Daily Livestock Report

Sponsored in part by CME Group

Vol. 20, No. 38/ February 25, 2022

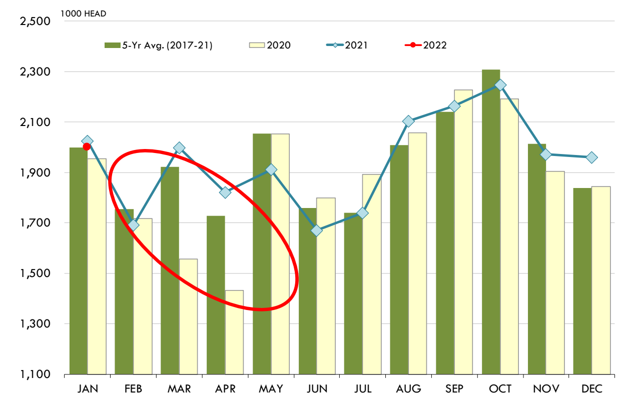
The latest USDA survey pegged **the number of cattle placed on feed at 1.999 million head, 1.2% lower than a year ago**. This was largely in line with expectations. Feeder cattle sales during the four January weeks were down by double digits compared to the same period a year ago, offering an early signal that the flow of cattle into feedlots was slowing down. Placements were lower despite drought conditions in some areas and the sharp rally in fed cattle futures in the second half of January. The supply of feeder cattle outside feedlots is significantly lower than a year ago and this will continue to limit placements and constrain on feed inventories in the second half of 2022. High feed costs also continue to provide an incentive for producers to maximize the pounds added outside the feedlot. But strong as this incentive is, drought and feed availability remain key drivers. As weather conditions improve into the spring (still a big wild card) placements are expected to decline. Placements of feeder cattle under 600 lb. were up 10k head or 2% compared to the same period a year ago and placements of feeders weighing between 600 and 699 pounds were up 5k head or 1%. On the other hand, placements of feeder cattle between 700 and 899 pounds were down 40k head. Feedlots appear to be slowly getting more current and the decline in placements of heavy cattle will help.

Despite the recent decline in placements, total cattle on feed inventory and the inventory of market ready cattle remains large from a historical perspective. USDA estimates that on February 1 feedlots with a capacity of +1000 head held an estimated at 12.199 million cattle on feed, 162k head more than the previous month and **93k head or 0.8% more than the previous year**. The inventory of cattle **that have been on feed for more than 120 days** is estimated at 4.255 million head, 2.9% lower than a year ago but 454k head or **11.9% higher than the five year average**. The inventory of cattle with +150 days on feed is calculated at 2.150 million head, 2.9% lower than year ago but **379k head or 21.4% higher than the five year average**. The slowdown in slaughter during January negatively impacted the flow of cattle and front end increased by more than earlier expected. This also helps explain why fed cattle values did not go anywhere for much of the last few weeks even as wholesale beef prices spiked. Fed cattle weights have started to decline and will continue to do so in the next three months as feedlots become more current but also due to seasonal factors. The key remains the ability of packers to both slaughter and fabricate going into the big Q2 demand period.

January marketings were estimated at 1.773 million head, down 3.1% from a year ago and in line with fed cattle slaughter and analyst estimates. The ratio of marketings to the inventory of cattle with +90 day on feed was low for the second consecutive year at 29.4% compared to the five year average at 32.9%. Fed cattle slaughter showed some improvement in February and we estimate that fed cattle slaughter for the month was 4% higher than the previous year, with no difference in the number of marketing days.

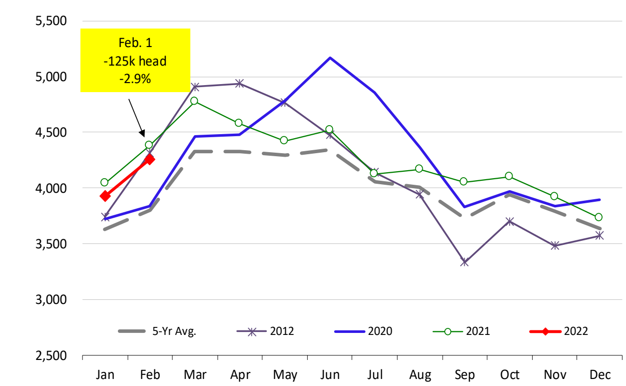
PLACEMENTS OF CATTLE ON FEED, +1000 CAPACITY FEEDLOTS

Source: USDA 'Cattle on Feed' Survey



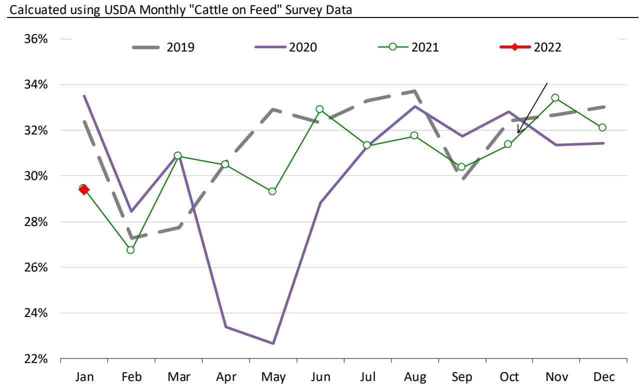
INVENTORY OF CATTLE THAT HAVE BEEN ON FEED FOR 120 DAYS OR MORE

Calcuated using the USDA Monthly "Cattle on Feed" Report



FEEDLOT TURN-OVER RATE (MARKETINGS VS. +90 DAY INVENTORY)

Calcuated using USDA Monthly "Cattle on Feed" Survey Data



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PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending 2/26/2022

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
			26-Feb-22	19-Feb-22		27-Feb-21			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**2,013**	**2,016**	-0.19%	**1,666**	20.80%		
	FI Slaughter	Thou. Head	647	660	-1.97%	665	-2.64%	5,143	-0.4%
C	FI Cow Slaughter **	Thou. Head	146	139	5.02%	129	12.71%	837	-8.8%
T	Avg. Dressed Weight	Lbs.	844	845	-0.12%	830	1.69%	840	-0.1%
T	Beef Production	Million Lbs.	544.7	556.6	-2.14%	550.3	-1.02%	4,321	-0.5%
L	Live Fed Steer Price	$ per cwt	143.40	142.36	0.73%	114.07	25.71%		
E	Dressed Fed Steer Price	$ per cwt	227.02	226.04	0.43%	181.63	24.99%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	N/A	179.53	N/A	142.18	N/A		
&	Choice Beef Cutout	$ per cwt	260.82	269.88	-3.36%	240.39	8.50%		
	Hide/Offal	$ per cwt, live wt	14.04	14.01	0.21%	9.75	44.00%		
B	Rib Primal, Choice	$ per cwt	376.48	386.23	-2.52%	395.54	-4.82%		
E	Round Primal, Choice	$ per cwt	222.59	230.86	-3.58%	194.13	14.66%		
E	Chuck Primal, Choice	$ per cwt	226.81	233.03	-2.67%	204.43	10.95%		
F	Trimmings, 50%	$ per cwt	99.49	104.62	-4.90%	50.45	97.21%		
	Trimmings, 90%	$ per cwt	283.89	283.46	0.15%	231.59	22.58%		
	FI Slaughter	Thou. Head	2,507	2,498	0.36%	2,649	-5.35%	19,838	-8.0%
	FI Sow Slaughter **	Thou. Head	61.0	56.7	7.63%	58.1	5.09%	358	-18.1%
H	Avg. Dressed Weight	Lbs.	219.0	219.0	0.00%	217.0	0.92%	219	-0.1%
O	Pork Production	Million Lbs.	548.2	546.8	0.26%	575.2	-4.69%	4,338	-8.1%
G	Iowa-S. Minn. Base	Wtd. Avg.	90.93	89.03	2.13%	75.53	20.39%		
S	Natl. Base Carcass Price	Wtd. Avg.	96.18	92.75	3.70%	78.80	22.06%		
	Natl. Net Carcass Price	Wtd. Avg.	97.93	94.49	3.64%	80.88	21.08%		
	Natl. Early Wean Feeder	Wtd. Avg.	73.33	83.29	-11.96%	56.62	29.51%		
	Pork Cutout	205 Lbs.	111.08	109.53	1.42%	93.19	19.20%		
	Ham Primal	$ per cwt	81.48	81.17	0.38%	85.47	-4.67%		
	Loin Primal	$ per cwt	106.35	105.46	0.84%	80.24	32.54%		
	Belly Primal	$ per cwt	214.11	206.60	3.64%	157.41	36.02%		
	Trimmings, 72%, Fresh	$ per cwt	92.85	96.05	-3.33%	96.09	-3.37%		
	Hog By-Product Value	$ per cwt, live wt	5.51	5.44	1.29%	4.57	20.57%		
C	Young Chicken Slaughter *	Million Head	166.0	168.8	-1.64%	95.9	73.08%	1,293	4.6%
H	Avg. Weight (RTC)	Lbs.	4.90	4.79	2.38%	4.78	2.54%	6.37	0.4%
I	Young Chicken Production (RTC)	Million Lbs.	813.9	808.2	0.70%	458.6	77.48%	6,261	5.0%
C	Eggs Set (19-state)	Million	240.0	239.3	0.25%	237.6	0.98%	1,669	-11.5%
K	Chicks Placed (19-state)	Million Head	184.9	185.7	-0.44%	185.7	-0.41%	1,296	-13.3%
E	National Composite Whole Bird	Composite	128.20	125.19	2.40%	83.05	54.36%		
	Northeast Breast, B/S	$/cwt	274.24	266.17	3.03%	141.02	94.47%		
	Northeast Leg Quarters	$/cwt	38.08	37.87	0.55%	36.38	4.67%		
T	Total Turkey Slaughter *	Million Head	4.074	3.841	6.07%	2.911	39.95%	28.176	-1.2%
U	Avg. Weight (RTC)	Lbs.	25.95	27.29	-4.91%	28.14	-7.79%	33.46	-0.8%
R	Turkey Production (RTC)	Million Lbs.	105.7	104.8	0.85%	81.9	29.05%	649	-5.9%
K	National Hen (8-12 lb)	8-16 Lbs.	132.79	132.89	-0.08%	108.00	22.95%		
G	Corn, Omaha	$ per Bushel	6.87	6.42	7.01%	5.36	28.17%		
R	Soybeans, Cntrl IL	$ per Bushel	16.63	15.99	4.00%	14.24	16.78%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	459.80	459.90	-0.02%	422.60	8.80%		
I	Distillers Grain, IL	$ per Bushel	230.83	230.83	0.00%	247.50	-6.74%		

* 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