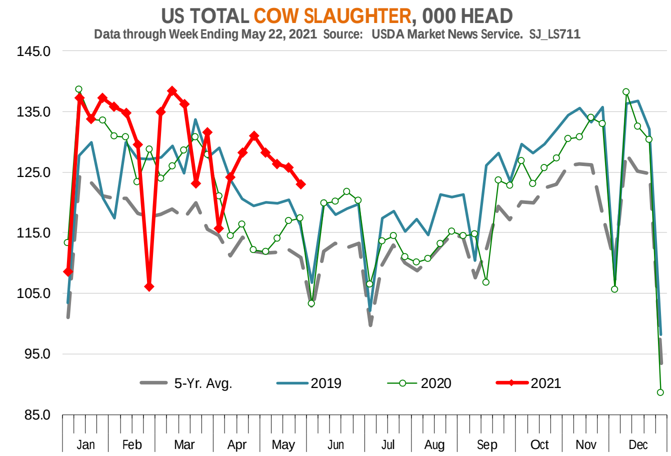
Daily Livestock Report

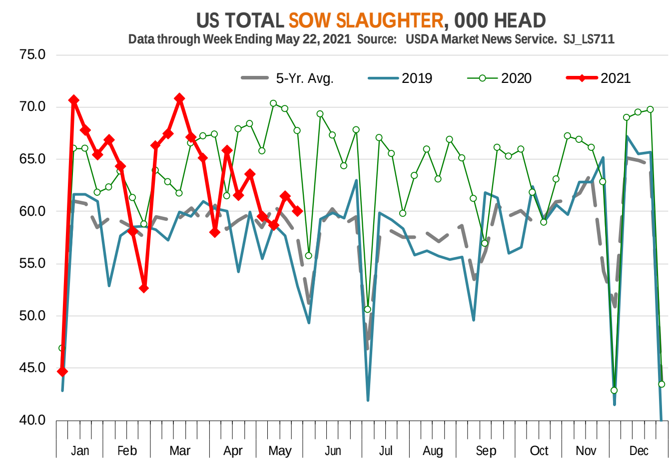
Sponsored in part by CME Group

Vol. 19, No. 107 / June 7, 2021

<u>The holiday shortened week and the cyber attack on JBS predictably resulted in a significant shortfall in beef and pork production last week</u>. Broiler production was likely affected as well but the latest USDA estimate is for week ending May 29 so we will need to wait until Thursday to get an idea on the potential impact. Total beef production last week was estimated at 443 million pounds, 75 million pounds or 14.5% lower than the previous week. Much of this was due to the loss of one full slaughter day due to the holiday. Compared to the same holiday shortened week in 2019 (last year was affected by COVID), beef production was down 21 million pounds or 4.5%. That is largely the extent of the cyber attack, adding to the overall shortfall in beef production experienced in the market. Slaughter last week was about 50k head smaller than the same holiday shortened week in 2019 and **<u>unfortunately for producers, it will be difficult to catch up on this shortfall in the near term</u>**. Packers were already running near full capacity and backlog created by the lost production days will take some time to absorb. In the short term this probably means that spot beef supplies will remain tight since packers will look to fill orders for customers that were shorted some product due to the disruption.

<u>Pork production last week was estimated at 424.4 million pounds, down 87.4 million pounds or 17% from the previous week</u>. As noted above, much of the reduction in supply is due to the holiday. Compared to the same holiday shortened week in 2019, production was down 34.3 million pounds or 7.5%. Hog slaughter for the week was estimated at 1.975 million head, about 403k head less than the week before and 156k head less than the same holiday shortened week in 2019. It will be a bit easier for pork packers to catch up with the shortfall in production than it is for beef packers. That's because the seasonality in production, and therefore capacity constraints, are very different. Cattle availability and processing demand are at their peak during this time of year and there is very little slack. On the other hand, hog availability is substantially lower and packers have the ability to increase production by running more shifts on Saturday. In 2019 (again we leave 2020 out due to all the COVID disruptions), hog slaughter in the three weeks after the Memorial Day shortened week averaged 2.434 million head, an average of 124k head per week more than the week before Memorial Day. Hog availability this year is a bit lower than what it was in 2019 but should be fairly close and the backlog created last week should help bolster June weekly slaughter to above 2.4 million head. This is important to consider when we look at current very tight spot supply availability and retail needs for Father's Day and 4th of July.





Sow slaughter may have slowed down in the last few weeks but it remains above 2019 levels. The level of breeding stock liquidation is more significant than the numbers show because the lower inventory implies a higher culling rate. Sow and boar slaughter in March and April was 632,500 head, 62k head or 10.8% higher than in 2019. We think May sow and boar slaughter may have been around 272k head, 14k head less than in 2019. For the quarter, however, slaughter is still up about 48k head and the ratio of slaughter to March 1 breeding herd inventory was 14.5%, almost a full percentage point higher than the same quarter in 2019. **<u>The last time ratio of sow/boar slaughter to breeding inventory was this high was in the spring and summer of last year.</u>**

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PRODUCTION & WKLY AVG. PRICE SUMMARY Week Ending 6/5/2021

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
			5-Jun-21	29-May-21		6-Jun-20			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**1,763**	**1,932**	-8.76%	**1,852**	-4.83%	**43,125**	2.0%
	FI Slaughter	Thou. Head	538	629	-14.47%	628	-14.32%	14,080	5.8%
C	FI Cow Slaughter **	Thou. Head	123	126	-2.22%	117	4.73%	2,690	3.7%
T	Avg. Dressed Weight	Lbs.	825	825	0.00%	828	-0.36%	832	1.0%
T	Beef Production	Million Lbs.	443.0	518.0	-14.48%	518.9	-14.63%	11,718	6.9%
L	Live Fed Steer Price	$ per cwt	119.89	119.64	0.21%	112.39	6.67%		
E	Dressed Fed Steer Price	$ per cwt	190.73	190.69	0.02%	179.04	6.53%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	N/A	151.57	N/A	144.36	N/A		
&	Choice Beef Cutout	$ per cwt	338.56	329.64	2.71%	297.90	13.65%		
	Hide/Offal	$ per cwt, live wt	12.23	12.15	0.66%	7.13	71.53%		
B	Rib Primal, Choice	$ per cwt	543.51	535.12	1.57%	495.28	9.74%		
E	Round Primal, Choice	$ per cwt	258.86	250.37	3.39%	230.08	12.51%		
E	Chuck Primal, Choice	$ per cwt	254.27	242.39	4.90%	232.10	9.55%		
F	Trimmings, 50%	$ per cwt	94.42	71.92	31.28%	84.60	11.61%		
	Trimmings, 90%	$ per cwt	265.84	257.21	3.36%	296.56	-10.36%		
	FI Slaughter	Thou. Head	1,975	2,378	-16.95%	2,473	-20.13%	55,571	1.8%
	FI Sow Slaughter **	Thou. Head	60.1	61.5	-2.31%	67.7	-11.28%	1,316	-2.4%
H	Avg. Dressed Weight	Lbs.	215.0	215.0	0.00%	218.0	-1.38%	218	0.6%
O	Pork Production	Million Lbs.	424.4	511.8	-17.08%	534.3	-20.57%	12,089	2.4%
G	Iowa-S. Minn. Base	Wtd. Avg.	109.66	106.77	2.71%	33.54	226.95%		
S	Natl. Base Carcass Price	Wtd. Avg.	108.26	107.34	0.86%	58.66	84.56%		
	Natl. Net Carcass Price	Wtd. Avg.	110.24	109.39	0.78%	60.16	83.24%		
	Natl. Early Wean Feeder	Wtd. Avg.	45.19	44.93	0.58%	17.46	158.82%		
	Pork Cutout	205 Lbs.	130.22	124.73	4.40%	75.61	72.23%		
	Ham Primal	$ per cwt	95.97	88.66	8.24%	49.58	93.57%		
	Loin Primal	$ per cwt	119.52	118.05	1.25%	99.34	20.31%		
	Belly Primal	$ per cwt	192.67	179.56	7.30%	95.67	101.39%		
	Trimmings, 72%, Fresh	$ per cwt	130.20	124.96	4.19%	128.75	1.13%		
	Hog By-Product Value	$ per cwt, live wt	4.97	4.98	-0.20%	3.68	35.05%		
C	Young Chicken Slaughter *	Million Head	165.6	168.6	-1.80%	145.6	13.77%	3,562	-1.5%
H	Avg. Weight (RTC)	Lbs.	4.86	4.78	1.75%	4.88	-0.31%	6.34	1.1%
I	Young Chicken Production (RTC)	Million Lbs.	805.5	806.1	-0.08%	710.2	13.42%	17,180	-0.3%
C	Eggs Set (19-state)	Million	240.3	239.5	0.33%	234.8	2.31%	5,230	1.6%
K	Chicks Placed (19-state)	Million Head	187.8	188.0	-0.06%	181.1	3.74%	4,110	0.8%
E	National Composite Whole Bird	Composite	105.83	105.39	0.42%	74.62	41.83%		
	Northeast Breast, B/S	$/cwt	215.9	220.65	-2.15%	133.12	62.18%		
	Northeast Leg Quarters	$/cwt	45.4	45.09	0.69%	32.76	38.58%		
T	Total Turkey Slaughter *	Million Head	3.520	3.89	-9.51%	3.452	1.97%	80.909	-6.2%
U	Avg. Weight (RTC)	Lbs.	25.48	24.62	3.51%	25.69	-0.80%	32.88	0.6%
R	Turkey Production (RTC)	Million Lbs.	89.7	95.8	-6.34%	88.7	1.16%	2,138	-5.8%
K	National Hen (8-12 lb)	8-16 Lbs.	120.00	121.36	-1.12%	106.05	13.15%		
G	Corn, Omaha	$ per Bushel	6.87	6.97	-1.43%	3.15	118.10%		
R	Soybeans, Cntrl IL	$ per Bushel	15.80	15.60	1.28%	8.76	80.37%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	402.70	390.30	3.18%	291.30	38.24%		
I	Distillers Grain, IL	$ per Bushel	227.50	247.50	-8.08%	151.50	50.17%		

* 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