Daily Livestock Report

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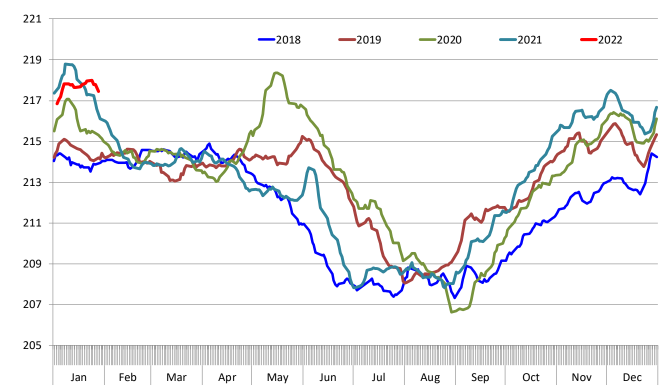
The USDA 'Cattle' report that we mistakenly said would be released on Friday will instead come out at 3PM ET this afternoon. We apologize for the confusion and next time will make sure to better read the USDA monthly schedule.

As expected hog slaughter and pork production rebounded last week, but volume remains well below year ago levels. There is continuing debate whether the slowdown in hog slaughter during the last two weeks has caused hog supplies to be backed up. Looking at cash hog prices, the answer would be no. After all the price of hogs that were sold on a negotiated basis was a little over $75/cwt on Friday, a $14 gain (+25%) compared to the previous week. On the other hand, we would argue that hog carcass weights are heavy and suggest producers are not marketing hogs in a timely fashion. The chart to the right is something we have used often. It shows a five-day moving average of the carcass weight of producer owned hogs. True, hog weights are not far from a year ago but last year they were still quite heavy due to pandemic disruptions. **The average weight of producer owned barrows and gilts last week was 217.5 pounds compared to 215 pounds for the comparable week in 2020 and 214.2 pounds in 2019**. Slaughter is expected to be above 2.5 million hogs in the next few weeks. This is based on the results of the latest 'Hogs and Pigs' report as well as the few hogs that probably did get backed up in the last few weeks. But with February hog futures holding a premium, and talk of empty barns around the country, producers are not in a hurry. Indeed the market is paying them to get a few more pounds on their hogs before they send them to market. So we have a situation where packers are seeing more people return to work after isolating with COVID, pork cutout values are far higher than most expected, packers are still enjoying robust margins and producers have a bit more space than in the past. This means producers have no reason to grab the first bid that comes their way, hence higher cash prices. But the higher prices and rising supply will test demand, especially for fresh pork. For now futures are heeding reports of tight supplies and so far excellent demand to quickly build forward premiums.

Fed cattle slaughter has also improved as the labor problems at packing plants are slowly improving. USDA reported that total cattle slaughter last week was 643k head, up from 636k the previous week but still about 1.9% lower than the week before. We estimate that fed cattle slaughter last week was 496k head, about 8k head higher than the previous week. Despite the improvement, slaughter is still about 15k head or 2.9% lower than a year ago. Cattle/beef supplies were short for much of January and this was reflected in the value of the cutout, which was up 30% from the previous year and up 34% from the five year average. Our current estimate is for fed cattle slaughter in January to be 3.3% lower than the previous year, which is a first estimate for fed cattle marketings in January as well.

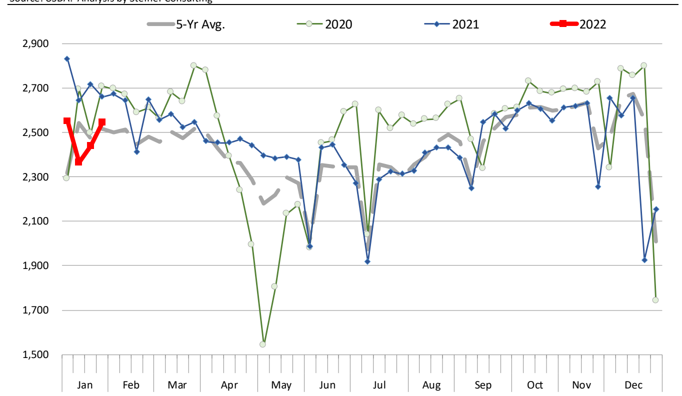
Barrow/Gilt Dressed Carcass Weights, 5-day Moving Avg. - Producer Hogs

Based on Daily MPR Report, LM_HG201. Data through Jan 28, 2022. Analysis by Steiner Consulting



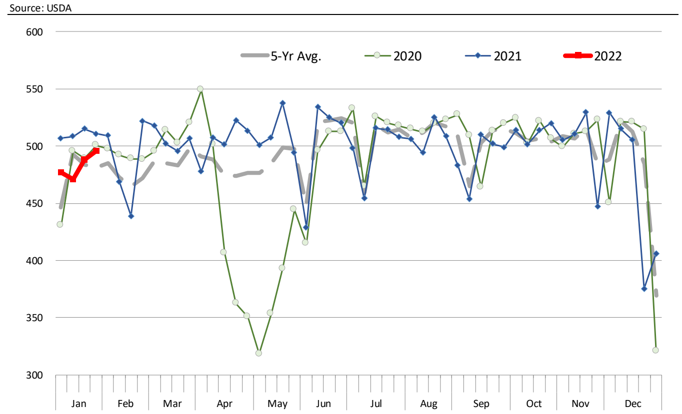
WEEKLY HOG SLAUGHTER. '000 HEAD

Source: USDA. Analysis by Steiner Consulting



WEEKLY STEER AND HEIFER SLAUGHTER. '000 HEAD

Source: USDA



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PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending 1/29/2022

Source: Various USDA Agricultural Marketing Service reports. Some data are preliminary. *Weekly Avg. Prices*

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			29-Jan-22	22-Jan-22		30-Jan-21			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,931**	**1,991**	-2.99%	**2,028**	-4.78%		
	FI Slaughter	Thou. Head	643	636	1.10%	656	-1.92%	2,517	-6.4%
C	FI Cow Slaughter **	Thou. Head	138	135	1.90%	134	2.79%		
T	Avg. Dressed Weight	Lbs.	843	844	-0.12%	846	-0.35%	838	-0.7%
T	Beef Production	Million Lbs.	540.8	535.5	0.99%	553.2	-2.24%	2,108	-7.1%
L	Live Fed Steer Price	$ per cwt	136.93	137.50	-0.41%	112.44	21.78%		
E	Dressed Fed Steer Price	$ per cwt	218.00	217.92	0.04%	177.56	22.78%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	166.84	171.77	-2.87%	147.28	13.28%		
&	Choice Beef Cutout	$ per cwt	290.97	290.87	0.03%	230.28	26.35%		
	Hide/Offal	$ per cwt, live wt	14.00	14.09	-0.64%	9.41	48.78%		
B	Rib Primal, Choice	$ per cwt	412.17	413.27	-0.27%	363.35	13.44%		
E	Round Primal, Choice	$ per cwt	242.61	244.66	-0.84%	192.10	26.29%		
E	Chuck Primal, Choice	$ per cwt	254.17	253.11	0.42%	201.02	26.44%		
F	Trimmings, 50%	$ per cwt	111.71	124.35	-10.16%	60.07	85.97%		
	Trimmings, 90%	$ per cwt	277.41	276.78	0.23%	220.35	25.90%		
	FI Slaughter	Thou. Head	2,546	2,440	4.34%	2,660	-4.30%	9,905	-11.4%
	FI Sow Slaughter **	Thou. Head	63.2	57.5	9.84%	67.8	-6.75%		
H	Avg. Dressed Weight	Lbs.	219.0	218.0	0.46%	219.0	0.00%	218	-0.9%
O	Pork Production	Million Lbs.	556.9	531.4	4.80%	581.6	-4.25%	2,161	-12.2%
G	Iowa-S. Minn. Base	Wtd. Avg.	70.14	66.70	5.16%	56.46	24.23%		
S	Natl. Base Carcass Price	Wtd. Avg.	80.26	78.04	2.84%	67.73	18.50%		
	Natl. Net Carcass Price	Wtd. Avg.	81.81	79.46	2.96%	69.35	17.97%		
	Natl. Early Wean Feeder	Wtd. Avg.	63.34	60.64	4.45%	54.41	16.41%		
	Pork Cutout	205 Lbs.	95.46	92.03	3.73%	82.60	15.57%		
	Ham Primal	$ per cwt	70.41	72.91	-3.43%	71.59	-1.65%		
	Loin Primal	$ per cwt	98.62	91.72	7.52%	79.30	24.36%		
	Belly Primal	$ per cwt	158.56	149.72	5.90%	125.88	25.96%		
	Trimmings, 72%, Fresh	$ per cwt	113.96	104.58	8.97%	76.00	49.95%		
	Hog By-Product Value	$ per cwt, live wt	5.31	5.28	0.57%	4.46	19.06%		
C	Young Chicken Slaughter *	Million Head	154.5	171.4	-9.88%	164.3	-5.97%	634	-1.0%
H	Avg. Weight (RTC)	Lbs.	4.80	4.83	-0.63%	4.83	-0.63%	6.34	-0.3%
I	Young Chicken Production (RTC)	Million Lbs.	740.7	827.2	-10.45%	792.7	-6.56%		
C	Eggs Set (19-state)	Million	237.6	237.1	0.18%	235.7	0.78%		
K	Chicks Placed (19-state)	Million Head	184.8	184.7	0.07%	188.1	-1.78%		
E	National Composite Whole Bird	Composite	125.87	131.76	-4.47%	82.22	53.09%		
	Northeast Breast, B/S	$/cwt	242.2	233.58	3.69%	128.13	89.03%		
	Northeast Leg Quarters	$/cwt	37.13	35.66	4.12%	28.41	30.69%		
T	Total Turkey Slaughter *	Million Head	3.496	3.718	-5.97%	3.736	-6.42%		
U	Avg. Weight (RTC)	Lbs.	26.58	26.04	2.08%	26.97	-1.44%	33.07	-1.8%
R	Turkey Production (RTC)	Million Lbs.	92.9	96.8	-4.02%	100.8	-7.77%		
K	National Hen (8-12 lb)	8-16 Lbs.	127.61	127.22	0.31%	109.78	16.24%		
G	Corn, Omaha	$ per Bushel	6.27	6.12	2.45%	5.15	21.75%		
R	Soybeans, Cntrl IL	$ per Bushel	14.54	14.29	1.75%	13.64	6.60%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	407.00	407.60	-0.15%	425.60	-4.37%		
I	Distillers Grain, IL	$ per Bushel	198.50	198.50	0.00%	242.50	-18.14%		

* Chicken & turkey slaughter. Production, egg sets are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago due to reporting lag.

*** Please note that the number of business days is different from one year to the next, which affects the YTD calculation