Daily Livestock Report

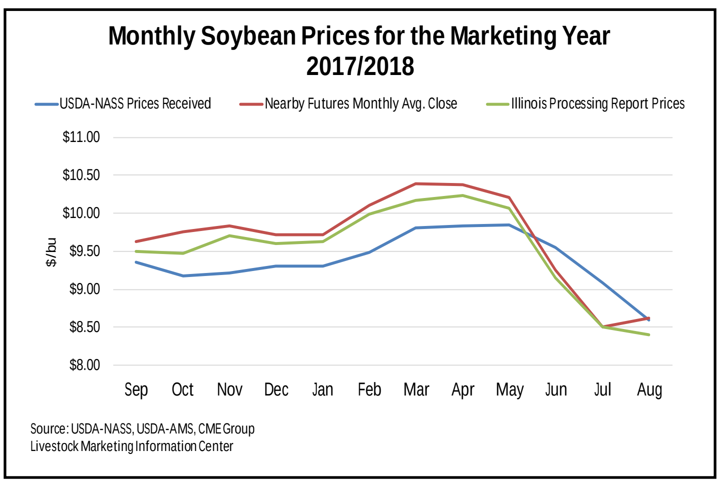
Vol. 16, No. 193 / October 1, 2018

USDA NASS released the monthly Agricultural Prices report on Thursday drawing a close to the 2017/2018 marketing year prices received for corn and soybeans. August prices received for corn came in at $3.36 per bushel, nine cents below August of 2017. This rounded out the marketing year to $3.40/bu (simple average of the monthly reported corn prices), only three cents higher than last year.

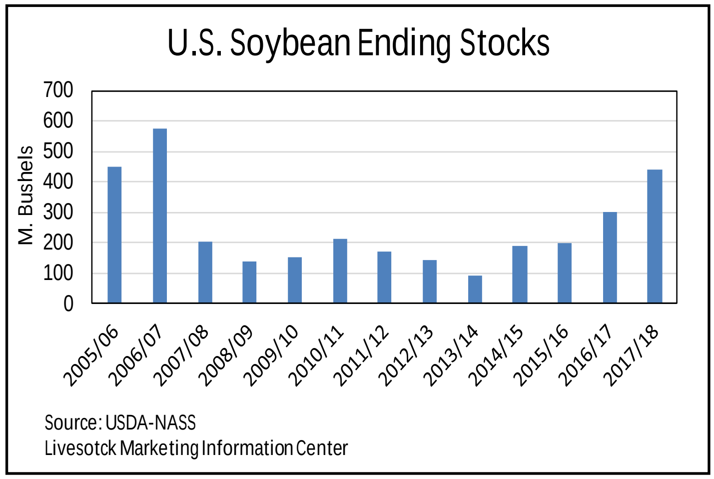
Soybeans on the other hand, were $0.65 lower in August of 2018 than in August of 2017, factoring in trade and heavy production anticipated in the following marketing year. August soybean prices received by farmers were listed at $8.59 per bushel. The first monthly average soybean price reported below $9 per bushel since March 2016.

The nearby soybean futures on the other hand has closed below $9 per bushel everyday since the middle of June, with exception of July 31, 2018. Cash prices reported in the weekly Illinois processing report have also been below $9/ bushel (using Thursday quotes) in since the middle of June as well.

These futures prices have led cash prices for much of he month of August, but in the later half of the month the weekly futures remained above $8 while cash tumbled below. The weighted average price reported for the month of August would suggest that farmers are holding onto soybeans and selling limited volumes at sub-$8 per bushel prices.



This was confirmed in the latest grain stocks report that was released Friday. As of September 1, old crop soybeans stored on farms were up 15% compared to a year ago, while off farm stocks registered 58% above a year ago. This is the largest ending stocks number since 2006. Now, this story has been similar all year. Soybean stocks on March 1 were up 21%, followed by a June 1 figures of 26% larger than the prior year. Soybean production was 2.2% larger year-over-year in 2017/18, and with exports off from trade struggles rising stock levels are of little surprise.



The impending large soybean crop harvested for the 2018/19 crop year is expected to roughly double ending stocks carryout from 2017/18 figures. In large part because production is estimated to rise another 4.4%. Exports remain uncertain at best for the next marketing year but high stock levels and large production figures are likely to continue to pressure prices. USDA in the latest WASDE estimated season average price for 2018/19 between $7.65 and $10.15 per bushel. Given the new information in the stocks report, this price range looks to be an optimistic outlook for soybeans.

Corn stocks were also slightly larger than expected at 2.1 billion bushels, but still 7% down from a year ago. The last time the U.S. had two consecutive years of carry-over surpassing 2 billion bushels was the 1987/88 marketing year.

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PRODUCTION & PRICE SUMMARY

Week Ending 9/29/2018

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
			29-Sep-18	22-Sep-18		30-Sep-17			
	Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,938	1,889	2.6%	1,960	-1.1%	71,581	1.7%
C	FI Slaughter	Thou. Head	650	657	-1.1%	648	0.4%	24,309	2.7%
A	FI Cow Slaughter **	Thou. Head	124	107	16.4%	114	8.5%	10,120	7.0%
T	Avg. Dressed Weight	Lbs.	825	824	0.1%	828	-0.4%	813	0.3%
T	Beef Production	Million Lbs.	534.8	539.5	-0.9%	535.4	-0.1%	19,758	2.9%
L	Live Fed Steer Price, 5-Mkt	$ per cwt	110.37	110.61	-0.2%	108.01	2.2%		
E	Dressed Steer Price, 5-Mkt	$ per cwt	174.02	174.65	-0.4%	171.73	1.3%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	NQ	163.65	N/A	155.79	N/A		
&	Choice Beef Cutout	$ per cwt	205.07	204.98	0.0%	195.81	4.7%		
	Hide/Offal	$ per cwt, live wt	9.12	9.17	-0.5%	10.41	-12.4%		
B	Rib, Primal, Choice	$ per cwt	366.22	352.98	3.8%	315.34	16.1%		
E	Round, Primal, Choice	$ per cwt	162.94	160.71	1.4%	173.31	-6.0%		
E	Chuck, Primal, Choice	$ per cwt	167.76	170.64	-1.7%	173.44	-3.3%		
F	Trimmings, 50%, Fresh	$ per cwt	45.23	51.23	-11.7%	45.61	-0.8%		
	Trimmings, 90%, Fresh	$ per cwt	196.99	201.88	-2.4%	221.14	-10.9%		
	FI Slaughter	Thou. Head	2,568	2,341	9.7%	2,528	1.6%	90,760	2.3%
H	FI Sow Slaughter **	Thou. Head	58.2	51.3	13.4%	56.3	3.5%	5,078	2.2%
O	Avg. Dressed Weight	Lbs.	208.0	208.0	0.0%	211.0	-1.4%	211	0.4%
G	Pork Production	Million Lbs.	534.5	486.9	9.8%	532.1	0.5%	19,182	2.7%
S	Iowa-S. Minn. Direct	Wtd. Avg.	62.80	56.90	10.4%	47.80	31.4%		
	Natl. Base Carcass Price	Wtd. Avg.	63.89	59.01	8.3%	56.29	13.5%		
&	Natl. Net Carcass Price	Wtd. Avg.	66.09	61.26	7.9%	58.55	12.9%		
	Pork Cutout	$ per cwt	80.39	78.02	3.0%	72.88	10.3%		
P	By-product Value	$ per cwt, live wt	3.68	3.68	0.0%	3.88	-5.2%		
O	Ham, Primal	$ per cwt	62.05	58.61	5.9%	60.60	2.4%		
R	Loin, Primal	$ per cwt	84.84	83.30	1.9%	76.10	11.5%		
K	Belly, Primal	$ per cwt	117.01	112.73	3.8%	91.08	28.5%		
	Trimmings, 72%, Fresh	$ per cwt	61.95	62.35	-0.6%	62.35	-0.6%		
C	Young Chicken Slaughter *	Million Head	162.4	161.8	0.4%	167.35	-3.0%	6,120	-0.2%
H	Avg. Weight (RTC)	Lbs.	4.76	4.73	0.6%	4.73	0.6%	4.69	0.8%
I	Young Chicken Production (RTC)	Million Lbs.	772.5	764.7	1.0%	791.1	-2.3%	28,718	0.6%
C	Eggs Set (US)	Million	221.1	212.8	3.9%	221.1	0.0%	20,215	2.5%
K	Chicks Placed (US)	Million Head	178.6	181.7	-1.7%	178.2	0.2%	16,366	1.6%
E	National Composite Whole Bird	Composite	82.59	84.01	-1.7%	86.40	-4.4%		
N	Northeast Breast, B/S	$ per cwt	94.87	94.40	0.5%	121.99	-22.2%		
	Northeast Leg Quarters	$ per cwt	29.82	30.41	-1.9%	41.08	-27.4%		
T	Total Turkey Slaughter *	Million Head	3.88	4.07	-4.6%	4.03	-3.6%	155.8	-0.8%
U	Avg. Weight (RTC)	Lbs.	24.79	24.16	2.6%	25.06	-1.1%	25.18	-0.5%
R	Turkey Production (RTC)	Million Lbs.	96.3	98.3	-2.1%	101.0	-4.6%	3,923	-1.3%
K	National Hen (8-12 Lbs)	$ per cwt	83.55	81.50	2.5%	96.00	-13.0%		
G	Corn, Omaha	$ per Bushel	3.20	3.12	2.6%	3.12	2.4%		
R	Distillers Grain, Chicago	$ per Ton	145.00	145.00	0.0%	117.50	23.4%		
A	Wheat, Kansas City (delivered)	$ per Bushel	6.04	5.98	1.1%	5.30	14.0%		
I	Soybean, Cntrl IL	$ per Bushel	8.01	7.93	1.0%	9.27	-13.6%		
N	Soybn Meal 48%, Cntrl IL	$ per Ton	318.30	321.90	-1.1%	312.50	1.9%		

* 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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