

Beef, Veal-Beef output continued to improve last week, which was encouraging given our Friday note. Production rose 1% from the prior week and was only 1.8% below the same week last year. Cattle slaughter was still down 5.2% y/y, but carcass weights running 3.4% heavier helped offset the lighter headcount. The beef markets were mostly higher, including trim, which posted record-high weekly averages. Both the USDA Choice and Select boxed beef cutouts gained roughly 1%, led by strength in the chuck and flank complexes. There are also signs consumers are trading down within beef. Some typically higher-priced grilling items, including Choice 112A ribeyes—think ribeye steaks—and Choice 180 3 0x1 strip loins—think New York strips—are down 10.9% and 2.6%, respectively, from this time last year. Cash cattle and cattle futures were both higher last week, although futures softened Friday afternoon. A pullback in cattle markets this week would be encouraging for buyers. From a bigger-picture standpoint, the market still needs the cattle herd to expand. As we have discussed in recent weeks, slower beef cow slaughter suggests at least some rebuilding is being attempted, which is also supportive of lean beef trim prices. The Average, USDA, FOB per pound.

Description	Market Trend	Supplies	Price vs. Last Year
Live Cattle (Steer)	Increasing	Short	Higher
Feeder Cattle Index (CME)	Increasing	Steady	Higher
Ground Beef 81/19	Increasing	Steady-Short	Higher
Ground Chuck	Increasing	Short	Higher
109 Export Rib (ch)	Increasing	Steady	Lower
109 Export Rib (pr)	Decreasing	Steady-Available	Lower
112a Ribeye (ch)	Increasing	Steady	Lower
112a Ribeye (pr)	Decreasing	Steady	Lower
114a Chuck, Shlder Cld(ch)	Increasing	Steady	Higher
116 Chuck (sel)	Increasing	Steady	Higher
116 Chuck (ch)	Increasing	Steady	Higher
116b Chuck Tender (ch)	Decreasing	Steady	Higher
120 Brisket (ch)	Decreasing	Short	Higher
120a Brisket (ch)	Decreasing	Steady	Higher
121c Outside Skirt (ch/sel)	Decreasing	Short	Higher
121d Inside Skirt (ch/sel)	Increasing	Steady-Short	Higher
121e Cap & Wedge	Decreasing	Steady	Higher
167a Knuckle, Trimmed (ch)	Decreasing	Steady-Short	Higher
168 Inside Round (ch)	Increasing	Steady	Higher
169 Top Round (ch)	Increasing	Steady	Higher
171b Outside Round (ch)	Increasing	Steady	Higher
174 Short Loin (ch 0x1)	Decreasing	Steady	Higher
174 Short Loin (pr 2x3)	Decreasing	Steady	Lower
180 0x1 Strip (ch)	Decreasing	Steady	Lower
180 0x1 Strip (pr)	Decreasing	Steady	Higher
184 Top Butt, boneless (ch)	Steady	Steady	Higher
184 Top Butt, boneless (pr)	Steady	Available	Higher
184-3 Top Butt, bnl (ch)	Decreasing	Steady	Lower
185a Sirloin Flap (ch)	Increasing	Steady-Short	Higher
185c Loin, Tri-Tip (ch)	Decreasing	Steady	Higher
189a Tender (sel, 5 lb & up)	Increasing	Steady	Higher
189a Tender (ch, 5 lb & up)	Increasing	Steady	Higher
189a Tender (pr, heavy)	Decreasing	Available	Lower
193 Flank Steak (ch)	Increasing	Short	Higher
50% Trimmings	Increasing	Short	Higher
65% Trimmings	Increasing	Short	Higher
75% Trimmings	Increasing	Steady-Short	Higher
85% Trimmings	Increasing	Short	Higher
90% Trimmings	Increasing	Short	Higher
90% Imported Beef (frz)	Decreasing	Steady-Available	Higher
95% Imported Beef (frz)	Increasing	Steady-Short	Higher

