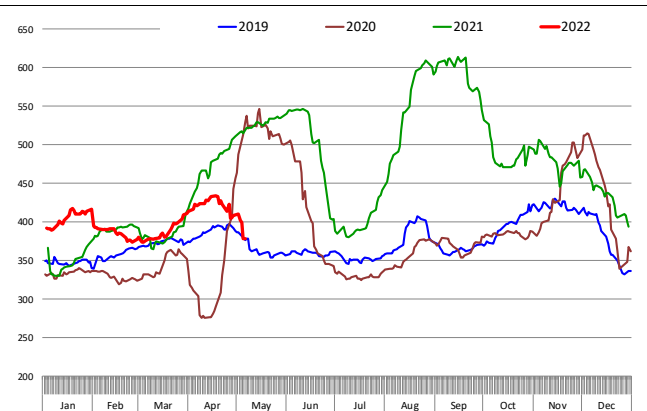


Wholesale beef prices through mid April were tracking closely with last year's levels, leading many market participants to prepare for significant price inflation going into the grilling season. The inventory of beef cuts in cold storage at the end of March was 54% higher than the previous year. But if the cure for high prices is high prices, then call the current market cured. The choice beef cutout on Friday was pegged at \$254.44/cwt, \$19/cwt or 7% lower than three weeks ago. Current prices are about 16% lower than a year ago but still as much as 15% higher than in 2019. Beef prices are down across all segments but the decline in the value of the rib primal has been the most significant and the most consequential. **Since April 12, the rib primal value has declined by almost 12%, accounting for almost a third of the overall decline in the value of the choice beef cutout.** Is the price decline a result of retailers putting on fewer features after Easter and also planning fewer features for Memorial Day? Or does it reflect a slowdown in demand as high fuel prices and overall price inflation takes a toll on consumer finances? With the limited data available so far, we are leaning more towards the second but it is hard to say with certainty. USDA publicly available grocery store feature data suggests that for the week ending May 6 features of bone-in rib roasts and boneless rib steaks were higher than a year ago (although lower than in 2019) while retail rib prices were at or slightly under what they were last year. It appears to us, and we will need to wait for all of Q2 data to be available, that overall demand appears to have shifted down to more reasonable levels. Last year the combination of significant government money infusion and COVID pent up demand resulted in dramatic price appreciation.

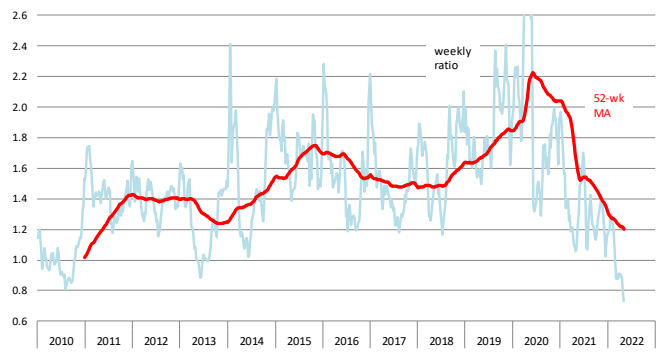
As beef prices have pulled back, the price of a key staple of grilling weekends has seen dramatic price gains, namely boneless/skinless chicken breasts. While often derided for being bland, there is a reason why chicken breasts have become such a staple, they are easy to cook (and overcook), take on a variety of flavors and, above all, they are cheap. It was not long ago that boneless/skinless chicken breasts at under \$100/cwt were the norm. But that has not been the case for the last 12 months, and chicken breast prices are now at all time highs, at least in nominal dollar terms. USDA on Friday quoted b/s breasts at \$345/cwt and market sources indicate that processors caught short are paying above market prices to secure supply. As a result, wholesale 81CL coarse ground prices, a benchmark for those retail ground beef 80/20 packs, are now trading at 0.8x the price of boneless chicken breasts. This is the smallest multiple of ground beef to chicken breasts in more than a decade. Last year the multiple was as high as 2x and in 2020 it was well above that. Similarly, boneless pork loins are currently trading at just 0.4x the price of chicken breasts at wholesale compared to a long run average of around 1.3x. It may be late to affect Memorial Day features at this point, they were probably planned a while back but current prices offer opportunities to feature more ground beef, steaks and pork chops for Father's Day and 4th of July. And there's absolutely nothing wrong with that.

Daily Value of Beef Rib Primal. Source: USDA-AMS



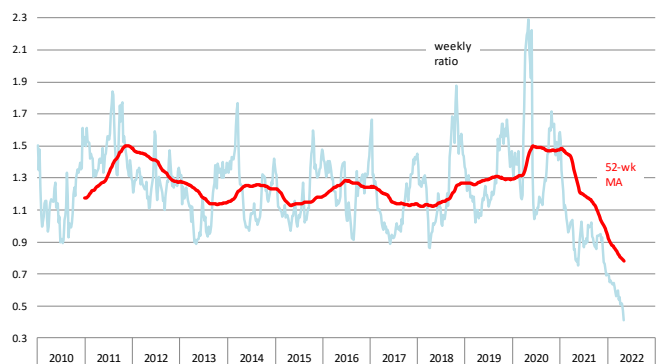
Price Ratio of Ground Beef Price vs. Chicken Breasts

Price Source: USDA Wt. Avg. Analysis by Steiner Consulting



Price Ratio of Boneless Pork Loins vs. Chicken Breasts

Price Source: USDA Wt. Avg. Analysis by Steiner Consulting



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 4872, Manchester, NH 03018

Thank you for your support!

The **Daily Livestock Report** is published by **Steiner Consulting Group, DLR Division, Inc.** To subscribe, support or unsubscribe please visit www.dailylivestockreport.com.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group®, CME® and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The *Daily Livestock Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.

PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **5/7/2022**

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
		7-May-22	30-Apr-22		8-May-21			
Total Beef, Pork, Chicken, Turkey	mil lbs., cwe	1,942	1,933	0.44%	1,923	0.98%		
C FI Slaughter	Thou. Head	657	656	0.15%	639	2.83%	11,658	0.5%
H FI Cow Slaughter **	Thou. Head	133	126	5.26%	131	1.70%	2,213	1.2%
T Avg. Dressed Weight	Lbs.	832	833	-0.12%	826	0.73%	836	0.3%
T Beef Production	Million Lbs.	545.5	545.0	0.09%	526.7	3.57%	9,741	0.8%
L Live Fed Steer Price	\$ per cwt	143.43	143.34	0.06%	118.36	21.18%		
E Dressed Fed Steer Price	\$ per cwt	231.60	232.31	-0.31%	188.53	22.85%		
O Oklahoma Steer (600-700 lbs)	\$ per cwt	N/A	177.00	N/A	144.37	N/A		
& Choice Beef Cutout	\$ per cwt	258.29	263.21	-1.87%	303.51	-14.90%		
H Hide/Offal	\$ per cwt, live wt	13.63	13.44	1.41%	11.99	13.68%		
B Rib Primal, Choice	\$ per cwt	393.90	411.34	-4.24%	518.34	-24.01%		
E Round Primal, Choice	\$ per cwt	210.99	211.70	-0.34%	209.27	0.82%		
E Chuck Primal, Choice	\$ per cwt	199.59	201.15	-0.78%	223.65	-10.76%		
F Trimmings, 50%	\$ per cwt	108.13	116.63	-7.29%	87.48	23.61%		
F Trimmings, 90%	\$ per cwt	272.95	275.12	-0.79%	245.84	11.03%		
F FI Slaughter	Thou. Head	2,427	2,403	1.00%	2,396	1.29%	43,942	-5.4%
H FI Sow Slaughter **	Thou. Head	57.0	56.0	1.70%	63.5	-10.29%	959	-10.8%
H Avg. Dressed Weight	Lbs.	218.0	219.0	-0.46%	215.0	1.40%	218	0.3%
O Pork Production	Million Lbs.	529.9	525.2	0.89%	515.4	2.81%	9,598	-5.1%
G Iowa-S. Minn. Base	Wtd. Avg.	105.17	102.57	2.53%	115.09	-8.62%		
S Natl. Base Carcass Price	Wtd. Avg.	98.86	99.99	-1.13%	102.73	-3.77%		
S Natl. Net Carcass Price	Wtd. Avg.	100.79	101.72	-0.91%	104.84	-3.86%		
S Natl. Early Wean Feeder	Wtd. Avg.	49.25	54.02	-8.83%	48.94	0.63%		
S Pork Cutout	205 Lbs.	105.39	105.18	0.20%	112.48	-6.30%		
S Ham Primal	\$ per cwt	91.40	87.69	4.23%	94.76	-3.55%		
S Loin Primal	\$ per cwt	100.80	100.13	0.67%	102.27	-1.44%		
S Belly Primal	\$ per cwt	157.03	160.38	-2.09%	162.26	-3.22%		
S Trimmings, 72%, Fresh	\$ per cwt	107.23	116.61	-8.04%	120.87	-11.28%		
S Hog By-Product Value	\$ per cwt, live wt	5.51	5.50	0.18%	4.88	12.91%		
C Young Chicken Slaughter *	Million Head	165.6	160.8	2.98%	163.6	1.21%	2,935	1.2%
H Avg. Weight (RTC)	Lbs.	4.71	4.79	-1.59%	4.85	-2.82%	6.33	-0.2%
I Young Chicken Production (RTC)	Million Lbs.	780.4	770.0	1.35%	793.5	-1.64%	14,115	1.0%
C Eggs Set (19-state)	Million	239.8	238.4	0.58%	239.0	0.34%	4,305	0.8%
K Chicks Placed (19-state)	Million Head	187.4	187.5	-0.06%	189.0	-0.85%	3,349	-0.3%
E National Composite Whole Bird	Composite	169.45	169.23	0.13%	104.49	62.17%		
E Northeast Breast, B/S	\$/cwt	338.79	317.48	6.71%	199.63	69.71%		
E Northeast Leg Quarters	\$/cwt	47.85	47.69	0.34%	43.53	9.92%		
T Total Turkey Slaughter *	Million Head	3.464	3.673	-5.69%	3.502	-1.09%	66.343	0.6%
U Avg. Weight (RTC)	Lbs.	24.85	25.38	-2.08%	24.99	-0.55%	32.66	-1.4%
R Turkey Production (RTC)	Million Lbs.	86.1	93.2	-7.65%	87.5	-1.63%	1,742	-0.7%
K National Hen (8-12 lb)	8-16 Lbs.	152.00	138.30	9.91%	119.00	27.73%		
G Corn, Omaha	\$ per Bushel	8.16	8.32	-1.92%	7.45	9.53%		
R Soybeans, Cntrl IL	\$ per Bushel	16.71	17.24	-3.07%	16.29	2.58%		
A Soybn Meal 48%, Cntrl IL	\$ / ton	434.60	456.90	-4.88%	428.00	1.54%		
I Distillers Grain, IL	\$ / ton	279.57	295.29	-5.32%	252.00	10.94%		

* 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

