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On April 1 the total inventory of cattle in feedlots with +1000 head capacity was estimated at 11.897 million head, 600k head or 5.3% higher than the previous year. Comparisons to a year ago are skewed by the disruptions caused by COVID in packing plants as well as the impact of lockdowns on foodservice. **The latest inventory number is 56k head or 0.5% lower than on April 1, 2019**. One of the main challenges for feedlots recently has been the ability to stay current given available processing capacity. The latest survey suggests that front end supplies remain heavy. We think last week fed cattle slaughter was around 528k head, the highest so far this year. If packers are able to maintain that slaughter pace, then feedlots should get incrementally more current through the summer. But, the margin of error is razor thin and even short term disruptions in slaughter, due to mechanical or computer problems, could negatively impact fed cattle values in the near term. We calculate that as of April 1 the supply of cattle that had been on feed for 150 days or more was 2.734 million head, 281k head or 11.5% higher than last year but only 22k head higher than in 2019. The inventory of cattle with +120 days on feed was 4.576 million head, 95k head or 2.1% higher than last year but 52k head or 1.1% lower than in 2019. These numbers are relatively high from a historical perspective, but not unprecedented. On April 1, 2012, the supply of +120 day cattle was 4.936 million head but by August 1 it had declined to 3.942 million. Again, **harvest rate in the next two months remains key**.

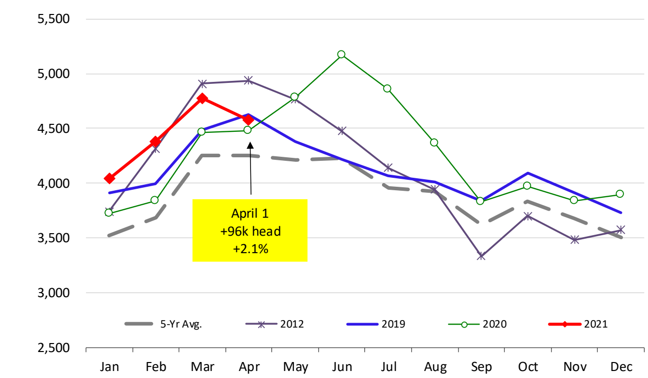
USDA also offered an indication of the supply on feed by class. As of April 1, the inventory of steers on feed was 7.407 million head, 4.6% higher than a year ago but 0.5% lower than on April 1, 2019. The inventory of heifers on feed on April 1 was 4.490 million head, 0.4% lower than in 2019. Little has changed in the supply of female calves in feedlots to suggest that we should expect a turn in the cattle cycle. At this point we think **industry remains in a maintenance mode, something that may change if current drought conditions worsen this summer**.

The USDA survey pegged March placements at 1.997 million head, 440,000 head or 28.3% more than a year ago but lower than the 2.014 million head placed in March 2019. There was some expectation that disruptions caused by winter storms in February, and cattle coming out of wheat pastures, would result in even bigger placements. In that regard, the placement number was somewhat positive. Cattle imports from Canada and Mexico were lower in March, which limited placements to a certain extent. Compared to 2019, placements of calves under 600 pounds were up 80k head or 25% and placements of feeders 600-699 pounds were up 25k head or 8%. On the other hand, placements of cattle 700-799 pounds were 85k head or 14% lower than in 2019. If marketings pick up, this could help get feedlots more current in late summer and early fall.

March marketings were a bit higher than analysts were expecting, which may be construed as somewhat friendly. Total marketings for the month were 2.040 million head, 1.5% higher than last year. While some may view this as disappointing given there was one less marketing day, it should be noted that we are comparing against some very high slaughter numbers last March. When adjusted for the difference in slaughter days, March marketings were about 4.2% higher than in 2019.

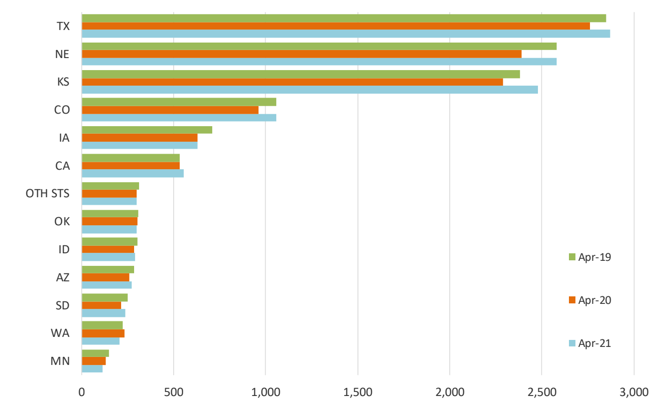
INVENTORY OF CATTLE THAT HAVE BEEN ON FEED FOR 120 DAYS OR MORE

Calcuated using the USDA Monthly "Cattle on Feed" Report



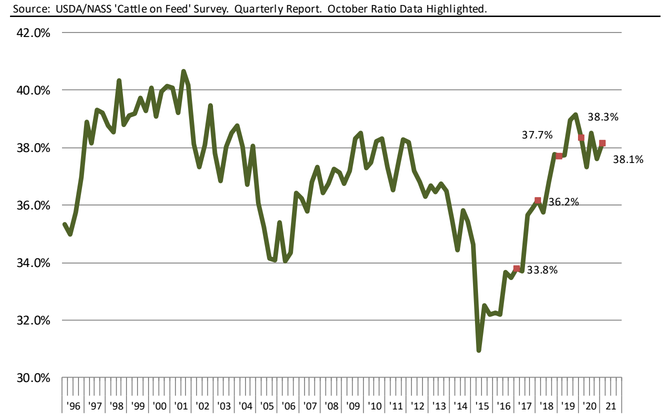
Cattle on Feed Inventory on April 1. By State. '000 Head

Source: USDA. Analysis by Steiner Consulting



Inventory of Heifers as % of Total Inventory on Feed, Quarterly

Source: USDA/NASS 'Cattle on Feed' Survey. Quarterly Report. October Ratio Data Highlighted.



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PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending 4/24/2021

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
			24-Apr-21	17-Apr-21		25-Apr-20			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,979**	**1,931**	2.46%	**1,610**	22.88%	**31,677**	-0.6%
	FI Slaughter	Thou. Head	665	640	3.91%	470	41.45%	10,305	1.6%
C	FI Cow Slaughter **	Thou. Head	124	116	7.32%	114	8.70%	1,927	1.2%
T	Avg. Dressed Weight	Lbs.	829	830	-0.12%	813	1.97%	836	1.3%
T	Beef Production	Million Lbs.	550.2	530.2	3.77%	381.1	44.37%	8,614	2.9%
L	Live Fed Steer Price	$ per cwt	121.36	122.03	-0.55%	96.69	25.51%		
E	Dressed Fed Steer Price	$ per cwt	192.11	195.54	-1.75%	154.31	24.50%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	153.75	154.76	-0.65%	141.15	8.92%		
&	Choice Beef Cutout	$ per cwt	280.19	273.42	2.48%	272.33	2.89%		
	Hide/Offal	$ per cwt, live wt	10.93	10.92	0.09%	6.71	62.89%		
B	Rib Primal, Choice	$ per cwt	488.02	468.43	4.18%	349.65	39.57%		
E	Round Primal, Choice	$ per cwt	196.90	197.06	-0.08%	293.05	-32.81%		
E	Chuck Primal, Choice	$ per cwt	207.77	204.64	1.53%	263.48	-21.14%		
F	Trimmings, 50%	$ per cwt	97.88	96.77	1.15%	113.75	-13.95%		
	Trimmings, 90%	$ per cwt	239.57	235.65	1.66%	247.08	-3.04%		
	FI Slaughter	Thou. Head	2,473	2,469	0.16%	1,991	24.18%	41,623	-2.1%
	FI Sow Slaughter **	Thou. Head	65.8	58.0	13.42%	61.5	7.08%	951	1.4%
H	Avg. Dressed Weight	Lbs.	217.0	217.0	0.00%	217.0	0.00%	218	1.4%
O	Pork Production	Million Lbs.	536.9	536	0.17%	432	24.28%	9,091	-0.8%
G	Iowa-S. Minn. Base	Wtd. Avg.	106.37	102.20	4.08%	33.85	214.24%		
S	Natl. Base Carcass Price	Wtd. Avg.	100.48	98.96	1.54%	53.66	87.25%		
	Natl. Net Carcass Price	Wtd. Avg.	102.50	100.91	1.58%	54.77	87.15%		
	Natl. Early Wean Feeder	Wtd. Avg.	48.44	50.04	-3.20%	16.16	199.75%		
	Pork Cutout	205 Lbs.	113.88	111.63	2.02%	72.69	56.67%		
	Ham Primal	$ per cwt	94.26	92.04	2.41%	45.55	106.94%		
	Loin Primal	$ per cwt	96.57	96.34	0.24%	97.65	-1.11%		
	Belly Primal	$ per cwt	191.45	189.74	0.90%	95.37	100.74%		
	Trimmings, 72%, Fresh	$ per cwt	118.46	127.84	-7.34%	41.97	182.25%		
	Hog By-Product Value	$ per cwt, live wt	4.87	4.82	1.04%	3.73	30.56%		
C	Young Chicken Slaughter *	Million Head	162.5	161.4	0.73%	149.7	8.56%	2,573	-3.5%
H	Avg. Weight (RTC)	Lbs.	4.84	4.78	1.27%	4.72	2.58%	6.34	1.6%
I	Young Chicken Production (RTC)	Million Lbs.	786.9	771.4	2.01%	706.6	11.35%	12,395	-2.0%
C	Eggs Set (19-state)	Million	237.3	239.4	-0.85%	218.0	8.89%	3,791	-0.1%
K	Chicks Placed (19-state)	Million Head	187.9	187.1	0.42%	178.6	5.22%	2,984	-1.6%
E	National Composite Whole Bird	Composite	101.95	99.95	2.00%	52.70	93.45%		
	Northeast Breast, B/S	$/cwt	177.03	168.54	5.04%	93.11	90.13%		
	Northeast Leg Quarters	$/cwt	42.22	44.46	-5.04%	31.96	32.10%		
T	Total Turkey Slaughter *	Million Head	3.960	3.635	8.94%	3.467	14.22%	58.922	-7.2%
U	Avg. Weight (RTC)	Lbs.	26.51	25.80	2.75%	26.16	1.34%	33.33	1.0%
R	Turkey Production (RTC)	Million Lbs.	105.0	93.8	11.94%	90.7	15.75%	1,577	-6.4%
K	National Hen (8-12 lb)	8-16 Lbs.	113.40	113.00	0.35%	102.10	11.07%		
G	Corn, Omaha	$ per Bushel	6.51	5.91	10.15%	3.04	114.14%		
R	Soybeans, Cntrl IL	$ per Bushel	15.79	14.57	8.37%	8.51	85.55%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	415.90	396.00	5.03%	292.10	42.38%		
I	Distillers Grain, IL	$ per Bushel	NQ	210.00	N/A	212.50	N/A		

* 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