Daily Livestock Report

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Vol. 15, No. 229 / November 20, 2017

In the cash markets last week, cattle and hog prices were lower but remained well above a year ago. The Choice boxed beef cutout (wholesale) value declined by about 1% week-over-week but was nearly 15% higher than last years. For the week, the pork cutout value was essentially unchanged and was about 10% higher than 2016's A summary of USDA-AMS (Market News) reported production and price data in on the second page of this newsletter.

In both the Live Cattle and Feeder Cattle Futures markets, prices of all the contract months during the balance of 2017 and throughout 2018 eroded last week (using the average of the daily closing prices). Lean Hog futures prices for the week posted small gains for the December 2017 and early 2018 contracts (i.e., February and April of 2018), while June and July of next year were about unchanged from their prior weekly levels.

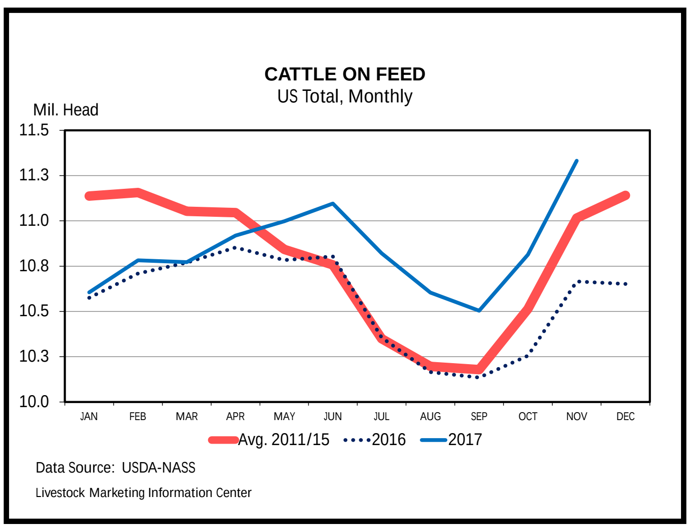
The major report from USDA last week was Cattle on Feed by the National Agricultural Statistics Service (NASS), which came out on Friday and is available here. The reported numbers were within the rather wide ranges in the pre-report estimates. However, both the head placed into feedlots during October and the November on-feed count were enough above the average of the pre-report estimates. Those numbers may give a slightly negative tone to Live Cattle futures prices for the spring months of 2018 when markets open today.

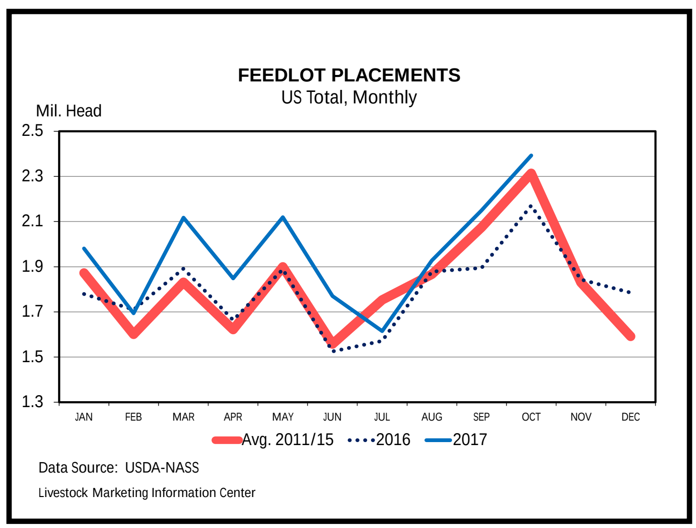
As of November 1st, U.S. feedlots with at least 1,000 head capacity had 11.3 million cattle on full feed for slaughter. That was the highest November 1st inventory since 2011's and a year-over-year increase of 6.3% (up 667,000 head). Of the five largest cattle feeding states, both Nebraska and Iowa had the largest number of animals on-feed as of November 1st since the current survey format began in 1996. Colorado and Texas each had the most animals in their commercial feedlots as of November 1st since 2012 and Kansas the highest number since 2011.

The number of cattle in feedlots has been bolstered by animals being placed on-feed. Larger placements reflect bibber U.S. calf crops and more heifers than a year ago being directed to beef production rather than breeding herd increases. Nationally, steers and heifers placed on-feed were reported at 2.4 million, up 10.2% compared to a year earlier and were the largest for any October since 2011.

During October, slaughter-ready animals marketed by feedlots were above 2016's. At 1.8 million head, the surveyed feedlots marketed 5.6% more animals than a year earlier, and average daily marketings were slightly above 2016's. Daily marketings were the largest for the month of October since 2010.

Using weekly data, slaughter steer and heifer dressed weights in October were both the lowest since 2014. That weight profile shows that the marketing rate in October was more than sufficient to keep feedlots current. That is, market-ready animals have not backed-up in feedlots.



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## PRODUCTION & PRICE SUMMARY

Week Ending 11/18/2017

*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 |
|---|---|---|---|---|---|---|---|---|---|
| | | | 18-Nov-17 | 11-Nov-17 | | 19-Nov-16 | | | |
| | Beef, Pork, Chicken, & Turkey | Mil Lbs., cwe | 1,936 | 1,943 | -0.4% | 1,969 | -1.7% | 83,978 | 2.2% |
| C | FI Slaughter | Thou. Head | 639 | 623 | 2.6% | 629 | 1.6% | 28,103 | 5.5% |
| A | FI Cow Slaughter ** | Thou. Head | 121 | 116 | 4.5% | 117 | 4.1% | 4,863 | 6.9% |
| T | Avg. Dressed Weight | Lbs. | 828 | 827 | 0.1% | 845 | -2.0% | 813 | -1.5% |
| T | Beef Production | Million Lbs. | 528.2 | 513.9 | 2.8% | 530.1 | -0.4% | 22,847 | 3.8% |
| L | Live Fed Steer Price, 5-Mkt | $ per cwt | 119.34 | 122.71 | -2.7% | 107.91 | 10.6% | | |
| E | Dressed Steer Price, 5-Mkt | $ per cwt | 189.41 | 191.62 | -1.2% | 169.92 | 11.5% | | |
| | Oklahoma Steer (600-700 lbs) | $ per cwt | NQ | 166.12 | N/A | 130.70 | N/A | | |
| & | Choice Beef Cutout | $ per cwt | 210.22 | 212.59 | -1.1% | 182.98 | 14.9% | | |
| | Hide/Offal | $ per cwt, live wt | 10.42 | 10.13 | 2.9% | 11.94 | -12.7% | | |
| B | Rib, Primal, Choice | $ per cwt | 378.29 | 377.85 | 0.1% | 358.09 | 5.6% | | |
| E | Round, Primal, Choice | $ per cwt | 173.16 | 177.32 | -2.3% | 148.19 | 16.9% | | |
| E | Chuck, Primal, Choice | $ per cwt | 170.17 | 175.14 | -2.8% | 149.07 | 14.2% | | |
| F | Trimmings, 50%, Fresh | $ per cwt | 69.93 | 70.05 | -0.2% | 52.49 | 33.2% | | |
| | Trimmings, 90%, Fresh | $ per cwt | 212.02 | 213.98 | -0.9% | 193.55 | 9.5% | | |
| | FI Slaughter | Thou. Head | 2,473 | 2,495 | -0.9% | 2,527 | -2.2% | 106,111 | 2.5% |
| H | FI Sow Slaughter ** | Thou. Head | 56.3 | 59.9 | -5.9% | 58.0 | -2.9% | 2,495 | 2.3% |
| O | Avg. Dressed Weight | Lbs. | 212.0 | 211.0 | 0.5% | 211.0 | 0.5% | 211 | -0.3% |
| G | Pork Production | Million Lbs. | 522.9 | 526.5 | -0.7% | 533.9 | -2.1% | 22,349 | 2.3% |
| S | Iowa-S. Minn. Direct | Wtd. Avg. | 58.75 | 60.38 | -2.7% | 40.75 | 44.2% | | |
| | Natl. Base Carcass Price | Wtd. Avg. | 64.62 | 65.92 | -2.0% | 49.29 | 31.1% | | |
| & | Natl. Net Carcass Price | Wtd. Avg. | 66.62 | 68.01 | -2.0% | 51.34 | 29.8% | | |
| | Pork Cutout | $ per cwt | 81.07 | 81.04 | 0.0% | 73.63 | 10.1% | | |
| P | By-product Value | $ per cwt, live wt | 3.86 | 3.84 | 0.5% | 3.74 | 3.2% | | |
| O | Ham, Primal | $ per cwt | 65.31 | 70.86 | -7.8% | 72.70 | -10.2% | | |
| R | Loin, Primal | $ per cwt | 72.30 | 73.76 | -2.0% | 66.71 | 8.4% | | |
| K | Belly, Primal | $ per cwt | 129.89 | 118.97 | 9.2% | 103.29 | 25.7% | | |
| | Trimmings, 72%, Fresh | $ per cwt | 62.49 | 61.83 | 1.1% | 42.71 | 46.3% | | |
| C | Young Chicken Slaughter * | Million Head | 164.0 | 165.4 | -0.8% | 162.11 | 1.2% | 7,290 | 1.3% |
| H | Avg. Weight (RTC) | Lbs. | 4.66 | 4.72 | -1.3% | 4.78 | -2.5% | 4.66 | -0.1% |
| I | Young Chicken Production (RTC) | Million Lbs. | 764.2 | 780.5 | -2.1% | 775.0 | -1.4% | 34,006 | 1.3% |
| C | Eggs Set (19-state) | Million | 210.5 | 205.2 | 2.6% | 208.4 | 1.0% | 9,571 | 2.6% |
| K | Chicks Placed (19-state) | Million Head | 168.6 | 167.9 | 0.4% | 164.7 | 2.4% | 7,795 | 1.7% |
| E | National Composite Whole Bird | Composite | 85.80 | 86.12 | -0.4% | 79.74 | 7.6% | | |
| N | Northeast Breast, B/S | $ per cwt | 104.41 | 105.74 | -1.3% | 100.68 | 3.7% | | |
| | Northeast Leg Quarters | $ per cwt | 40.25 | 38.12 | 5.6% | 34.64 | 16.2% | | |
| T | Total Turkey Slaughter * | Million Head | 5.26 | 5.28 | -0.4% | 5.56 | -5.4% | 190.0 | -1.7% |
| U | Avg. Weight (RTC) | Lbs. | 22.95 | 23.10 | -0.7% | 23.45 | -2.2% | 25.13 | 1.8% |
| R | Turkey Production (RTC) | Million Lbs. | 120.7 | 122.0 | -1.1% | 130.4 | -7.5% | 4,775 | 0.1% |
| K | National Hen (8-12 Lbs) | $ per cwt | 89.50 | 83.08 | 7.7% | 115.41 | -22.5% | | |
| G | Corn, Omaha | $ per Bushel | 3.11 | 3.04 | 2.3% | 3.02 | 2.8% | | |
| R | Distillers Grain, Chicago | $ per Ton | 122.50 | 120.00 | 2.1% | 115.00 | 6.5% | | |
| A | Wheat, Kansas City (delivered) | $ per Bushel | 5.25 | 5.30 | -0.9% | 4.69 | 11.9% | | |
| I | Soybean, Cntrl IL | $ per Bushel | 9.59 | 9.67 | -0.8% | 9.83 | -2.4% | | |
| N | Soybn Meal 48%, Cntrl IL | $ per Ton | 307.00 | 307.00 | 0.0% | 320.00 | -4.1% | | |

* 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).