

BEEF MARKET RECAP

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November 1st Cattle on Feed

- USDA-NASS released their monthly update of Cattle On Feed data on 11/18/22.** There were 11.706 million cattle reported on feed for November 1, down 2% versus a year ago. This was 0.3% smaller than the average of the surveyed analyst pool and 0.4% smaller than the 5-year average.
- October placements were lower than anticipated.** There were 2.108 million head placed in October, down 6.1% versus a year ago, and down 8.7% from the 5-year average. The average of the surveyed analyst pool expected placements to be down 3.7% versus a year ago. About 73% of the cattle inventory is within an area experiencing drought. This was a 3% improvement from the beginning of November. The improvement in drought

| Market | Comments | Price Bias |
|---------------|--|------------|
| Fed Cattle | Long term bullish, Supportive cutout, Prep for shorter week | Sideways |
| Feeder Cattle | Volatility ahead as feeders work out margins in coming month | Sideways |
| Hogs | Holiday schedule, Stronger cash \$, Fewer hogs coming | Sideways |
| Corn | Harvest 96% completed, Nov WASDE forecast prod. higher | Sideways |
| Soybean Meal | Future biodiesel prod., SB demand ?'s | Sideways |
| Equities | S&P mixed w/ varied corp. earnings, upcoming FOMC meetin | Sideways |

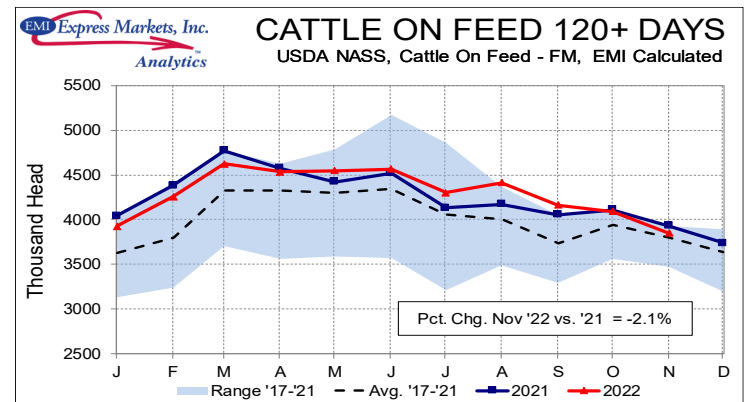
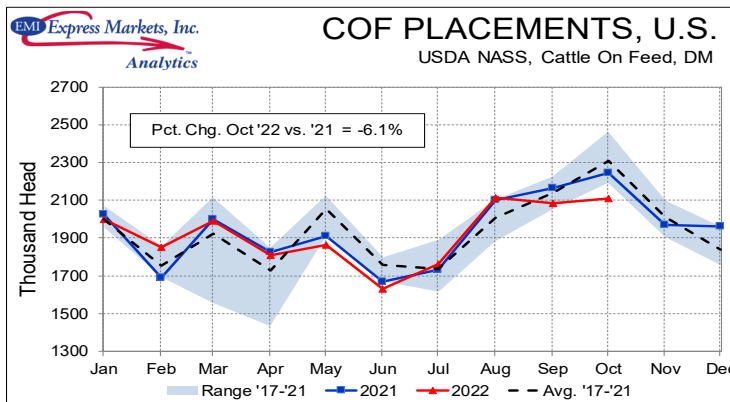
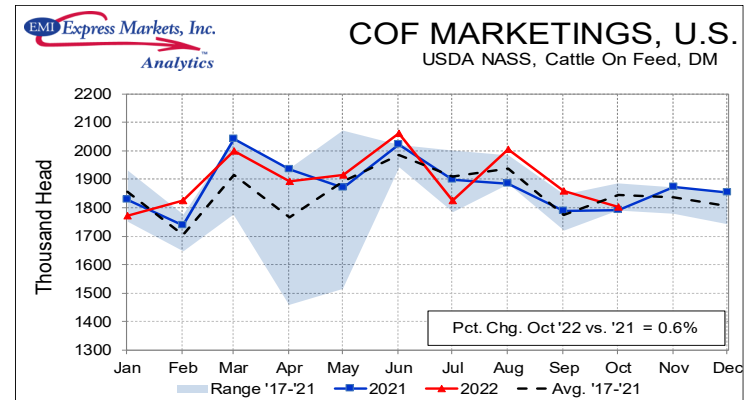
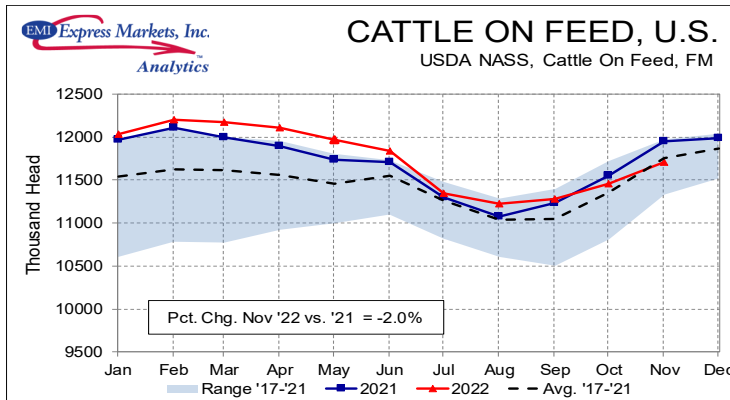
USDA Cattle on Feed Report -- November 2022

| | Thous. Hd. | | 2022 as pct. of 2021 | | |
|--------------------------------|------------|--------|----------------------|-----------|------------|
| | 2021 | 2022 | Actual | Estimate* | Difference |
| On Feed, November 1 | 11,948 | 11,706 | 98.0 | 98.3 | -0.3 |
| Placed on Feed in October | 2,246 | 2,108 | 93.9 | 96.3 | -2.4 |
| Fed Cattle Marketed in October | 1,791 | 1,802 | 100.6 | 100.8 | -0.2 |

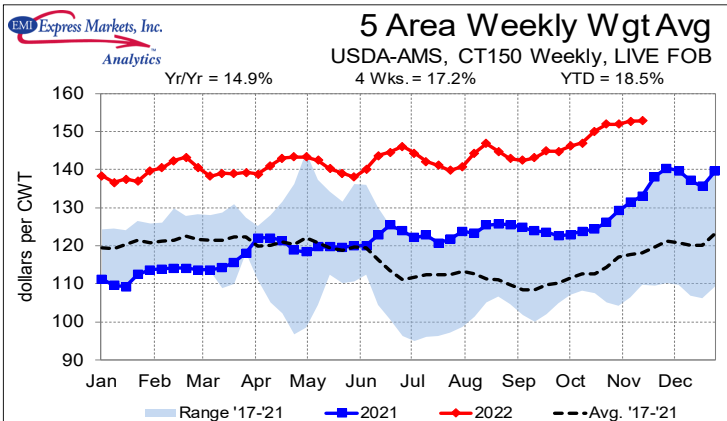
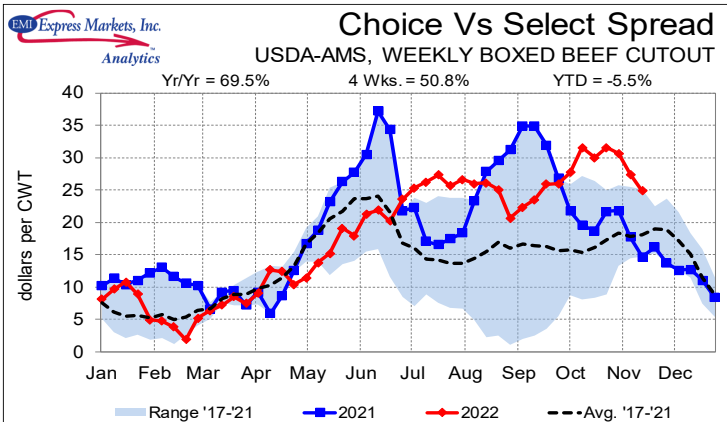
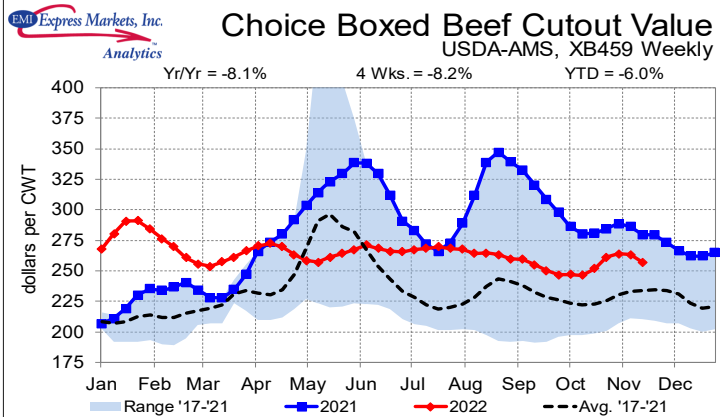
Source: USDA NASS, *Umer Barry survey, average responses

conditions due to recent rains may fuel some optimism for those who received them.

- October COF marketings were up 0.6% versus a year ago.** This was 0.2% smaller than the average of the surveyed analyst pool.



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| USDA Cattle and Beef Cutout Weekly Wgt Avg (\$/cwt) | Current W/E 11/19/22 | Prior W/E 11/12/22 | Change \$/cwt | Year Ago W/E 11/20/21 | Change \$/cwt |
|---|-------------------------|-----------------------|------------------|--------------------------|------------------|
| Cattle | | | | | |
| Live Cattle Futures - CME | 152.10 | 152.46 | -0.36 | 132.48 | 19.62 |
| Feeder Cattle Futures - CME | 176.99 | 177.96 | -0.97 | 156.90 | 20.09 |
| 5 Area Weekly Wgt Avg | 152.89 | 152.71 | 0.18 | 133.11 | 19.78 |
| Beef | | | | | |
| Choice Beef Carcass Cutout | 257.08 | 263.27 | -6.19 | 279.67 | -22.59 |
| Select Beef Carcass Cutout | 232.18 | 235.86 | -3.68 | 264.98 | -32.80 |
| Choice - Select Spread | 24.90 | 27.41 | -2.51 | 14.69 | 10.21 |
| Rib Primal Value | | | | | |
| 109E 1 Chc Rib Ribeye Lip-on Bn-in | 975.34 | 895.74 | 79.60 | 927.64 | 47.70 |
| 112A 3 Chc Rib Ribeye Bnls Lgt | 1051.18 | 1062.56 | -11.38 | 1047.00 | 4.18 |
| 112A 3 Chc Rib Ribeye Bnls Hvy | 1035.54 | 1022.50 | 13.04 | 933.24 | 102.30 |
| Loin Primal Value | | | | | |
| 174 3 Chc Loin Short Ln 0x1 | 545.90 | 533.52 | 12.38 | 612.32 | -66.42 |
| 180 3 Chc Loin Strip Bnls 0x1 | 554.49 | 574.51 | -20.02 | 634.08 | -79.59 |
| 184 3 Chc Loin Top Butt Bnls | 347.99 | 355.25 | -7.26 | 326.23 | 21.76 |
| 185D 4 Loin sirloin tri-tip pld | 407.17 | 410.87 | -3.70 | 607.79 | -200.62 |
| 189A 4 Chc Loin Tndrn Trmd Hvy | 1529.87 | 1505.51 | 24.36 | 1379.00 | 150.87 |
| Chuck Primal Value | | | | | |
| 114A 3 Chc Chuck Shldr Clod Trmd | 246.89 | 253.96 | -7.07 | 296.30 | -49.41 |
| 114D 3 Chuck Clod top blade | 330.11 | 344.01 | -13.90 | 650.22 | -320.11 |
| 114E 3 Chuck Clod Arm Roast | 333.08 | 417.78 | -84.70 | 457.15 | -124.07 |
| 114F 5 Chuck Clod tender | 545.62 | 612.43 | -66.81 | 511.88 | 33.74 |
| 116A 3 Chc Chuck Roll lxl Neck/off | 428.16 | 453.12 | -24.96 | 360.02 | 68.14 |
| 116B 1 Chuck chuck tender | 294.39 | 322.35 | -27.96 | 362.91 | -68.52 |
| 3 Chuck roll retail ready | 492.68 | 519.71 | -27.03 | 408.48 | 84.20 |
| Round Primal Value | | | | | |
| 167A 4 Round knuckle peeled | 283.16 | 303.85 | -20.69 | 360.97 | -77.81 |
| 168 3 Chc Rnd Top Inside Rnd | 248.69 | 263.56 | -14.87 | 288.95 | -40.26 |
| 171B 3 Chc Rnd Outside Rnd | 263.31 | 273.25 | -9.94 | 340.76 | -77.45 |
| 171C 3 Chc Rnd Eye of Rnd | 320.51 | 341.35 | -20.84 | 349.37 | -28.86 |
| Brisket Primal Value | | | | | |
| 120 1 Chc Brisket Deckle-off Bnls | 262.30 | 275.23 | -12.93 | 413.91 | -151.61 |
| 120A 3 Chc Brisket Point/off Bnls | 511.96 | 531.20 | -19.24 | 723.87 | -211.91 |
| Trim and Grind Values | | | | | |
| Fresh 50% lean trimmings | 69.61 | 77.44 | -7.83 | 92.44 | -22.83 |
| Nat Chem Lean 90% Lean Trim | 242.69 | 244.98 | -2.29 | 276.74 | -34.05 |
| Ground beef 73% | 149.62 | 166.35 | -16.73 | 214.48 | -64.86 |
| Ground beef 81% | 199.81 | 220.25 | -20.44 | 232.46 | -32.65 |
| Ground beef 93% | 328.23 | 333.64 | -5.41 | 389.95 | -61.72 |
| Ground beef Chuck | 244.58 | 256.01 | -11.43 | 262.00 | -17.42 |
| Ground beef Round | 314.99 | 330.24 | -15.25 | 315.21 | -0.22 |
| Ground beef Sirloin | 377.97 | 378.04 | -0.07 | 395.18 | -17.21 |

Slaughter, Production, and Beef Prices

- For the week ending 11/19/22, estimated F.I. cattle slaughter was 674,000 head, down 0.8% versus a year ago. This was 6,000 head smaller versus a year ago and 3,000 head larger than the previous week. Cattle slaughter on Monday was 128,000 head, 6,000 head larger versus a year ago and even with the previous week.
- For the week ending 11/05/22, beef cow slaughter was up 7.6% versus a year ago. There were 82,000 beef cows harvested this week. This was 6,000 head larger than a year ago and 2,000 head smaller from the previous week. Beef cow liquidation in Q4 has remained strong. In the last 4 weeks, beef cow slaughter was up 10.7% versus a year ago. The strong beef cow liquidation will lead to a smaller calf crop and tighter supplies.

- For the week ending 11/19/22, the choice boxed beef cutout value averaged \$257.08/cwt. and was up \$6.19/cwt. from the previous week. The chuck and round primal cuts were the biggest contributors to the weaker cutout value last week. Both trimmings were down this week, with 50's down 10.1% and 90's down 0.9% from the previous week.
- It happened before, did it happen again? The Prime/Choice beef grading jumped 2.9% from the previous week and was the largest week-to-week increase all year. Most grading is done via a camera, and the large increase may suggest that cameras might have been recalibrated.
- For the week ending 11/19/22, the 5-area live cattle price averaged \$152.89/cwt., and was about flat with the previous week, and up \$19.78/cwt. versus a year ago.

