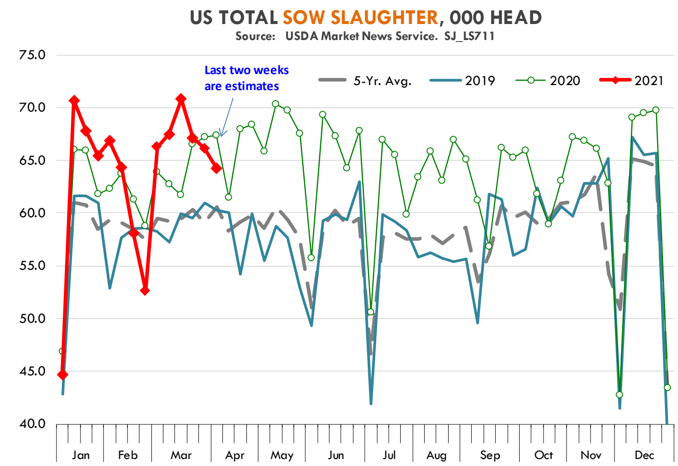
Daily Livestock Report

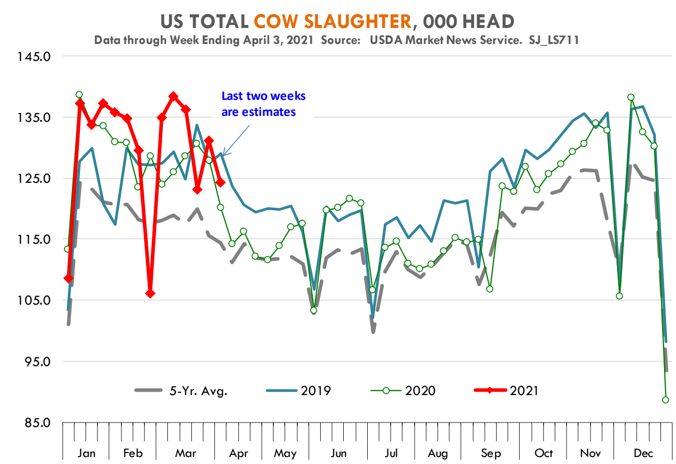
Sponsored in part by CME Group

Vol. 19, No. 64 / April 5, 2021

Hog slaughter last week was the second lowest so far this year, with only the winter storm affected week in February registering a lower kill. Tight hog supplies and Good Friday likely affected slaughter schedules. USDA pegged hog slaughter for the week ending April 3 at 2.470 million head, 74k head or 2.9% lower than a year ago. Hog slaughter was down 4% compared to last year but, as we have noted in the past, y/y comparisons will mean little in the next three months due to the disruptions caused by COIVD last year. Hog slaughter last week was 6k head or 0.2% higher than in 2019. But even that comparison is a bit iffy since Good Friday in 2019 was on April 19. **Since the first week of March, weekly hog slaughter has been a total of 12.678 million head, 1.6% than the comparable five weeks in 2019**. The most recent 'Hogs and Pigs' report pegged the supply of +180 pound hogs at 13.446 million head, 5.3% higher than in 2019. This would suggest that the latest inventory survey may have again overstated the number of hogs on the ground. Sow slaughter was up in March but that was in part because of the winter weather disruptions cased in February. In the two weeks ending Feb 13 and Feb 20, sow slaughter was down a combined 9,330 head or 7.8% from the previous year. In the four weeks after, slaughter was 16,680 head or 6.5% higher than the previous year. We think sow slaughter had been lower y/y in the last two weeks but that's just a guestimate based on weekly hog slaughter and the relationship of sow slaughter to hog slaughter. High feeder pig prices and improving productivity may encourage producers to hold on to some marginal stock. One issue that may get more attention as we moved to the second half of the year is the new requirements for pork that will be sold in California on January 1, 2021 (Prop 12). Steve Meyer recently estimated that 12% of the breeding stock may be affected by this. We will look to provide more background/implications on this as the second half of the year comes into focus but at this point we are waiting on California to lay out clear guidelines as to what's expected from US producers.

Cattle slaughter last week was estimated at 609k head, 34k head or 5.3% from the previous week. Slaughter for the week was also down 3.5% from last year and 2.8% from 2019. As with hogs, y/y comparisons for the next two months will not make much sense so, when necessary, we will also provide the comps to 2019 as well. Fed cattle weights seasonally decline in April and this is one of the indicators that we will be watching closely. For the week ending March 20, USDA reported average steer weights at 902 lb/carcass, about 1 pound higher than the previous week and 3 pounds higher than last year. Talking of comps to 2019, **average steer weights for the week ending March 20 (latest week) were 36 pounds or 4.2% higher than two years ago**. We think weights have declined in the last two weeks but remain historically high for this time of year. The jump in the value of the cutout had packers paying up last week but it will be difficult to narrow the huge gap between cutout and cattle until feedlots manage to get a handle on currentness. Cow slaughter was also higher in March as plants needed to catch up after the shortfall in February. Seasonally cow slaughter declines in April and May and this year should be no different. Imported lean beef prices have firmed up and domestic product may be heading higher as well on seasonally lower supplies and improving ground beef demand.





Vol. 19, No. 64 / April 5, 2021

PRODUCTION & WKLY AVG. PRICE SUMMARY   Week Ending   4/3/2021

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
			3-Apr-21	27-Mar-21		4-Apr-20			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,940**	**1,993**	-2.66%	**1,971**	-1.53%	**25,869**	-3.2%
	FI Slaughter	Thou. Head	609	649	-6.16%	631	-3.53%	8,364	-3.4%
C	FI Cow Slaughter **	Thou. Head	123	136	-9.56%	131	-5.74%	1,556	0.9%
T	Avg. Dressed Weight	Lbs.	831	830	0.12%	822	1.09%	838	1.3%
T	Beef Production	Million Lbs.	504.7	537.0	-6.01%	518.0	-2.57%	7,008	-2.1%
L	Live Fed Steer Price	$ per cwt	117.45	115.59	1.61%	111.08	5.73%		
E	Dressed Fed Steer Price	$ per cwt	188.68	184.87	2.06%	176.93	6.64%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	154.64	150.34	2.86%	137.94	12.11%		
&	Choice Beef Cutout	$ per cwt	246.86	234.78	5.15%	238.47	3.52%		
	Hide/Offal	$ per cwt, live wt	10.44	10.39	0.48%	8.03	30.01%		
B	Rib Primal, Choice	$ per cwt	412.28	388.28	6.18%	326.77	26.17%		
E	Round Primal, Choice	$ per cwt	190.69	183.79	3.75%	245.36	-22.28%		
E	Chuck Primal, Choice	$ per cwt	191.94	192.59	-0.34%	227.38	-15.59%		
F	Trimmings, 50%	$ per cwt	67.60	54.89	23.16%	28.49	137.28%		
	Trimmings, 90%	$ per cwt	231.54	231.20	0.15%	240.95	-3.91%		
	FI Slaughter	Thou. Head	2,470	2,544	-2.91%	2,573	-3.99%	34,234	-4.6%
	FI Sow Slaughter **	Thou. Head	67.1	70.8	-5.16%	66.5	0.90%	762	2.7%
H	Avg. Dressed Weight	Lbs.	217.0	217.0	0.00%	215.0	0.93%	219	1.5%
O	Pork Production	Million Lbs.	536.9	552.7	-2.86%	552.9	-2.89%	7,488	-3.2%
G	Iowa-S. Minn. Base	Wtd. Avg.	96.05	92.68	3.64%	49.07	95.74%		
S	Natl. Base Carcass Price	Wtd. Avg.	94.28	91.57	2.96%	61.21	54.03%		
	Natl. Net Carcass Price	Wtd. Avg.	96.33	93.57	2.95%	63.33	52.11%		
	Natl. Early Wean Feeder	Wtd. Avg.	48.18	51.58	-6.59%	21.33	125.88%		
	Pork Cutout	205 Lbs.	108.41	107.26	1.07%	62.88	72.41%		
	Ham Primal	$ per cwt	86.69	87.95	-1.43%	37.94	128.49%		
	Loin Primal	$ per cwt	94.66	92.94	1.85%	97.44	-2.85%		
	Belly Primal	$ per cwt	193.99	189.40	2.42%	35.93	439.91%		
	Trimmings, 72%, Fresh	$ per cwt	131.98	129.83	1.66%	51.44	156.57%		
	Hog By-Product Value	$ per cwt, live wt	4.85	4.88	-0.61%	3.64	33.24%		
C	Young Chicken Slaughter *	Million Head	166.0	166.5	-0.26%	169.7	-2.15%	2,087	-5.0%
H	Avg. Weight (RTC)	Lbs.	4.77	4.79	-0.48%	4.67	2.12%	6.35	1.6%
I	Young Chicken Production (RTC)	Million Lbs.	791.2	797.1	-0.74%	791.8	-0.08%	10,070	-3.4%
C	Eggs Set (19-state)	Million	238.3	238.8	-0.21%	239.4	-0.47%	3,075	-1.1%
K	Chicks Placed (19-state)	Million Head	188.2	182.2	3.25%	191.7	-1.87%	2,422	-2.1%
E	National Composite Whole Bird	Composite	92.36	86.95	6.22%	66.61	38.66%		
	Northeast Breast, B/S	$/cwt	146.57	141.6	3.51%	105.56	38.85%		
	Northeast Leg Quarters	$/cwt	40.12	39.09	2.63%	36.46	10.04%		
T	Total Turkey Slaughter *	Million Head	4.031	4.157	-3.03%	4.077	-1.13%	48.480	-7.9%
U	Avg. Weight (RTC)	Lbs.	26.68	25.66	3.96%	26.44	0.89%	33.50	1.0%
R	Turkey Production (RTC)	Million Lbs.	107.5	106.7	0.81%	107.8	-0.25%	1,303	-7.2%
K	National Hen (8-12 lb)	8-16 Lbs.	117.00	111.90	4.56%	100.50	16.42%		
G	Corn, Omaha	$ per Bushel	5.59	5.35	4.49%	3.11	79.74%		
R	Soybeans, Cntrl IL	$ per Bushel	14.29	14.39	-0.69%	8.68	64.63%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	398.70	398.30	0.10%	310.60	28.36%		
I	Distillers Grain, IL	$ per Bushel	207.50	213.50	-2.81%	207.50	0.00%		

* 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