

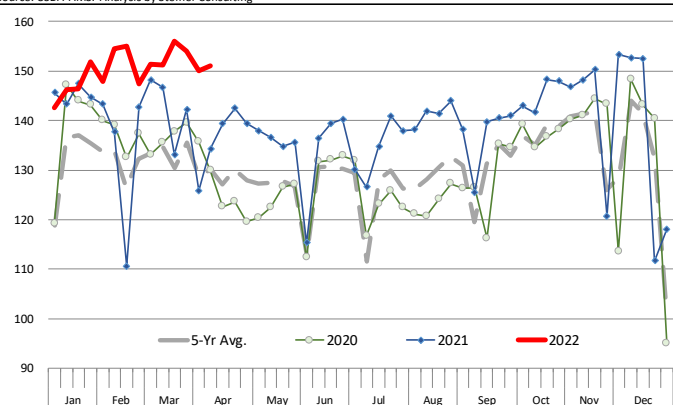
The table on page 2 shows the combined volume of beef, pork and poultry up 3.8% from the previous year but one should be cautious interpreting that number for a couple of reasons. First, the poultry numbers are reported with a one week lag so this is not exactly a w/w comparison. Second, and this is more important, we are comparing poultry numbers to the holiday shortened week (Easter) a year ago. With that said, the production numbers last week were a bit more robust that some were expecting. This helped ease the supply side for a moment but the dynamic is likely to change in the second half of the month and in May. Below are our observations:

**Cattle:** Slaughter last week was estimated at 676k head, 37k head higher than the previous week and 34k head or 5.3% higher than a year ago. In the last four weeks cattle slaughter has been a total of 2.618 million head, 95k head or 3.8% higher than last year. However, before we say that feedlots are seeing a better pull and may be getting more current, it should be noted that the main reason for the increase in slaughter is due to more cows, not fed cattle, coming to market. Non-fed cattle slaughter last week is estimated at 151k head and we think during the last four weeks cow/bull slaughter was 611k head, 75,510 head or 14% higher than a year ago. As we have noted previously in this report, drought and high cost of supplemental feed have caused cow-calf producers to cull their herds much more than previously expected. **Weather will play a big role in the culling rate during Q2 but for the moment the increase in slaughter has helped bolster beef supplies.** It has especially impacted lean grinding beef, which has been stuck in the low 280s despite robust ground beef demand. Higher imports have also played a role, with imports from Brazil outpacing the supply coming from Australia so far this year. Brazil has now filled the quota available, but it appears that they will continue to ship product to the US for a while longer. In March shipments of Brazilian beef were far higher than a year ago even though it was clear that by the time product arrived in the US there would not be any quota left. For now the high supply of lean beef, domestic and imported, is helping keep prices in check, but there is a lot of uncertainty about the supply outlook in May and June.

**Hogs:** Slaughter last week was pegged at 2.430 million head, about 1% lower than the previous year. Slaughter was down 1.1% the previous week as well but this was skewed by the holiday comparison. **Since the first week of March, hog slaughter has been a total 14.6 million head, down 522k head or 3.4% from a year ago.**

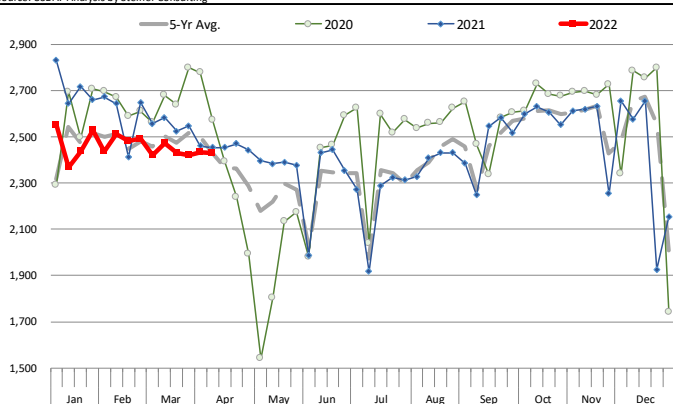
## WEEKLY COW & BULL SLAUGHTER. '000 HEAD

Source: USDA-AMS. Analysis by Steiner Consulting

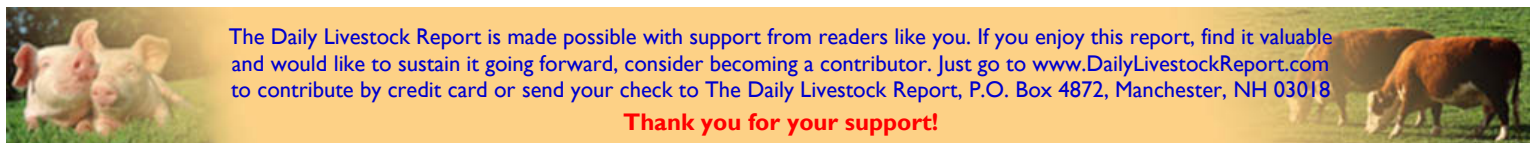


## WEEKLY HOG SLAUGHTER. '000 HEAD

Source: USDA. Analysis by Steiner Consulting



This compares with the inventory of +180 lb. hogs that on March 1 was reported to be 12.5 million head, 3.8% lower than in 2021 and the inventory of 120-179 pound hogs that was 14.8 million head or 3.5% lower. Based on the USDA inventory survey, we would expect hog slaughter in the next few weeks to drop under 2.4 million head and be about 100k head than current by mid May. This should help bolster cutout values and hog prices, reflected in the current \$15 premium of June vs. April futures. **The question for market participants is whether this premium is big enough given the expected decline in slaughter and the improvement in demand that we usually see in the next six weeks, especially for fresh pork.**



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## PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **4/9/2022**

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
		9-Apr-22	2-Apr-22		10-Apr-21			
<b>Total Beef, Pork, Chicken, Turkey</b>	<b>mil lbs., cwe</b>	<b>1,980</b>	<b>1,965</b>	<b>0.80%</b>	<b>1,907</b>	<b>3.83%</b>		
<b>C</b> FI Slaughter	Thou. Head	676	639	5.79%	642	5.32%	9,061	0.7%
<b>C</b> FI Cow Slaughter **	Thou. Head	141	139	1.62%	132	7.05%	1,679	-0.5%
<b>T</b> Avg. Dressed Weight	Lbs.	836	839	-0.36%	830	0.72%	838	0.3%
<b>T</b> Beef Production	Million Lbs.	563.8	534.8	5.42%	531.7	6.04%	7,591	1.0%
<b>L</b> Live Fed Steer Price	\$ per cwt	138.77	139.32	-0.39%	122.01	13.74%		
<b>E</b> Dressed Fed Steer Price	\$ per cwt	222.36	222.61	-0.11%	195.30	13.86%		
<b>&amp;</b> Oklahoma Steer (600-700 lbs)	\$ per cwt	N/A	178.06	N/A	155.97	N/A		
<b>&amp;</b> Choice Beef Cutout	\$ per cwt	270.50	266.19	1.62%	266.08	1.66%		
<b>B</b> Hide/Offal	\$ per cwt, live wt	13.34	13.36	-0.15%	10.70	24.67%		
<b>B</b> Rib Primal, Choice	\$ per cwt	421.33	409.79	2.82%	452.66	-6.92%		
<b>E</b> Round Primal, Choice	\$ per cwt	222.99	223.41	-0.19%	196.52	13.47%		
<b>E</b> Chuck Primal, Choice	\$ per cwt	210.10	207.77	1.12%	202.44	3.78%		
<b>F</b> Trimmings, 50%	\$ per cwt	132.94	127.87	3.96%	83.25	59.69%		
<b>F</b> Trimmings, 90%	\$ per cwt	282.45	282.73	-0.10%	233.86	20.78%		
<b>H</b> FI Slaughter	Thou. Head	2,430	2,434	-0.16%	2,454	-0.99%	34,399	-6.2%
<b>H</b> FI Sow Slaughter **	Thou. Head	58.1	61.2	-5.04%	65.1	-10.74%	724	-12.4%
<b>O</b> Avg. Dressed Weight	Lbs.	218.0	218.0	0.00%	218.0	0.00%	218	0.1%
<b>O</b> Pork Production	Million Lbs.	530.6	532.7	-0.39%	533.9	-0.62%	7,511	-6.2%
<b>G</b> Iowa-S. Minn. Base	Wtd. Avg.	100.81	104.08	-3.14%	99.08	1.75%		
<b>S</b> Natl. Base Carcass Price	Wtd. Avg.	97.89	99.91	-2.02%	96.37	1.58%		
<b>S</b> Natl. Net Carcass Price	Wtd. Avg.	99.79	101.58	-1.76%	98.42	1.39%		
<b>S</b> Natl. Early Wean Feeder	Wtd. Avg.	59.57	63.72	-6.51%	49.18	21.13%		
<b>S</b> Pork Cutout	205 Lbs.	104.12	105.28	-1.10%	110.71	-5.95%		
<b>S</b> Ham Primal	\$ per cwt	76.59	75.65	1.24%	86.80	-11.76%		
<b>S</b> Loin Primal	\$ per cwt	98.19	98.98	-0.80%	93.27	5.28%		
<b>S</b> Belly Primal	\$ per cwt	182.06	189.41	-3.88%	200.71	-9.29%		
<b>S</b> Trimmings, 72%, Fresh	\$ per cwt	104.94	96.90	8.30%	133.93	-21.65%		
<b>S</b> Hog By-Product Value	\$ per cwt, live wt	5.56	5.48	1.46%	4.84	14.88%		
<b>C</b> Young Chicken Slaughter *	Million Head	165.3	165.5	-0.10%	161.9	2.08%	2,283	1.5%
<b>H</b> Avg. Weight (RTC)	Lbs.	4.75	4.79	-0.79%	4.73	0.32%	6.34	0.1%
<b>I</b> Young Chicken Production (RTC)	Million Lbs.	785.2	792.3	-0.90%	766.7	2.41%	11,010	1.6%
<b>C</b> Eggs Set (19-state)	Million	239.8	240.8	-0.42%	239.0	0.33%	3,109	-6.2%
<b>K</b> Chicks Placed (19-state)	Million Head	187.5	185.8	0.87%	187.3	0.10%	2,413	-7.5%
<b>E</b> National Composite Whole Bird	Composite	164.12	159.81	2.70%	98.84	66.05%		
<b>E</b> Northeast Breast, B/S	\$/cwt	288.49	280.88	2.71%	159.56	80.80%		
<b>E</b> Northeast Leg Quarters	\$/cwt	41.5	39.57	4.88%	42.59	-2.56%		
<b>T</b> Total Turkey Slaughter *	Million Head	3.841	4.082	-5.90%	2.847	34.91%	51,909	1.1%
<b>U</b> Avg. Weight (RTC)	Lbs.	26.23	25.67	2.19%	26.36	-0.49%	33.16	-0.9%
<b>R</b> Turkey Production (RTC)	Million Lbs.	100.7	104.8	-3.85%	75.0	34.25%	1,381	0.2%
<b>K</b> National Hen (8-12 lb)	8-16 Lbs.	136.87	135.68	0.88%	115.39	18.62%		
<b>G</b> Corn, Omaha	\$ per Bushel	7.66	7.46	2.68%	5.79	32.30%		
<b>R</b> Soybeans, Cntrl IL	\$ per Bushel	16.55	16.23	1.97%	14.51	14.06%		
<b>A</b> Soybn Meal 48%, Cntrl IL	\$ per Bushel	488.70	470.80	3.80%	407.40	19.96%		
<b>I</b> Distillers Grain, IL	\$ per Bushel	288.17	289.00	-0.29%	210.00	37.22%		

\* 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

