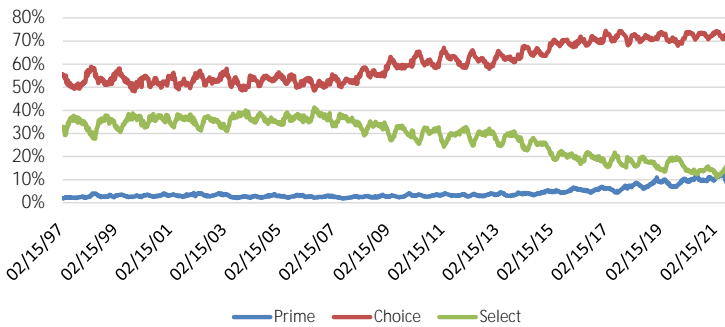


National Grading Percent Steers & Heifers



Source: USDA AMS

National grading percentages of steer and heifer carcasses have shifted back away from Prime in recent weeks. Heavier carcass weights allowed for new record highs of carcasses grading prime. Often weekly percentages topped 10% and in the spring of 2021 they reached 12.59%. Seasonally, dressed weights have decreased and with those so has the percent grading Prime. June saw the first slip below 10% in 21 weeks.

Those declines in Prime graded beef have traded off with upticks in Choice graded beef and Select graded beef. Choice graded beef saw a brief decline in May of 2021 from higher levels

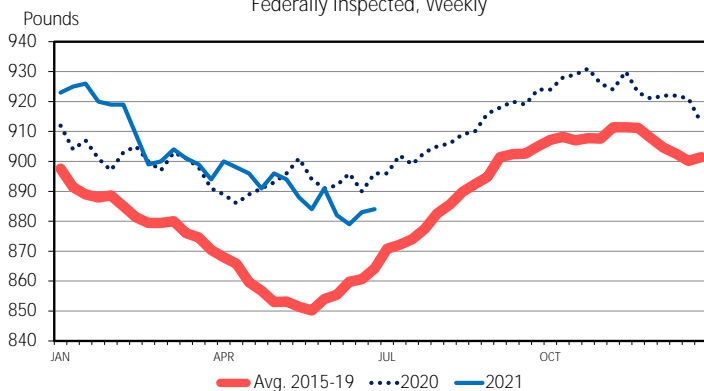
(74.11% at the top end of the range), while Select graded beef appears to have been accelerating since the beginning of the year.

Recent trends are not expected to reset long term trends of growing the percent Prime and Choice graded beef. The long term trend since about 2007 has favored gains in higher quality grades. Since the time period Choice graded beef has risen from about 50% of the carcasses presented to over 70%. Prime was only about 2-3% of the carcasses presented in 2007, and in the last two years has regularly been over 10%. Select graded beef now only represents about 15% of the carcasses presented compared to 30-40% in the middle to early 2000s.

The June cutout average was substantially higher for Prime graded beef than a year ago, \$85 per cwt, compared to the Choice increase of \$65 per cwt and the Select increase of \$50. One of the biggest drivers was the re-opening of the restaurant sector and Prime graded rib primals increased about \$150 per cwt over last year's value. Choice rib primals increased less than half of that, \$70 per cwt while Select graded rib primals increased only \$8. Prime graded loin also increased more than \$100 and that was more similar to the gains seen in Choice, of \$89 per cwt.

The Choice-Select spread hit a record high in the weekly negotiated trade this June, \$37 per cwt apart. Across all sales types, the average Choice-Select spread in June was \$27, also a new monthly record high.

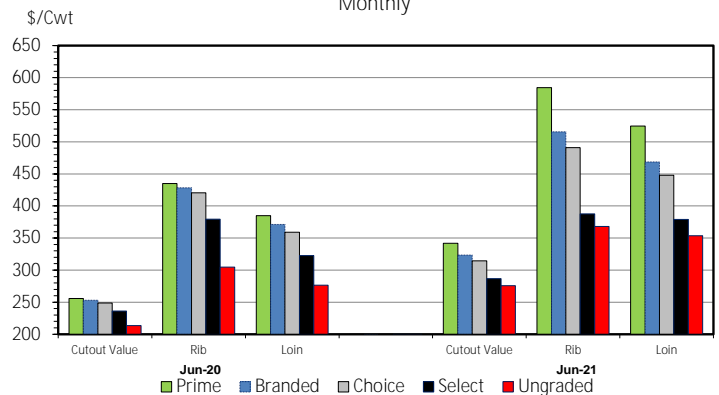
STEER DRESSED WEIGHT Federally Inspected, Weekly



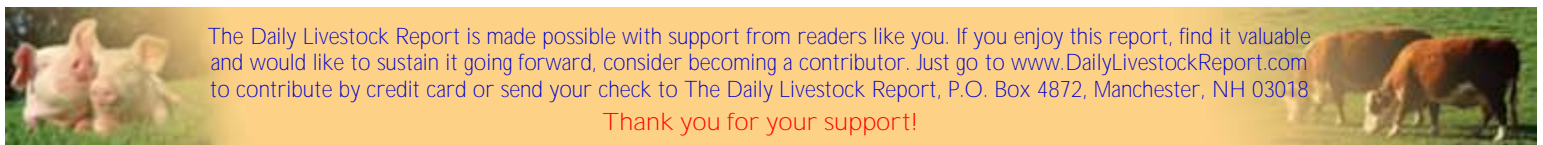
Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center

C-S-18
07/16/21

PRIMAL VALUE Monthly



Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center



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