

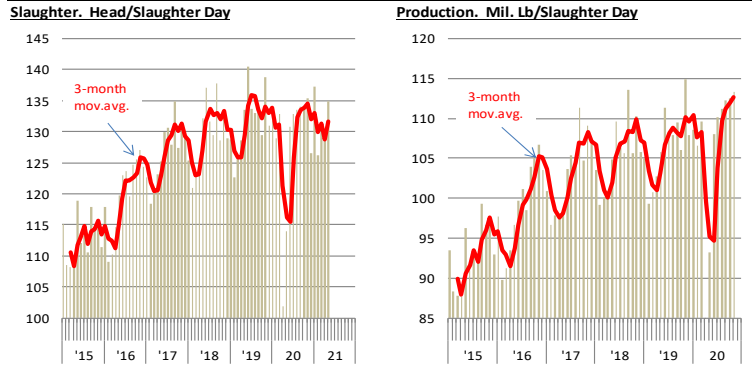
May production statistics for red meat and poultry were released last week. Below are some of the highlights, including adjustments to account for differences in marketing days:

Cattle/Beef: Total cattle slaughter in May was 2.698 million head, 18.5% higher than the COVID disrupted slaughter a year ago. Comparisons to 2019 are normally more appropriate but they are skewed by the fact that there were two fewer slaughter days in May 2021 vs. May 2019. When adjusting for the marketing day discrepancy, slaughter in May was 1% higher than in 2019. Adjusted daily slaughter may have been higher than in May 2019 but there was a significant differences in terms of steer and heifer slaughter. Average daily steer slaughter in May was 66,735 head, 3.6% lower than in 2019 while daily heifer slaughter at 37,640 head/day was 3.2% higher than in 2019. Cow slaughter in May continued to reflect the impact of drought pressures and the deterioration in the profitability outlook for cow-calf operators. Total cow slaughter in May was 510,700 head, down 2.9% from May 2019. When adjusted for the difference in marketing day slaughter was 6.8% higher than in 2019, however. Heavier fed cattle carcass weights helped bolster beef production in May. Total commercial beef production for the month was pegged at 2.211 billion pounds, 18.5% higher than last year but 5% higher than in 2019. When we adjust for the difference in marketing days, beef production in May was 4.5% higher than in 2019.

Hogs/Pork: The same factors that affected beef and cattle production comparisons also impact pork and hogs. Hog slaughter in May was estimated by USDA/NASS at 9.649 million head, 12.2% higher than in 2020 but 6.8% lower than in 2019. When we adjust for the difference in marketing days, May slaughter was 12.2% higher than last year and 2.5% higher than in 2019. Sow slaughter last month was 242,600 head, 12.6% lower than last year and 4% lower than in 2019. Average output per slaughter day was 12,100 head/day, 12.6% lower than last year but 5.6% higher than in 2019. Despite the overall decline in production compared to May 2019, the adjusted daily average slaughter suggests that supply was not really the issue for the market in May. Rather, strong demand from both domestic and export customers continued to push pricing last month and was the primary driver for much of June as well. Total commercial pork production in May was estimated at 2.070 billion pounds, 10.1% higher than last year but 6.7% lower than in May 2019. Average daily production per slaughter day was 103.5 million pounds, 2.6% higher than in May 2019. Lower hog carcass weights caused the divergence between production pace and slaughter. The average weight for barrows and gilts in May was 212 pounds per dressed carcass. Last May the average weight was 216 pounds and in May 2019 it was 212 pounds.

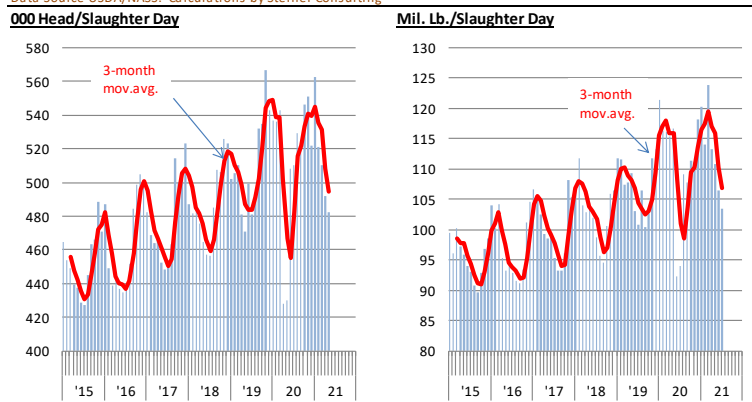
Cattle Slaughter & Beef Production Per Slaughter Day: '000 Head & Mil. Lb.

Data Source USDA/NASS. Calculations by Steiner Consulting



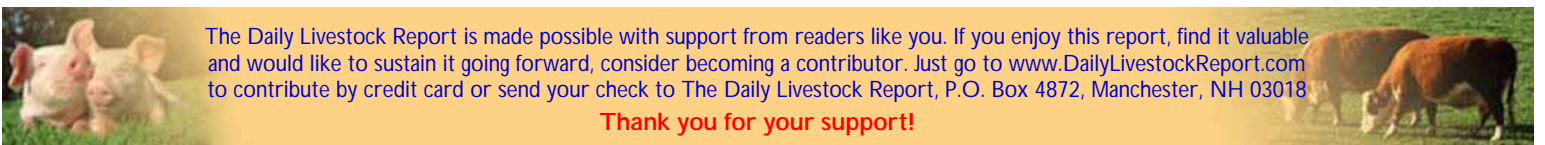
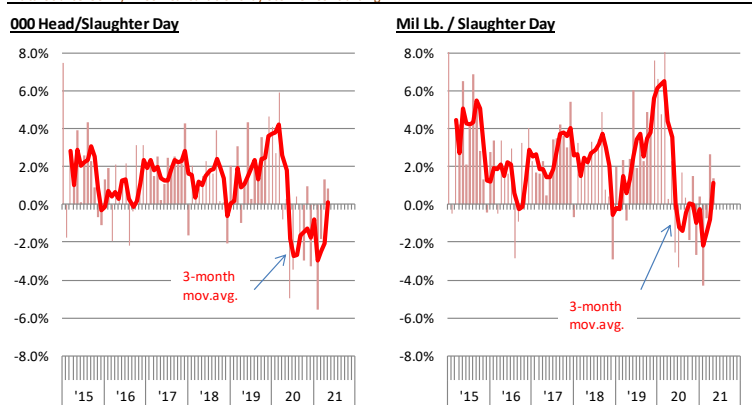
Hog Slaughter & Pork Production Per Slaughter Day: '000 Head & Mil. Lb.

Data Source USDA/NASS. Calculations by Steiner Consulting



Broiler Slaughter & Chicken Production Per Slaughter Day: '000 Head & Mil. Lb.

Data Source USDA/NASS. Calculations 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.