

Retailers are selling out of meat in major metropolitan areas. In certain areas, we are hearing reports that stores are pulling featuring activities, and finding it unnecessary to offer discounts to move large volumes of meat because of panic demand related to COVID-19. The USDA weekly feature rate dropped off significantly for beef and pork in the last two weeks of February and the first two weeks of March.

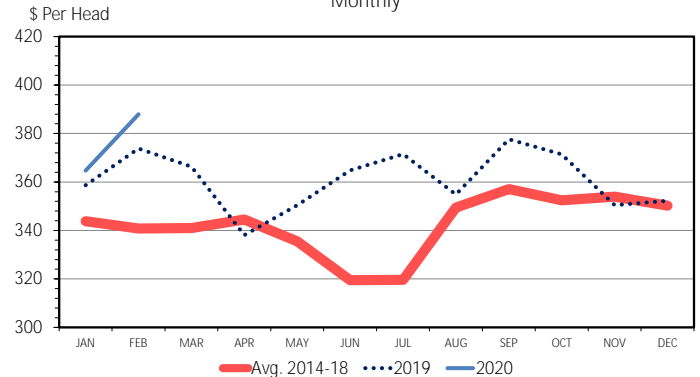
Retail feature activity for beef, nationally, was only at 65 –71.5% in the last four weeks. Featuring activity had not been in the mid 60% range in a non-holiday week since last August. In the pork sector the last four weeks were similar. Feature rates had not been below 70% since August as well with the exception of Thanksgiving week. In 2019 pork feature activity averaged 86.1%, and beef averaged 81%. This aggressive featuring has been reflective of large supplies of meat in both complexes as well as in competing with poultry.

Last week USDA ERS released February numbers for retail sales data. The Livestock Marketing Information Center uses these prices to calculate a gross margin for packers and retailers. One of the most striking graphs has been the large gross margins maintained by retailers. It is estimated that per 1000 lbs. of steer retailers are taking \$1273 in February compared to beef packers, taking \$220.

The pork price spread for retailers jumped to \$388 per head, up from \$365 the month prior. Hog packers are only taking \$29 per hog, slightly less than a year ago and about \$12 less than last month. USDA ERS calculates the composite broiler wholesale to retail spread last month to be \$1.19 per pound, up from \$1.15 the prior month.

**The U.S. Census Bureau's unadjusted advanced estimate for monthly grocery store sales in February was up 8.5% from last year. Leap year added one extra day of sales and was a contributing factor to the large growth spike. Adjusted sales figures showed February climbed 4.1%. January's unadjusted sales data showed grocery store**

**CUTOUT TO RETAIL PORK PRICE SPREAD**  
Monthly



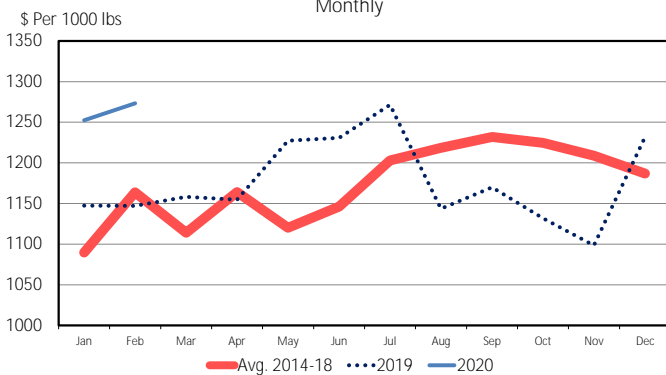
Data Source: USDA-AMS & USDA-ERS, Compiled & Analysis by LMIC  
Livestock Marketing Information Center. Note: Prior to 2013 pork cutout was voluntary

H-P-08  
03/11/20

**sales volume grew 2% from 2019's January figure. We would expect March data to show strong grocery store sales as well.**

As coronavirus continues to wreak havoc on normal business activities, it seems grocery retailers may be insulated from the pandemic, and will likely fare better. The uptick in grocery store sales is likely to continue as consumers prepare to spend weeks inside and restaurants across the nation are told to close their seating areas. The list of states of limiting access to restaurants is evolving daily and continues to expand. At least 15 states have closed restaurants and bars in some areas for seating, but many continue to operate through delivery, take out and drive thru services.

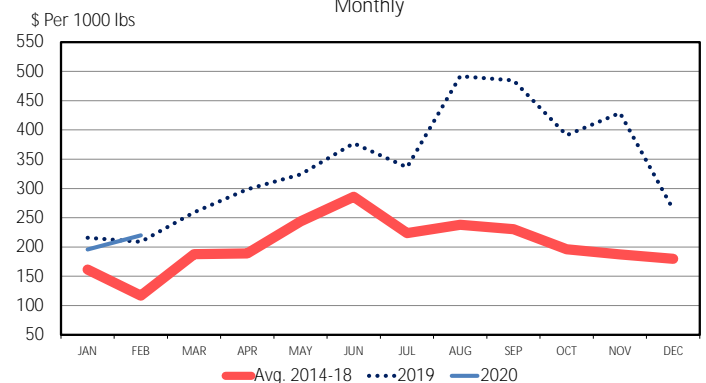
**CUTOUT TO RETAIL BEEF PRICE SPREAD**  
Monthly



Data Source: USDA-AMS & USDA-ERS, Compiled & Analysis by LMIC  
Livestock Marketing Information Center

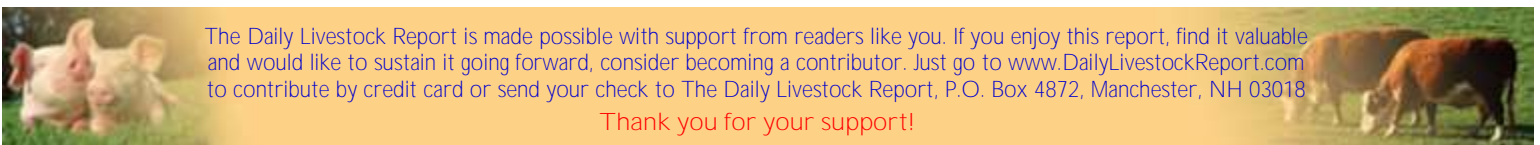
CP-04  
03/11/20

**LIVE TO CUTOUT BEEF PRICE SPREAD**  
Monthly



Data Source: USDA-AMS & USDA-ERS, Compiled & Analysis by LMIC  
Livestock Marketing Information Center

C-P-02  
03/11/20



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](http://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](http://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.