

In the Lean Hog futures last week, prices for all the 2019 contracts were lower (using the average of the daily closing prices). Week-over-week, the February 2019 contract slipped by \$1.54 per cwt., while July's declined by \$1.44. In contrast, the 2019 Live Cattle futures prices for 2019 were steady week-over-week. The April contract averaged \$122.34 per cwt. for the week, and August's came in at \$112.51. Feeder Cattle contracts for next year did not change a lot week-over-week, with some contracts higher and some down by a few cents per cwt.

Compared to back in mid-October of this year (2018), weekly average prices for all the 2019 Feeder Cattle contracts were lower. For example, the April's was down by \$4.08 per cwt., and October 2019 had dropped by \$5.94. The Live Cattle contracts last week were relatively unchanged compared to mid-October's levels. So, in the futures markets, a normalization (lowering) of feeder cattle price relative to the fed cattle has been in process.

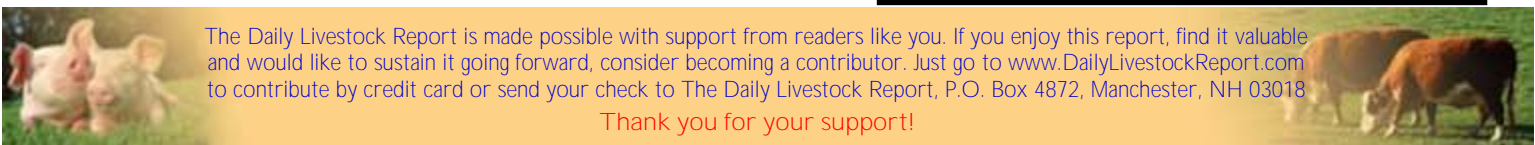
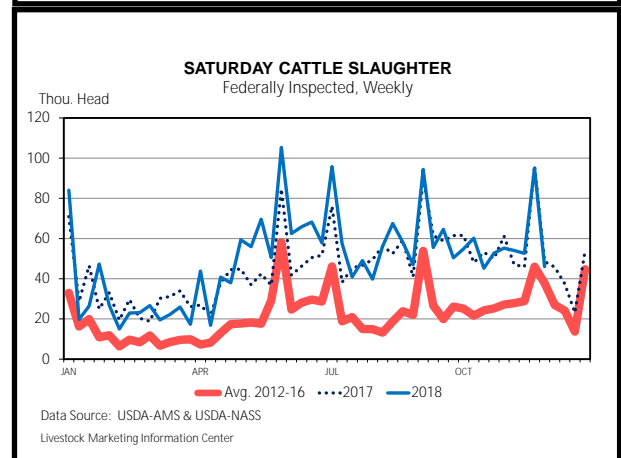
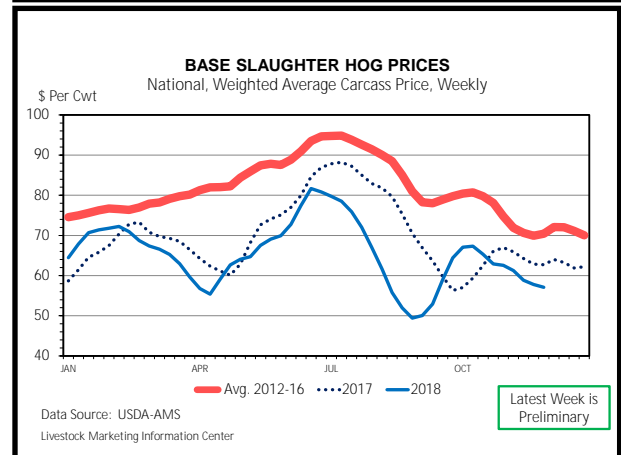
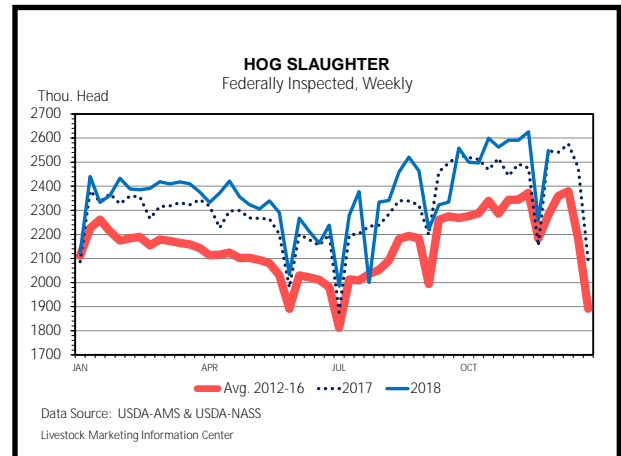
On the second page is a summary of data from the Market News Division of USDA's Agricultural Marketing Service (AMS) of production and prices for last week. Note that the data are preliminary.

The preliminary estimate for last week's Federally Inspected (FI) hog slaughter was unchanged compared to a year ago. As depicted in the first graphic, since the first week of August hog slaughter compared to a year earlier has ranged from down 6.5% to up 7.8%. Prior to this last week, slaughter had been above 2017's for six consecutive weeks (the average increase was for those weeks was 4.7%).

Hog prices have been lower for seven consecutive weeks (see the second graphic). That is not unusual for this time of year. Last week's price was the lowest for the last week of November since 2015 (\$56.11 per cwt. national average base price).

On Saturday, a severe winter storm engulfed Nebraska. In planning for that storm, media reports said that three beef packing plants would not conduct Saturday slaughter. The preliminary slaughter data (released on Friday) indicated that nationally FI cattle slaughter would be about 2500 head below a year earlier (see the third graphic). That number could be revised lower.

Finally, for the latest week of data, we note that the boneless/skinless (B/S in the table) Northeast chicken breast wholesale price has remained below \$1.00 per pound for thirteen consecutive weeks. The latest weekly price (83.8 cents per pounds) was 16.6% below a year ago. USDA began reporting a monthly summary of that price in 1987, and this November's was 85.3 cents per pound. That was the first time for a monthly price below 90 cents per pound.



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PRODUCTION & PRICE SUMMARY

Week Ending 12/1/2018

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
		1-Dec-18	24-Nov-18		2-Dec-17			
Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,721	1,808	-4.8%	1,740	-1.1%	88,992	1.7%
C FI Slaughter	Thou. Head	643	573	12.2%	643	0.0%	30,024	2.4%
A FI Cow Slaughter **	Thou. Head	126	129	-2.3%	121	3.9%	5,466	7.1%
T Avg. Dressed Weight	Lbs.	828	826	0.2%	836	-1.0%	815	0.2%
T Beef Production	Million Lbs.	531.0	472.2	12.5%	536.3	-1.0%	24,482	2.6%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	115.46	115.39	0.1%	120.58	-4.2%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	183.08	181.89	0.7%	189.91	-3.6%		
Oklahoma Steer (600-700 Lbs)	\$ per cwt	148.67	NQ	N/A	160.24	-7.2%		
& Choice Beef Cutout	\$ per cwt	213.39	213.76	-0.2%	207.08	3.0%		
Hide/Offal	\$ per cwt, live wt	9.31	9.35	-0.4%	10.64	-12.5%		
B Rib, Primal, Choice	\$ per cwt	411.90	408.29	0.9%	392.12	5.0%		
E Round, Primal, Choice	\$ per cwt	161.91	163.51	-1.0%	166.65	-2.8%		
E Chuck, Primal, Choice	\$ per cwt	168.13	168.89	-0.4%	163.24	3.0%		
F Trimmings, 50%, Fresh	\$ per cwt	67.14	68.20	-1.6%	65.33	2.8%		
Trimmings, 90%, Fresh	\$ per cwt	193.74	192.45	0.7%	211.81	-8.5%		
H FI Slaughter	Thou. Head	2,548	2,258	12.8%	2,547	0.0%	113,516	2.4%
H FI Sow Slaughter **	Thou. Head	65.0	59.2	9.8%	63.3	2.7%	2,672	2.0%
O Avg. Dressed Weight	Lbs.	212.0	212.0	0.0%	215.0	-1.4%	211	0.3%
G Pork Production	Million Lbs.	541.3	478.7	13.1%	546.6	-1.0%	24,000	2.7%
S Iowa-S. Minn. Direct	Wtd. Avg.	49.28	51.30	-4.0%	58.79	-16.2%		
Natl. Base Carcass Price	Wtd. Avg.	57.09	57.80	-1.2%	62.70	-8.9%		
& Natl. Net Carcass Price	Wtd. Avg.	59.11	59.82	-1.2%	64.59	-8.5%		
Pork Cutout	\$ per cwt	68.36	67.11	1.9%	83.00	-17.6%		
P By-product Value	\$ per cwt, live wt	3.57	3.59	-0.6%	3.88	-8.0%		
O Ham, Primal	\$ per cwt	50.86	49.91	1.9%	63.81	-20.3%		
R Loin, Primal	\$ per cwt	62.63	63.47	-1.3%	72.33	-13.4%		
K Belly, Primal	\$ per cwt	111.34	106.89	4.2%	143.18	-22.2%		
Trimmings, 72%, Fresh	\$ per cwt	46.71	41.86	11.6%	64.52	-27.6%		
C Young Chicken Slaughter *	Million Head	124.1	159.8	-22.4%	125.49	-1.1%	7,565	-0.2%
H Avg. Weight (RTC)	Lbs.	4.73	4.70	0.6%	4.68	1.0%	4.71	0.9%
I Young Chicken Production (RTC)	Million Lbs.	586.5	750.8	-21.9%	587.5	-0.2%	35,609	0.7%
C Eggs Set (US)	Million	227.9	226.1	0.8%	225.4	1.1%	10,608	1.6%
K Chicks Placed (US)	Million Head	172.9	175.1	-1.2%	174.8	-1.1%	8,548	0.9%
E National Composite Whole Bird	Composite	87.20	87.07	0.1%	85.90	1.5%		
N Northeast Breast, B/S	\$ per cwt	83.79	83.12	0.8%	100.49	-16.6%		
Northeast Leg Quarters	\$ per cwt	27.34	29.04	-5.9%	37.38	-26.9%		
T Total Turkey Slaughter *	Million Head	2.37	4.28	-44.6%	2.67	-11.3%	196.2	-0.5%
U Avg. Weight (RTC)	Lbs.	26.05	24.85	4.8%	25.87	0.7%	24.98	-0.6%
R Turkey Production (RTC)	Million Lbs.	61.8	106.4	-41.9%	69.1	-10.7%	4,901	-1.1%
K National Hen (8-12 Lbs)	\$ per cwt	82.75	83.46	-0.9%	84.69	-2.3%		
G Corn, Omaha	\$ per Bushel	3.46	3.47	-0.1%	3.17	9.1%		
R Distillers Grain, Chicago	\$ per Ton	145.00	145.00	0.0%	122.50	18.4%		
A Wheat, Kansas City (delivered)	\$ per Bushel	6.25	6.25	0.0%	5.18	20.7%		
I Soybean, Cntrl IL	\$ per Bushel	8.61	8.46	1.8%	9.73	-11.5%		
N Soybn Meal 48%, Cntrl IL	\$ per Ton	311.40	309.10	0.7%	321.00	-3.0%		

* 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).

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