Daily Livestock Report

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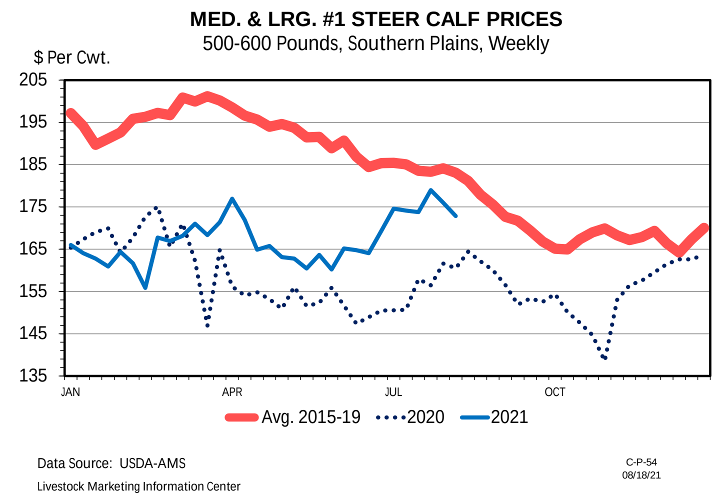
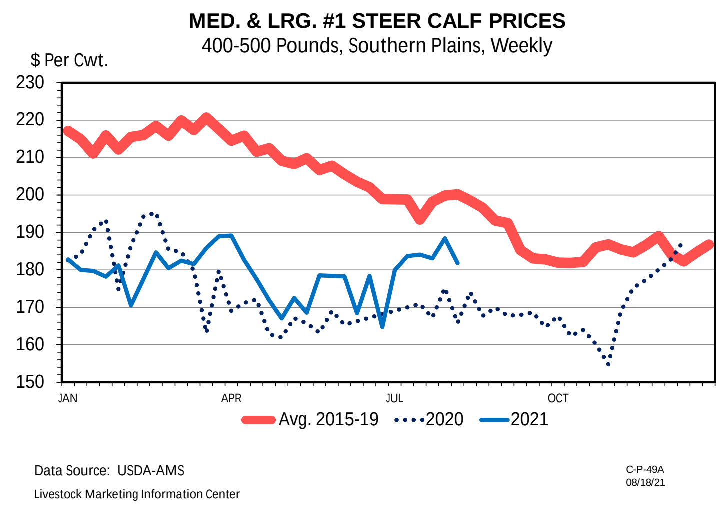
Cattle on feed numbers were released Friday by USDA-NASS showed an interesting mix of information. Cattle feeders placed higher levels of heavier cattle, about 5% more head in the 900 to 999 pound category than last year. High feed costs incentivized this strategy, implying cattle feeders will hope to turn these cattle over faster than the lighter weight groups. July placements at these heavier levels will come to market mostly during the fourth quarter of this year.

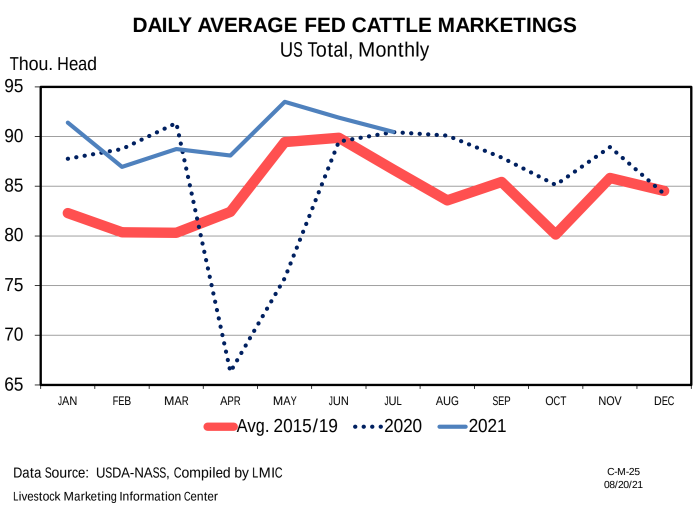
Also noteworthy were the under 700 pound categories which showed smaller under 600 pound and 600-699 pound placements. The combined total of those categories were 15% below last year, skewing more of the decline in those categories relative to higher weights. There are several factors weighing in here: High feed costs should dampen placements of light weight animals. Drought affected areas should have started early weaning, and shipped more small animals to feedlots. Calf prices are very high given feed costs which would imply those animals are being bid up by feedlots.

The first two points above would point to lower calf prices as these animals would be more widely available and the third would imply those animals should not have been placed at a rate 15% below last year. One could argue drought tested areas may not show up until August, but the market is acting as if the cattle are not available, and at such high prices, and limited feed stuffs, why wouldn't the west be selling calves to feedlots at these price levels? This may be pointing towards a smaller implied calf crop than was given on July 1 by USDA NASS. We will have to wait until January to see if there are revisions, but these calf prices feel very robust based on the July placements and on-going drought patterns.

The last interesting tidbit from this report was the marketings number, which came in 4.5% smaller than last year. Livestock Slaughter data released Thursday showed the number of steers and heifers under Federal Inspection (FI) was also down 4.5%. Comparatively, the weekly listings of FI steers and heifers at the time of pre-report estimates were calculating closer to 3% below a year ago. The last few days of July showed some of the larger discrepancies for the month between estimated slaughter and actual slaughter. July had one extra slaughter day. Importantly, July was the first month since April daily average marketings were not larger than a year ago.







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PRODUCTION & PRICE SUMMARY

Week Ending 8/21/2021

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY .

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			21-Aug-21	14-Aug-21		22-Aug-20			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,969	1,922	2.4%	2,005	-1.8%	63,931	0.4%
C	FI Slaughter	Thou. Head	665	636	4.6%	651	2.2%	21,188	4.2%
A	FI Cow Slaughter **	Thou. Head	126	126	0.3%	111	14.1%	10,324	0.9%
T	Avg. Dressed Weight	Lbs.	819	818	0.1%	836	-2.0%	826	-0.1%
T	Beef Production	Million Lbs.	543.5	519.1	4.7%	542.5	0.2%	17,507	4.1%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	125.48	123.28	1.8%	106.59	17.7%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	201.07	200.63	0.2%	169.41	18.7%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	NQ	163.23	N/A	154.22	N/A		
&	Choice Beef Cutout	$ per cwt	338.93	311.74	8.7%	222.50	52.3%		
	Hide/Offal	$ per cwt, live wt	15.03	14.91	0.8%	7.70	95.2%		
B	Rib, Primal, Choice	$ per cwt	577.65	518.66	11.4%	369.12	56.5%		
E	Round, Primal, Choice	$ per cwt	275.12	252.63	8.9%	177.84	54.7%		
E	Chuck, Primal, Choice	$ per cwt	274.13	258.01	6.2%	175.41	56.3%		
F	Trimmings, 50%, Fresh	$ per cwt	164.82	166.47	-1.0%	48.85	237.4%		
	Trimmings, 90%, Fresh	$ per cwt	277.05	275.74	0.5%	226.10	22.5%		
	FI Slaughter	Thou. Head	2,452	2,407	1.9%	2,625	-6.6%	81,113	-1.4%
H	FI Sow Slaughter **	Thou. Head	59.1	57.1	3.4%	65.9	-10.3%	5,249	4.2%
O	Avg. Dressed Weight	Lbs.	210.0	210.0	0.0%	211.0	-0.5%	215	0.1%
G	Pork Production	Million Lbs.	513.3	504	1.8%	553.4	-7.2%	17,449	-1.3%
S	Natl. Negotiated Purchase	Wtd. Avg.	97.91	99.36	-1.5%	38.66	153.3%		
	Natl. Base Carcass Price	Wtd. Avg.	101.70	104.70	-2.9%	56.19	81.0%		
&	Natl. Net Carcass Price	Wtd. Avg.	104.00	106.99	-2.8%	58.38	78.1%		
	Natl. Early Wean Feeder	10-12 Lbs.	44.13	43.76	0.8%	21.60	104.3%		
P	Pork Cutout	$ per cwt	119.75	123.13	-2.7%	74.64	60.4%		
O	By-product Value	$ per cwt, live wt	5.59	5.53	1.1%	3.78	47.9%		
R	Ham, Primal	$ per cwt	79.94	88.38	-9.5%	67.32	18.7%		
K	Loin, Primal	$ per cwt	116.94	115.47	1.3%	72.91	60.4%		
	Belly, Primal	$ per cwt	222.88	232.44	-4.1%	104.84	112.6%		
	Trimmings, 72%, Fresh	$ per cwt	141.38	152.76	-7.4%	78.10	81.0%		
C	Young Chicken Slaughter *	Million Head	168.2	164.7	2.1%	168.11	0.0%	5,337	-1.3%
H	Avg. Weight (RTC)	Lbs.	4.82	4.83	-0.3%	4.79	0.6%	4.83	1.3%
I	Young Chicken Production (RTC)	Million Lbs.	810.3	796.3	1.8%	804.9	0.7%	25,782	0.0%
C	Eggs Set (US)	Million	236.6	240.5	-1.6%	231.2	2.4%	19,894	0.9%
K	Chicks Placed (US)	Million Head	187.2	184.1	1.7%	183.9	1.8%	15,773	-0.2%
E	National Composite Whole Bird	Composite	104.65	105.05	-0.4%	66.73	56.8%		
N	Northeast Breast, B/S	$ per cwt	188.64	181.60	3.9%	117.76	60.2%		
	Northeast Leg Quarters	$ per cwt	41.27	42.29	-2.4%	26.11	58.1%		
T	Total Turkey Slaughter *	Million Head	4.06	4.07	0.0%	4.24	-4.2%	122.9	-6.4%
U	Avg. Weight (RTC)	Lbs.	25.08	25.25	-0.7%	24.66	1.7%	25.98	-0.3%
R	Turkey Production (RTC)	Million Lbs.	101.9	102.6	-0.7%	104.6	-2.6%	3,192	-6.7%
K	National Hen (8-12 Lbs)	$ per cwt		NQ	N/A	108.16	#VALUE!		
G	Corn, Omaha	$ per Bushel	6.15	6.32	-2.7%	3.12	97.1%		
R	Distillers Grain, IA	$ per Ton	190.00	180.00	5.6%	123.50	53.8%		
A	Soybean, Cntrl IL	$ per Bushel	13.59	13.90	-2.2%	9.08	49.7%		
I	Soybn Meal 48%, Cntrl IL	$ per Ton	365.60	363.00	0.7%	292.80	24.9%		
N									

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago (part of 'actual" rather than "preliminary" weekly slaughter report).