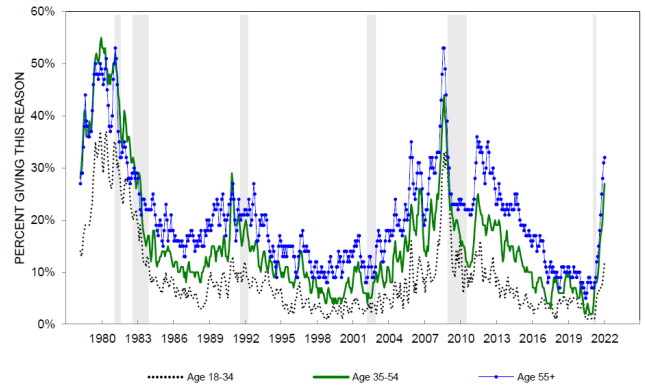


The table on page 2 shows the latest USDA projections of US meat and poultry production for last week. Please note that poultry production is reported with a one week lag and additionally USDA will go back and update these forecasts as actual data is tabulated by statisticians. Sometimes those revisions will be significant. In two of the four reported weeks in February, weekly hog slaughter was about half a percent smaller than initially reported. Also, cow/bull slaughter in February (using weekly data) was revised up by some 12k head or 2.1% compared to the initial estimate. Last week, cattle slaughter was estimated at 644k head, down about 10k head from the previous week. Most of the reduction, however, took place on Fri/Sat as some packers seemed to get backed up with meat and slowed down the kill. We think fed cattle slaughter last week was around 500k head, about 0.6% smaller than a year ago but 2.9% higher than the five year average. In the last four weeks fed cattle slaughter has been 6.2% higher than the five year average, with the supply increase helping bring wholesale beef prices more in line with historical levels. Cow/bull slaughter remains heavy at 146k head but should continue to move seasonally lower in April and May. Much will depend on drought conditions and feed availability, two factors that have been driving liquidation in the last three months.

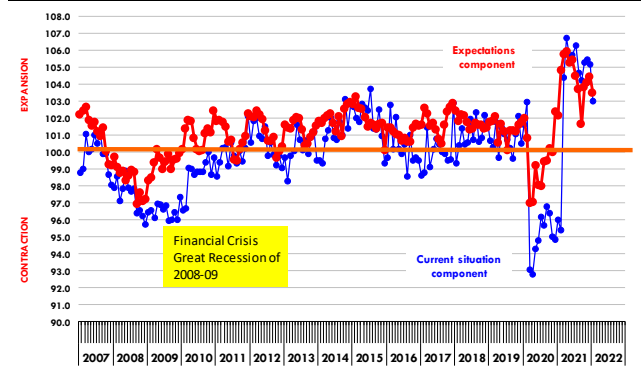
**While supply drivers are more easily measured and updated frequently, meat demand is always more elusive and open to speculation.** In our view there is clearly more demand risk at this time due to rising inflation and slower economic growth. Stagflation has suddenly become a new buzz word and economists are updating their long term charts to go back to the 1970s. The most recent survey of consumer sentiment from the University of Michigan did little to ease demand concerns, saying that consumer sentiment is now at the lowest point since 2011. A much larger share of respondents now quote prices as the reason for worsening personal finances. Previously, a deterioration in personal finances due to inflation has been accompanied by a recession and there is real concern we could be heading in that direction. Foodservice spending is clearly seen as vulnerable to rising inflation and a slowdown in economic growth. During the financial crisis of 2008-9, we saw significant contraction in the foodservice sector and it was not until the end of 2010 that operators started to report they were once again growing. But the slowdown in consumer spending, if that's really coming, may not happen as quickly as some fear. One factor that should continue to bolster spending, at least in the near term, is the mountain of cash that consumers were able to accumulate during the pandemic. According to data from US FED, households had \$3.9 trillion in checkable deposits and currency by Q4 of 2021. This compares to \$1.2 trillion before the start of the pandemic. Beef is seen as more vulnerable to a downturn in the economy and a slowdown in foodservice. However, we would argue that beef consumers (those spending more on meat protein) are the ones that hold on to a larger share of that pile of cash and may not be willing (yet) to change their living standards, especially after the privations endured during the pandemic.

## Higher Prices as Reasons for Worse Personal Finances

Source: U. of Michigan Consumer Sentiment Survey. Shaded is recessions.

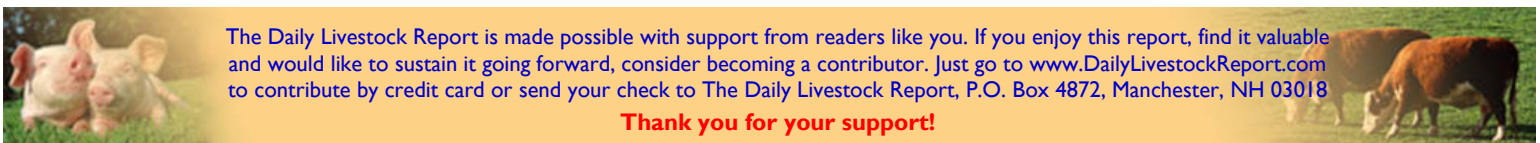
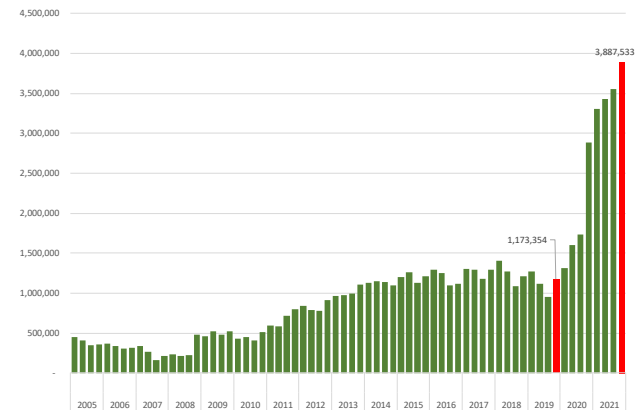


RESTAURANT PERFORMANCE INDEX - CURRENT SITUATION AND EXPECTATIONS  
Source: National Restaurant Association. Analysis by Steiner Consulting



Data source: National Restaurant Association

Households; Checkable Deposits and Currency; Asset, Level. Million \$  
Source: Federal Reserve Economic Data. Analysis by Steiner Consulting



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## PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **3/12/2022**

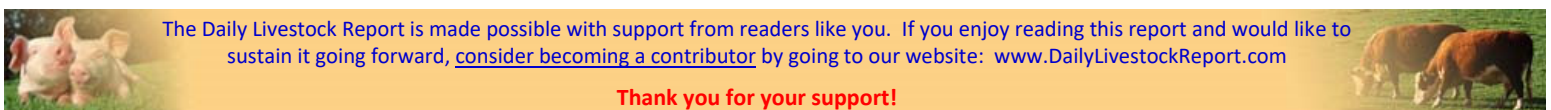
Source: Various USDA Agricultural Marketing Service reports. Some data are preliminary. Weekly Avg. Prices

Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
		12-Mar-22	5-Mar-22		13-Mar-21			
<b>Total Beef, Pork, Chicken, Turkey</b>	<b>mil lbs., cwe</b>	<b>1,986</b>	<b>1,980</b>	<b>0.31%</b>	<b>2,041</b>	<b>-2.68%</b>		
<b>C</b> FI Slaughter	Thou. Head	644	654	-1.53%	649	-0.70%	6,455	-0.3%
<b>C</b> FI Cow Slaughter **	Thou. Head	137	145	-5.37%	135	1.67%	1,119	-3.4%
<b>T</b> Avg. Dressed Weight	Lbs.	842	843	-0.12%	829	1.57%	840	0.2%
<b>T</b> Beef Production	Million Lbs.	540.7	549.7	-1.64%	536.1	0.86%	5,420	-0.2%
<b>L</b> Live Fed Steer Price	\$ per cwt	138.28	140.61	-1.66%	113.62	21.70%		
<b>E</b> Dressed Fed Steer Price	\$ per cwt	220.10	224.51	-1.96%	179.32	22.74%		
<b>&amp;</b> Oklahoma Steer (600-700 lbs)	\$ per cwt	172.94	182.35	-5.16%	150.81	14.67%		
<b>B</b> Choice Beef Cutout	\$ per cwt	253.70	255.72	-0.79%	227.99	11.28%		
<b>E</b> Hide/Offal	\$ per cwt, live wt	13.76	13.97	-1.50%	9.90	38.99%		
<b>B</b> Rib Primal, Choice	\$ per cwt	378.19	376.53	0.44%	371.25	1.87%		
<b>E</b> Round Primal, Choice	\$ per cwt	217.67	220.50	-1.28%	184.96	17.68%		
<b>E</b> Chuck Primal, Choice	\$ per cwt	207.38	214.41	-3.28%	191.78	8.13%		
<b>F</b> Trimmings, 50%	\$ per cwt	107.16	99.87	7.30%	43.61	145.72%		
<b>F</b> Trimmings, 90%	\$ per cwt	284.33	284.27	0.02%	232.33	22.38%		
<b>H</b> FI Slaughter	Thou. Head	2,475	2,419	2.32%	2,583	-4.17%	24,702	-7.5%
<b>H</b> FI Sow Slaughter **	Thou. Head	59.2	61.6	-3.89%	66.2	-10.64%	479	-13.9%
<b>O</b> Avg. Dressed Weight	Lbs.	218.0	218.0	0.00%	217.0	0.46%	218	-0.1%
<b>O</b> Pork Production	Million Lbs.	540.1	528	2.29%	561.5	-3.81%	5,395	-7.5%
<b>G</b> Iowa-S. Minn. Base	Wtd. Avg.	103.38	95.34	8.43%	85.24	21.28%		
<b>S</b> Natl. Base Carcass Price	Wtd. Avg.	97.01	96.66	0.36%	84.89	14.28%		
<b>S</b> Natl. Net Carcass Price	Wtd. Avg.	98.75	98.36	0.40%	86.96	13.56%		
<b>S</b> Natl. Early Wean Feeder	Wtd. Avg.	66.51	73.01	-8.90%	52.23	27.34%		
<b>S</b> Pork Cutout	205 Lbs.	105.31	107.86	-2.36%	97.49	8.02%		
<b>S</b> Ham Primal	\$ per cwt	83.75	84.18	-0.51%	80.47	4.08%		
<b>S</b> Loin Primal	\$ per cwt	100.22	102.82	-2.53%	85.66	17.00%		
<b>S</b> Belly Primal	\$ per cwt	187.20	197.20	-5.07%	168.77	10.92%		
<b>S</b> Trimmings, 72%, Fresh	\$ per cwt	91.57	90.30	1.41%	108.60	-15.68%		
<b>S</b> Hog By-Product Value	\$ per cwt, live wt	5.60	5.55	0.90%	4.60	21.74%		
<b>C</b> Young Chicken Slaughter *	Million Head	166.5	165.4	0.65%	172.5	-3.50%	1,625	2.5%
<b>H</b> Avg. Weight (RTC)	Lbs.	4.82	4.85	-0.63%	4.83	-0.16%	6.37	0.1%
<b>I</b> Young Chicken Production (RTC)	Million Lbs.	802.3	802.1	0.02%	832.7	-3.65%	7,865	2.6%
<b>C</b> Eggs Set (19-state)	Million	238.9	239.8	-0.37%	241.3	-0.98%	2,147	-8.9%
<b>K</b> Chicks Placed (19-state)	Million Head	185.5	185.7	-0.11%	186.7	-0.66%	1,667	-10.6%
<b>E</b> National Composite Whole Bird	Composite	140.58	135.67	3.62%	83.99	67.38%		
<b>E</b> Northeast Breast, B/S	\$/cwt	275.87	274.73	0.41%	141.59	94.84%		
<b>E</b> Northeast Leg Quarters	\$/cwt	37.9	39.29	-3.54%	36.03	5.19%		
<b>T</b> Total Turkey Slaughter *	Million Head	3.858	3.725	3.57%	4.119	-6.34%	35.759	-1.4%
<b>U</b> Avg. Weight (RTC)	Lbs.	26.65	26.82	-0.62%	26.78	-0.47%	33.41	-1.1%
<b>R</b> Turkey Production (RTC)	Million Lbs.	102.8	99.9	2.92%	110.3	-6.77%	957	-2.6%
<b>K</b> National Hen (8-12 lb)	8-16 Lbs.	134.07	134.18	-0.08%	112.20	19.49%		
<b>G</b> Corn, Omaha	\$ per Bushel	7.15	7.25	-1.38%	5.24	36.45%		
<b>R</b> Soybeans, Cntrl IL	\$ per Bushel	16.81	16.65	0.96%	14.36	17.06%		
<b>A</b> Soybn Meal 48%, Cntrl IL	\$ per Bushel	494.10	474.90	4.04%	417.10	18.46%		
<b>I</b> Distillers Grain, IL	\$ per Bushel	263.33	255.00	3.27%	240.00	9.72%		

\* 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



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