

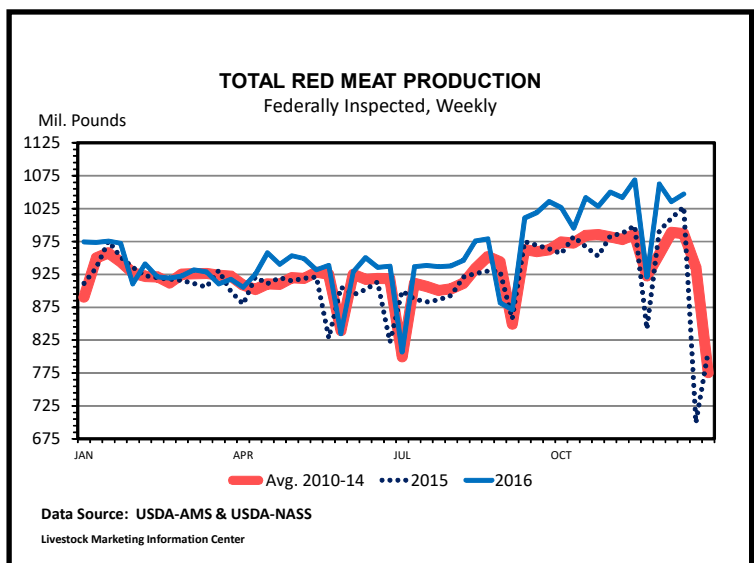
In the news this past week was the USDA's posting of "The Farmer Fair Practices Rules", which they had in recent years been precluded from putting forward by Congress. This rulemaking is commonly referred to as the GIPSA Rule. The USDA made available their latest version [here](#). Responses to the latest GIPSA Rule by various industry and some other groups have already captured media attention and there will likely be much more.

Also this past week, the Federal Reserve, in a highly anticipated move, raised their benchmark short-term interest rate (Federal Funds Rate) from 0.25% to 0.50%. That was the first increase in one year. Even though the rate-hike was very modest and fully telegraphed, the U.S. dollar responded by increasing relative to several key currencies important to the livestock and poultry industries. Of course, the higher dollar raises prices for those that want to buy from the U.S. and firms in countries that export beef to the U.S. were pleased.

On the second page of this newsletter, is our weekly cash price and production summary. Red meat (both beef and pork) production last week remained above a year ago. The year-over-year increases in beef (up 2.8) and pork (rising 1.2%) production generally moderated compared to weeks earlier this quarter. Still, cattle, hog, and wholesale (cutout) values were higher than in some time. In the cattle/beef sector, prices gained for the week, but remained below 2015's. In contrast, hog/pork sector prices were mostly above year ago levels. For the week, the Choice beef cutout value (\$192.05 per cwt.) was the highest for any week since early September of this year. The weekly average pork cutout value at \$76.78 was the highest since late September's.

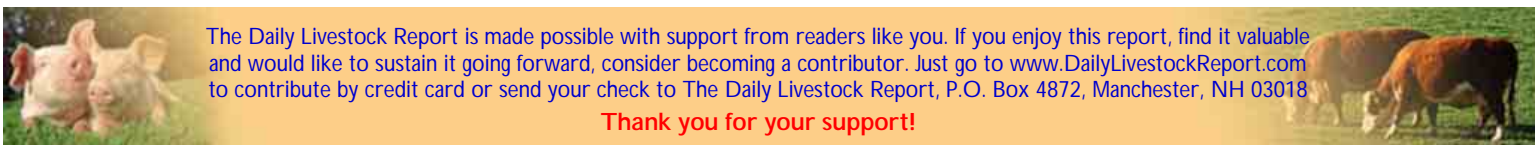
Futures market prices also were higher last week. The weekly average (simple average of the daily closes) Live Cattle contract for December of 2016 was \$111.12 per cwt., that was the highest for any week since mid-August (when it averaged \$115.53). The January 2017 Feeder Cattle contract averaged \$128.56 per cwt. last week, reaching its highest level since late August of this year. Turning to hogs, the December contract averaged \$58.15 per cwt. and the February contract was \$62.56, both were the highest since mid-July.

For many cattle already in feed yards and set to be marketed in March or April of 2017, the April Live Cattle futures



is offering a price that will cover cost of production plus a little positive margin. For hog producers, all the 2017 contracts last week offered most producers the opportunity to cover all production costs plus a positive margin. Further, all the 2017 hog futures contracts are at or near the top-end of the price range of most market analysts based on fundamental market analysis (including USDA's). Fundamental analysts make forecasts based on their best assessment of supply and demand factors. Further, several hog contracts exceed the upper end of forecast price ranges. Of course, the next Quarterly Hogs and Pigs report by USDA's National Agricultural Statistics Service (USDA-NASS) may cause some changes in analyst expectations.

This week, there will be several important reports from USDA-NASS. Two major potential market moving reports are bunched-up on Friday afternoon (December 23<sup>rd</sup>) – Quarterly Hogs and Pigs and monthly Cattle on Feed. Another monthly market influencing report, Cold Storage, also will be released on Friday. Other monthly USDA-NASS reports to be released this week, which help gauge market trends, are Livestock Slaughter and also Poultry Slaughter on Thursday, then Chickens and Eggs comes out on Friday.



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# Daily Livestock Report

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## PRODUCTION & PRICE SUMMARY

Week Ending **12/17/2016**

Source: Various USDA Agricultural Marketing Service reports. Some data are preliminary.

Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
		17-Dec-16	10-Dec-16		19-Dec-15			
<b>Beef, Pork, Chicken, &amp; Turkey</b>	<b>Mil Lbs., cwe</b>	<b>1,904</b>	<b>1,926</b>	<b>-1.1%</b>	<b>1,873</b>	<b>1.7%</b>	<b>89,522</b>	<b>2.9%</b>
C FI Slaughter	Thou. Head	599	611	-2.0%	586	2.2%	29,020	5.6%
A FI Cow Slaughter **	Thou. Head	114	95	20.0%	106	8.3%	4,992	5.0%
T Avg. Dressed Weight	Lbs.	845	845	0.0%	840	0.6%	827	0.1%
T Beef Production	Million Lbs.	505.0	515.0	-1.9%	491.1	2.8%	24,004	5.6%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	110.23	109.52	0.6%	116.64	-5.5%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	170.31	169.92	0.2%	183.44	-7.2%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	134.45	131.68	2.1%	156.93	-14.3%		
& Choice Beef Cutout	\$ per cwt	192.05	189.85	1.2%	196.56	-2.3%		
Hide/Offal	\$ per cwt, live wt	11.59	11.71	-1.0%	10.90	6.3%		
B Rib, Primal, Choice	\$ per cwt	378.41	392.22	-3.5%	354.99	6.6%		
E Round, Primal, Choice	\$ per cwt	158.88	154.33	2.9%	166.40	-4.5%		
E Chuck, Primal, Choice	\$ per cwt	152.16	145.95	4.2%	152.94	-0.5%		
F Trimmings, 50%, Fresh	\$ per cwt	36.14	40.12	-9.9%	36.98	-2.3%		
Trimmings, 90%, Fresh	\$ per cwt	191.36	191.17	0.1%	193.39	-1.0%		
H FI Slaughter	Thou. Head	2,544	2,443	4.1%	2,508	1.4%	113,173	1.7%
H FI Sow Slaughter **	Thou. Head	63.5	41.5	52.9%	57.5	10.4%	2,667	1.0%
O Avg. Dressed Weight	Lbs.	211.0	211.0	0.0%	213.0	-0.9%	211	-0.6%
G Pork Production	Million Lbs.	537.9	516.3	4.2%	531.7	1.2%	23,900	1.1%
S Iowa-S. Minn. Direct	Wtd. Avg.	53.63	51.73	3.7%	49.72	7.9%		
Natl. Base Carcass Price	Wtd. Avg.	57.10	54.03	5.7%	55.71	2.5%		
& Natl. Net Carcass Price	Wtd. Avg.	59.26	56.18	5.5%	57.60	2.9%		
Pork Cutout	\$ per cwt	76.78	75.08	2.3%	73.57	4.4%		
P By-product Value	\$ per cwt, live wt	3.85	3.81	1.0%	3.13	23.0%		
O Ham, Primal	\$ per cwt	76.67	77.96	-1.7%	66.18	15.8%		
R Loin, Primal	\$ per cwt	71.10	67.57	5.2%	72.10	-1.4%		
K Belly, Primal	\$ per cwt	99.46	99.75	-0.3%	104.15	-4.5%		
Trimmings, 72%, Fresh	\$ per cwt	52.07	51.85	0.4%	35.54	46.5%		
C Young Chicken Slaughter *	Million Head	160.4	163.0	-1.6%	158.18	1.4%	7,801	1.1%
H Avg. Weight (RTC)	Lbs.	4.65	4.76	-2.2%	4.71	-1.3%	4.67	0.8%
I Young Chicken Production (RTC)	Million Lbs.	746.1	775.5	-3.8%	745.3	0.1%	36,438	2.0%
C Eggs Set (19-state)	Million	210.1	211.0	-0.4%	207.3	1.4%	10,171	1.0%
K Chicks Placed (19-state)	Million Head	172.3	170.6	1.0%	170.9	0.8%	8,339	0.9%
E National Composite Whole Bird	Composite	82.65	84.49	-2.2%	79.26	4.3%		
N Northeast Breast, B/S	\$ per cwt	98.34	97.81	0.5%	101.60	-3.2%		
Northeast Leg Quarters	\$ per cwt	32.52	31.42	3.5%	23.79	36.7%		
T Total Turkey Slaughter *	Million Head	4.58	4.66	-1.7%	4.16	10.1%	209.6	3.2%
U Avg. Weight (RTC)	Lbs.	25.19	25.54	-1.4%	25.18	0.0%	24.71	1.8%
R Turkey Production (RTC)	Million Lbs.	115.3	119.0	-3.1%	104.7	10.1%	5,179	5.0%
K National Hen (8-12 Lbs)	\$ per cwt	104.81	104.50	0.3%	127.30	-17.7%		
G Corn, Omaha	\$ per Bushel	3.27	3.23	1.2%	3.61	-9.4%		
R Distillers Grain, Chicago	\$ per Ton	125.00	117.50	6.4%	130.00	-3.8%		
A Wheat, Kansas City (delivered)	\$ per Bushel	4.57	4.64	-1.4%	NQ	N/A		
I Soybean, Cntrl IL	\$ per Bushel	10.24	10.20	0.4%	8.89	15.2%		
N Soybn Meal 48%, Cntrl IL	\$ per Ton	321.00	318.70	0.7%	289.40	10.9%		

\* 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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