Daily Livestock Report

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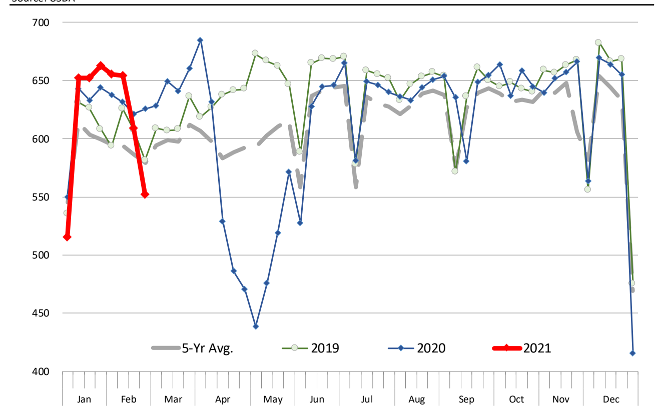
<u>US cattle slaughter for the week ending February 20 was estimated at 552k head, 11.8% lower than a year ago</u>. USDA does not give a breakout of fed and non fed cattle slaughter on Friday but our estimate is that cow/bull slaughter declined the most due to the temporary closure of important cow slaughter plants in the Southern Plains. We estimate that non-fed cow slaughter last week was 118k head, down 14% compared to a year ago. Fed cow slaughter is estimated at 434k head, down 11% compared to a year ago. Some plants struggled with labor and transportation disruptions and we could see some of these issues linger for a few more days even as weather starts to warm up. Transportation is a major issue, with trucks stranded around the country and behind in their deliveries. We think Saturday slaughter was light in large part because of the logistical bottlenecks. At this time, it is hard to assess the impact that the extreme cold temperatures have had on livestock. Anecdotal evidence suggests that there have been some livestock losses. The attached map shows the location of feeding operations in the US. Please note that the map is based on cattle marketings reported in the Census of Agriculture. We think this is a good proxy for feeding areas. The bigger impact from the storm will likely be cattle performance. Seasonally cattle weights move lower in the spring and that will likely be the case again this year. However, feedlots have plenty of cattle with too many days on feed and fed cattle weights are starting from a higher point. The thing to watch with regard to April is the trend in fed cattle weights in the next four weeks.

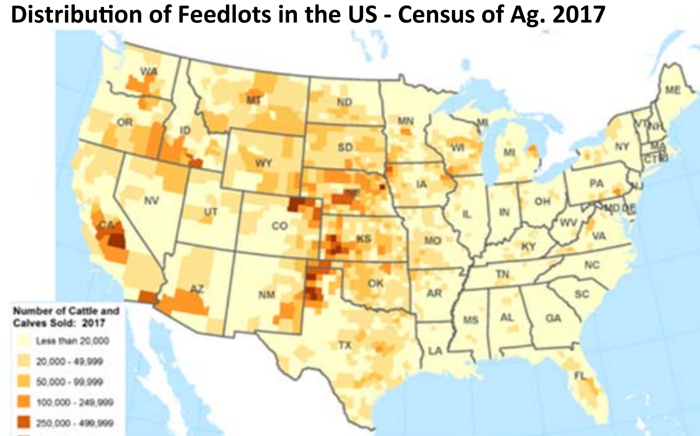
<u>On February 1 the total inventory of cattle in feedlots with +1000 head capacity was estimated at 12.106 million head, 178k head or 1.5% higher than the previous year</u>. The inventory of cattle on feed continues to be front loaded, with a large number of cattle that have been on feed for more than 120 days. Per our calculations, the +120 day feedlot inventory on February 1 was 4.392 million head, 557k head or 14.5% higher than a year ago. The large supply of long fed cattle continues to impact cash prices, which have been stagnant despite a sharp rally in the cutout. It is also reflected in fed cattle weights, with the latest data showing steer weights up 16 pounds or +1.8% compared to a year ago and heifer weights up 14 pounds or +1.7% compared to last year. The supply of long fed cattle is even more evident when we look at the inventory of cattle with +150 days on feed. On February 1 that inventory was estimated at 2.223 million head, 432k head or 24.1%. Feedlots with +1000 head capacity placed 2.017 million head of cattle on feed during January, 62,000 head or 3.2% more than a year ago. Analysts polled ahead of the report on average expected placements to be slightly lower than last year. The increase in placements should not be a big surprise, however. The supply of cattle outside feedlots on January 1 was only marginally lower than the previous year. Fed cattle values were quite robust in January but higher feed costs may have offset some of those gains. There was no surprise in the marketing number, as USDA survey pegged January marketings 5.6% below last year. There were two fewer marketing days in January, which affected the total number.

WEEKLY CATTLE SLAUGHTER, '000 HEAD

Source: USDA

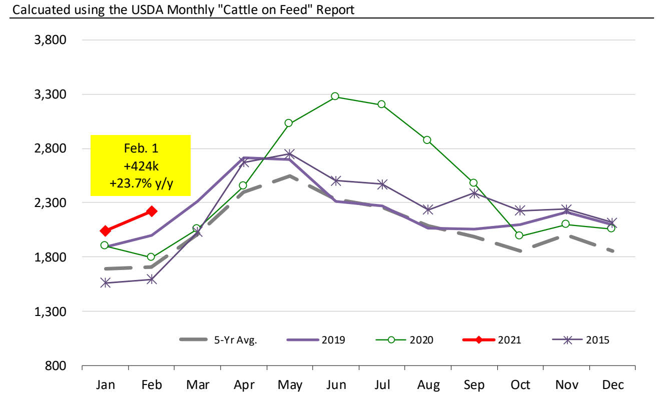


Distribution of Feedlots in the US - Census of Ag. 2017



INVENTORY OF CATTLE THAT HAVE BEEN ON FEED FOR 150 DAYS OR MORE

Calcuated using the USDA Monthly "Cattle on Feed" Report



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PRODUCTION & WKLY AVG. PRICE SUMMARY Week Ending 2/20/2021

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
			20-Feb-21	13-Feb-21		22-Feb-20			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,889**	**2,014**	-6.20%	**1,987**	-4.93%	**14,188**	-2.7%
	FI Slaughter	Thou. Head	552	608	-9.21%	626	-11.77%	4,502	-5.5%
C	FI Cow Slaughter **	Thou. Head	135	136	-0.72%	131	3.01%	787	0.8%
T	Avg. Dressed Weight	Lbs.	846	847	-0.12%	830	1.93%	847	2.5%
T	Beef Production	Million Lbs.	465.9	513.7	-9.31%	517.9	-10.04%	3,814	-3.2%
L	Live Fed Steer Price	$ per cwt	114.11	113.83	0.25%	119.71	-4.68%		
E	Dressed Fed Steer Price	$ per cwt	180.71	180.10	0.34%	190.07	-4.92%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	N/A	141.81	N/A	158.83	N/A		
&	Choice Beef Cutout	$ per cwt	236.56	233.77	1.19%	205.71	15.00%		
	Hide/Offal	$ per cwt, live wt	9.65	9.61	0.42%	9.07	6.39%		
B	Rib Primal, Choice	$ per cwt	392.82	388.85	1.02%	323.07	21.59%		
E	Round Primal, Choice	$ per cwt	189.87	189.45	0.22%	177.87	6.75%		
E	Chuck Primal, Choice	$ per cwt	200.37	198.93	0.72%	167.59	19.56%		
F	Trimmings, 50%	$ per cwt	48.86	43.74	11.71%	59.85	-18.36%		
	Trimmings, 90%	$ per cwt	226.53	223.78	1.23%	231.76	-2.26%		
	FI Slaughter	Thou. Head	2,438	2,654	-8.14%	2,611	-6.64%	18,943	-4.6%
	FI Sow Slaughter **	Thou. Head	64.3	66.8	-3.80%	63.8	0.84%	380	3.5%
H	Avg. Dressed Weight	Lbs.	219.0	220.0	-0.45%	215.0	1.86%	221	2.2%
O	Pork Production	Million Lbs.	534	583.1	-8.42%	561.3	-4.86%	4,178	-2.5%
G	Iowa-S. Minn. Base	Wtd. Avg.	68.89	64.59	6.66%	49.74	38.50%		
S	Natl. Base Carcass Price	Wtd. Avg.	75.95	72.07	5.38%	58.83	29.10%		
	Natl. Net Carcass Price	Wtd. Avg.	77.74	74.00	5.05%	60.80	27.86%		
	Natl. Early Wean Feeder	Wtd. Avg.	58.23	53.87	8.09%	41.71	39.61%		
	Pork Cutout	205 Lbs.	90.49	86.87	4.17%	64.26	40.82%		
	Ham Primal	$ per cwt	79.13	76.93	2.86%	58.54	35.17%		
	Loin Primal	$ per cwt	79.02	79.03	-0.01%	65.47	20.70%		
	Belly Primal	$ per cwt	157.84	144.28	9.40%	71.11	121.97%		
	Trimmings, 72%, Fresh	$ per cwt	91.01	82.62	10.15%	49.77	82.86%		
	Hog By-Product Value	$ per cwt, live wt	4.54	4.52	0.44%	3.66	24.04%		
C	Young Chicken Slaughter *	Million Head	163.9	167.9	-2.37%	171.0	-4.11%	1,139	-3.0%
H	Avg. Weight (RTC)	Lbs.	4.83	4.83	0.00%	4.71	2.42%	6.36	1.3%
I	Young Chicken Production (RTC)	Million Lbs.	791.2	810.4	-2.37%	805.6	-1.79%	5,506	-1.7%
C	Eggs Set (19-state)	Million	237.0	235.2	0.75%	239.7	-1.15%	1,651	-1.2%
K	Chicks Placed (19-state)	Million Head	187.1	186.0	0.56%	190.0	-1.52%	1,310	-1.6%
E	National Composite Whole Bird	Composite	83.16	82.74	0.51%	78.39	6.08%		
	Northeast Breast, B/S	$/cwt	133.53	130.38	2.42%	88.49	50.90%		
	Northeast Leg Quarters	$/cwt	33.81	33.9	-0.27%	36.04	-6.19%		
T	Total Turkey Slaughter *	Million Head	3.586	3.992	-10.17%	3.877	-7.51%	25.610	-7.4%
U	Avg. Weight (RTC)	Lbs.	27.32	26.75	2.12%	26.37	3.58%	33.54	-0.2%
R	Turkey Production (RTC)	Million Lbs.	98.0	106.8	-8.27%	102.3	-4.19%	689	-7.8%
K	National Hen (8-12 lb)	8-16 Lbs.	111.00	110.00	0.91%	97.96	13.31%		
G	Corn, Omaha	$ per Bushel	5.32	5.23	1.72%	3.78	40.74%		
R	Soybeans, Cntrl IL	$ per Bushel	13.88	13.80	0.58%	9.05	53.37%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	424.40	427.40	-0.70%	299.80	41.56%		
I	Distillers Grain, IL	$ per Bushel	245.00	242.50	1.03%	163.00	50.31%		

* 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