

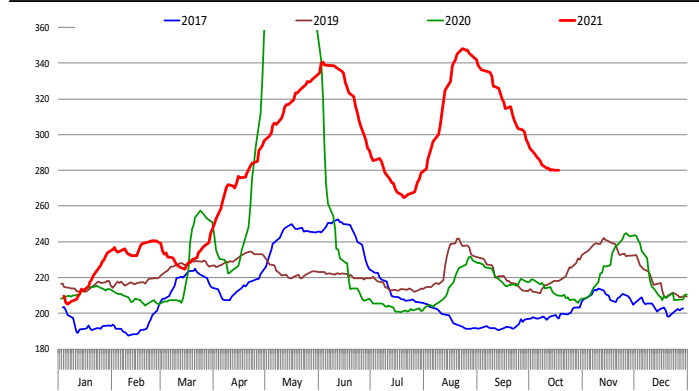
The weekly price and production summary has now been included on page 2 of this report.

The data for last week shows that supply availability remains a challenge, with cattle slaughter down 2% compared to a year ago and beef output 3.6% due to the combination of low slaughter and low weights. Hog slaughter last week was also 1.8% lower than a year ago and USDA calculated pork production down 4% due to the impact of lower weights. We would take issue with this last point, however. **We think USDA continues to make a mistake in its initial estimates of hog weights and thus pork production.** It is a point we have made often but bears repeating, especially since hog carcass weights have ratcheted higher in recent weeks. Rather than down 2.3% compared to last year (as USDA suggests), we think hog carcass weights last week were only about 0.6% compared to a year ago. Weights of producer owned hogs are actually running well above last year. In the last two weeks, we think overall hog weights (includes packer owned) increased 2.3 pounds or 1.1% from two weeks prior. This is more than double the rate of the increase we saw last year or in 2019 for the same time frame. This is important for two reasons. First it offers a very different view of pork production for the week but it also helps understand what is happening at the farm level and whether producers are starting to get less current. Cash hog prices offer are telling us that not all is well, with the negotiated cash hog prices down \$5/cwt in October. As we have done in the past, we would urge USDA personnel that may be reading this report to revise the procedure they use to calculate the estimated hog weights for the most current week. We would be more than happy to offer evidence as to why we think a new approach is needed.

One other issue we would like to highlight has to do with **forward beef sales and what that tells us about wholesale beef price trends for the rest of the year and in Q1.** The choice beef cutout has stabilized around \$280/cwt in the last few days, down about 20% compared to the pre-Labor Day peak in the third week of August. Are we going to see another rally in the new few weeks, something that we seasonally have come to expect during this time of year. While likely, it is not a sure thing. Beef prices after all are very high and that appears to have rationed out some demand. Forward beef sales for delivery 22-60 days out were higher in late September and early October, which would suggest an improvement in feature activity in November. This may be enough to shorten up spot supplies and bolster prices in November. Choice beef ribs have corrected lower but they usually see one more bump before the holidays. The bigger downside risk for the wholesale beef market is for the second half of December and then Q1 of 2022. Forward sales for delivery 22-60 day out last week were 27% lower than a year ago and 42% lower than the same week in 2019. Forward sales for further out are down even more. Sales for delivery 90 days or more into the future last week were some 62% lower than a year ago and 27% lower than two years ago. Maybe the trend will change later this month but so far very little buying is happening for next year. This could be because packers may not be as willing to sell forward but also could signal buyer reluctance to absorb current prices. Export sales were also notably lower last week, suggesting the slowdown is broad based.

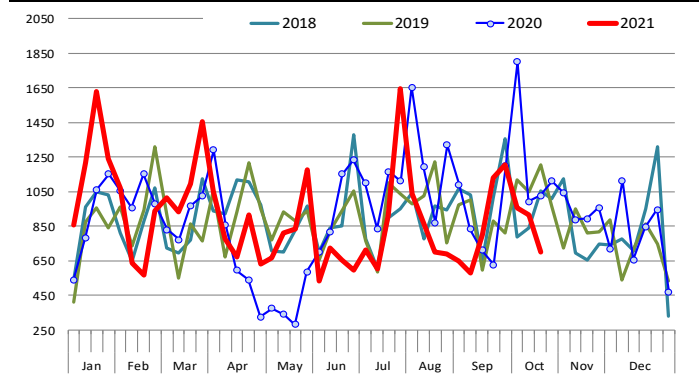
CHOICE BEEF CUTOUT VALUE

Daily Prices, \$/cwt. Source: USDA-AMS Mandatory Price Reporting Service



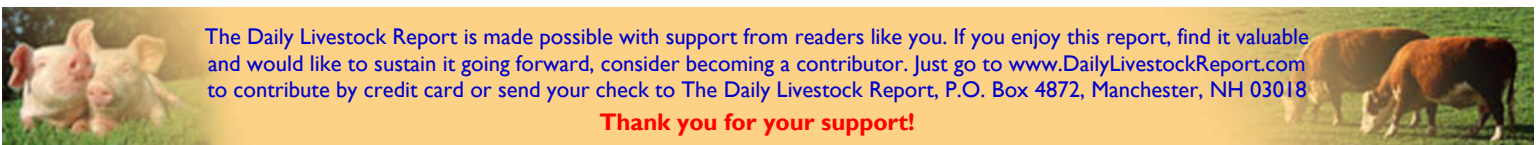
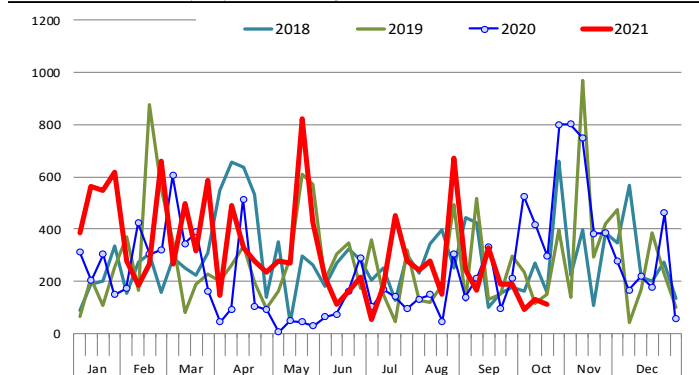
Beef Loads Sold For Delivery 22 - 60 Days

Data Source: USDA-AMS. Analysis by Steiner Consulting



Beef Loads Sold For Delivery +91 Days

Data Source: USDA-AMS. 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 **10/16/2021**

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	
		16-Oct-21	9-Oct-21		17-Oct-20				
Total Beef, Pork, Chicken, Turkey	mil lbs., cwe	2,042	2,015	1.37%	2,061	-0.90%	79,551	-0.3%	
C	FI Slaughter	Thou. Head	646	657	-1.67%	659	-1.93%	26,277	3.2%
	FI Cow Slaughter **	Thou. Head	130	129	0.61%	127	2.73%	5,061	5.8%
T	Avg. Dressed Weight	Lbs.	830	830	0.00%	845	-1.78%	827	-0.4%
T	Beef Production	Million Lbs.	535.1	544.1	-1.65%	555.3	-3.64%	21,719	2.8%
L	Live Fed Steer Price	\$ per cwt	123.85	122.96	0.72%	107.52	15.19%		
E	Dressed Fed Steer Price	\$ per cwt	195.73	195.37	0.18%	168.35	16.26%		
	Oklahoma Steer (600-700 lbs)	\$ per cwt	154.33	151.78	1.68%	136.59	12.99%		
&	Choice Beef Cutout	\$ per cwt	280.55	286.42	-2.05%	211.74	32.50%		
	Hide/Offal	\$ per cwt, live wt	16.32	16.13	1.18%	8.36	95.22%		
B	Rib Primal, Choice	\$ per cwt	472.25	500.31	-5.61%	386.49	22.19%		
E	Round Primal, Choice	\$ per cwt	250.68	250.07	0.24%	167.16	49.96%		
E	Chuck Primal, Choice	\$ per cwt	229.67	232.42	-1.18%	172.92	32.82%		
F	Trimnings, 50%	\$ per cwt	99.31	103.41	-3.96%	50.00	98.62%		
	Trimnings, 90%	\$ per cwt	276.00	276.22	-0.08%	198.51	39.04%		
FI	Slaughter	Thou. Head	2,637	2,597	1.54%	2,685	-1.80%	101,037	-1.9%
FI	Sow Slaughter **	Thou. Head	60.6	58.7	3.16%	65.9	-8.09%	2,414	-5.5%
H	Avg. Dressed Weight	Lbs.	211.0	210.0	0.48%	216.0	-2.31%	214	-0.1%
O	Pork Production	Million Lbs.	557	547.1	1.81%	580.2	-4.00%	21,638	-2.0%
G	Iowa-S. Minn. Base	Wtd. Avg.	68.54	70.47	-2.74%	63.31	8.26%		
S	Natl. Base Carcass Price	Wtd. Avg.	87.15	89.86	-3.02%	75.34	15.68%		
	Natl. Net Carcass Price	Wtd. Avg.	88.96	91.84	-3.14%	77.13	15.34%		
	Natl. Early Wean Feeder	Wtd. Avg.	48.94	48.83	0.23%	36.69	33.39%		
	Pork Cutout	205 Lbs.	104.52	110.53	-5.44%	97.48	7.22%		
	Ham Primal	\$ per cwt	65.62	84.21	-22.08%	79.36	-17.31%		
	Loin Primal	\$ per cwt	104.42	105.23	-0.77%	89.11	17.18%		
	Belly Primal	\$ per cwt	203.47	203.60	-0.06%	169.43	20.09%		
	Trimnings, 72%, Fresh	\$ per cwt	77.68	81.95	-5.21%	88.90	-12.62%		
	Hog By-Product Value	\$ per cwt, live wt	5.19	5.24	-0.95%	4.36	19.04%		
C	Young Chicken Slaughter *	Million Head	169.4	168.5	0.54%	168.3	0.67%	6,657	-1.4%
H	Avg. Weight (RTC)	Lbs.	4.96	4.88	1.56%	4.92	0.62%	6.37	1.0%
I	Young Chicken Production (RTC)	Million Lbs.	839.5	822.1	2.11%	828.8	1.29%	32,210	-0.4%
C	Eggs Set (19-state)	Million	230.8	234.7	-1.70%	216.4	6.62%	9,731	2.3%
K	Chicks Placed (19-state)	Million Head	179.9	181.1	-0.67%	181.3	-0.77%	7,638	0.2%
E	National Composite Whole Bird	Composite	103.88	104.70	-0.78%	67.87	53.06%		
	Northeast Breast, B/S	\$/cwt	185.42	198.87	-6.76%	87.96	110.80%		
	Northeast Leg Quarters	\$/cwt	39.86	38.88	2.52%	25.83	54.32%		
T	Total Turkey Slaughter *	Million Head	4.328	3.924	10.30%	3.853	12.33%	154.189	-5.7%
U	Avg. Weight (RTC)	Lbs.	25.56	25.81	-0.96%	25.01	2.21%	32.17	0.1%
R	Turkey Production (RTC)	Million Lbs.	110.6	101.3	9.24%	96.4	14.82%	3,984	-5.7%
K	National Hen (8-12 lb)	8-16 Lbs.	135.00	129.70	4.09%	113.78	18.65%		
G	Corn, Omaha	\$ per Bushel	5.14	5.44	-5.51%	3.83	34.20%		
R	Soybeans, Cntrl IL	\$ per Bushel	12.08	12.43	-2.82%	10.54	14.61%		
A	Soyb Meal 48%, Cntrl IL	\$ per Bushel	317.50	325.70	-2.52%	371.10	-14.44%		
I	Distillers Grain, IL	\$ per Bushel	NQ	199.00	N/A	167.50	N/A		

* 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

