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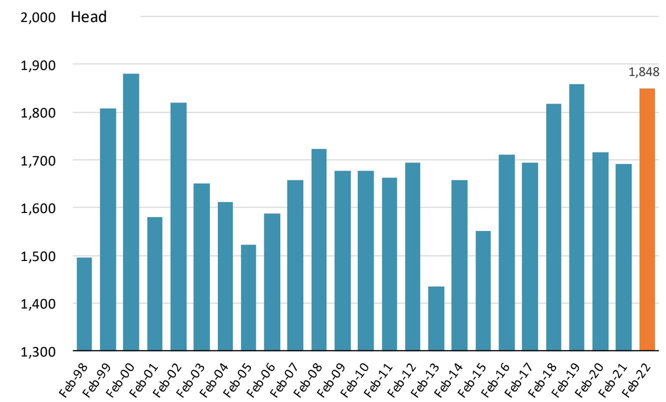
Prior to the release of the USDA 'Cattle on Feed' report most analysts thought placements in February would be higher. This was in part due to the fact that last year's numbers were particularly small but also because of still good feedlot margins, good cattle movement in the country and drought pressures. The USDA survey number came in on the high end of estimates, showing feedlots with +1000 head capacity placed 1.848 million head on feed in February, 157k head or 9.3% more than a year ago. This was one of the largest February placement numbers on record. Placements in drought affected states were up by double digits, with Texas, Kansas and Nebraska registering increases of around 13%. The increase in placements was consistent with the higher sales of feeder cattle we saw during February. USDA reported that feeder and stocker sales receipts in the four weeks ending February 25 were 32.8% higher than the previous year. In the last three months placements have skewed light but in February the increase in placements was more balanced, with placements of cattle under 700 pounds up 8.7% and placements of cattle between 700-900 pounds up 10.4% from a year ago.

The **total inventory of cattle on feed** as of March 1 was estimated at 12.163 million head, 36k head less than the previous month but still **as much as 163k head or 1.4% higher than the previous year**. Analysts polled ahead of the report expected the inventory to be 1.1% higher. The inventory of cattle that have been on feed for more than 120 days is estimated at 4.623 million head, 3.1% lower than a year ago but 297k head or 6.9% higher than the five year average. The inventory of cattle with **+150 days on feed** is calculated at 2.450 million head, 7.3% lower than the very high levels of last year but **353k head or 16.8% higher than the five year average**. Getting current remains a slow process. Escalating feed costs and dry conditions have eroded feedlot bargaining position and fed cattle prices have been stuck in place as a result. As we look at inventory situation by state (see chart), the biggest y/y increase is in Central states, which is understandable given that they also account for the biggest share of the inventory. On feed inventory in Nebraska is currently 3.1% higher than a year ago, accounting for about half of the y/y increase in feedlot supplies. On the other hand, inventories in South Dakota and Iowa on March 1 were down 4.1% and 3.2%, respectively. Fed cattle supplies are more than adequate relative to available slaughter capacity. Fed cattle slaughter picked up significantly in March but it has slowed down more recently, in part as packets adjust slaughter to demand conditions. With bigger exports and forward sales booked, expectation is that packers will pull a bit harder on feedlot supplies in April and May. Fed steer prices last week were marginally lower and April fed cattle futures continue to trade sideways.

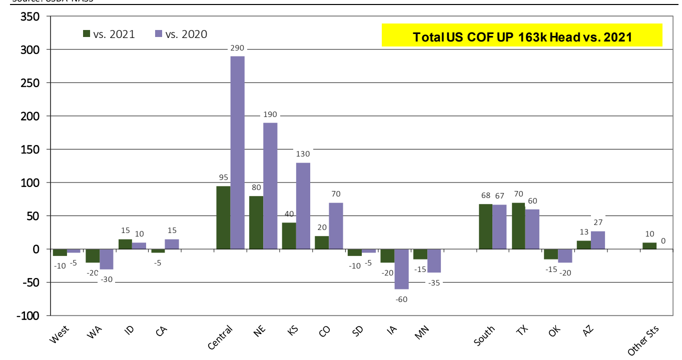
Placements of Cattle on Feed in the Month of February

Source: USDA-NASS. Analysis by Steiner Consulting



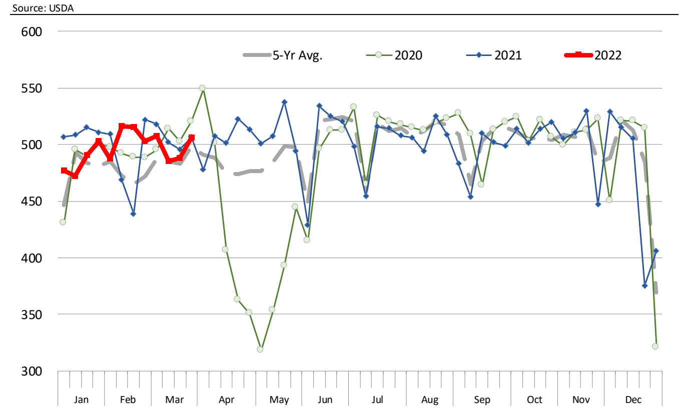
March 1 Cattle on Feed by State. Change vs. 2021 and 2020. 1000 Head

Source: USDA-NASS



WEEKLY STEER AND HEIFER SLAUGHTER. '000 HEAD

Source: USDA



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PRODUCTION & WKLY AVG. PRICE SUMMARY — Week Ending 3/26/2022

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
			26-Mar-22	19-Mar-22		27-Mar-21			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,973**	**1,963**	0.49%	**1,993**	-0.98%		
	FI Slaughter	Thou. Head	659	644	2.33%	649	1.57%	7,756	0.0%
C	FI Cow Slaughter **	Thou. Head	140	141	-0.48%	136	2.93%	1,400	-2.3%
T	Avg. Dressed Weight	Lbs.	841	842	-0.12%	828	1.57%	839	0.3%
T	Beef Production	Million Lbs.	552.6	540.9	2.16%	536.2	3.06%	6,508	0.3%
L	Live Fed Steer Price	$ per cwt	138.96	139.10	-0.10%	115.59	20.22%		
E	Dressed Fed Steer Price	$ per cwt	221.45	221.68	-0.10%	184.87	19.79%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	172.85	172.02	0.48%	150.34	14.98%		
&	Choice Beef Cutout	$ per cwt	261.02	257.34	1.43%	234.78	11.18%		
	Hide/Offal	$ per cwt, live wt	13.24	13.32	-0.60%	10.39	27.43%		
B	Rib Primal, Choice	$ per cwt	395.98	381.97	3.67%	388.28	1.98%		
E	Round Primal, Choice	$ per cwt	218.74	220.96	-1.00%	183.79	19.02%		
E	Chuck Primal, Choice	$ per cwt	208.40	207.69	0.34%	192.59	8.21%		
F	Trimmings, 50%	$ per cwt	117.38	109.73	6.97%	54.89	113.85%		
	Trimmings, 90%	$ per cwt	283.57	285.26	-0.59%	231.20	22.65%		
	FI Slaughter	Thou. Head	2,419	2,435	-0.66%	2,547	-5.03%	29,548	-7.0%
	FI Sow Slaughter **	Thou. Head	61.9	64.0	-3.22%	70.8	-12.51%	605	-12.9%
H	Avg. Dressed Weight	Lbs.	218.0	218.0	0.00%	217.0	0.46%	218	0.0%
O	Pork Production	Million Lbs.	527.6	530.6	-0.57%	552.8	-4.56%	6,451	-7.0%
G	Iowa-S. Minn. Base	Wtd. Avg.	105.68	105.96	-0.26%	92.68	14.03%		
S	Natl. Base Carcass Price	Wtd. Avg.	98.24	97.76	0.49%	91.57	7.28%		
	Natl. Net Carcass Price	Wtd. Avg.	100.00	99.51	0.49%	93.57	6.87%		
	Natl. Early Wean Feeder	Wtd. Avg.	65.36	67.87	-3.70%	51.58	26.72%		
	Pork Cutout	205 Lbs.	106.52	104.47	1.96%	107.26	-0.69%		
	Ham Primal	$ per cwt	78.72	74.28	5.98%	87.95	-10.49%		
	Loin Primal	$ per cwt	97.66	98.73	-1.08%	92.94	5.08%		
	Belly Primal	$ per cwt	195.65	193.86	0.92%	189.40	3.30%		
	Trimmings, 72%, Fresh	$ per cwt	91.51	86.91	5.29%	129.83	-29.52%		
	Hog By-Product Value	$ per cwt, live wt	5.58	5.56	0.36%	4.88	14.34%		
C	Young Chicken Slaughter *	Million Head	163.6	164.4	-0.45%	166.5	-1.71%	1,953	1.6%
H	Avg. Weight (RTC)	Lbs.	4.80	4.75	1.12%	4.79	0.32%	6.36	0.0%
I	Young Chicken Production (RTC)	Million Lbs.	785.9	780.7	0.66%	797.1	-1.40%	9,432	1.7%
C	Eggs Set (19-state)	Million	240.1	240.8	-0.27%	238.8	0.55%	2,628	-7.3%
K	Chicks Placed (19-state)	Million Head	186.6	185.9	0.36%	182.1	2.45%	2,039	-8.7%
E	National Composite Whole Bird	Composite	155.73	148.92	4.57%	86.95	79.10%		
	Northeast Breast, B/S	$/cwt	279.39	277.04	0.85%	141.6	97.31%		
	Northeast Leg Quarters	$/cwt	39.72	38.37	3.52%	39.09	1.61%		
T	Total Turkey Slaughter *	Million Head	4.041	4.186	-3.46%	4.157	-2.79%	43.986	-1.0%
U	Avg. Weight (RTC)	Lbs.	26.48	26.57	-0.32%	25.66	3.21%	33.33	-0.6%
R	Turkey Production (RTC)	Million Lbs.	107.0	111.2	-3.77%	106.7	0.33%	1,176	-1.7%
K	National Hen (8-12 lb)	8-16 Lbs.	136.24	135.48	0.56%	111.90	21.75%		
G	Corn, Omaha	$ per Bushel	7.36	7.17	2.65%	5.35	37.57%		
R	Soybeans, Cntrl IL	$ per Bushel	17.00	16.65	2.10%	14.39	18.14%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	510.40	497.80	2.53%	398.30	28.14%		
I	Distillers Grain, IL	$ per Bushel	287.50	279.17	2.98%	213.50	34.66%		

* 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