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The table on page 2 includes a recap of the production and price data for the previous week. Red meat supplies last week were above year ago levels and yet prices also gained. It remains to be seen if this indeed suggests robust demand or is a result of short covering and preparations ahead of what could be a turbulent fall. Below is a recap of the cattle on feed report issued by USDA-NASS on Friday.

On August 1 the total inventory of cattle in feedlots with +1000 head capacity was estimated at 11.394 million head, 412,000 head or 3.8% higher than a year ago. Producers continued to place cattle aggressively in August while marketings were down because of one less marketing day compared to last year. Front end inventory has been steadily declining from the backlog created in April and May but it remains large. **The supply of cattle that on September 1 had spent at least 150 days on feed was 2.472 million head, 415,000 head or 20% higher than a year ago**. In August the inventory of +150 day cattle was some 800,000 higher than last year so producers have managed to work down the front end supply but work still remains. The inventory of cattle with 120 days or more on feed was estimated at 3.834 million head, slightly lower than a year ago but still 5.7% higher than a year ago. Disruptions in slaughter due to new COVID cases combined with the increase in placements recently present some downside risk for the market this winter.

Feedlots with +1000 head capacity placed 2.057 million head of cattle on feed during August, 173,000 head or 9.2% more than a year ago. This was the second month that placements have exceeded estimates, reflecting in part the impact of drought in parts of the country but also an improvement in feedlot margins and the availability of cattle that should have been placed earlier this year. Feedlots placed 847,000 head of cattle weighing over 800 pounds, 72,000 head or 9.3% more than a year ago. Placements of cattle between 700-799 pounds were up 46,000 head or 10.8% from last year. The large supply of +150 day cattle and an increase in cattle weighing 700 pounds or more should continue to keep October and December cattle prices in check. Higher imports from Mexico likely contributed to the increase in overall placements. According to weekly USDA data, imports from Mexico during the four August weeks were 86,725 head, 23,309 head or 37% higher than last year. Imports of feeder cattle from Canada during this period were down 2,785 head. Dry conditions likely contributed to some of the increase in placements. Cattle placements in Kansas were up 100,000 head or 23% higher than a year ago. Drought conditions in Western Kanas deteriorated sharply in August, forcing some feeders off pastures. Placements in Nebraska were up 60,000 head or 13%, in part because of a lower than normal placement rate in the previous three months.

Feedlot marketings in August were estimated at 1.892 million head, 61,000 head or 3.1% lower than a year ago. Analysts on average expected marketings to be down 3.4% compared to last year. Monday through Friday slaughter in August was largely the same as last year, averaging 92,814 head per week, 0.2% lower than in 2019. Saturday slaughter, however, averaged 6.6% higher than last year. The reason why marketings were down in August was because there was one less marketing day. That will flip in September, which has one additional marketing day. The marketing rate in August (ratio of marketings to +90day inventory) was estimated at 33% compared to 33.7% last year. We think the marketing rate will improve significantly in September.

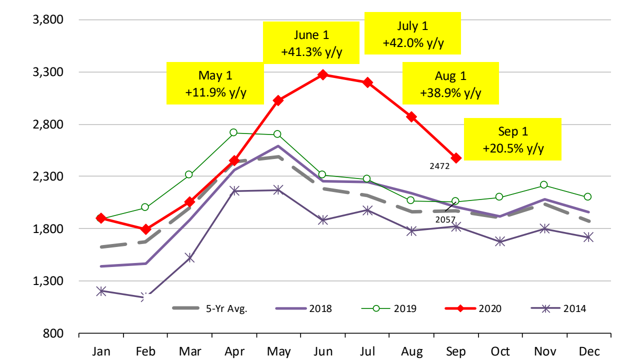
U.S. ALL CATTLE ON FEED: 1,000+ CAPACITY FEEDLOTS

Source: USDA/NASS. Analyst Estimates from Urner Barry

	Number, Thousand Head			Current Year as % of Year Prior		
	2018	2019	2020	Actual	Estimates	Difference
Placed on Feed During Aug	2,070	1,884	2,057	109.2	105.9	3.3
Fed Cattle Marketed in Aug	1,983	1,953	1,892	96.9	96.6	0.3
On Feed September 1	11,125	10,982	11,394	103.8	103.4	0.4

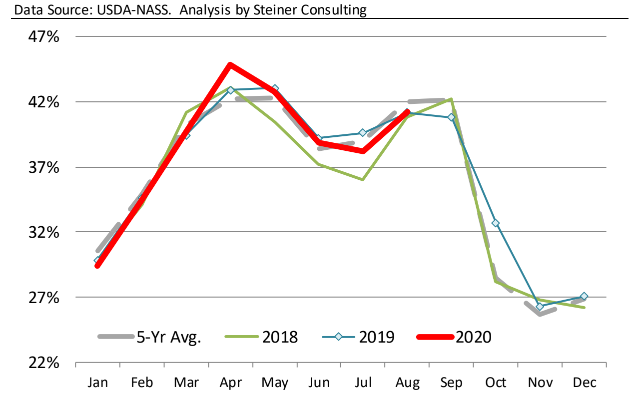
INVENTORY OF CATTLE THAT HAVE BEEN ON FEED FOR 150 DAYS OR MORE

Calcuated using the USDA Monthly "Cattle on Feed" Report



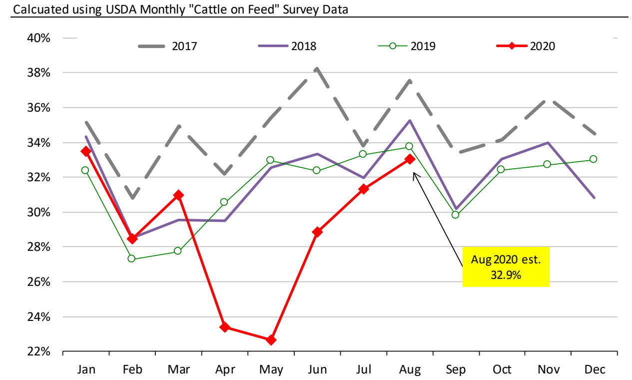
Placements of +800 lb. Cattle as % of Total Placements

Data Source: USDA-NASS. Analysis by Steiner Consulting



FEEDLOT TURN-OVER RATE (MARKETINGS VS. +90 DAY INVENTORY)

Calcuated using USDA Monthly "Cattle on Feed" Survey Data



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PRODUCTION & WKLY AVG. PRICE SUMMARY   Week Ending 9/26/2020

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
			26-Sep-20	**19-Sep-20**		**28-Sep-19**			
	Total Beef, Pork, Chicken, Turkey	**mil lbs., cwe**	**2,023**	**1,913**	5.76%	**2,042**	-0.91%	**73,588**	0.5%
	FI Slaughter	Thou. Head	651	645	0.93%	650	0.15%	23,505	-4.3%
C	FI Cow Slaughter **	Thou. Head	107	115	-7.02%	126	-15.35%	4,409	-1.2%
T	Avg. Dressed Weight	Lbs.	842	839	0.36%	826	1.94%	828	2.8%
T	Beef Production	Million Lbs.	546.6	540.1	1.20%	535.5	2.07%	19,471	-1.7%
L	Live Fed Steer Price	$ per cwt	105.03	103.54	1.44%	104.93	0.10%		
E	Dressed Fed Steer Price	$ per cwt	164.87	162.93	1.19%	165.29	-0.25%		
	Oklahoma Steer (600-700 lbs)	$ per cwt	144.61	145.62	-0.69%	150.33	-3.80%		
&	Choice Beef Cutout	$ per cwt	216.87	215.87	0.46%	214.51	1.10%		
	Hide/Offal	$ per cwt, live wt	8.05	7.93	1.51%	8.96	-10.16%		
B	Rib Primal, Choice	$ per cwt	366.64	357.64	2.52%	367.70	-0.29%		
E	Round Primal, Choice	$ per cwt	171.05	169.41	0.97%	179.40	-4.65%		
E	Chuck Primal, Choice	$ per cwt	175.38	173.30	1.20%	170.57	2.82%		
F	Trimmings, 50%	$ per cwt	48.43	43.13	12.29%	63.77	-24.06%		
	Trimmings, 90%	$ per cwt	214.45	218.97	-2.06%	222.53	-3.63%		
	FI Slaughter	Thou. Head	2,627	2,578	1.90%	2,641	-0.55%	94,959	1.2%
	FI Sow Slaughter **	Thou. Head	56.8	61.2	-7.24%	61.8	-8.09%	2,357	11.7%
H	Avg. Dressed Weight	Lbs.	211.0	210.0	0.48%	211.0	0.00%	214	0.8%
O	Pork Production	Million Lbs.	552.6	541.6	2.03%	556.2	-0.65%	20,341	1.9%
G	Iowa-S. Minn. Base	Wtd. Avg.	63.25	60.90	3.86%	46.81	35.12%		
S	Natl. Base Carcass Price	Wtd. Avg.	70.23	66.30	5.93%	58.48	20.09%		
	Natl. Net Carcass Price	Wtd. Avg.	72.28	68.50	5.52%	60.70	19.08%		
	Natl. Early Wean Feeder	Wtd. Avg.	32.43	28.20	15.00%	37.44	-13.38%		
	Pork Cutout	205 Lbs.	90.00	84.33	6.72%	71.12	26.55%		
	Ham Primal	$ per cwt	85.80	77.05	11.36%	62.05	38.28%		
	Loin Primal	$ per cwt	76.32	73.49	3.85%	68.48	11.45%		
	Belly Primal	$ per cwt	150.25	139.39	7.79%	104.88	43.26%		
	Trimmings, 72%, Fresh	$ per cwt	83.19	87.54	-4.97%	52.85	57.41%		
	Hog By-Product Value	$ per cwt, live wt	4.06	4.04	0.50%	3.51	15.67%		
C	Young Chicken Slaughter *	Million Head	170.3	149.1	14.19%	175.0	-2.70%	6,239	-0.3%
H	Avg. Weight (RTC)	Lbs.	4.84	4.92	-1.70%	4.78	1.27%	6.30	1.7%
I	Young Chicken Production (RTC)	Million Lbs.	824.3	734.3	12.26%	836.5	-1.46%	29,848	1.4%
C	Eggs Set (19-state)	Million	226.4	225.9	0.23%	221.1	2.38%	8,850	0.7%
K	Chicks Placed (19-state)	Million Head	186.2	186.4	-0.12%	186.1	0.04%	7,070	-0.2%
E	National Composite Whole Bird	Composite	63.27	63.48	-0.33%	78.48	-19.38%		
	Northeast Breast, B/S	$/cwt	94.75	99.94	-5.19%	89.61	5.74%		
	Northeast Leg Quarters	$/cwt	23.94	22.79	5.05%	38.33	-37.54%		
T	Total Turkey Slaughter *	Million Head	3.942	3.724	5.85%	4.375	-9.90%	151.489	-1.0%
U	Avg. Weight (RTC)	Lbs.	25.23	26.01	-3.00%	25.89	-2.53%	32.23	-1.2%
R	Turkey Production (RTC)	Million Lbs.	99.5	96.9	2.68%	113.3	-12.18%	3,927	-1.9%
K	National Hen (8-12 lb)	8-16 Lbs.	116.00	115.08	0.80%	98.28	18.03%		
G	Corn, Omaha	$ per Bushel	3.52	3.61	-2.49%	3.67	-4.09%		
R	Soybeans, Cntrl IL	$ per Bushel	9.97	10.29	-3.11%	8.66	15.13%		
A	Soybn Meal 48%, Cntrl IL	$ per Bushel	329.50	328.40	0.33%	293.30	12.34%		
I	Distillers Grain, IL	$ per Bushel	162.50	156.00	4.17%	137.50	18.18%		

* 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.

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