

Daily Livestock Report

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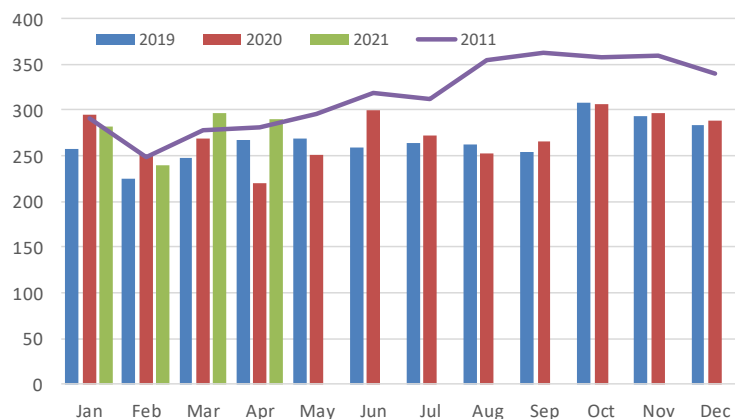
Different from a year ago, when disruptions and processing plants caused beef and pork prices to skyrocket, **current price inflation is not due to limited supply**. April statistics released by USDA-NASS last night show that the supply of beef and pork produced last month was notably higher than in April 2019. And yet, there has been significant double digit, and sometimes triple digit growth for some items compared to 2019. There were no differences in marketing day so this is a true comparison of supply availability. Below is a brief recap of the latest production data. The charts to the right look at breeding stock slaughter as an indicator of potential future supply.

Beef/Cattle: Total commercial cattle slaughter in April was estimated at 2.850 million head, up 27% from a year ago and also 0.7% compared to 2019. Federally inspected fed cattle slaughter for the month was estimated at 2.2 million head, 33% higher than last year but only 0.3% lower than in 2019. **Fed cattle slaughter continues to see more heifers in the mix than it did two years ago**, an indication that producers have been less willing to retain female calves in the herd. Steer slaughter in April was 1.371 million head, 3.2% lower than in April 2019. Heifer slaughter, on the other hand, was 4.9% higher than two years ago. Even as fed slaughter was marginally lower than in 2019, **fed beef production was higher due to notably higher fed cattle weights**. Federally inspected steer/heifer (fed) beef production was estimated at 1.915 billion pounds, 3.7% higher than a year ago. In the first four months of this year, fed beef production has been 7.514 billion pounds, 464 million pounds or 6.6% higher than the same four month period in 2019 and 419 million pounds higher than a year ago. As we noted in our report yesterday, producers have been sending more beef cows to market, a function of deteriorating pasture conditions and overall margins. Federally inspected cow slaughter in April was 547,200 head, 11,400 head or 2.1% higher than in April 2019. Dairy cow slaughter for the month was 257,500 head, down 11k head or 4.1% from 2019 while beef cow slaughter at 289,700 head was 8.4% higher than in 2019. We have included monthly beef cow slaughter for 2011 in the attached chart as it represents the highest annual beef cow slaughter year of the past decade. Beef cow slaughter in the first four months of this year is running above what it was in 2011. The ratio of beef cow slaughter during the first four months vs. the January 1 beef cow herd inventory stands at 3.55%, the highest since that year.

Pork/Hogs: **Commercial hog slaughter** for April was estimated at 10.823 million head, 14.9% higher than a year ago and 241k head or **2.3% higher than in April 2019**. As with beef, higher carcass weights contributed to the increase in overall pork supplies. **Pork production** last month was estimated at 2.344 billion pounds, 15.4% higher than last year and 75 million pounds or **3.3% higher than in 2019**. In the first four months of

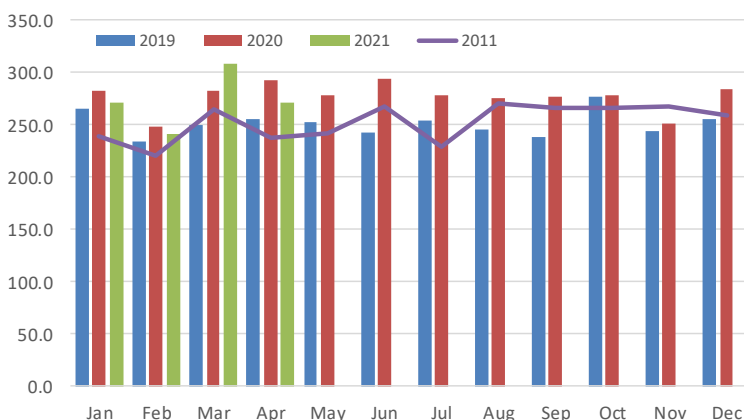
Monthly Beef Cow Slaughter. '000 head

Source: USDA-NASS. Analysis by Steiner Consulting

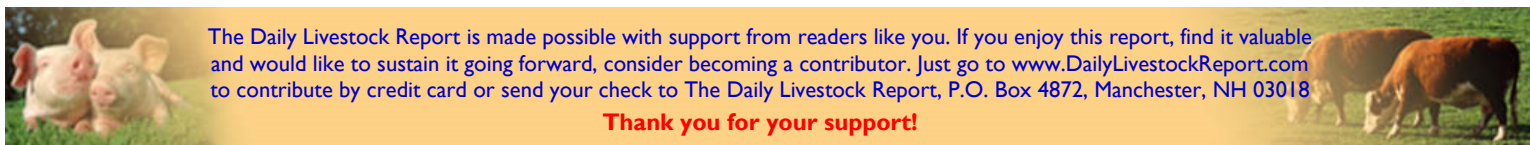


Monthly Sow Slaughter. '000 head

Source: USDA-NASS. Analysis by Steiner Consulting



this year, US pork production was a total of 9.635 billion pounds, 550 million pounds or 6% higher than the same period in 2019. So **combined beef and pork production in the first four months of this year has been near a billion pounds higher than the same four month period in 2019** (pre-Pandemic) and yet the choice beef cutout last night was 47% higher than in 2019 and the pork cutout last night was 44% higher than in 2019. Hog producers continue to send sows to market at a fairly rapid clip. In April, sow slaughter was estimated at 270,400 head, 7.4% lower than last year but 15k head or 5.7% higher than in April 2019. **The ratio of sow slaughter during Mar/Apr vs. the March 1 breeding herd inventory was 9.3% compared to 9% last year and the highest in more than a decade.**



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