

Earlier this month, the International Monetary Fund (IMF) updated its world economic outlook (the link is [here](#)). "The months after the release of the June 2020 World Economic Outlook Update have offered a glimpse of how difficult rekindling economic activity will be while pandemic surges." In recent months, the major positive surprise has been the pace of economic growth in China. To a lesser extent, some other countries also grew faster than expected. The IMF highlighted that "the global economy's long ascent back to pre-pandemic levels of activity remains prone to setbacks. ... The downturn triggered by COVID-10 pandemic has been very different from past recessions." Year-over-year, economic growth is forecast to rebound in 2021 (see table).

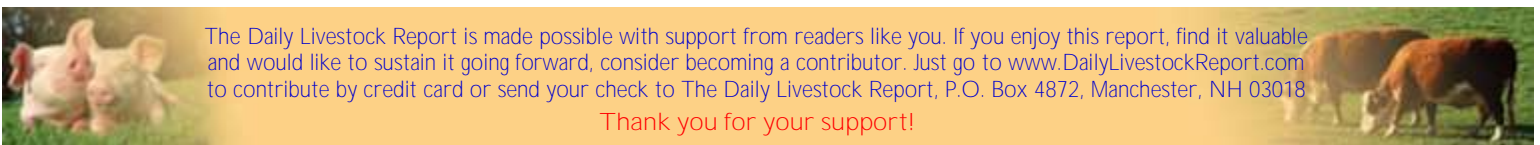
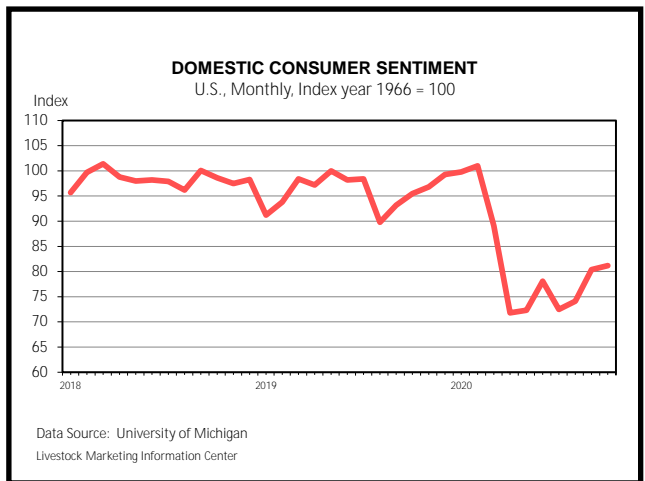
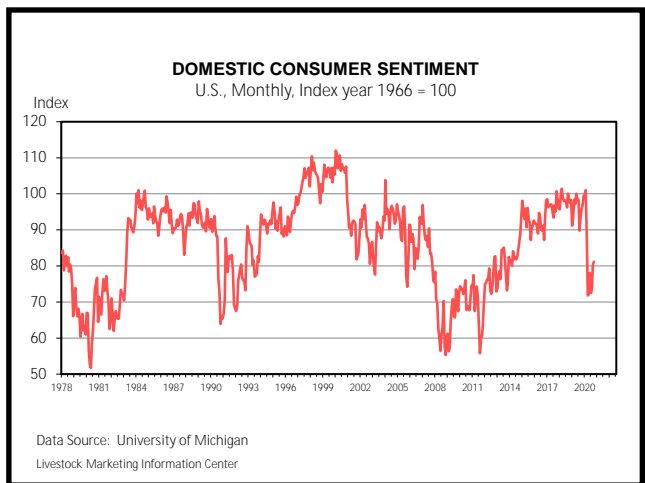
Comparing the latest IMF worldwide annual Gross Domestic Product (GDP) growth rates to those in their April publication suggests slower growth than was expected. The world forecast for 2020 is now for -4.4% compared to -3.0% back in April. For 2021, the world GDP in April was forecast to increase by 5.8%, and now it is slightly less but remains strongly positive (5.2%). By-country, 2020 forecasts for the GDP annual growth rate were increased for the U.S. (April's was -6.1% and the latest was -4.4%), virtually unchanged for Japan, lowered for Canada, raised for China, and dropped for Mexico (the April's was -6.6% and the latest was -9.0%).

The University of Michigan released its monthly U.S. consumer sentiment survey results on Friday (the link is [here](#)). The October numbers are preliminary. We have provided two graphics of those indexes, 1978 to date and January 2018 through October 2020. At an index value of 81.2, October posted a month-over-month gain of 0.8 or up 1%; it was still 15% below a year ago. October's preliminary level was similar to those published during the first six months of 2014 (March 2014 was 80.0 and May was 81.9).

Five questions/factors are used to calculate the Consumer Sentiment index (for a description, see the Index Calculation link [here](#)). Two sub-indexes are computed using items from the overall consumer sentiment; those are Consumer Expectations and Current Economic Conditions. Month-over-month the Current Economic Conditions slipped (-3.3%), and year-over-year it was -25.0%. Expectations are a bit brighter, rising 4.2% month-over-month and were -6.4% compared to a year ago.

On the second page of this newsletter is a table summarizing weekly production and price data compiled by USDA's Agricultural Marketing Service (Market News Division). Today, we direct our readers' attention to the preliminary (subject to revision) Federally Inspected (FI) slaughter data. Both week-over-week and year-over-year, cattle slaughter was higher. In contrast, for those same two comparisons, FI hog slaughter was down. Young chicken slaughter (latest data reported with a one-week delay compared to cattle and hogs) slipped by 0.8% from the prior week and dropped a rather large 3.6% compared to a year ago. The latest data showed that turkey harvest was down significantly, especially note the year-over-year drop.

IMF Economic Outlook: Growth Projections as of October 2020			
Real GDP, Annual Percentage Change			
	2019	2020	2021
World Output	2.8	-4.4	5.2
Advanced Economies	1.7	-5.8	3.9
United States	2.2	-4.3	3.1
Japan	0.7	-5.3	2.3
Canada	1.7	-7.1	5.2
Emerging/Developing Economies	3.7	-3.3	6.0
China	6.1	1.9	8.2
Mexico	-0.3	-9.0	3.5



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PRODUCTION & PRICE SUMMARY

Week Ending 10/17/2020

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
		17-Oct-20	10-Oct-20		19-Oct-19			
Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	2,048	2,049	-0.1%	2,059	-0.6%	89,753	13.1%
C FI Slaughter	Thou. Head	654	637	2.7%	643	1.7%	25,467	-3.9%
A FI Cow Slaughter **	Thou. Head	127	123	3.2%	130	-2.2%	4,782	-1.3%
T Avg. Dressed Weight	Lbs.	843	843	0.0%	822	2.6%	1,222	51.4%
T Beef Production	Million Lbs.	549.7	535.3	2.7%	527.4	4.2%	31,123	45.5%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	107.61	108.26	-0.6%	109.73	-1.9%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	168.40	169.67	-0.7%	174.31	-3.4%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	136.88	142.60	-4.0%	150.39	-9.0%		
& Choice Beef Cutout	\$ per cwt	211.74	216.03	-2.0%	217.93	-2.8%		
Hide/Offal	\$ per cwt, live wt	8.28	8.37	-1.1%	8.84	-6.3%		
B Rib, Primal, Choice	\$ per cwt	386.49	383.94	0.7%	398.31	-3.0%		
E Round, Primal, Choice	\$ per cwt	167.16	168.92	-1.0%	176.15	-5.1%		
E Chuck, Primal, Choice	\$ per cwt	172.92	175.84	-1.7%	170.87	1.2%		
F Trimmings, 50%, Fresh	\$ per cwt	50.00	50.09	-0.2%	50.37	-0.7%		
Trimmings, 90%, Fresh	\$ per cwt	198.51	199.84	-0.7%	217.92	-8.9%		
H FI Slaughter	Thou. Head	2,688	2,730	-1.5%	2,723	-1.3%	102,973	1.0%
H FI Sow Slaughter **	Thou. Head	65.9	65.3	0.9%	56.6	16.4%	2,555	11.8%
O Avg. Dressed Weight	Lbs.	213.0	212.0	0.5%	212.0	0.5%	214	0.8%
G Pork Production	Million Lbs.	572.7	579.1	-1.1%	577.1	-0.8%	22,061	1.8%
S Natl. Negotiated Purchase	Wtd. Avg.	63.57	64.45	-1.4%	58.48	8.7%		
Natl. Base Carcass Price	Wtd. Avg.	75.53	74.72	1.1%	65.17	15.9%		
& Natl. Net Carcass Price	Wtd. Avg.	77.35	76.53	1.1%	67.17	15.2%		
Natl. Early Wean Feeder	10-12 Lbs.	36.69	36.09	1.7%	34.11	7.6%		
P Pork Cutout	\$ per cwt	97.48	94.58	3.1%	77.41	25.9%		
O By-product Value	\$ per cwt, live wt	4.36	4.07	7.1%	3.53	23.5%		
R Ham, Primal	\$ per cwt	79.36	75.15	5.6%	62.32	27.3%		
K Loin, Primal	\$ per cwt	89.11	86.92	2.5%	70.76	25.9%		
Belly, Primal	\$ per cwt	169.43	159.12	6.5%	132.15	28.2%		
Trimmings, 72%, Fresh	\$ per cwt	88.90	86.81	2.4%	45.82	94.0%		
C Young Chicken Slaughter *	Million Head	168.3	169.7	-0.8%	174.57	-3.6%	6,748	-0.6%
H Avg. Weight (RTC)	Lbs.	4.92	4.89	0.6%	4.83	1.9%	4.79	1.7%
I Young Chicken Production (RTC)	Million Lbs.	828.8	830.6	-0.2%	843.8	-1.8%	32,342	1.2%
C Eggs Set (US)	Million	223.6	220.5	1.4%	219.4	1.9%	9,503	0.5%
K Chicks Placed (US)	Million Head	177.3	181.9	-2.5%	181.7	-2.4%	7,609	-0.4%
E National Composite Whole Bird	Composite	67.87	65.06	4.3%	78.49	-13.5%		
N Northeast Breast, B/S	\$ per cwt	87.96	92.58	-5.0%	85.78	2.5%		
Northeast Leg Quarters	\$ per cwt	25.83	24.6	5.0%	34.44	-25.0%		
T Total Turkey Slaughter *	Million Head	3.85	4.11	-6.3%	4.33	-11.0%	163.5	-1.5%
U Avg. Weight (RTC)	Lbs.	25.01	25.35	-1.3%	25.65	-2.5%	25.86	-1.0%
R Turkey Production (RTC)	Million Lbs.	96.4	104.2	-7.5%	111.0	-13.2%	4,227	-2.5%
K National Hen (8-12 Lbs)	\$ per cwt	113.78	113.00	0.7%	98.29	15.8%		
G Corn, Omaha	\$ per Bushel	3.83	3.63	5.6%	3.92	-2.1%		
R Distillers Grain, IA	\$ per Ton	156.50	145.00	7.9%	145.00	7.9%		
A Soybean, Cntrl IL	\$ per Bushel	10.54	10.47	0.7%	9.16	15.1%		
I Soybn Meal 48%, Cntrl IL	\$ per Ton	371.10	358.60	3.5%	312.80	18.6%		

* 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).

