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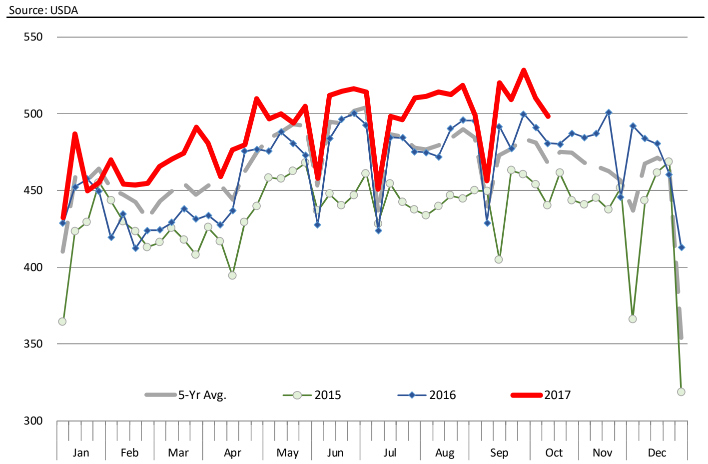
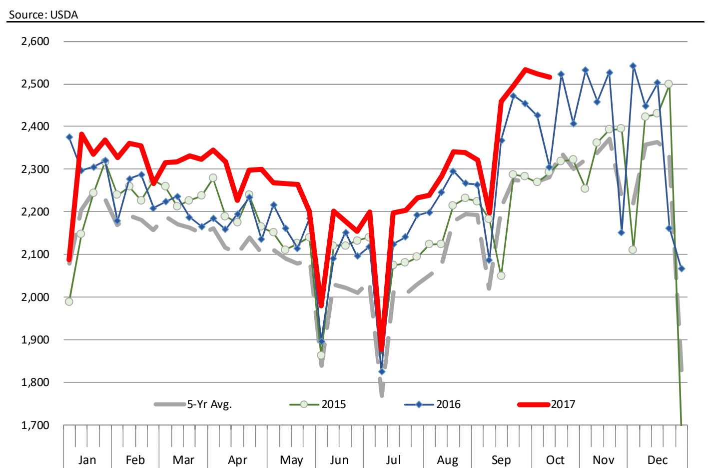
Solid meat protein demand was the general theme for livestock markets this past spring and summer and the trend has continued into early fall. Total cattle slaughter last week was 622,000 head, down about 10,000 head from a week ago but still as much as 3.6% higher than the previous year. We don't have the final USDA numbers on fed and non fed slaughter but expect fed slaughter for the week at 498,000 head, 3.6% higher than a year ago. Fed slaughter has exceeded year ago levels for all of this year and this is likely to continue in the coming months. On feed supplies continue to increase and higher placements in August and likely September should continue to bolster supplies through much of next year. However, **some of the increase in slaughter has been offset by lower carcass weights**. Beef packers have been able to easily market beef both into domestic and export channels, which in turn has allowed feedlots to remain current. Steer and heifer carcass weights are reported with a two week lag but the data reported for week ending September 30 shows **steer weights averaged 894 pounds/carcass, 15 pounds (-1.7%) less than a year ago**. The average heifer carcass was 821 pounds, 1.3% less than last year. So even as slaughter runs well above last year, total beef production for this latest week (10/14) is just 1.6% higher than a year ago. **Fed cattle prices gained 1.5% compared to the previous week and they are now almost 14% higher than a year ago**. Last year prices collapsed into the fall but it appears that now product markets have adjusted to the larger supply availability. For several years end users adjusted their merchandising in order to deal with an ever shrinking beef supply. Now that supplies have started to consistently increase, feature activity has increased and the consumer is once again starting to incorporate more beef in their weekly purchasing decisions. The choice beef cutout is currently up 8% compared to a year ago. Prices for end cuts are higher than a year ago but the increase has been in single digits. On the other hand, the value of ribeyes, which last spring hit all time record highs, once again is running well ahead of last year. Seasonally rib prices spike in late November and early December on strong rib roast demand for holiday parties. Higher rib prices could once again lift fed cattle values into December.

Pork production has increased at an even faster pace in recent weeks and yet the pork cutout is only $2/cwt lower than four weeks ago. The average value of the pork cutout for week ending October 14 (see p.2) was $73.8/cwt, 1.4% higher than last year. Pork production for the week was up over 9% compared to a year ago. Keep in mind that last year pork production in North Carolina was significantly disrupted by Hurricane Mathew, skewing the y/y comparison. Weekly hog slaughter since the first week of September is up around 4.4% compared to the same period a year ago and in line with the inventory data reported in the USDA 'Hogs and Pigs' report. The key to the improvement in the cutout has been the value of hams, which is a key export item into Mexico and a staple for Christmas dinner. The average ham primal value this past week was $64.4/cwt, almost 26% higher than a year ago.

WEEKLY STEER AND HEIFER SLAUGHTER. '000 HEAD



WEEKLY HOG SLAUGHTER. '000 HEAD



Daily Livestock Report

Sponsored by CME Group

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PRODUCTION & WKLY AVG. PRICE SUMMARY   Week Ending 10/14/2017

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
			14-Oct-17	7-Oct-17		15-Oct-16			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,930**	**1,957**	-1.40%	**1,885**	2.38%	**74,272**	2.3%
	FI Slaughter	Thou. Head	622	632	-1.58%	601	3.56%	24,932	5.8%
C	FI Cow Slaughter **	Thou. Head	113	117	-3.03%	105	8.04%	4,270	5.0%
T	Avg. Dressed Weight	Lbs.	829	829	0.00%	844	-1.78%	811	-1.5%
T	Beef Production	Million Lbs.	514.4	522.8	-1.61%	506.1	1.64%	20,232	4.2%
L	Live Fed Steer Price	$ per cwt	111.05	109.45	1.46%	97.59	13.79%		
E	Dressed Fed Steer Price	$ per cwt	174.96	172.43	1.47%	153.93	13.66%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	N/A	154.04	N/A	119.90	N/A		
&	Choice Beef Cutout	$ per cwt	197.50	197.39	0.06%	182.43	8.26%		
	Hide/Offal	$ per cwt, live wt	10.35	10.35	0.00%	11.46	-9.69%		
B	Rib Primal, Choice	$ per cwt	344.68	335.07	2.87%	298.45	15.49%		
E	Round Primal, Choice	$ per cwt	169.36	172.81	-2.00%	159.78	6.00%		
E	Chuck Primal, Choice	$ per cwt	168.78	170.77	-1.17%	157.11	7.43%		
F	Trimmings, 50%	$ per cwt	48.87	44.93	8.77%	32.20	51.77%		
	Trimmings, 90%	$ per cwt	216.47	219.95	-1.58%	193.28	12.00%		
	FI Slaughter	Thou. Head	2,516	2,524	-0.32%	2,305	9.17%	93,726	3.0%
	FI Sow Slaughter **	Thou. Head	57.8	59.4	-2.70%	58.3	-0.87%	2,201	0.5%
H	Avg. Dressed Weight	Lbs.	211.0	211.0	0.00%	211.0	0.00%	211	-0.3%
O	Pork Production	Million Lbs.	529.9	531.9	-0.38%	485	9.26%	19,733	2.7%
G	Iowa-S. Minn. Base	Wtd. Avg.	55.67	51.62	7.85%	47.12	18.15%		
S	Natl. Base Carcass Price	Wtd. Avg.	59.94	57.04	5.08%	53.46	12.12%		
	Natl. Net Carcass Price	Wtd. Avg.	62.20	59.26	4.96%	55.79	11.49%		
	Pork Cutout	205 Lbs.	73.84	72.72	1.54%	72.84	1.37%		
	Ham Primal	$ per cwt	64.42	62.77	2.63%	51.20	25.82%		
	Loin Primal	$ per cwt	73.75	74.48	-0.98%	77.23	-4.51%		
	Belly Primal	$ per cwt	95.17	90.73	4.89%	109.59	-13.16%		
	Trimmings, 72%, Fresh	$ per cwt	63.76	64.29	-0.82%	41.26	54.53%		
	Hog By-Product Value	$ per cwt, live wt	3.79	3.81	-0.52%	3.82	-0.79%		
C	Young Chicken Slaughter *	Million Head	165.8	167.0	-0.68%	162.8	1.87%	6,467	1.1%
H	Avg. Weight (RTC)	Lbs.	4.70	4.75	-0.96%	4.88	-3.58%	6.13	0.0%
I	Young Chicken Production (RTC)	Million Lbs.	780.2	793.1	-1.63%	794.3	-1.78%	30,119	1.1%
C	Eggs Set (19-state)	Million	207.7	205.3	1.15%	202.0	2.81%	8,536	2.7%
K	Chicks Placed (19-state)	Million Head	167.4	168.0	-0.36%	162.4	3.08%	6,957	1.8%
E	National Composite Whole Bird	Composite	84.44	85.87	-1.67%	70.26	20.18%		
	Northeast Breast, B/S	$/cwt	111.31	114.3	-2.62%	119.91	-7.17%		
	Northeast Leg Quarters	$/cwt	39.02	39.16	-0.36%	34.25	13.93%		
T	Total Turkey Slaughter *	Million Head	3.971	4.34	-8.50%	4.078	-2.62%	165.323	-1.9%
U	Avg. Weight (RTC)	Lbs.	26.52	25.20	5.21%	24.40	8.68%	31.55	2.3%
R	Turkey Production (RTC)	Million Lbs.	105.3	109.4	-3.73%	99.5	5.83%	4,188	0.1%
K	National Hen (8-12 lb)	8-16 Lbs.	90.00	98.90	-9.00%	123.04	-26.85%		
G	Corn, Omaha	$ per Bushel	3.09	3.10	-0.32%	3.05	1.31%		
R	Distillers Grain, Chicago	$ per Ton	117.50	116.50	0.86%	117.50	0.00%		
A	Wheat, Kansas City (deliv.)	$ per Bushel	3.68	3.69	-0.27%	3.38	8.88%		
I	Soybeans, Cntrl IL	$ per Bushel	9.67	9.36	3.31%	9.34	3.53%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	323.30	317.90	1.70%	322.80	0.15%		

* 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.