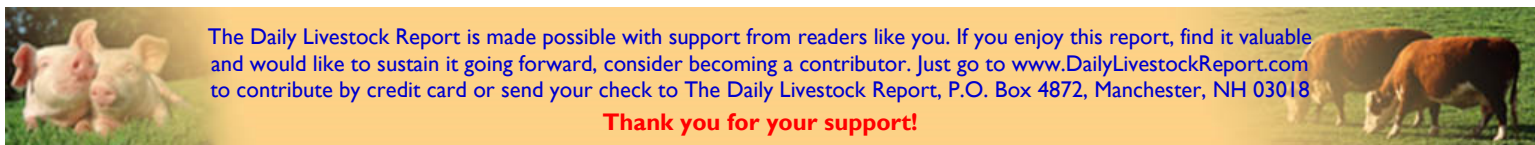
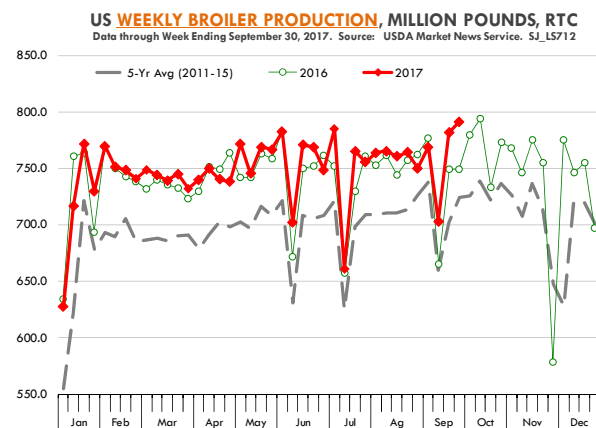
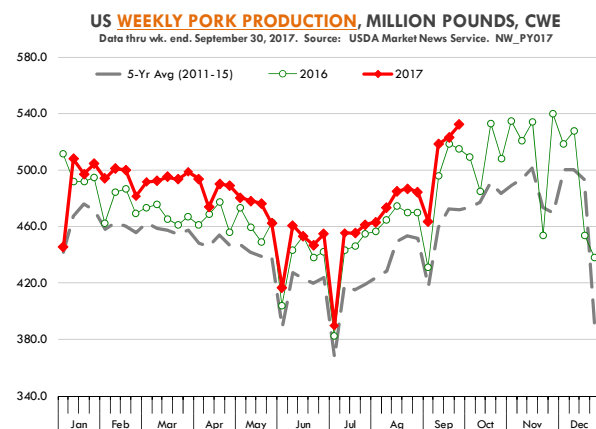
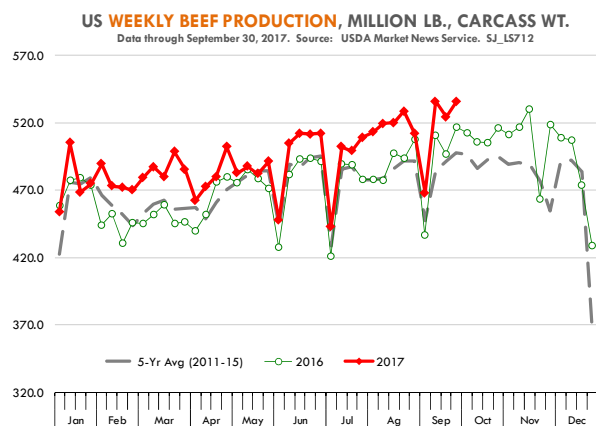


Lean hog futures on Friday seemed to shrug off some of the bearish implications from the latest 'Hogs and Pigs' report. While the October contract is firmly anchored by current cash prices, the December contract gained 167 points and February was up 170 points. **Some of the increase in futures may be due to optimism that the decline in hog/pork prices will encourage more retail ads later in the year and also push more pork into export markets.** The USDA weekly pork export sales report released on Thursday showed that for week ending September 21 net pork sales were 36,658 MT, a big jump considering that weekly exports have been running at around 20,000 MT in recent weeks. US pork prices hold a significant advantage relative to EU pork prices, which should bolster shipments into Asian markets. The weekly export sales report were also confirmed by data from Mandatory Price Report, which tracks pork sold into overseas markets (NAFTA sales are not included). According to the MPR data, which is through September 22, overseas pork export sales in the last two weeks have averaged 31.6 million pounds, 33% larger than a year ago. Keep in mind, however, that we are talking about sales rather than exports and often these numbers are volatile as sales booked on a specific week will then ship out over a period of several weeks. The best way to track these numbers is to run a four or six week average and track it over time. For the last four weeks MPR export sales are up 14% from last year. They were down in July, which is consistent with the official export data from that period. Exports of butts and loins, products that are in much demand in Asian markets have shown robust growth recently. For the last four weeks exports of pork butts averaged 7.9 million pounds per week, 133% higher than a year ago.

But even as the pork export outlook appears to be quite positive at this time, the reality is that there is plenty of meat protein coming to market currently, and likely for the remainder of this year. Combined beef, pork and chicken production for the last reported week was up 78million pounds (+4.3%). **Higher exports will be necessary to absorb some of this increase but retail and foodservice demand in domestic markets is just as important.** Competition in the retail meat case will be particularly stiff. Part of the reason for the weakness in the spot market for pork is the notable slowdown in retail feature activity. It has impacted pork bellies the most but other items, particularly loins, have struggled as well. **The national pork activity index for week ending September 29 was down 26.5% from the same week a year ago and it was also 12.4% lower than the five year average.** On the other hand, the beef retail feature activity index during the same week was +2% vs. 2016 and +4.5% vs. 5-yr avg. Last year we saw a significant increase in beef retail features in the first two weeks of October. Already we have seen a jump in forward beef sales for 22-60 days out as retailers once again prepare to aggressively feature beef in October. This may weigh on pork prices in the very near term. Hog numbers remain big. Weekly hog slaughter last week was 2.534 million head, 3.3% higher than a year ago. The two new pork plants are slowly increasing production and last week we saw the largest daily slaughter on record at 461,000 head. USDA has made some significant revisions to hog slaughter for the first two weeks in September. We urge you to keep an eye on revised hog slaughter numbers and update your weekly statistics. Hog slaughter for week ending September 11 was revised by 27,800 head and week ending September 23 was revised by a similar amount.



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Daily Livestock Report

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PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **9/30/2017**

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
		30-Sep-17	23-Sep-17		1-Oct-16			
Total Beef, Pork, Chicken, Turkey	mil lbs., cwe	1,960	1,940	1.03%	1,885	3.94%	70,379	2.3%
C FI Slaughter	Thou. Head	648	637	1.73%	615	5.35%	23,677	5.9%
C FI Cow Slaughter **	Thou. Head	114	100	14.07%	109	5.06%	4,039	4.9%
T Avg. Dressed Weight	Lbs.	828	824	0.49%	842	-1.66%	811	-1.5%
T Beef Production	Million Lbs.	535.3	524.1	2.14%	516.9	3.56%	19,192	4.3%
L Live Fed Steer Price	\$ per cwt	107.88	108.50	-0.57%	102.65	5.09%		
E Dressed Fed Steer Price	\$ per cwt	171.13	170.64	0.29%	161.54	5.94%		
O Oklahoma Steer (600-700 lbs)	\$ per cwt	155.19	163.24	-4.93%	131.06	18.42%		
& Choice Beef Cutout	\$ per cwt	195.81	191.98	1.99%	188.63	3.81%		
H Hide/Offal	\$ per cwt, live wt	10.41	10.56	-1.42%	11.56	-9.95%		
B Rib Primal, Choice	\$ per cwt	315.34	297.48	6.00%	307.24	2.64%		
E Round Primal, Choice	\$ per cwt	173.31	169.04	2.53%	165.65	4.62%		
E Chuck Primal, Choice	\$ per cwt	173.44	171.38	1.20%	158.54	9.40%		
F Trimmings, 50%	\$ per cwt	45.61	44.49	2.52%	33.60	35.74%		
F Trimmings, 90%	\$ per cwt	221.14	223.83	-1.20%	198.59	11.36%		
H FI Slaughter	Thou. Head	2,534	2,501	1.32%	2,453	3.29%	88,696	2.8%
H FI Sow Slaughter **	Thou. Head	56.3	48.4	16.32%	60.4	-6.85%	2,084	0.5%
H Avg. Dressed Weight	Lbs.	210.0	209.0	0.48%	210.0	0.00%	210	-0.3%
O Pork Production	Million Lbs.	532.2	523.2	1.72%	514.8	3.38%	18,668	2.4%
G Iowa-S. Minn. Base	Wtd. Avg.	47.77	50.65	-5.69%	49.79	-4.06%		
S Natl. Base Carcass Price	Wtd. Avg.	56.70	59.77	-5.14%	56.99	-0.51%		
S Natl. Net Carcass Price	Wtd. Avg.	58.97	61.98	-4.86%	59.28	-0.52%		
S Pork Cutout	205 Lbs.	72.88	75.29	-3.20%	75.86	-3.93%		
S Ham Primal	\$ per cwt	60.60	62.85	-3.58%	53.83	12.58%		
S Loin Primal	\$ per cwt	76.10	78.97	-3.63%	83.53	-8.90%		
S Belly Primal	\$ per cwt	91.08	97.06	-6.16%	106.02	-14.09%		
S Trimmings, 72%, Fresh	\$ per cwt	62.35	60.32	3.37%	49.14	26.88%		
S Hog By-Product Value	\$ per cwt, live wt	3.88	3.90	-0.51%	3.77	2.92%		
C Young Chicken Slaughter *	Million Head	167.4	165.6	1.06%	163.2	2.57%	6,134	1.1%
H Avg. Weight (RTC)	Lbs.	4.73	4.72	0.16%	4.59	2.98%	6.12	0.1%
I Young Chicken Production (RTC)	Million Lbs.	791.1	781.6	1.22%	749.0	5.62%	28,545	1.2%
C Eggs Set (19-state)	Million	214.0	207.7	3.02%	206.3	3.75%	8,125	2.7%
K Chicks Placed (19-state)	Million Head	171.8	174.9	-1.79%	167.3	2.71%	6,621	1.7%
E National Composite Whole Bird	Composite	86.40	89.17	-3.11%	72.04	19.93%		
E Northeast Breast, B/S	\$/cwt	121.99	130.53	-6.54%	128.57	-5.12%		
E Northeast Leg Quarters	\$/cwt	41.08	42.03	-2.26%	34.11	20.43%		
T Total Turkey Slaughter *	Million Head	4.029	4.484	-10.15%	4.305	-6.41%	157,012	-1.9%
U Avg. Weight (RTC)	Lbs.	25.06	24.67	1.56%	24.30	3.12%	31.52	2.2%
R Turkey Production (RTC)	Million Lbs.	101.0	110.6	-8.75%	104.6	-3.49%	3,973	-0.1%
K National Hen (8-12 lb)	8-16 Lbs.	96.00	110.60	-13.20%	104.60	-8.22%		
G 0.00	\$ per Bushel	3.12	3.10	0.65%	2.94	6.12%		
R Soybeans, Cntrl IL	\$ per Ton	117.50	121.00	-2.89%	127.50	-7.84%		
A Corn, Omaha	\$ per Bushel	3.75	3.82	-1.83%	3.36	11.61%		
I Wheat, Portland (delivered)	\$ per Bushel	9.27	9.55	-2.93%	9.40	-1.38%		
N Wheat, Kansas City (deliv.)	\$ per Ton	312.50	311.50	0.32%	325.90	-4.11%		

* 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 due to reporting lag.

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