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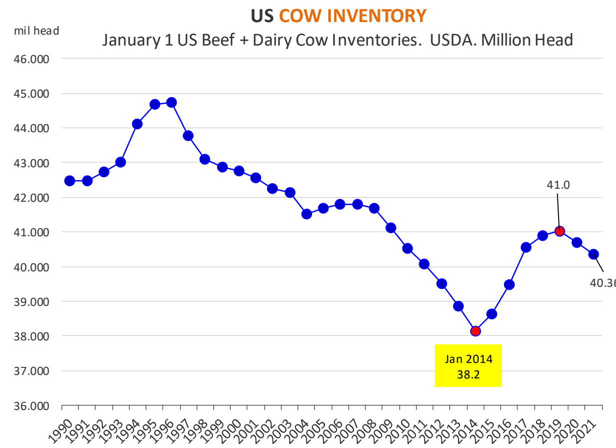
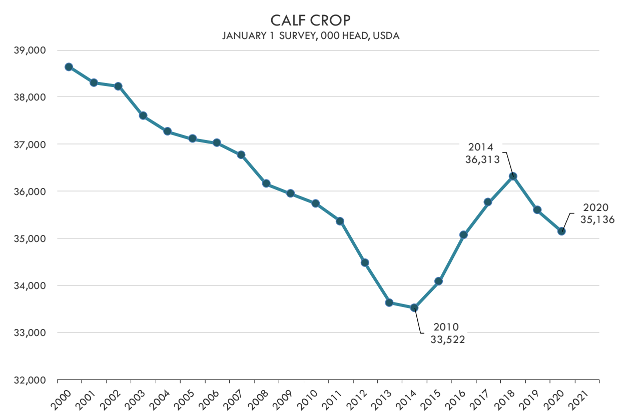
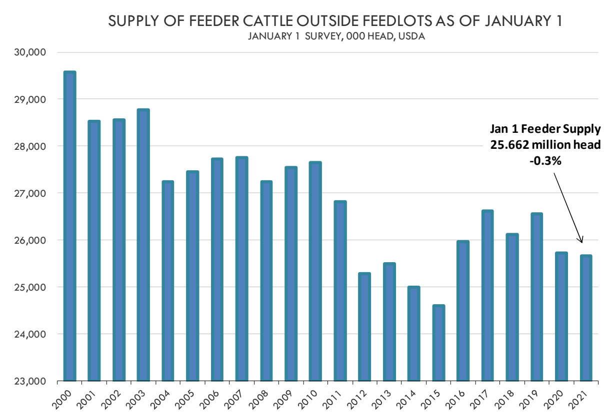
The total inventory of cattle and calves as of January 1, 2021 was estimated to be 93.595 million head, **0.2% lower than the previous year**. The overall cow herd was estimated at 40.598 million head, 0.2% lower than a year ago. The beef cow herd was down but this was offset by the increase in dairy cow inventory, 1% higher than the previous year. USDA made some significant downward revisions to previous numbers, which means that production in previous periods was smaller than we thought. The calf crop for 2019 was pegged at 35.592 million head, almost half a million head smaller than it was projected on January 1, 2020. USDA looks at slaughter in following years and then goes back and adjusts the crop numbers based on the numbers slaughtered and the numbers currently on the ground. USDA pegged **the calf crop for 2020** at 35.136 million head, down 664k head from the estimate that was issued last July and **456k head or 1.3% smaller than the previous year**. The ratio of the calf crop to the cow herd on January 1 is now estimated at 86.72% for 2019 and 86.37% for 2020, some of the lowest calving ratios on record and the lowest since 2013. It is unusual to see such low productivity for two consecutive years. So even as the cow herd declined only modestly, fewer calves were produced last year and this will continue to limit fed cattle supplies in the second half of 2021 and in 2022. The calf crop estimated for 2020 is the smallest since 2016 and, based on the size of the current cow herd, one would expect the calf crop to be down again in 2021, especially if dairy herd liquidation picks up in Q1.

Prior to the report analysts expected to see fewer beef cows held back for replacement but that was not the case, indicating that producers remain in maintenance mode. The USDA survey indicated that producers retained 5.812 million heifers for beef cow herd replacement last year, slightly more than the previous year. Beef cow slaughter in 2020 was 2.4% higher than the previous year. The beef cow herd on January 1 was 31,158 head, 0.6% smaller than the previous year. Prior to the report analysts were expecting the beef cow herd to be down 1.3%. The dairy cow herd expanded by 64k head or 1% in 2020, thanks largely to robust margins in the second half of the year. Heifers retained for dairy cow herd replacement declined 1.7%, contrary to expectations. Margin uncertainty appears to have given dairy producers pause, especially since the current dairy herd at 9.440 million head is the highest in 25 years. The larger than expected cow herd, higher feed costs and the deterioration in dairy margins has caused us to shift our expectations for cow slaughter in 2021. We now think cow slaughter will be 2% higher than the previous year and the ratio of cow slaughter to the January 1 inventory is expected to be 15.9% compared to 15.5% last year.

The supply of feeders outside feedlots as of January 1 was estimated 0.3% lower than the previous year and almost 900k head or 3.4% smaller than two years ago. On feed supplies as of January 1 were estimated just 0.3% higher than a year ago, consistent with the survey of feedlots with +1000 head capacity.







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PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending 1/30/2021

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
			30-Jan-21	23-Jan-21		1-Feb-20			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**2,031**	**2,067**	-1.75%	**2,007**	1.16%	**10,021**	-3.8%
	FI Slaughter	Thou. Head	653	657	-0.61%	638	2.42%	2,682	-7.1%
C	FI Cow Slaughter **	Thou. Head	134	137	-2.50%	134	0.10%	380	-1.5%
T	Avg. Dressed Weight	Lbs.	844	839	0.60%	827	2.06%	847	2.7%
T	Beef Production	Million Lbs.	550.1	550.2	-0.02%	525.8	4.62%	2,272	-4.6%
L	Live Fed Steer Price	$ per cwt	111.47	109.23	2.05%	122.04	-8.66%		
E	Dressed Fed Steer Price	$ per cwt	175.76	172.58	1.84%	194.72	-9.74%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	147.28	142.59	3.29%	144.64	1.82%		
&	Choice Beef Cutout	$ per cwt	230.28	219.09	5.11%	213.26	7.98%		
	Hide/Offal	$ per cwt, live wt	9.41	9.30	1.18%	9.13	3.07%		
B	Rib Primal, Choice	$ per cwt	363.35	347.97	4.42%	335.84	8.19%		
E	Round Primal, Choice	$ per cwt	192.10	187.58	2.41%	181.01	6.13%		
E	Chuck Primal, Choice	$ per cwt	201.02	193.15	4.07%	172.39	16.61%		
F	Trimmings, 50%	$ per cwt	60.07	52.85	13.66%	66.76	-10.02%		
	Trimmings, 90%	$ per cwt	220.35	218.67	0.77%	244.09	-9.73%		
	FI Slaughter	Thou. Head	2,658	2,738	-2.92%	2,696	-1.42%	11,196	-6.6%
	FI Sow Slaughter **	Thou. Head	67.8	70.7	-4.12%	65.9	2.77%	183	2.4%
H	Avg. Dressed Weight	Lbs.	221.0	220.0	0.45%	216.0	2.31%	222	2.7%
O	Pork Production	Million Lbs.	587.1	601.6	-2.41%	581.5	0.96%	2,486	-4.1%
G	Iowa-S. Minn. Base	Wtd. Avg.	56.34	54.96	2.51%	54.19	3.97%		
S	Natl. Base Carcass Price	Wtd. Avg.	67.61	66.09	2.30%	63.20	6.98%		
	Natl. Net Carcass Price	Wtd. Avg.	69.16	67.62	2.28%	65.06	6.30%		
	Natl. Early Wean Feeder	Wtd. Avg.	54.41	52.37	3.90%	50.28	8.21%		
	Pork Cutout	205 Lbs.	82.60	79.61	3.76%	73.00	13.15%		
	Ham Primal	$ per cwt	71.59	70.51	1.53%	64.25	11.42%		
	Loin Primal	$ per cwt	79.30	76.36	3.85%	69.06	14.83%		
	Belly Primal	$ per cwt	125.88	121.92	3.25%	102.64	22.64%		
	Trimmings, 72%, Fresh	$ per cwt	76.00	82.24	-7.59%	64.25	18.29%		
	Hog By-Product Value	$ per cwt, live wt	4.46	4.40	1.36%	3.60	23.89%		
C	Young Chicken Slaughter *	Million Head	164.3	168.9	-2.77%	166.1	-1.09%	641	-2.9%
H	Avg. Weight (RTC)	Lbs.	4.83	4.83	0.00%	4.77	1.28%	6.37	1.0%
I	Young Chicken Production (RTC)	Million Lbs.	792.7	815.3	-2.77%	791.4	0.17%	6	-3.0%
C	Eggs Set (19-state)	Million	235.8	234.3	0.60%	237.4	-0.71%	944	-0.9%
K	Chicks Placed (19-state)	Million Head	188.1	189.1	-0.49%	191.2	-1.62%	749	-1.6%
E	National Composite Whole Bird	Composite	82.22	82.84	-0.75%	88.75	-7.36%		
	Northeast Breast, B/S	$/cwt	128.13	112.94	13.45%	90.28	41.93%		
	Northeast Leg Quarters	$/cwt	28.41	29.86	-4.86%	38.48	-26.17%		
T	Total Turkey Slaughter *	Million Head	3.736	3.801	-1.71%	3.942	-5.23%	6.884	-31.1%
U	Avg. Weight (RTC)	Lbs.	26.97	26.23	2.83%	27.59	-2.25%	33.67	-1.3%
R	Turkey Production (RTC)	Million Lbs.	100.8	99.7	1.07%	108.8	-7.36%	5,258	-3.3%
K	National Hen (8-12 lb)	8-16 Lbs.	109.78	106.57	3.01%	96.50	13.76%		
G	Corn, Omaha	$ per Bushel	5.15	5.04	2.18%	3.79	35.88%		
R	Soybeans, Cntrl IL	$ per Bushel	13.64	13.84	-1.45%	8.82	54.65%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	425.60	436.70	-2.54%	292.50	45.50%		
I	Distillers Grain, IL	$ per Bushel	242.50	226.00	7.30%	160.00	51.56%		

* 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.