Daily Livestock Report

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Slaughter numbers for late last week were revised lower, with hog slaughter lower both on Friday and Saturday. Please note that this is not reflected in the summary table on page 2 as we go off the weekly reports from USDA that were published on Friday. The numbers will be revised and reflected in the summary table that will be published next Monday. Also it should be noted that we use the YTD numbers from USDA. Often, the difference in marketing days will skew the YTD comparisons. Please be careful when reviewing/interpreting YTD figures.

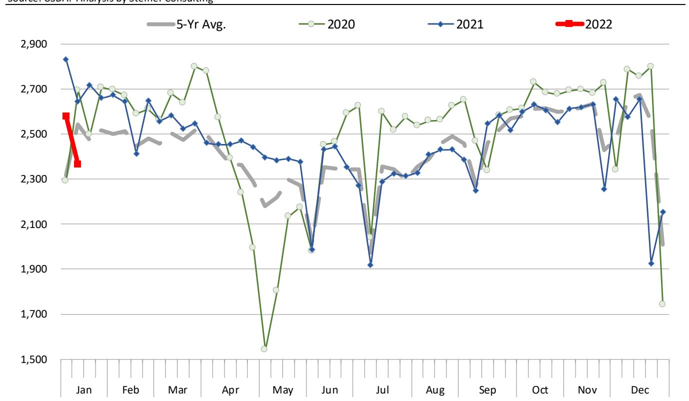
Following the revisions published last night, **US hog slaughter last week was only 2.366 million head, 10.5% lower than the previous year and 12.2% lower than two years ago**. It will be interesting to see the impact this will have on weights in the next few days and producer currentness. The slowdown in slaughter is starting to impact cash hog values, which were down near $3/cwt on Friday and then down another $2.4/cwt on Monday. The CME lean hog index has not declined as much because the decline in slaughter has helped bolster wholesale pork cutout values. Pork cutout has been higher in the last three days as the short pork supply is taking a toll on spot supplies. Fresh pork prices have seen good support during this period, with loin primal gaining $8-10/cwt since last week. Ham primal also up 12% on Monday with fewer bone-in hams trading in the open market. So far the new marketing rules for selling pork in California do not appear to have an immediately visible impact on prices although the volume of product reported in the 'Specialty Pork' report has increased. With only two weeks of data, it is still too early to draw any conclusions.

One thing that has attracted our attention is the significant **discount of boneless pork loins to b/s chicken breasts**. At this time pork loins are trading at a $79/cwt discount to b/s breasts, suggesting that pork currently enjoys a significant competitive advantage at retail. The discount should be supportive of loin prices into the spring. A shortfall in supply has significantly affected the market for b/s breasts where retailers have to compete with fast food operators for product.

Cattle slaughter last week was also revised lower, and for the week was estimated at 617k head, down 5.4% from the previous year. Fed cattle slaughter at 471k head was down 7.4% y/y, significantly impacting spot supply availability of ground beef and choice cuts. Ground beef prices have surged higher on seasonal demand and lower than expected slaughter. Price of 73CL coarse ground on Monday was $263/cwt compared to $209 at the start of the year, a 26% increase in less than three weeks. The choice beef cutout on Monday climbed to $288/cwt, a $10/cwt gain in just five days and $21/cwt or 7.9% higher since the start of the year.

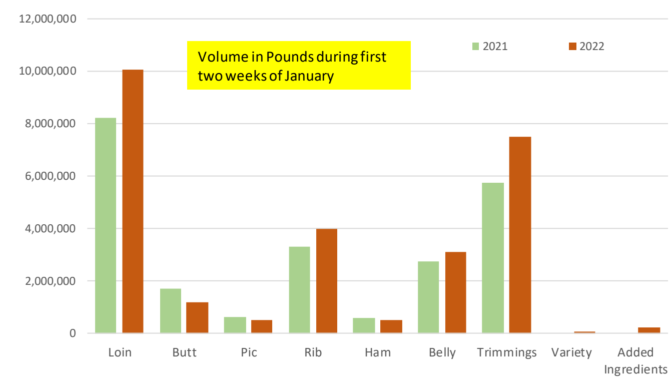
WEEKLY HOG SLAUGHTER. '000 HEAD

Source: USDA. Analysis by Steiner Consulting



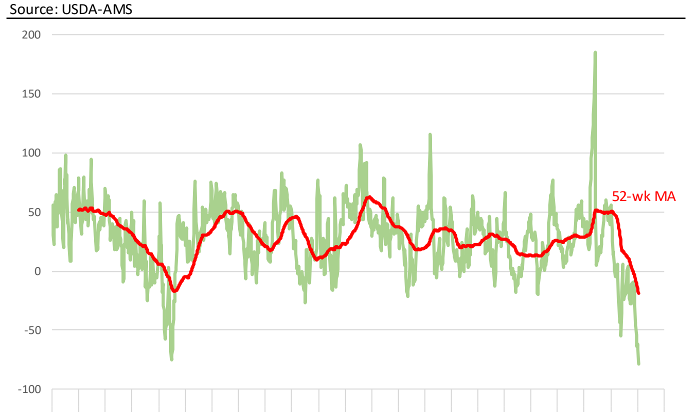
Volume of Products Reported in the MPR **Weekly Report for Specialty Pork**. Pounds

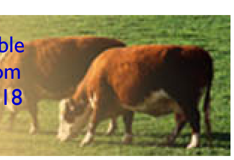
Data: USDA-AMS. Analysis by Steiner Consulting



Boneless Strap Off Pork Loins Minus Boneless/Skinless Chicken Breasts

Source: USDA-AMS





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PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending 1/15/2022

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
			15-Jan-22	8-Jan-22		16-Jan-21			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,928**	**1,850**	4.22%	**2,059**	-6.38%		
	FI Slaughter	Thou. Head	621	620	0.16%	652	-4.74%	1,241	-9.5%
C	FI Cow Slaughter **	Thou. Head	111	104	6.68%	109	2.23%		
T	Avg. Dressed Weight	Lbs.	843	841	0.24%	847	-0.47%	834	-1.0%
T	Beef Production	Million Lbs.	521.9	519.9	0.38%	550.8	-5.25%	1,035	-10.5%
L	Live Fed Steer Price	$ per cwt	136.58	138.41	-1.32%	109.52	24.71%		
E	Dressed Fed Steer Price	$ per cwt	217.99	219.98	-0.90%	173.06	25.96%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	167.81	166.51	0.78%	147.64	13.66%		
&	Choice Beef Cutout	$ per cwt	280.27	268.03	4.57%	210.82	32.94%		
	Hide/Offal	$ per cwt, live wt	14.03	13.76	1.96%	9.28	51.19%		
B	Rib Primal, Choice	$ per cwt	399.31	390.71	2.20%	338.32	18.03%		
E	Round Primal, Choice	$ per cwt	237.27	225.35	5.29%	182.46	30.04%		
E	Chuck Primal, Choice	$ per cwt	241.28	230.45	4.70%	189.31	27.45%		
F	Trimmings, 50%	$ per cwt	114.61	100.94	13.54%	44.85	155.54%		
	Trimmings, 90%	$ per cwt	275.54	274.85	0.25%	216.00	27.56%		
	FI Slaughter	Thou. Head	2,407	2,578	-6.63%	2,644	-8.96%	4,975	-14.2%
	FI Sow Slaughter **	Thou. Head	45.0	48.0	-6.24%	44.7	0.64%		
H	Avg. Dressed Weight	Lbs.	217.0	217.0	0.00%	221.0	-1.81%	216	-2.4%
O	Pork Production	Million Lbs.	522.3	559.5	-6.65%	583.1	-10.43%	1,074	-16.3%
G	Iowa-S. Minn. Base	Wtd. Avg.	66.36	65.06	2.00%	54.31	22.19%		
S	Natl. Base Carcass Price	Wtd. Avg.	75.71	75.63	0.11%	65.80	15.06%		
	Natl. Net Carcass Price	Wtd. Avg.	77.07	76.94	0.17%	67.27	14.57%		
	Natl. Early Wean Feeder	Wtd. Avg.	59.49	58.23	2.16%	55.60	7.00%		
	Pork Cutout	205 Lbs.	87.37	86.57	0.92%	80.26	8.86%		
	Ham Primal	$ per cwt	59.49	57.95	2.66%	76.64	-22.38%		
	Loin Primal	$ per cwt	85.73	79.90	7.30%	73.17	17.17%		
	Belly Primal	$ per cwt	142.47	138.99	2.50%	123.17	15.67%		
	Trimmings, 72%, Fresh	$ per cwt	94.05	82.74	13.67%	82.62	13.83%		
	Hog By-Product Value	$ per cwt, live wt	5.14	5.10	0.78%	4.41	16.55%		
C	Young Chicken Slaughter *	Million Head	163.2	145.1	12.52%	169.8	-3.83%	308	0.2%
H	Avg. Weight (RTC)	Lbs.	4.84	4.83	0.16%	4.83	0.16%	6.37	-0.2%
I	Young Chicken Production (RTC)	Million Lbs.	790.3	701.2	12.70%	820.5	-3.68%		
C	Eggs Set (19-state)	Million	236.4	238.5	-0.87%	236.8	-0.17%		
K	Chicks Placed (19-state)	Million Head	185.2	186.4	-0.62%	188.6	-1.78%		
E	National Composite Whole Bird	Composite	134.21	133.63	0.43%	82.31	63.05%		
	Northeast Breast, B/S	$/cwt	225.3	213.97	5.30%	100.05	125.19%		
	Northeast Leg Quarters	$/cwt	37.73	36.97	2.06%	28.13	34.13%		
T	Total Turkey Slaughter *	Million Head	3.425	2.662	28.66%	3.909	-12.38%		
U	Avg. Weight (RTC)	Lbs.	27.18	25.91	4.91%	26.76	1.56%	33.82	-1.4%
R	Turkey Production (RTC)	Million Lbs.	93.1	69.0	34.98%	104.6	-11.01%		
K	National Hen (8-12 lb)	8-16 Lbs.	127.55	128.50	-0.74%	108.10	17.99%		
G	Corn, Omaha	$ per Bushel	5.88	6.04	-2.65%	5.15	14.17%		
R	Soybeans, Cntrl IL	$ per Bushel	13.78	13.90	-0.86%	14.47	-4.77%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	431.10	439.15	-1.83%	462.40	-6.77%		
I	Distillers Grain, IL	$ per Bushel	198.50	203.50	-2.46%	209.00	-5.02%		

* 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