

Yesterday, USDA's World Agricultural Supply and Demand Estimates ([WASDE](#)) report was released. This report provides USDA's first estimates for 2021 production and prices. It is also the first report that incorporates USDA's perspective on the impacts of COVID-19 to the agricultural sector. This DLR will discuss USDA's revisions to the 2020 forecasts from last month and the newly released 2021 estimates for the meat sector, corn and soybeans.

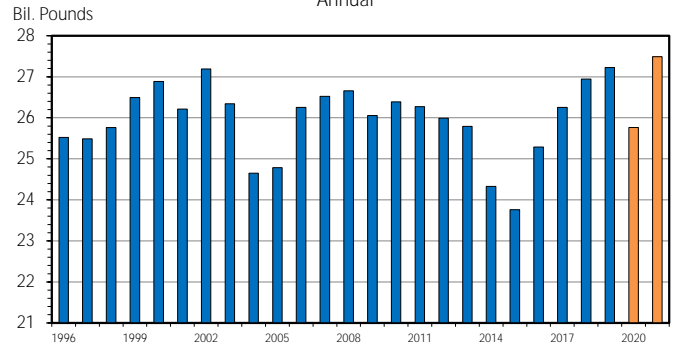
Beef production for 2020 was lowered 6.1% (1.68 billion pounds) to 25.8 billion pounds while 2021 is estimated at 27.5 billion pounds. The 2021 forecast is a 6.7% increase over the newly updated 2020 estimate. USDA expects that 2020 cattle placements will shift to latter this year with higher marketings in 2021 and coupled with heavier carcass weights will lead to larger beef production next year. The 5-area, direct, total all grades steer price for 2020 was revised down to \$104.1 per cwt (-6.2%) while 2021 is forecast at \$109 per cwt, up 4.7% from 2020.

In the last WASDE (April) report USDA had 2020 pork production estimated at 29.0 billion pounds, this was revised 5.5% (1.6 billion pounds) lower to 27.4 billion pounds which reflects the difficulties the hog sector has been experiencing from COVID-19. For 2021, pork production is forecast to rebound 2.9% to 28.2 billion pounds. Barrow and gilt prices for 2020 are forecast at \$43.10 per cwt (National Base, Live Equivalent 51-52% lean) while 2021 is estimated to slightly rise to \$47.00 per cwt.

Similar to beef and pork, from last month USDA lowered 2020 forecasts for the poultry sector with broiler production down 3.1% to 43.8 billion pounds and turkey production decreased 1.3% to 5.8 billion pounds. In 2021, broiler and turkey production are expected to rebound 2.9% and 0.9%, respectively, to almost 45.0 billion pounds and 5.9 billion pounds. Broiler prices (Wholesale, National Composite Weighted Average, 5/ 8-16 lbs, hens National) for 2020 were lowered from last month to \$71.4 cents per pound but 2021 is estimated up at \$81.0 cents per pound.

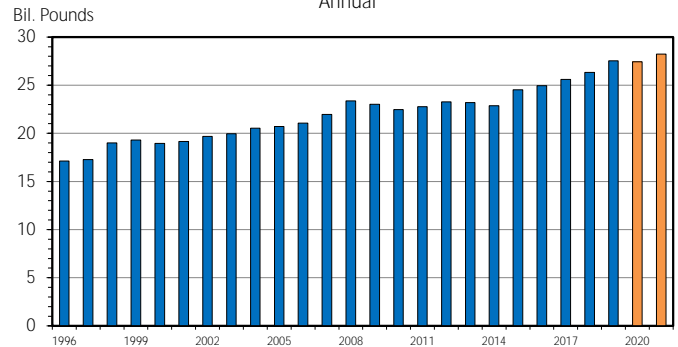
Looking at the feed complex, planted corn acres for the 2020/21 marketing year are forecast at 97.0 million acres with a yield estimate of 178.5 bushels per acre and production of 15.995 billion bushels. Soybean planted acres for the 2020/21 marketing year are estimated at 83.5 million acres, yield of 49.8 bushels per acre, and production of 4.125 billion bushels. The average farm price for both crops are expected to be lower in 2021 at \$3.20 per bushel and \$8.20 per bushel for corn and soybeans, respectively.

COMMERCIAL BEEF PRODUCTION



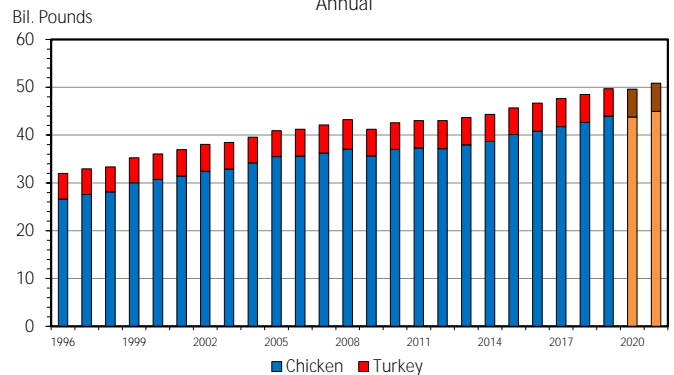
Data Source: USDA-NASS, Compiled by LMIC, USDA Forecasts
Livestock Marketing Information Center

COMMERCIAL PORK PRODUCTION

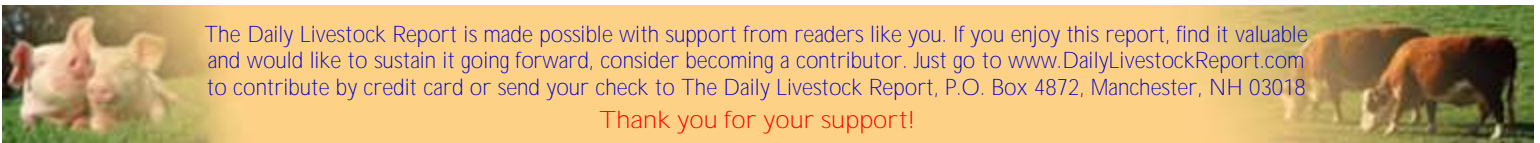


Data Source: USDA-NASS, Compiled by LMIC, USDA Forecasts
Livestock Marketing Information Center

COMMERCIAL POULTRY PRODUCTION



Data Source: USDA-NASS, Compiled by LMIC, USDA Forecasts
Livestock Marketing Information Center



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 4872, Manchester, NH 03018

Thank you for your support!

The **Daily Livestock Report** is published by **Steiner Consulting Group, DLR Division, Inc.** To subscribe, support or unsubscribe please visit www.dailylivestockreport.com.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group, CME and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The *Daily Livestock Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.