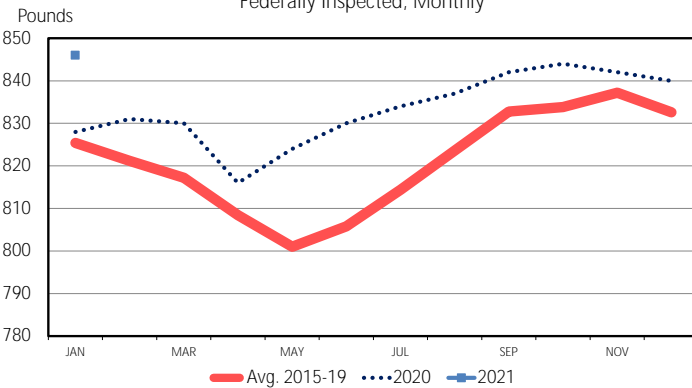


USDA released livestock slaughter data for the month of January yesterday. (Note: January contained two less business days but one extra Saturday than the prior year). Commercial cattle slaughter was 2.74 million head, down 5.3% but federally inspected dressed weights were up 2.2% to 846 pounds. The last time dressed weights were this high was November 2015 (848 pounds). The increase in dressed weights partially offset the decline in slaughter numbers. Commercial beef production was down 3.3% to 2.31 billion pounds. Commercial hog slaughter was down 4.8% to almost 11.25 million head while dressed weights continued to track higher at 220 pounds, up 1.9% and a record high. Commercial pork production was down 3.0% to almost 2.47 billion pounds.

AVERAGE DRESSED WEIGHT -- CATTLE
Federally Inspected, Monthly

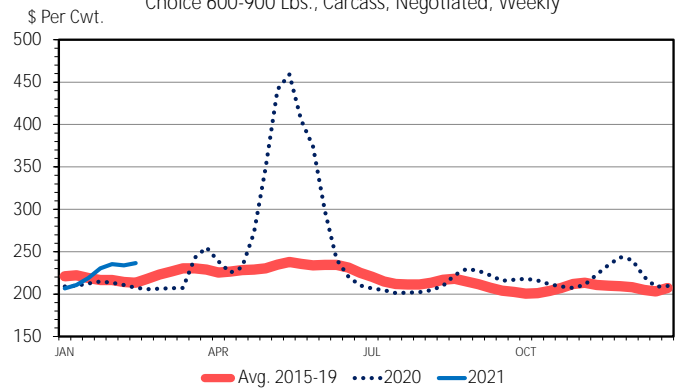


Data Source: USDA-NASS
Livestock Marketing Information Center

As February nears a close it has posed some challenges for the livestock industry. Both the cattle and hog sectors worked this week to adjust supply flows after the cold spell the swept across much of the U.S. less than two weeks ago. Estimated weekly cattle slaughter for the week ending February 20 was 552,000 head, the lowest for that week since 2016. The tightening of supply led to an increase in Choice boxed beef cutout value (600-900 Lbs., Carcass, Negotiated) this week which will likely reach above \$240 per cwt. With strength in the cutout value there is an economic incentive for packers to process cattle and remain current on marketings. Estimated daily slaughter for this week is shaping up to be back to more typical levels above 600,000 head, depending on Saturday slaughter.

Hog slaughter this week is shaping up to be at similar levels seen prior to the winter storm. Hog prices (National Base Slaughter Hog,

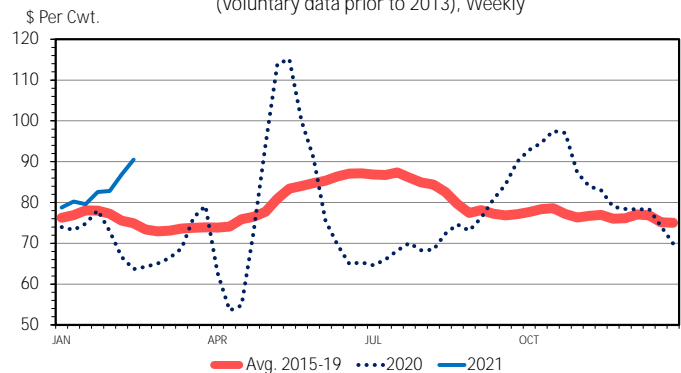
BOXED BEEF CUTOUT VALUE
Choice 600-900 Lbs., Carcass, Negotiated, Weekly



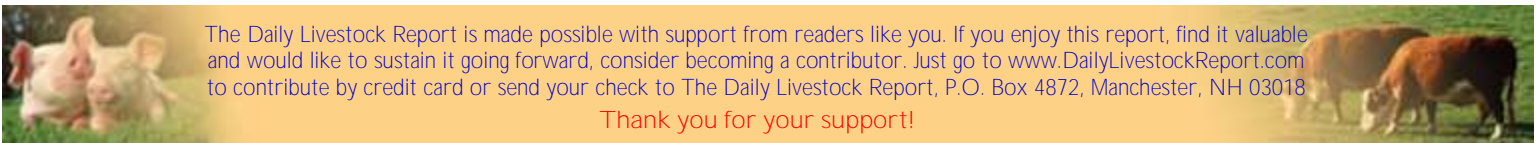
Data Source: USDA-AMS
Livestock Marketing Information Center

Weighted Average Carcass) have been on an upward trend since the start of the year gaining nearly \$12 per cwt. with prices this week in the upper \$70 per cwt. range. The pork cutout value has also risen since the start of the year and reached \$95.13 per cwt. yesterday, which is the highest daily value since mid-October 2020 and likely a reaction to tightened pork supplies from the winter storm. The live to cutout spread has been tracking around \$50 per head in recent weeks, easily above last year and the five-year average, giving an economic incentive for packers to process hogs and clean up hog supplies impacted by the cold spell.

PORK CUTOUT VALUE
(Voluntary data prior to 2013), Weekly



Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center



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