Daily Livestock Report

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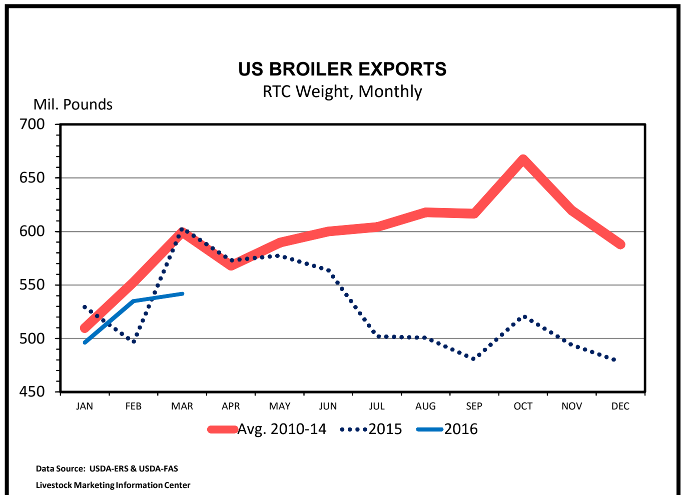
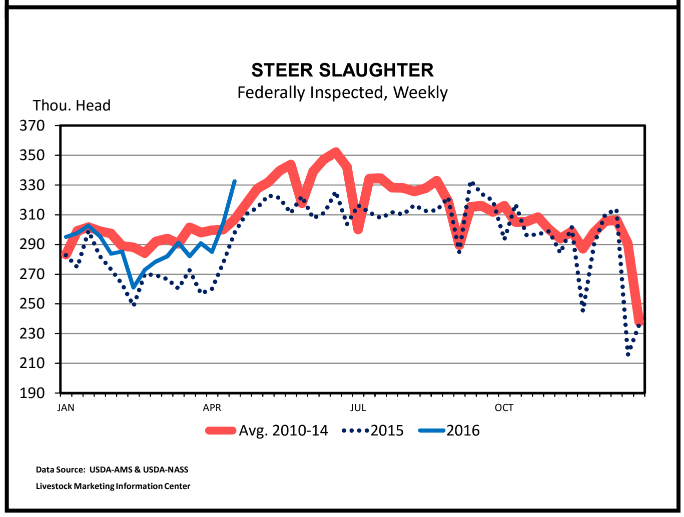
USDA-ERS released March monthly live animal and meat (on a carcass weight basis) trade numbers this past Thursday. In the beef complex, imports continued to track below year ago levels, down 16% for the month of March, compared to 2015, and down 9% year-over-year for the first quarter. As discussed briefly in Friday's DLR, the majority of this decrease in beef imports stems from fewer imports from Australia. Beef imports from Australia were down 18% for the first quarter compared to 2015. Beef export volume was even with year ago levels for March. This put first quarter beef exports up 1.5% compared to 2015. Within our major trading partners, beef exports have gained ground in Japan and South Korea, up 6% and 17%, respectively, for the first quarter compared to 2015. Conversely, beef exports to Canada were down 9% and down 11% to Mexico for the first quarter, compared to last year. The general improvement in beef exports is good news for the industry, but the majority of export improvement should take place the second half of 2016, as it will be compared to the significantly reduced export levels during the second half of 2015.

Moving on to the pork exports, year-over-year gains continue to be made. March export volume was 3% above year ago levels, and first quarter was up 5% from 2015. Pork exports to Canada and Mexico continue to struggle. For the first quarter, exports were down 2% to Canada and down 9% to Mexico year-over-year. Additionally, first quarter exports were down 29% to Taiwan and down 30% to South Korea. However, Japan, Mainland China, and Hong Kong have stepped up their buying levels. Compared to 2015, first quarter pork exports were up 14% to Japan, up 255% to Mainland China, and up 48% to Hong Kong. Pork import levels in March were down slightly year-over-year, but for first quarter total imports were up 6% compared to 2015.

Broiler exports were probably the most surprising and disappointing aspect in this trade report. March exports were down 10% compared to 2015 and this put first quarter exports down 3% year-over-year. By country, first quarter exports were actually up 3% to Canada and up 31% to Iraq. However, fewer exports to Mexico (down 2%), Hong Kong (down 31%), and Angola (down 10%) overcame any improvement made in Canada and Iraq. This broiler export trend is interesting, as domestic leg and leg quarter prices have recently experienced a decent price rally which was thought to have stemmed from improved export levels.

Switching topics, the weekly price and production summary is provided on the next page. The cattle market experienced another rollercoaster week. The Choice cutout gave up $10 per cwt. on its weekly average compared to the previous week. The 50% lean trimmings price declined almost 20% week-to-week, or down over $10 per cwt. However, volume movement of Choice and Select boxed beef cuts were both the largest since October of 2015, on a weekly basis. Kill levels are estimated to be the largest (590k) since August of 2014, and it looks like fat cattle are being cleaned up nicely as steer dressed weights dropped 8 pounds week-to-week during the end of April. On a high note, feeder and live cattle futures ended the week up with a significant rally in the June Live Cattle contract.





On the pork side, USDA is estimating larger slaughter levels for last week, up 3.5% from the previous week. Slaughter hog prices experienced increases last week, this is seasonally normal for the market.

Broiler production was down 1.7% week-to-week, and combined with a decrease in bird weights, ready to cook (RTC) production was down almost 3% week-to-week.

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PRODUCTION & PRICE SUMMARY

Week Ending 5/7/2016

Source: Various USDA Agricultural Marketing Service reports. Some data are preliminary.

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			7-May-16	30-Apr-16		9-May-15			
	Beef, Pork, Chicken, & Turkey	**Mil Lbs., cwe**	**1,811**	**1,817**	-0.4%	**1,753**	3.3%	**31,334**	1.7%
C	FI Slaughter	Thou. Head	590	590	0.0%	566	4.2%	10,025	1.5%
A	FI Cow Slaughter **	Thou. Head	100	104	-4.3%	100	0.1%	1,693	0.4%
T	Avg. Dressed Weight	Lbs.	820	825	-0.6%	816	0.5%	826	1.5%
T	Beef Production	Million Lbs.	483.0	485.8	-0.6%	461.2	4.7%	8,284	3.0%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	118.03	123.79	-4.7%	161.93	-27.1%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	189.98	194.16	-2.2%	256.03	-25.8%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	156.24	160.25	-2.5%	244.01	-36.0%		
&	Choice Beef Cutout	$ per cwt	205.72	215.51	-4.5%	256.61	-19.8%		
	Hide/Offal	$ per cwt, live wt	11.15	11.31	-1.4%	13.70	-18.6%		
B	Rib, Primal, Choice	$ per cwt	311.65	325.05	-4.1%	377.34	-17.4%		
E	Round, Primal, Choice	$ per cwt	164.12	170.42	-3.7%	217.31	-24.5%		
E	Chuck, Primal, Choice	$ per cwt	157.25	165.56	-5.0%	197.11	-20.2%		
F	Trimmings, 50%, Fresh	$ per cwt	48.97	60.68	-19.3%	96.17	-49.1%		
	Trimmings, 90%, Fresh	$ per cwt	219.69	219.84	-0.1%	296.30	-25.9%		
	FI Slaughter	Thou. Head	2,214	2,139	3.5%	2,111	4.9%	40,563	-0.3%
H	FI Sow Slaughter **	Thou. Head	55.5	56.3	-1.3%	46.8	18.7%	902	2.4%
O	Avg. Dressed Weight	Lbs.	214.0	214.0	0.0%	213.0	0.5%	213	-0.5%
G	Pork Production	Million Lbs.	472.9	457	3.5%	449.3	5.3%	8,651	-0.9%
S	Iowa-S. Minn. Direct	Wtd. Avg.	71.95	68.93	4.4%	77.45	-7.1%		
	Natl. Base Carcass Price	Wtd. Avg.	71.80	68.92	4.2%	74.73	-3.9%		
&	Natl. Net Carcass Price	Wtd. Avg.	74.07	71.20	4.0%	77.04	-3.9%		
	Pork Cutout	$ per cwt	82.71	81.79	1.1%	77.25	7.1%		
P	By-product Value	$ per cwt, live wt	3.69	3.70	-0.3%	3.59	2.8%		
O	Ham, Primal	$ per cwt	66.12	67.70	-2.3%	59.14	11.8%		
R	Loin, Primal	$ per cwt	85.77	83.00	3.3%	94.20	-8.9%		
K	Belly, Primal	$ per cwt	108.20	112.12	-3.5%	69.47	55.7%		
	Trimmings, 72%, Fresh	$ per cwt	75.05	81.57	-8.0%	65.88	13.9%		
	Young Chicken Slaughter *	Million Head	159.0	161.7	-1.7%	158.69	0.2%	2,692	1.5%
C	Avg. Weight (RTC)	Lbs.	4.67	4.72	-1.1%	4.64	0.7%	4.69	1.5%
H	Young Chicken Production (RTC)	Million Lbs.	742.2	763.4	-2.8%	735.7	0.9%	12,616	3.0%
I	Eggs Set (19-state)	Million	207.4	208.7	-0.6%	209.7	-1.1%	3,544	0.4%
C	Chicks Placed (19-state)	Million Head	171.3	171.2	0.1%	173.6	-1.3%	2,901	0.7%
K	National Composite Whole Bird	Composite	89.65	88.75	1.0%	107.95	-17.0%		
E	Georgia Dock Broiler	2.5-3 Lbs.	112.03	111.60	0.4%	114.44	-2.1%		
N	Northeast Breast, B/S	$ per cwt	124.58	118.02	5.6%	165.77	-24.8%		
	Northeast Leg Quarters	$ per cwt	36.42	36.82	-1.1%	34.64	5.1%		
T	Total Turkey Slaughter *	Million Head	4.44	4.40	0.8%	4.20	5.6%	70.9	0.0%
U	Avg. Weight (RTC)	Lbs.	25.38	25.25	0.5%	25.30	0.3%	25.15	-0.3%
R	Turkey Production (RTC)	Million Lbs.	112.7	111.2	1.3%	106.3	6.0%	1,783	-0.3%
K	National Hen (8-12 Lbs)	$ per cwt	115.00	116.50	-1.3%	106.70	7.8%		
G	Corn, Omaha	$ per Bushel	3.47	3.64	-4.7%	3.64	-4.7%		
R	Distillers Grain, Chicago	$ per Ton	130.00	127.50	2.0%	185.00	-29.7%		
A	Wheat, Kansas City (delivered)	$ per Bushel	4.32	4.48	-3.6%	5.14	-16.0%		
I	Soybean, Cntrl IL	$ per Bushel	9.97	10.14	-1.6%	9.94	0.4%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	343.30	337.10	1.8%	325.40	5.5%		

* 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).

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