

The USDA provided a torrent of new information on grain supply and price prospects for the coming year that will be pertinent to livestock producers. USDA-National Agricultural Statistical Service (NASS) updated its estimates of grain and oilseed harvests for 2019.

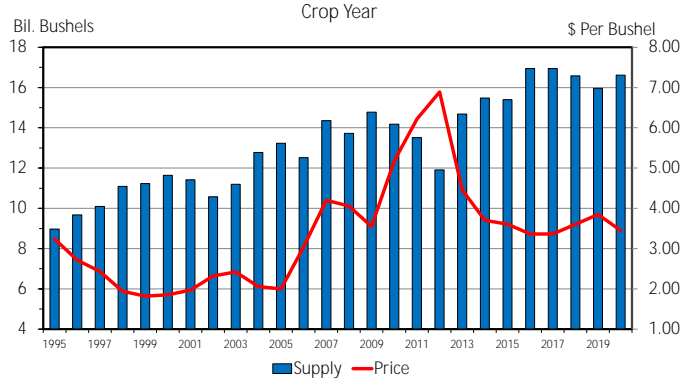
The outlook for corn production was little changed from a month earlier. Industry expectations were skewed below the USDA production peg, which has been the norm this year as weather in August and September has favored crop development conditions. Average yield per acre was given a slight positive nudge from the September estimate. Corn ear samples collected for the October 1 survey showed little change relative to the September survey. Ears per acre measures have tended to decline from September to October in past years but this year's change was minimal. It will be interesting to see how much the major storm that swept across the Northern Plains and Western Cornbelt last week will affect final harvest results.

Corn supplies at the beginning of this crop year (beginning September 1) are down 4% from a year ago, based on old-crop inventories on hand on September 1 and corn to be harvested this fall. This is the third consecutive year of declining supplies, although the declines have been small in each year. Average corn prices received by farmers have edged up each year, moving from a low for the crop harvested in 2016 of \$3.36 per bushel. The just completed 2018/2019 crop year had an average farm price for corn of \$3.61. The USDA-World Agriculture Outlook Board updated their corn price forecast for the coming year during the past week, raising its projection to \$3.80 from its prior forecast made in September of \$3.60. The pivotal factor in the adjustment was September 1 corn inventories coming in more than 10% below expectations in a data release that came out in late September.

Within the same forecast, projected corn exports for the 2019/2020 crop year were adjusted down 7% to 1.9 billion bushels, the lowest export volume since the 2015-2016 crop year. In the absence of this downward shift in the demand for corn, the USDA corn forecast could have been poised to reach the \$4 mark.

Updated soybean harvest metrics came in below market expectations as opposed to more than expected in the case of corn. Area to be harvested was adjusted down 300,000 acres and average yield was reduced 1 bushel per acre from estimates made a month earlier. Production was reduced by 83 million bushels from the September estimate. Combined with a downward revision to September 1 inventories that were even bigger than those for corn, on a percentage basis, leads to a significant reappraisal of supply, demand and prices for the soybean market in the next year. September 1 inventories were record large by a wide margin. This year's smaller harvest will result in inventories by September 1 of next year falling back into the upper end of a range that would be considered normal

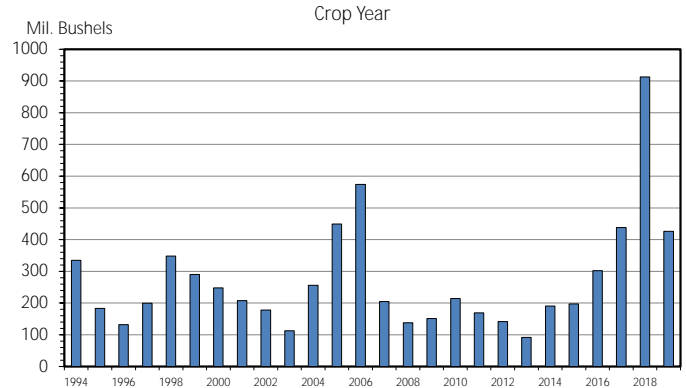
## US TOTAL CORN SUPPLY AND PRICE



Data Source: USDA-NASS, Compiled & Forecasts by LMIC  
Livestock Marketing Information Center

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10/11/19

## US ANNUAL SOYBEAN ENDING STOCKS

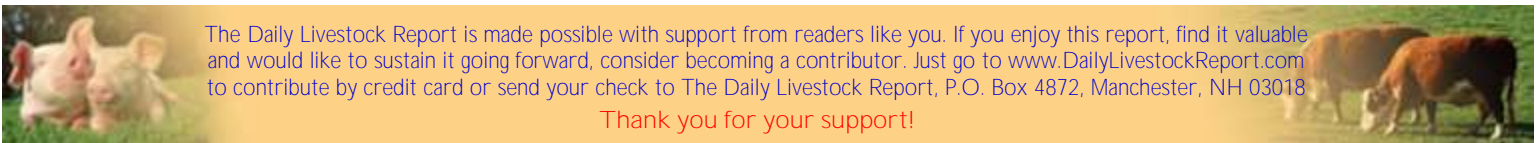


Data Source: USDA-NASS, Forecasts by LMIC  
Livestock Marketing Information Center

G-NP-18  
10/11/19

based on a longer term perspective. The USDA updated its soybean price forecast for the current crop year to \$9.00 per bushel from the September projection of \$8.50. This compares to the price for the just completed crop year of \$8.48.

The important number in the soybean market for livestock producers is soybean meal prices. Soybean meal prices averaged \$308 per ton in the 2018-2019 crop year. For the coming crop year, soybean meal prices are forecast to average \$325. Corn and soybean meal price increases of 5-10% in the next year imply higher feeding costs for livestock producers, but are not of a magnitude that will cause sharp adjustments in production plans in coming months.



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## PRODUCTION & PRICE SUMMARY

Week Ending 10/12/2019

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
		12-Oct-19	5-Oct-19		13-Oct-18			
Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	2,051	2,045	0.3%	1,982	3.4%	77,290	2.3%
C FI Slaughter	Thou. Head	645	639	0.9%	642	0.4%	25,855	1.0%
A FI Cow Slaughter **	Thou. Head	123	128	-3.6%	119	4.2%	4,715	2.8%
T Avg. Dressed Weight	Lbs.	823	821	0.2%	831	-1.0%	807	-0.9%
T Beef Production	Million Lbs.	529.9	523.3	1.3%	536.4	-1.2%	20,852	0.1%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	105.72	107.30	-1.5%	110.52	-4.3%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	166.64	165.29	0.8%	173.52	-4.0%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	147.24	147.56	-0.2%	157.44	-6.5%		
& Choice Beef Cutout	\$ per cwt	214.12	212.58	0.7%	202.68	5.6%		
Hide/Offal	\$ per cwt, live wt	8.91	8.95	-0.4%	9.09	-2.0%		
B Rib, Primal, Choice	\$ per cwt	382.31	371.96	2.8%	373.81	2.3%		
E Round, Primal, Choice	\$ per cwt	176.05	176.05	0.0%	165.15	6.6%		
E Chuck, Primal, Choice	\$ per cwt	168.95	168.96	0.0%	162.43	4.0%		
F Trimmings, 50%, Fresh	\$ per cwt	43.14	47.67	-9.5%	47.32	-8.8%		
Trimmings, 90%, Fresh	\$ per cwt	218.61	220.03	-0.6%	190.87	14.5%		
H FI Slaughter	Thou. Head	2,725	2,669	2.1%	2,498	9.1%	99,265	3.7%
H FI Sow Slaughter **	Thou. Head	56.0	61.3	-8.7%	60.1	-6.9%	2,228	-0.7%
O Avg. Dressed Weight	Lbs.	210.0	210.0	0.0%	210.0	0.0%	212	0.5%
G Pork Production	Million Lbs.	573.3	561.4	2.1%	524.8	9.2%	21,089	4.2%
S Natl. Negotiated Purchase	Wtd. Avg.	52.97	49.58	6.8%	62.67	-15.5%		
Natl. Base Carcass Price	Wtd. Avg.	62.13	61.31	1.3%	67.33	-7.7%		
& Natl. Net Carcass Price	Wtd. Avg.	64.24	63.49	1.2%	69.49	-7.6%		
Natl. Early Wean Feeder	10-12 Lbs.	35.78	39.04	-8.4%	37.17	-3.7%		
P Pork Cutout	\$ per cwt	77.13	74.73	3.2%	79.17	-2.6%		
O By-product Value	\$ per cwt, live wt	3.53	3.50	0.9%	3.72	-5.1%		
R Ham, Primal	\$ per cwt	58.78	61.97	-5.2%	55.46	6.0%		
K Loin, Primal	\$ per cwt	69.81	68.45	2.0%	78.78	-11.4%		
Belly, Primal	\$ per cwt	140.41	125.02	12.3%	134.77	4.2%		
Trimmings, 72%, Fresh	\$ per cwt	53.61	53.61	0.0%	60.09	-10.8%		
C Young Chicken Slaughter *	Million Head	175.4	175.2	0.2%	167.49	4.7%	6,611	2.4%
H Avg. Weight (RTC)	Lbs.	4.78	4.85	-1.4%	4.84	-1.3%	4.71	0.2%
I Young Chicken Production (RTC)	Million Lbs.	838.6	849.3	-1.3%	810.8	3.4%	31,124	2.6%
C Eggs Set (US)	Million	219.1	227.1	-3.5%	216.5	1.2%	9,234	1.8%
K Chicks Placed (US)	Million Head	178.8	183.0	-2.3%	170.5	4.9%	7,458	1.7%
E National Composite Whole Bird	Composite	78.61	79.61	-1.3%	83.32	-5.7%		
N Northeast Breast, B/S	\$ per cwt	87.23	88.21	-1.1%	93.05	-6.3%		
Northeast Leg Quarters	\$ per cwt	35.62	37.71	-5.5%	30.46	16.9%		
T Total Turkey Slaughter *	Million Head	4.33	4.37	-1.0%	4.30	0.6%	161.6	-1.8%
U Avg. Weight (RTC)	Lbs.	25.13	25.46	-1.3%	25.66	-2.1%	26.14	3.8%
R Turkey Production (RTC)	Million Lbs.	108.8	111.3	-2.3%	110.4	-1.5%	4,225	2.0%
K National Hen (8-12 Lbs)	\$ per cwt	100.00	89.49	11.7%	84.82	17.9%		
G Corn, Omaha	\$ per Bushel	3.68	3.76	-2.1%	3.27	12.6%		
R Distillers Grain, IA	\$ per Ton	140.00	132.50	5.7%	129.50	8.1%		
A Soybean, Cntrl IL	\$ per Bushel	9.01	8.93	0.9%	8.12	10.9%		
I Soybn Meal 48%, Cntrl IL	\$ per Ton	313.80	308.90	1.6%	322.80	-2.8%		
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).

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