

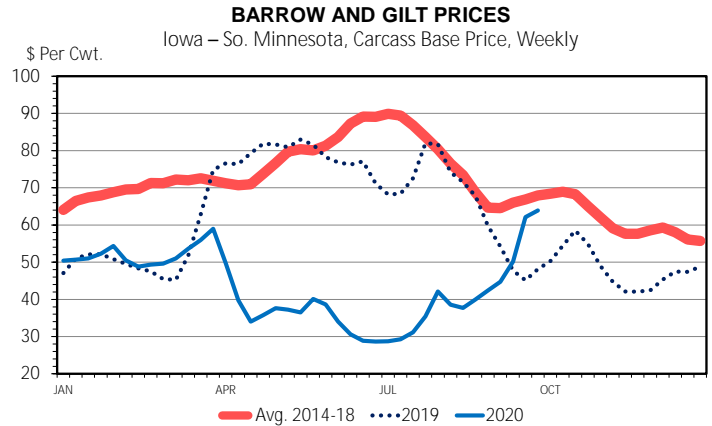
In recent weeks, hog prices have strengthened which is a positive sign for producers and the industry that hog supplies are tightening. Since July, prices for early weaned pigs, feeder pigs, barrow and gilts, and the pork cutout value have been on a gradual upward trend.

Early weaned pig prices (national, 10-12 lbs., delivered) bottomed in mid-April at \$13.45 per head and remained between \$15-\$20 per head until mid-July when prices started to climb. As of the third week of September the price had reached \$32.43 per head. A similar pattern occurred for feeder pig prices (40 lbs.) with prices bottoming over the summer at \$10.90 per head but the most recent week was \$41.47 per head, a nearly four-fold increase and just below last year.

Barrow and gilt prices (Iowa-Southern Minnesota, Carcass Base Price) reached their low at \$28.66 per cwt in late June. Since the low, prices have recovered to \$63.91 per cwt in late September, the highest price for 2020 so far. The rise in prices towards the tail end of the third quarter and leading into the fourth quarter is a counter seasonal move for the price series. Typically, prices reach their peak during the summer months then gradually decline going into the fourth quarter.

The pork cutout value has taken a similar counter seasonal move with an increase that has been occurring since early July. In early April the cutout value dropped to \$53.54 per cwt then quickly spiked to \$115.12 per cwt just five weeks later. By the first week of June the cutout value had again precipitously dropped to \$64.60 per cwt. Since that low, the cutout value been on an upward path with the most recent week at \$90.00 per cwt, above the prior year and the five-year average.

The September 1 Hogs & Pigs report still indicates ample supplies of heavy-weight hogs in the supply chain. Most of these hogs are destined to be processed during the fourth quarter, when supplies typically peak,



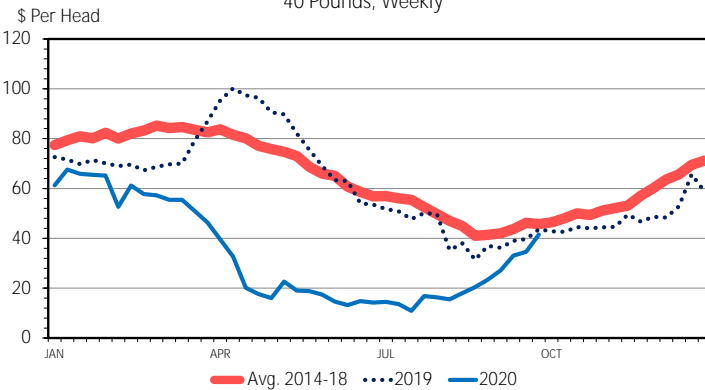
Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

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and slaughter capacity becomes an issue. Weekly slaughter has yet to crest the 2.7 million head mark post-pandemic. Last year, weekly slaughter of 2.7 to 2.8 million head per week were levels reached for most weeks during the fourth quarter. Similar levels are likely needed this year to prevent any further backlog of hogs in the supply chain which could pressure prices in the fourth quarter. Estimated federally inspected hog slaughter for weeks ending 9/126/20 and 10/03/20 are at 2.6 million head, both are below last year's actual levels by 2.5-1.5%. These numbers will be revised when the actual data is released. June and July weekly slaughter numbers were above a year ago for the most part.

FEEDER PIG PRICES

40 Pounds, Weekly

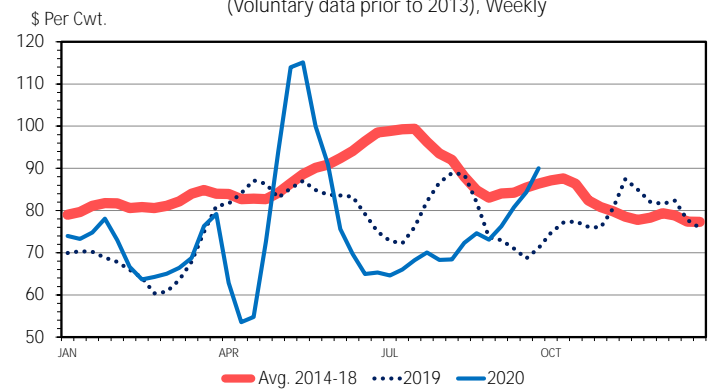


Data Source: USDA-AMS
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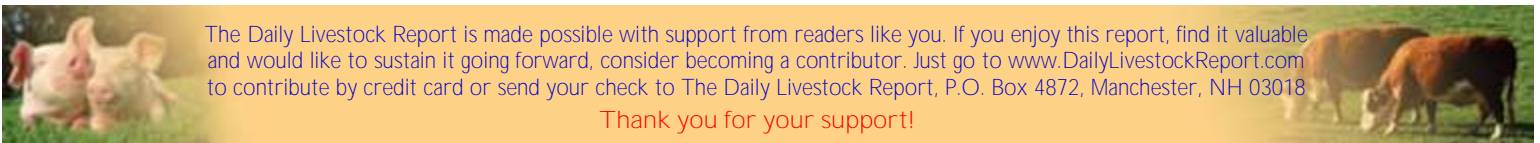
PORK CUTOUT VALUE

(Voluntary data prior to 2013), Weekly



Data Source: USDA-AMS, Compiled by LMIC
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PRODUCTION & PRICE SUMMARY

Week Ending 10/3/2020

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 |
|----------------------------------|---------------------|--------------|-----------|-------------|-----------|-------------|--------|--------------|
| | | 3-Oct-20 | 26-Sep-20 | | 5-Oct-19 | | | |
| Beef, Pork, Chicken, & Turkey | Mil Lbs., cwe | 2,042 | 2,018 | 1.2% | 2,050 | -0.4% | 75,632 | 0.5% |
| C FI Slaughter | Thou. Head | 665 | 651 | 2.2% | 645 | 3.2% | 24,173 | -4.1% |
| A FI Cow Slaughter ** | Thou. Head | 124 | 107 | 15.7% | 128 | -3.5% | 4,533 | -1.3% |
| T Avg. Dressed Weight | Lbs. | 841 | 842 | -0.1% | 821 | 2.4% | 829 | 2.8% |
| T Beef Production | Million Lbs. | 558.1 | 546.6 | 2.1% | 528.1 | 5.7% | 20,033 | -1.5% |
| L Live Fed Steer Price, 5-Mkt | \$ per cwt | 107.11 | 105.05 | 2.0% | 107.34 | -0.2% | | |
| E Dressed Steer Price, 5-Mkt | \$ per cwt | 167.68 | 164.89 | 1.7% | 169.80 | -1.2% | | |
| Oklahoma Steer (600-700 lbs) | \$ per cwt | 140.26 | 139.32 | 0.7% | 147.56 | -4.9% | | |
| & Choice Beef Cutout | \$ per cwt | 218.10 | 216.87 | 0.6% | 212.58 | 2.6% | | |
| Hide/Offal | \$ per cwt, live wt | 8.17 | 8.05 | 1.5% | 8.95 | -8.7% | | |
| B Rib, Primal, Choice | \$ per cwt | 380.31 | 366.64 | 3.7% | 371.96 | 2.2% | | |
| E Round, Primal, Choice | \$ per cwt | 171.05 | 171.05 | 0.0% | 176.05 | -2.8% | | |
| E Chuck, Primal, Choice | \$ per cwt | 178.08 | 175.38 | 1.5% | 168.96 | 5.4% | | |
| F Trimmings, 50%, Fresh | \$ per cwt | 50.52 | 48.43 | 4.3% | 47.67 | 6.0% | | |
| Trimmings, 90%, Fresh | \$ per cwt | 209.56 | 214.45 | -2.3% | 220.03 | -4.8% | | |
| H FI Slaughter | Thou. Head | 2,603 | 2,601 | 0.1% | 2,660 | -2.2% | 97,541 | 1.0% |
| H FI Sow Slaughter ** | Thou. Head | 66.1 | 56.8 | 16.4% | 61.3 | 7.9% | 2,424 | 11.6% |
| O Avg. Dressed Weight | Lbs. | 211.0 | 211.0 | 0.0% | 211.0 | 0.0% | 214 | 0.8% |
| G Pork Production | Million Lbs. | 549.2 | 547.1 | 0.4% | 560.9 | -2.1% | 20,890 | 1.8% |
| S Natl. Negotiated Purchase | Wtd. Avg. | 64.30 | 63.59 | 1.1% | 49.58 | 29.7% | | |
| Natl. Base Carcass Price | Wtd. Avg. | 73.42 | 70.69 | 3.9% | 61.31 | 19.7% | | |
| & Natl. Net Carcass Price | Wtd. Avg. | 75.26 | 72.72 | 3.5% | 63.49 | 18.5% | | |
| Natl. Early Wean Feeder | 10-12 Lbs. | 34.96 | 32.43 | 7.8% | 39.04 | -10.5% | | |
| P Pork Cutout | \$ per cwt | 92.86 | 90.00 | 3.2% | 74.73 | 24.3% | | |
| O By-product Value | \$ per cwt, live wt | 4.08 | 4.06 | 0.5% | 3.50 | 16.6% | | |
| R Ham, Primal | \$ per cwt | 86.14 | 85.80 | 0.4% | 61.97 | 39.0% | | |
| K Loin, Primal | \$ per cwt | 81.52 | 76.32 | 6.8% | 68.45 | 19.1% | | |
| Belly, Primal | \$ per cwt | 149.74 | 150.25 | -0.3% | 125.02 | 19.8% | | |
| Trimmings, 72%, Fresh | \$ per cwt | 84.07 | 83.19 | 1.1% | 53.61 | 56.8% | | |
| C Young Chicken Slaughter * | Million Head | 170.6 | 170.3 | 0.2% | 175.15 | -2.6% | 6,410 | -0.4% |
| H Avg. Weight (RTC) | Lbs. | 4.89 | 4.84 | 1.1% | 4.85 | 0.9% | 4.79 | 1.7% |
| I Young Chicken Production (RTC) | Million Lbs. | 834.8 | 824.3 | 1.3% | 849.3 | -1.7% | 30,683 | 1.3% |
| C Eggs Set (US) | Million | 227.7 | 221.3 | 2.9% | 226.3 | 0.6% | 9,060 | 0.5% |
| K Chicks Placed (US) | Million Head | 181.4 | 186.3 | -2.6% | 182.8 | -0.8% | 7,249 | -0.4% |
| E National Composite Whole Bird | Composite | 63.24 | 63.27 | 0.0% | 79.61 | -20.6% | | |
| N Northeast Breast, B/S | \$ per cwt | 98.64 | 94.75 | 4.1% | 88.21 | 11.8% | | |
| Northeast Leg Quarters | \$ per cwt | 24.57 | 23.94 | 2.6% | 37.71 | -34.8% | | |
| T Total Turkey Slaughter * | Million Head | 4.02 | 3.94 | 2.0% | 4.37 | -8.1% | 155.5 | -1.1% |
| U Avg. Weight (RTC) | Lbs. | 24.79 | 25.23 | -1.7% | 25.46 | -2.6% | 25.89 | -1.0% |
| R Turkey Production (RTC) | Million Lbs. | 99.6 | 99.5 | 0.2% | 111.3 | -10.5% | 4,027 | -2.2% |
| K National Hen (8-12 Lbs) | \$ per cwt | 119.00 | 116.00 | 2.6% | 89.49 | 33.0% | | |
| G Corn, Omaha | \$ per Bushel | 3.68 | 3.52 | 4.5% | 3.76 | -2.1% | | |
| R Distillers Grain, IA | \$ per Ton | 145.00 | 142.50 | 1.8% | 132.50 | 9.4% | | |
| A Soybean, Cntrl IL | \$ per Bushel | 10.19 | 9.97 | 2.2% | 8.93 | 14.1% | | |
| I Soybn Meal 48%, Cntrl IL | \$ per Ton | 346.90 | 329.50 | 5.3% | 308.90 | 12.3% | | |

* 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).

