

A few notes about supply/prices from the previous week:

- **Hog slaughter finished last week a bit higher than we expected, with total slaughter approaching 2.6 million head.** Slaughter on Friday was estimated at 477k, higher than in previous weeks and Saturday slaughter was 224k, well above the numbers scheduled. It remains to be seen what sort of revisions are made in the coming weeks. In the last three weeks of September, final hog slaughter was an average of 6700 head/week larger than the initial estimate. Pork production for the week was estimated at 547.1 million pounds (cwe), 7% lower than a year ago. We think USDA is overstating the decline in production. We say this because USDA is currently estimating hog carcass weights at 210 lb., down 5 lb or 2.3% from last year. Based on MPR data (which are more current), **we think hog carcass weights are currently running only about 0.5% below last year.** Last week hog carcass weights increased 1.4 pounds from the week before, something that USDA statistics have yet to catch up with.

- **The increase in slaughter appeared to put pressure on the pork cutout,** with loins dropping \$8/cwt and hams also down \$8.5/cwt. But as we cautioned in our previous update, day to day variance in the cutout remains extreme due to the wide gap between boneless and bone-in product. Boneless ham prices, for instance, were still in the 220 area, steady to higher vs. previous days. Bone-in ham prices were quoted at 60 cents. Boneless loins, backribs and other such products continue to maintain big premiums. In the case of hams, export demand remains critical. Noone has extra labor to bone hams. So unless there is export business to clear the market, prices will need to be extremely low to justify putting them in the fridge or get traders/processors to take them.

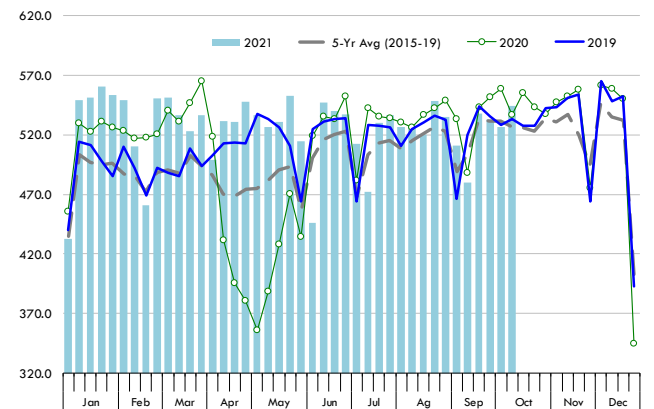
- **Cattle slaughter for the week came in close to our expectations at 657k head, up 3.1% from a year ago.** Lower carcass weights compared to last year implied beef production for the week was only 1.4% higher than last year.

- The choice beef cutout continued to lose ground, with the Friday price pegged at \$283.77/cwt, down another \$2/cwt from the previous day. The primal rib value lost ground yet again as record high prices in August appear to have rationed demand. As with pork, beef items that require extra trimming continue to hold a firm undertone, however. Fat beef trim was lower on almost 1 million pounds traded at an average price of 98 cents.

- **Broiler prices continue to trend lower.** USDA quoted the market for boneless/skinless chicken breasts on Friday at \$192/cwt, down about \$20/cwt in the last two week. Prices for a number of other broiler items also appeared to soften last week. There is some speculation that disruptions caused by Hurricane Ida have resulted in a backlog of heavy birds and extra supplies of processing items. The data appears to support this as slaughter of broilers over 7.76 pounds in the last four weeks has been some 20% higher than a year ago.

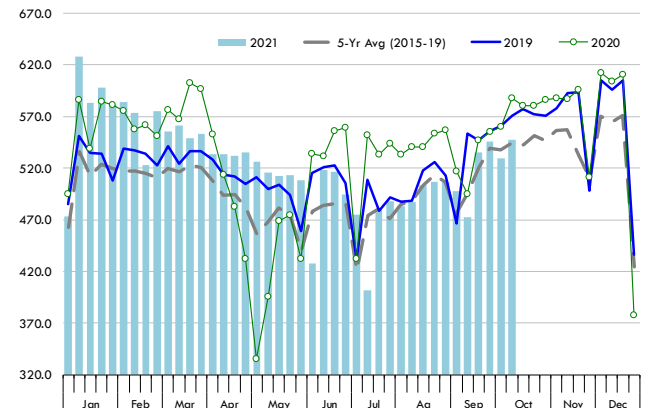
Weekly US Beef Production. Million Pounds. Carcass Wt. Basis

Source: USDA-NASS and USDA-AMS. Analysis by Steiner Consulting



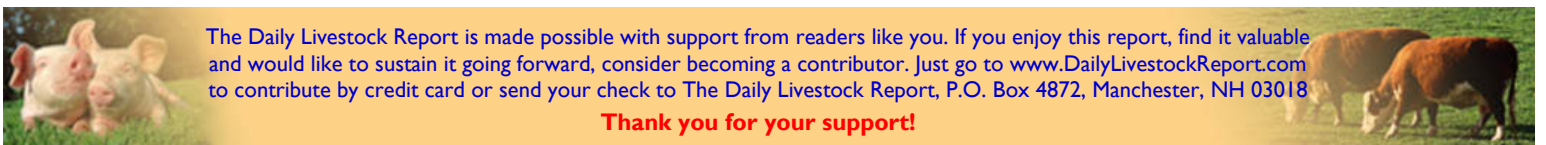
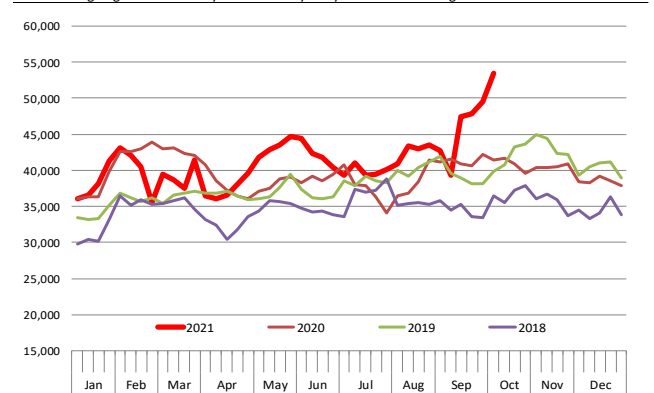
Weekly US Pork Production. Million Pounds. Carcass Wt. Basis

Source: USDA-NASS and USDA-AMS. Analysis by Steiner Consulting



Broiler Slaughter - 7.76 lbs & up

4-wk Moving Avg. Head. Weekly. USDA. Analysis 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.

PRODUCTION & WKLY AVG. PRICE SUMMARY

Week Ending **10/9/2021**

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	
		9-Oct-21	2-Oct-21		10-Oct-20				
Total Beef, Pork, Chicken, Turkey	mil lbs., cwe	2,015	1,984	1.53%	2,059	-2.15%	77,498	-0.3%	
C	FI Slaughter	Thou. Head	657	637	3.14%	637	3.11%	25,628	3.3%
C	FI Cow Slaughter **	Thou. Head	129	128	1.36%	123	5.52%	4,931	5.9%
T	Avg. Dressed Weight	Lbs.	830	828	0.24%	844	-1.66%	826	-0.3%
T	Beef Production	Million Lbs.	544.1	526.2	3.40%	536.4	1.44%	21,179	2.9%
L	Live Fed Steer Price	\$ per cwt	122.96	122.56	0.33%	108.26	13.58%		
E	Dressed Fed Steer Price	\$ per cwt	195.40	195.17	0.12%	169.67	15.16%		
	Oklahoma Steer (600-700 lbs)	\$ per cwt	151.78	152.37	-0.39%	146.17	3.84%		
&	Choice Beef Cutout	\$ per cwt	286.42	297.79	-3.82%	216.03	32.58%		
	Hide/Offal	\$ per cwt, live wt	16.13	15.44	4.47%	8.37	92.71%		
B	Rib Primal, Choice	\$ per cwt	500.31	555.32	-9.91%	383.94	30.31%		
E	Round Primal, Choice	\$ per cwt	250.07	245.86	1.71%	168.92	48.04%		
E	Chuck Primal, Choice	\$ per cwt	232.42	240.77	-3.47%	175.84	32.18%		
F	Trimnings, 50%	\$ per cwt	103.41	123.02	-15.94%	50.09	106.45%		
	Trimnings, 90%	\$ per cwt	276.22	276.75	-0.19%	199.84	38.22%		
H	FI Slaughter	Thou. Head	2,597	2,524	2.89%	2,729	-4.82%	98,398	-1.9%
H	FI Sow Slaughter **	Thou. Head	58.7	58.4	0.50%	65.3	-10.09%	2,354	-5.4%
O	Avg. Dressed Weight	Lbs.	210.0	210.0	0.00%	215.0	-2.33%	214	-0.1%
O	Pork Production	Million Lbs.	547.1	529.5	3.32%	587.7	-6.91%	21,075	-2.0%
G	Iowa-S. Minn. Base	Wtd. Avg.	70.83	74.33	-4.71%	64.45	9.90%		
S	Natl. Base Carcass Price	Wtd. Avg.	90.22	90.19	0.03%	74.72	20.74%		
	Natl. Net Carcass Price	Wtd. Avg.	92.20	92.27	-0.08%	76.53	20.48%		
	Natl. Early Wean Feeder	Wtd. Avg.	48.83	46.58	4.83%	36.09	35.30%		
	Pork Cutout	205 Lbs.	110.53	112.97	-2.16%	94.58	16.86%		
	Ham Primal	\$ per cwt	84.21	91.69	-8.16%	75.15	12.06%		
	Loin Primal	\$ per cwt	105.23	109.24	-3.67%	86.92	21.07%		
	Belly Primal	\$ per cwt	203.60	196.30	3.72%	159.12	27.95%		
	Trimnings, 72%, Fresh	\$ per cwt	81.95	95.67	-14.34%	86.81	-5.60%		
	Hog By-Product Value	\$ per cwt, live wt	5.24	5.30	-1.13%	4.07	28.75%		
C	Young Chicken Slaughter *	Million Head	168.5	168.0	0.30%	169.7	-0.72%	6,487	-1.4%
H	Avg. Weight (RTC)	Lbs.	4.88	4.91	-0.62%	4.89	-0.31%	6.36	1.0%
I	Young Chicken Production (RTC)	Million Lbs.	822.1	824.7	-0.32%	830.6	-1.02%	31,370	-0.5%
C	Eggs Set (19-state)	Million	233.7	229.4	1.90%	226.0	3.41%	9,500	2.2%
K	Chicks Placed (19-state)	Million Head	181.0	182.8	-0.94%	181.4	-0.19%	7,458	0.3%
E	National Composite Whole Bird	Composite	104.70	105.18	-0.46%	65.06	60.93%		
	Northeast Breast, B/S	\$/cwt	198.87	208.4	-4.57%	92.58	114.81%		
	Northeast Leg Quarters	\$/cwt	38.88	41	-5.17%	24.6	58.05%		
T	Total Turkey Slaughter *	Million Head	3.924	4.1	-4.29%	4.111	-4.55%	149.861	-6.1%
U	Avg. Weight (RTC)	Lbs.	25.81	25.30	2.02%	25.35	1.82%	32.18	#DIV/0!
R	Turkey Production (RTC)	Million Lbs.	101.3	103.7	-2.36%	104.2	-2.81%	3,874	-6.2%
K	National Hen (8-12 lb)	8-16 Lbs.	129.70	133.00	-2.48%	113.00	14.78%		
G	Corn, Omaha	\$ per Bushel	5.44	5.45	-0.18%	3.63	49.86%		
R	Soybeans, Cntrl IL	\$ per Bushel	12.43	12.47	-0.32%	10.47	18.72%		
A	Soybn Meal 48%, Cntrl IL	\$ per Bushel	325.70	344.00	-5.32%	358.60	-9.17%		
I	Distillers Grain, IL	\$ per Bushel	199.00	199.00	0.00%	160.00	24.38%		

* 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

