Sponsored in part by

Daily Livestock Report

Vol. 19, No. 98 / May 24, 2021

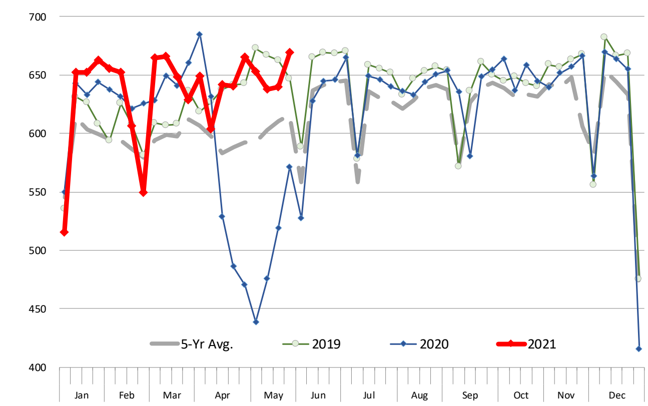
Production highlights from last week: **Cattle slaughter at 669k head was the highest weekly slaughter so far this year and the highest since June 2019**. Very tight spot beef supply availability, high prices and the upcoming holiday shortened slaughter next week incentivized packers to process more cattle this past week. However, packers continue to struggle with bottlenecks in their processing lines. Supplies of retail trim spec product as well as other items that require extra trimming remain tight. While retailers may have booked some of their Memorial Day features ahead of time, they still need to cover needs in the spot market and current high prices are making it more difficult to plan for new features in the next three months. Higher prices for ground beef and rounds/chucks suggests retailers are shifting to less expensive beef items in order to find value. Last week the choice beef cutout was up about $8/cwt (+2.6%) and $6 of that increase was due to higher chuck and round prices. Fat trim prices, on the other hand, declined due to limited lean grinding beef supplies and heavy fed cattle weights.

Cattle on Feed highlights: On May 1 the total inventory of cattle in feedlots with +1000 head capacity was estimated at 11.725 million head, **525k head or 4.7% higher than the previous year**. Feedlot supplies are adequate relative to available processing capacity. While feedlots have become more current in the last three months, total supply remains large from a historical perspective. **The May 1 inventory was the second highest on record for this time of year**. Heavy cattle weights suggest feedlots still have work to do to get current and gain some leverage. For the week ending May 8, average fed cattle weights were 5.2% higher than the same week in 2019. Per our calculations, the inventory of cattle that on May 1 had been on feed for 150 days or more was 2.638 million head, about the same as two months ago. The inventory of long fed cattle is 384k head or 12.7% lower than a year ago but still 4% higher than the five year average. That year, fed cattle values were soft through late spring and summer due to heavy front end supplies and capacity constraints. Current labor challenges have further amplified the pressures that the market was feeling even before the pandemic. The May inventory of cattle with 120 days or longer on feed was estimated at 4.422 million head, 361k head or 7.5% lower than last year but still about 40k head higher than on May 1, 2019.

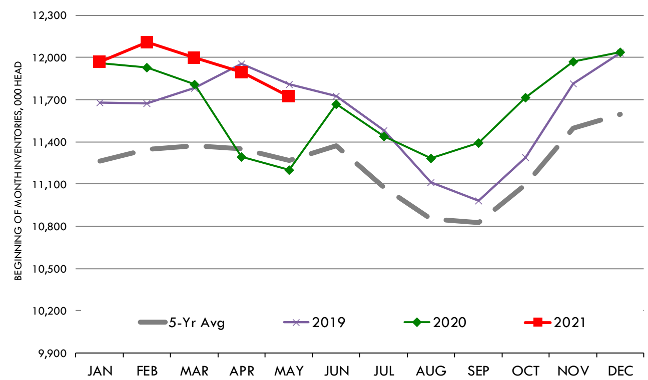
Feedlots with +1000 head capacity placed 1.821 million head of cattle on feed during April, 389,000 head or 27.2% more than COVID impacted placements a year ago but about 21k head less than placements in April 2019. The higher than expected placements were the key factor bolstering the supply of cattle on feed on May 1 (vs. estimates). Placements were also 102k head higher than the 2015-19 average placements for the month of April and on the higher end of the range for the last 25 years (see chart). **USDA reported marketings for April were 1.938 million head, 32.8% higher than the previous year**. With fed cattle slaughter already known, analysts had an easy job figuring out this number and the survey results were pretty close to pre-report estimates. Marketings in April were about 10k head higher than in April 2019. While fed cattle slaughter during the normal weekday was lower than in 2019, packers were able to make up the shortfall by running more shifts on Saturday.

WEEKLY CATTLE SLAUGHTER, '000 HEAD

Source: USDA

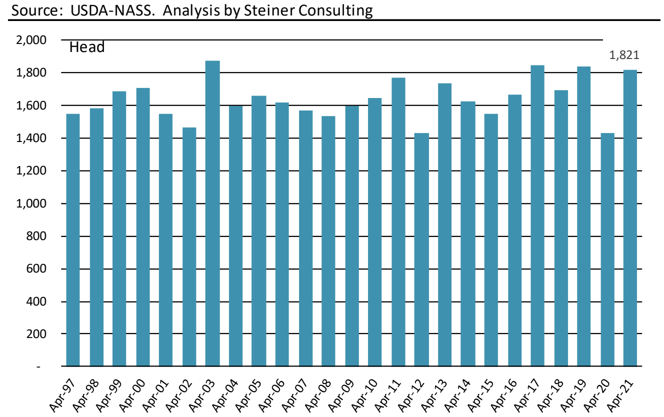


MONTHLY FED CATTLE INVENTORIES, +1000 HEAD CAPACITY FEEDLOTS



Placements of Cattle on Feed in the Month of April

Source: USDA-NASS. Analysis by Steiner Consulting



Vol. 19, No. 98 / May 24, 2021

PRODUCTION & WKLY AVG. PRICE SUMMARY   Week Ending 5/22/2021

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
			22-May-21	15-May-21		23-May-20			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,962**	**1,939**	1.16%	**1,835**	6.94%	**39,435**	2.0%
	FI Slaughter	Thou. Head	669	640	4.53%	571	17.08%	12,906	6.2%
C	FI Cow Slaughter **	Thou. Head	126	128	-1.44%	114	10.80%	2,441	3.4%
T	Avg. Dressed Weight	Lbs.	825	826	-0.12%	825	0.00%	833	1.1%
T	Beef Production	Million Lbs.	550.7	527.6	4.38%	470.5	17.05%	10,753	7.4%
L	Live Fed Steer Price	$ per cwt	119.71	119.73	-0.02%	117.06	2.26%		
E	Dressed Fed Steer Price	$ per cwt	190.56	190.49	0.04%	183.35	3.93%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	148.91	149.04	-0.09%	141.63	5.14%		
&	Choice Beef Cutout	$ per cwt	323.14	314.06	2.89%	405.40	-20.29%		
	Hide/Offal	$ per cwt, live wt	12.07	12.00	0.58%	7.01	72.18%		
B	Rib Primal, Choice	$ per cwt	528.80	526.17	0.50%	516.65	2.35%		
E	Round Primal, Choice	$ per cwt	238.60	222.81	7.09%	391.59	-39.07%		
E	Chuck Primal, Choice	$ per cwt	240.96	230.69	4.45%	364.24	-33.85%		
F	Trimmings, 50%	$ per cwt	72.60	85.36	-14.95%	154.98	-53.16%		
	Trimmings, 90%	$ per cwt	254.99	250.40	1.83%	302.82	-15.79%		
	FI Slaughter	Thou. Head	2,393	2,395	-0.08%	2,180	9.77%	51,231	2.1%
	FI Sow Slaughter **	Thou. Head	58.7	59.5	-1.47%	70.3	-16.55%	1,194	-1.3%
H	Avg. Dressed Weight	Lbs.	216.0	217.0	-0.46%	218.0	-0.92%	218	0.9%
O	Pork Production	Million Lbs.	516.3	518.1	-0.35%	474.4	8.83%	11,161	3.0%
G	Iowa-S. Minn. Base	Wtd. Avg.	110.29	115.01	-4.10%	38.38	187.36%		
S	Natl. Base Carcass Price	Wtd. Avg.	104.68	105.82	-1.08%	68.36	53.13%		
	Natl. Net Carcass Price	Wtd. Avg.	106.80	107.83	-0.96%	69.59	53.47%		
	Natl. Early Wean Feeder	Wtd. Avg.	46.15	45.63	1.14%	15.78	192.46%		
	Pork Cutout	205 Lbs.	118.14	114.47	3.21%	99.94	18.21%		
	Ham Primal	$ per cwt	80.30	85.99	-6.62%	46.36	73.21%		
	Loin Primal	$ per cwt	114.92	107.70	6.70%	150.09	-23.43%		
	Belly Primal	$ per cwt	168.24	165.80	1.47%	82.01	105.15%		
	Trimmings, 72%, Fresh	$ per cwt	130.85	129.23	1.25%	128.79	1.60%		
	Hog By-Product Value	$ per cwt, live wt	4.95	4.96	-0.20%	3.72	33.06%		
C	Young Chicken Slaughter *	Million Head	163.8	163.6	0.09%	160.6	1.97%	3,228	-2.4%
H	Avg. Weight (RTC)	Lbs.	4.87	4.85	0.47%	4.88	-0.16%	6.34	1.4%
I	Young Chicken Production (RTC)	Million Lbs.	797.8	793.3	0.56%	783.6	1.81%	15,569	-1.1%
C	Eggs Set (19-state)	Million	239.7	238.4	0.56%	228.8	4.75%	4,746	1.3%
K	Chicks Placed (19-state)	Million Head	187.1	186.5	0.29%	176.8	5.85%	3,734	0.3%
E	National Composite Whole Bird	Composite	106.23	105.56	0.63%	74.45	42.69%		
	Northeast Breast, B/S	$/cwt	223.3	209.08	6.80%	164.95	35.37%		
	Northeast Leg Quarters	$/cwt	44.04	43.42	1.43%	32.57	35.22%		
T	Total Turkey Slaughter *	Million Head	3.716	3.853	-3.56%	4.025	-7.68%	73.499	-7.4%
U	Avg. Weight (RTC)	Lbs.	26.13	26.03	0.40%	26.36	-0.86%	33.05	1.0%
R	Turkey Production (RTC)	Million Lbs.	97.1	100.3	-3.17%	106.1	-8.47%	1,952	-6.6%
K	National Hen (8-12 lb)	8-16 Lbs.	122.70	114.00	7.63%	105.20	16.63%		
G	Corn, Omaha	$ per Bushel	7.01	7.09	-1.13%	3.03	131.35%		
R	Soybeans, Cntrl IL	$ per Bushel	15.65	16.33	-4.16%	8.39	86.53%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	414.80	451.00	-8.03%	284.00	46.06%		
I	Distillers Grain, IL	$ per Bushel	265.00	262.50	0.95%	154.50	71.52%		

* 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