

Center Of The Plate: Beef

May 17, 2021

General Information:

CASH: In the South, light to moderate amounts of cattle traded from \$119 to \$120, steady to \$1 firmer. Light to moderate trade was seen in the North, with prices ranging from \$120 to \$121 live and \$191 dressed, up \$2 to \$3 from the previous week. This slaughter volumes were a bit disappointing. This week slaughter volume is expected to be only modestly larger between 645--650,000 head. For a true verifiable rally in fed prices, slaughter volumes require a move to the 670,000 level. Feeder Cattle exchanged hands at levels steady to \$4 higher. Calves were mostly steady to \$3 higher. Market cows traded mixed, from \$2 lower to \$1 firmer.

BOXED BEEF: The Choice cutout closed the week \$10.55 higher at 314.06, while Select over the same period advanced by \$8.57 at \$295.27. Late in the week, buyer appetite slowed. It would be interesting to see how this trend continues into next week's prices. Looking into next week, when sellers try to attract customers in the market, asking prices should level out. If buyers' immediate needs are satisfied, they may want to sit on the sidelines, putting downward pressure on prices by the end of the week. Last-minute Memorial Day and Father's Day purchases can keep steak cuts at a minimum. If demand increases, other products can fail to find homes at current levels. At the very least, the cutout could be vulnerable to declines. Further into mid-summer, procurement for Independence Day will help the complex, but hamburgers normally do better than higher-priced foods. Aside from that, demand will be smaller and supply will be plentiful.

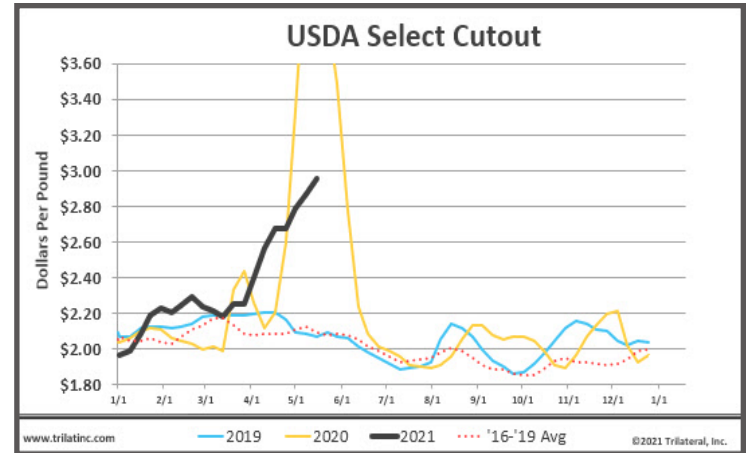
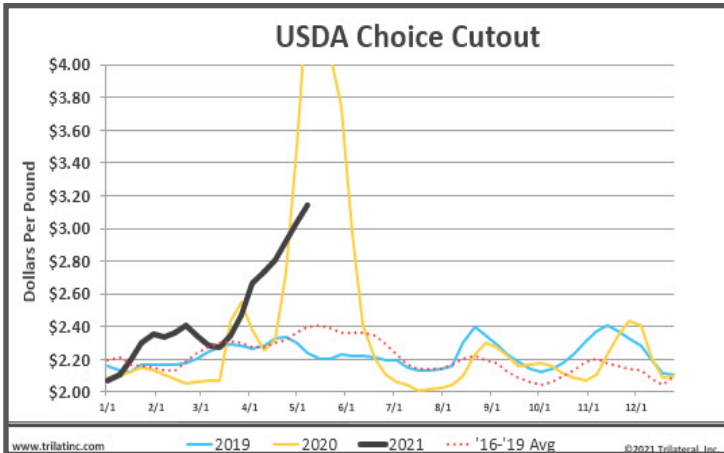
(USDA): USDA LOWERED CORN ENDING STOCKS FOR THE 2020-21 CROP USDA lowered corn ending stocks for the 2020-21 crop 95 million bushels (mb) to 1.257 billion bushels (bb) on Wednesday, coming in slightly below the pre-report average projections and reflecting higher export demand. USDA sees tight soybean stocks continuing into the 2021-22 crop year. It left old-crop stocks unchanged at 120 mb, while providing only a meager increase to the new-crop situation at 140 mb. USDA on Wednesday released its monthly World Agricultural Supply and Demand Estimates (WASDE) report. The May report included, not only the use and ending stock estimates for the 2020-21 crops (old crop), but also the first breakdown of projected supplies and demand for the 2021-22 new crops that farmers are just now putting into the fields for corn and soybeans. ***Wednesday's new U.S. ending stocks estimates were bearish for corn, neutral for soybeans and wheat. Meanwhile, world ending stocks estimates as bearish for corn, neutral for soybeans and bullish for wheat.***

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Cutout Prices



USDA Choice Cutout (600-900):

Current: 3.1406 **Last Week:** 3.0351

3-Yr High: 4.5904 **3-Yr Low:** 1.9103

Seasonality: Choice grade beef typically tops out in the next couple of weeks, but this year has not been typical.

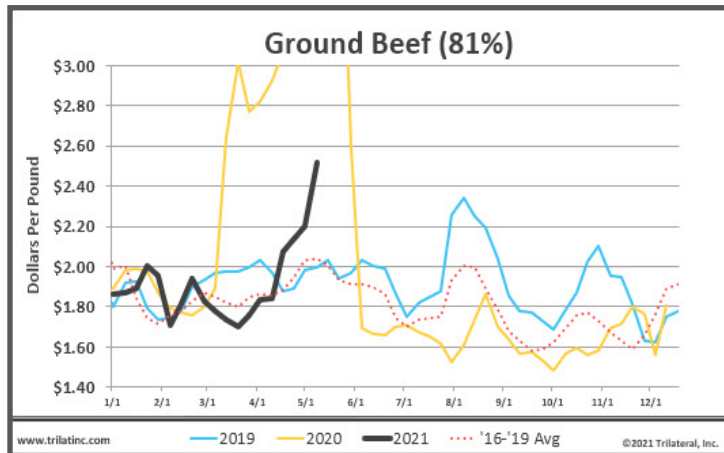
USDA Select Cutout (600-900):

Current: 2.9527 **Last Week:** 2.8670

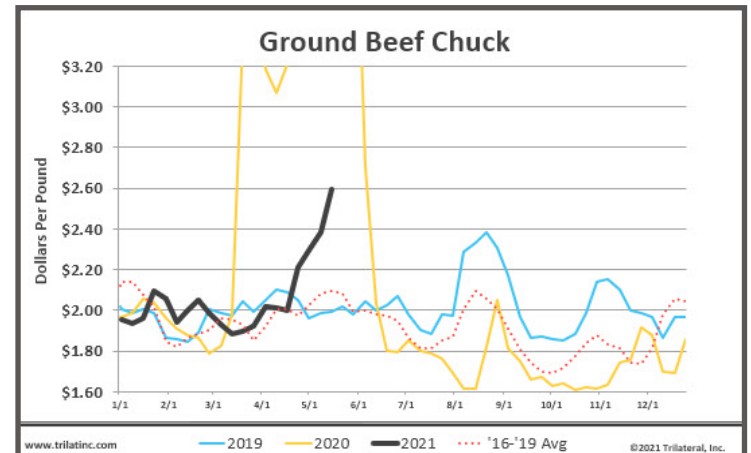
3-Yr High: 4.3953 **3-Yr Low:** 1.8664

Seasonality: Select grade falls out of favor as temperatures rise and premium grilling meats are in demand.

81% Grinds



Ground Chuck



81% Grinds:

Current: 2.5146 **Last Week:** 2.1996

3-Yr High: 5.3635 **3-Yr Low:** 1.4759

Seasonality: Grinds typically chop lower after Memorial Day, but Foodservice demand is roaring back.

Ground Chuck:

Current: 2.5975 **Last Week:** 2.3838

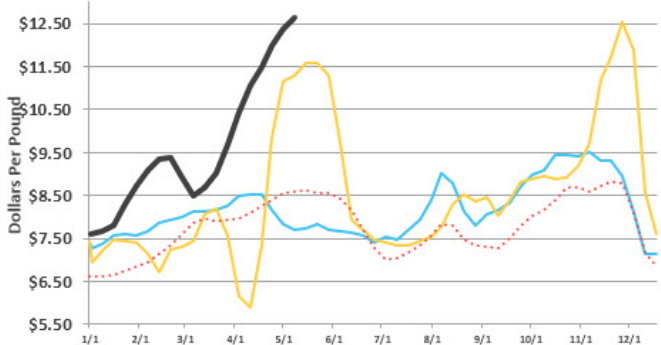
3-Yr High: 6.2605 **3-Yr Low:** 0.9648

Seasonality: Ground Chuck chops lower the next couple of months.

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Choice Cuts Of Interest

Choice Ribeye (112 A) Prices

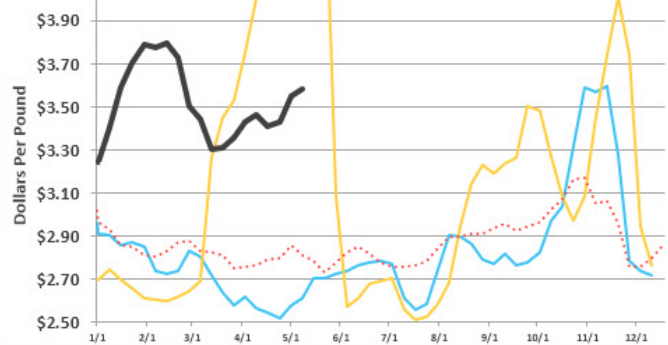


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Ribeyes (112A 3):

Current: 12.6491	Last Week: 12.3740
3-Yr High: 12.6491	3-Yr Low: 5.8407
Seasonality: Ribeyes should top out Memorial Day weekend; prices currently at all-time highs.	

Choice Chuck Roll (116A) Prices

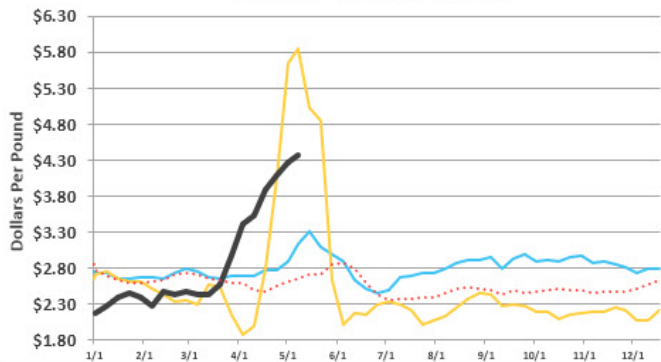


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Chuck Roll (116A):

Current: 3.5809	Last Week: 3.5496
3-Yr High: 6.2894	3-Yr Low: 2.2952
Seasonality: Chuck rolls are often choppy until mid-July.	

Choice Brisket Prices

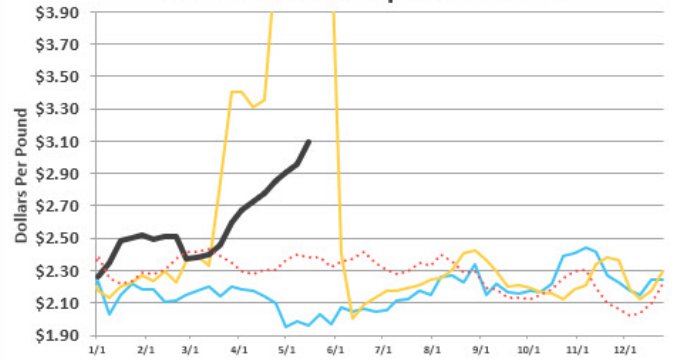


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Brisket (120):

Current: 4.3634	Last Week: 4.2699
3-Yr High: 5.8497	3-Yr Low: 1.8828
Seasonality: Like many items, briskets are adhering and outperforming their seasonal. Typically, this market tops in June.	

Choice Inside Cap Round Prices

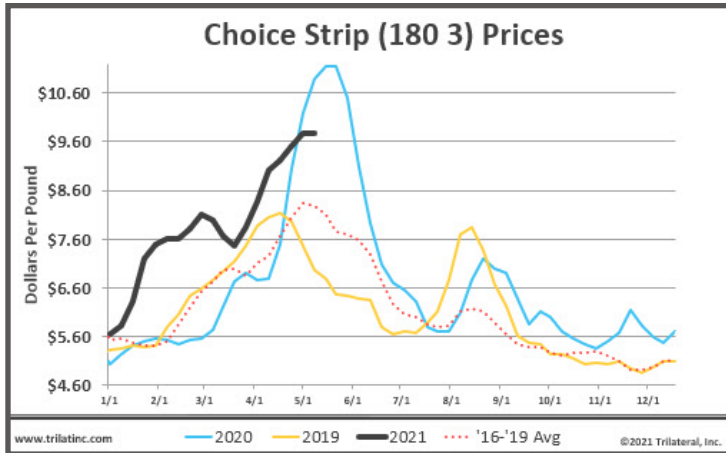


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Inside Rounds (168):

Current: 3.0981	Last Week: 2.9587
3-Yr High: 6.7197	3-Yr Low: 1.7213
Seasonality: Rounds usually chop most of the summer.	

Choice Cuts Of Interest Prices (Cont.)

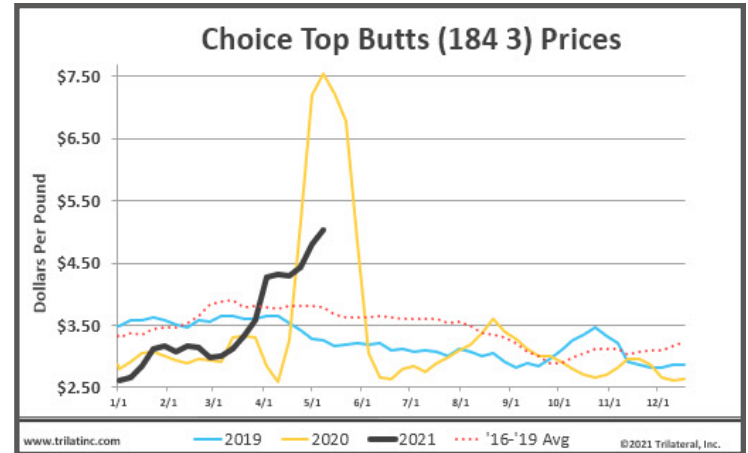


Strips (180):

Current: 9.7796 **Last Week:** 9.7690

3-Yr High: 11.1539 **3-Yr Low:** 4.2471

Seasonality: Strips typically top out this time of year, but pent-up demand is larger-than-typical this year.

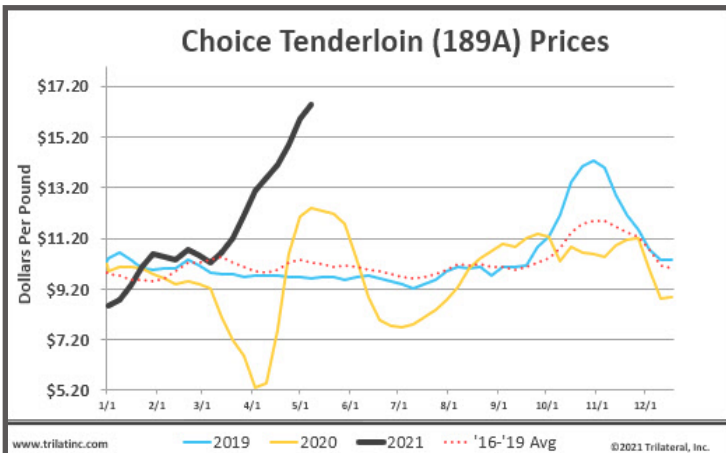


Butts, Boneless (184 3):

Current: 5.0344 **Last Week:** 4.7923

3-Yr High: 7.5311 **3-Yr Low:** 2.4052

Seasonality: Prices are usually dormant during the summer, but 2021 is a different story.

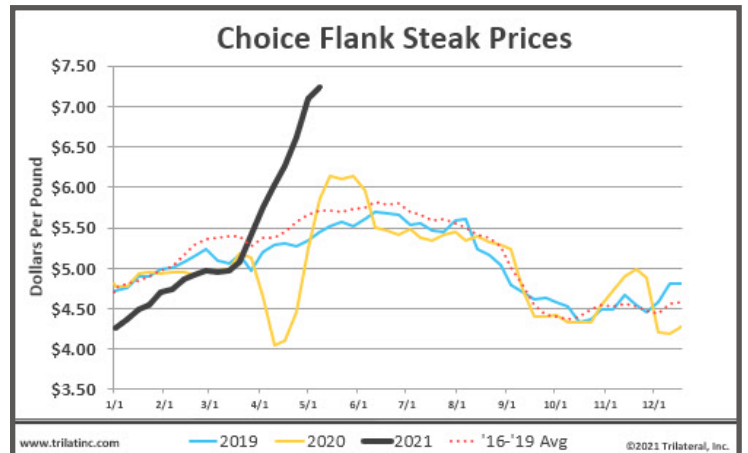


Tenderloins (189):

Current: 16.4816 **Last Week:** 15.9305

3-Yr High: 16.4816 **3-Yr Low:** 5.3333

Seasonality: Tenderloins usually lay low after V-Day, but they just traded at all-time high on foodservice demand.



Flanks (193):

Current: 7.2330 **Last Week:** 7.0910

3-Yr High: 7.2330 **3-Yr Low:** 4.0079

Seasonality: Prices usually see a steady climb from April until July and prices are outperforming.

Live Cattle: Hourly & Daily Interpretations

