By-Product Value	$ per cwt, live wt	3.79	3.78	0.26%	3.55	6.76%		
C	Young Chicken Slaughter *	Million Head	171.1	168.1	1.75%	174.1	-1.75%	5,577	-0.1%
H	Avg. Weight (RTC)	Lbs.	4.89	4.79	2.22%	4.71	3.87%	6.28	1.7%
I	Young Chicken Production (RTC)	Million Lbs.	837.2	804.9	4.01%	820.3	2.06%	26,629	1.6%
C	Eggs Set (19-state)	Million	231.8	230.4	0.59%	232.7	-0.42%	7,937	0.7%
K	Chicks Placed (19-state)	Million Head	184.3	183.2	0.61%	189.0	-2.46%	6,326	-0.1%
E	National Composite Whole Bird	Composite	63.82	66.73	-4.36%	76.29	-16.35%		
	Northeast Breast, B/S	$/cwt	110.12	117.76	-6.49%	103.81	6.08%		
	Northeast Leg Quarters	$/cwt	24.82	26.11	-4.94%	43.93	-43.50%		
T	Total Turkey Slaughter *	Million Head	3.909	4.241	-7.83%	4.448	-12.12%	135.212	-1.2%
U	Avg. Weight (RTC)	Lbs.	24.77	24.66	0.47%	24.67	0.40%	32.33	-1.2%
R	Turkey Production (RTC)	Million Lbs.	96.8	104.6	-7.40%	109.7	-11.76%	3,517	-2.1%
K	National Hen (8-12 lb)	8-16 Lbs.	113.57	108.16	5.00%	93.80	21.08%		
G	Corn, Omaha	$ per Bushel	3.32	3.12	6.41%	3.70	-10.27%		
R	Soybeans, Cntrl IL	$ per Bushel	9.45	9.08	4.07%	8.54	10.66%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	295.70	292.80	0.99%	295.00	0.24%		
I	Distillers Grain, IL	$ per Bushel	152.00	145.00	4.83%	137.00	10.95%		

* 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.