



Cattle & Carcass TRAINING

Spring 2021 Webinar – Part II
June 8, 2021

WELCOME

- This session is being recorded
- Participants are in listen-only mode
- Questions - after each presentation and at session's end
- Follow up e-mail and participant's survey



USDA LMR Boxed Beef Reports- How Quality Grade Impacts Value

Chris Sommers

USDA Agricultural Marketing Service
Livestock, Poultry and Grain Market News



AMS's role in LMR Beef Sales Reporting

The Agricultural Marketing Service (AMS)

- Administers the Livestock Mandatory Reporting (LMR) Act of 1999 and regulations.
- Publishes 6 daily & 11 weekly beef reports under LMR
- Audits firms to ensure report accuracy
- Preserves confidentiality of transactions

Who submits beef sales data to AMS?

- Federally inspected plants which slaughter at least an average of 125,000 head per year.
- LMR covers over 90% of boxed beef volume.
- First time sales only
- Distributors, grinders, exporters, etc. who do not slaughter do not submit LMR sales data.

What beef items are submitted?

- Primals, subprimals, and cut items
- Ground Beef
- Trimmings & boneless processing beef
- Beef Offal/Variety meat sales are not reported to LMR

When & How do firms submit sales?

- Twice per day at 10:00 am CST and 2:00 pm CST Monday through Friday
- Companies electronically submit in a single batch file that is encrypted
- Daily LMR beef reports are normally published one hour after packers submit data

Each submitted beef sale specifies:

- **Destination** – domestic, overseas, or NAFTA (USCMA)
- **Sales type** – negotiated, formula, or forward contract
- **Delivery Period** – 0-21, 22-60, 60-90, or 90+ days
- **Refrigeration** – fresh, frozen or aged
- **Class** – steer/heifer, cow, bull, dairy bred, etc.
- **Classification** – Prime, Choice, Select, etc.
- **Unbranded or branded**
(upper 2/3 Choice, lower 1/3 Choice, Select)
- **Specific item** – packer SKU#, or IMPS item
- **Quantity sold** – in pounds
- **FOB plant price** – \$ cwt

Daily spot negotiated reports:

- Boxed Beef Cutout and Boxed Beef Cuts (LM_XB402 and LM_XB403)
- Boneless Processing Beef and Beef Trimmings (LM_XB400 and LM_XB401)
- Cutter Cow Cutout and Cow Cuts (LM_XB405)

Afternoon Boxed Beef Cutout and Boxed Beef Cuts

- Choice/Select Spread
- Change from Prior Day
- Load Count
- Individual Primal Values



National Daily Boxed Beef Cutout And Boxed Beef Cuts - Negotiated Sales - Afternoon

Agricultural Marketing Service
Livestock, Poultry, and Grain Market News

April 06, 2021

[LM_XB403](#)

Email us with accessibility issues regarding this report.

USDA Estimated Boxed Beef Cut-out Values - as of 1:30pm

Based on negotiated prices and volume of boxed beef cuts delivered within 0-21 days and on average industry cutting yields. Values reflect U.S. dollars per 100 pounds.

	Choice 600-900	Select 600-900
Current Cutout Values:	262.77	251.30
Change from prior day:	4.10	1.44
Choice/Select spread:		11.47
Total Load Count (Cuts, Trimmings, Grinds):		124

Composite Primal Values

Primal Rib	444.26	403.17
Primal Chuck	200.70	193.75
Primal Round	195.78	194.94
Primal Loin	382.27	361.73
Primal Brisket	222.95	218.72
Primal Short Plate	174.68	174.68
Primal Flank	127.56	128.42

Load Count And Cutout Value Summary For Prior 5 Days

Date	Choice	Select	Trim	Grinds	Total	Choice 600-900	Select 600-900
04/05	53	13	21	18	105	258.67	249.86
04/02	46	5	13	15	79	252.85	246.97
04/01	73	13	20	19	125	249.97	244.70

What is the “Cutout?”

The boxed beef cutout represents the ESTIMATED GROSS value of a beef carcass based on FOB prices paid for individual beef items derived from the carcass.

- The costs of fabricating carcasses into individual beef items are not deducted from the cutout values
- The fabrication yields used are a simple average provided to USDA by the packers covered under LMR
- 2 day rolling average

What factors affect the Daily and Weekly Negotiated Boxed Beef Cutouts?

(LM_XB402, LM_XB403, LM_XB459)

- Destination – domestic only
- Sales type – negotiated only
- Delivery Period – 0-21days
- Refrigeration – fresh only
- Class – native steer/heifer, except for 50% trimmings
- Classification – Choice and Select
- No Branded cuts

Poll Question:

Which Primal has the highest yield to the carcass, and thus most influence on the cutout calculation?

Answer: The Chuck

Primal to Carcass Yields

Rib	Chuck	Round	Loin	Brisket	Short Plate	Flank
11.40%	29.62%	22.32%	21.26%	4.95%	7.10%	2.25%



National Daily Boxed Beef Cutout And Boxed Beef Cuts - Negotiated Sales - Afternoon

Agricultural Marketing Service
Livestock, Poultry, and Grain Market News

May 20, 2021
[LM_XB403](#)

Email us with accessibility issues regarding this report.

National Boxed Beef Cuts - Negotiated Sales

FOB Plant basis negotiated sales for delivery within 0-21 day period. Prior days sales after 1:30pm are included.

Current Volume - (one load equals 40,000 pounds)

Choice Cuts	34.35 loads	1,374,189 pounds
Select Cuts	16.53 loads	661,234 pounds
Trimming	9.52 loads	380,742 pounds
Ground Beef	9.69 loads	387,603 pounds

Choice Cuts, Fat Limitations 1-6

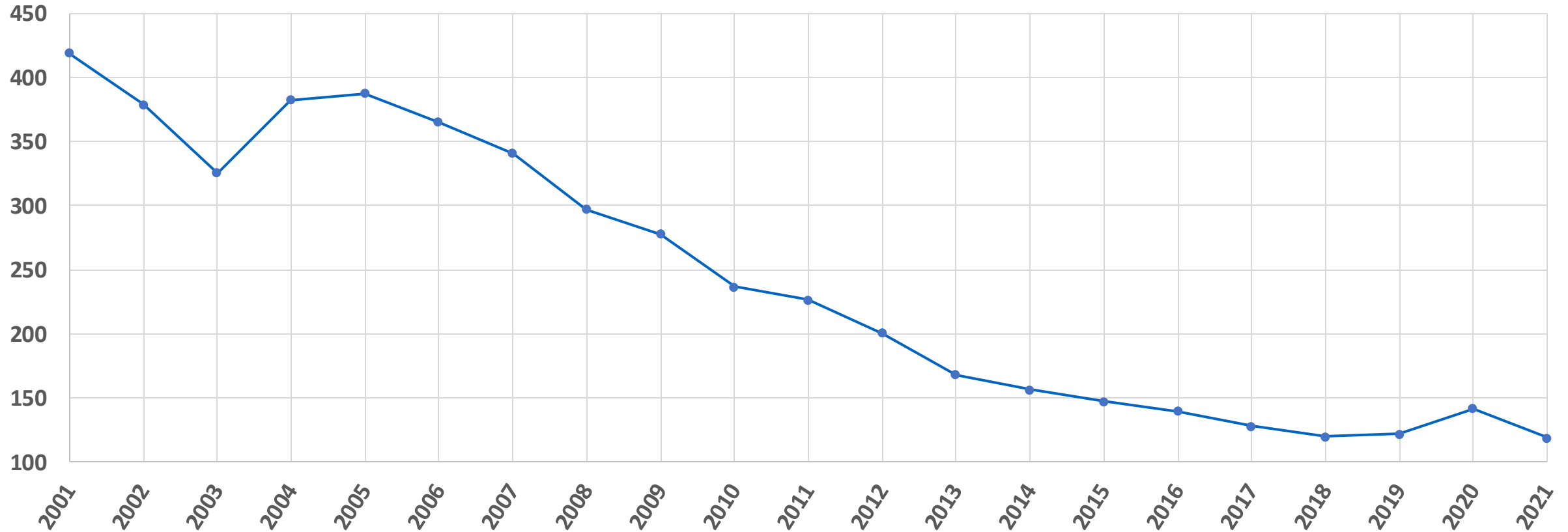
(IM) = Individual Muscle

IMPS/FL		Sub-Primal	# of Trades	Total Pounds	Price Range	Weighted Average
109E	1	Rib, ribeye, lip-on, bn-in	11	16,543	1,086.55 - 1,166.00	1,105.45
112A	3	Rib, ribeye, bnls, light	9	15,023	1,290.61 - 1,329.25	1,299.67
112A	3	Rib, ribeye, bnls, heavy	13	23,076	1,274.50 - 1,322.00	1,300.09
113C	1	Chuck, semi-bnls, neck/off	3	3,652	320.00 - 325.00	322.99
114	1	Chuck, shoulder clod	6	15,966	289.00 - 315.00	299.65

National Daily
Boxed Beef Cutout
and Boxed Beef
Cuts- Negotiated
Sales- Afternoon

Trend: Shrinking daily spot market volume

Average load count – daily boxed beef report LM_XB403



Reasons for spot sales decrease:

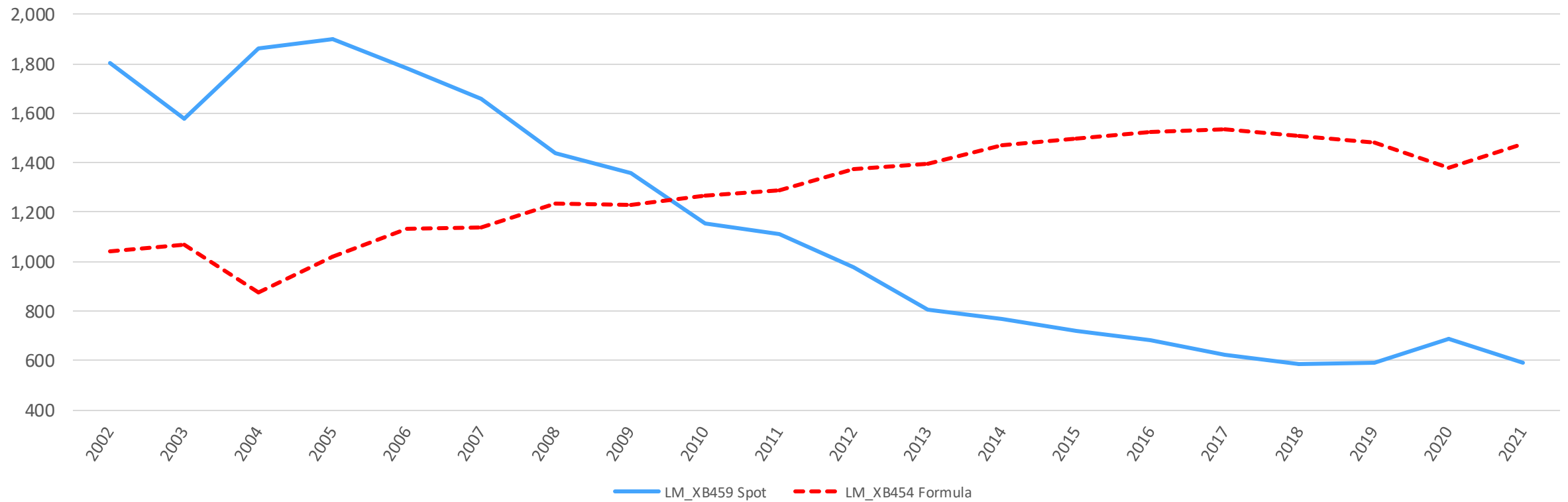
Product Variation

- Packer SKU inventory totals (product code lists) number in the thousands
- Branded programs: There are currently over 100 AMS Certified Beef Programs

Increased Formula Sales

Declining Negotiated Sales

Weekly load comparison of negotiated vs. formula



Weekly Specific Reports:

- Spot Mkt Boxed Beef Cutout & Cuts (LM_XB459)
- Formula Boxed Beef (LM_XB454)
- Forward Sales Boxed Beef (LM_XB455)
- Spot Mkt Branded Boxed Beef (LM_XB452)
- Spot Mkt Prime Boxed Beef (LM_XB456)
- Spot Mkt Ungraded Boxed Beef (LM_XB462)
- Spot Mkt Bnls. Beef & Trimming (LM_XB460)
- Formula Bnls. Beef & Trimmings (LM_XB450)
- Spot Mkt Cutter Cow Cutout & Cuts (LM_XB461)

Weekly Comprehensive Reports: Comprehensive Boxed Beef Cutout (LM_XB463)

LM_XB463
Des Moines, IA

May 17, 2021

USDA Market News

NATIONAL COMPREHENSIVE BOXED BEEF CUTOUT - ALL FED STEER/HEIFER SALES
For Week Ending: 5/14/2021

	Compre- hensive	Prime	*Branded	Choice	Select	Ungraded
Weekly Cutout Value	300.61	313.66	307.90	300.66	285.39	264.75
Primal Rib	495.97	538.24	514.31	495.51	444.11	380.94
Primal Chuck	221.93	222.12	225.04	220.69	218.87	213.83
Primal Round	213.21	215.59	216.80	215.38	214.92	203.95
Primal Loin	456.18	492.11	470.53	456.95	418.66	372.89
Primal Brisket	287.55	289.09	294.58	285.54	271.21	277.04
Primal Short Plate	203.38	203.38	203.38	203.38	203.38	203.38
Primal Flank	151.77	149.74	154.16	149.49	151.76	150.37
TOTAL LOADS OF PRODUCT REPORTED			6,420			

Weekly Comprehensive Reports: Boxed Beef Item Summary

National Weekly Boxed Beef Individual Item Summary - Spot and Comprehensive sales of fed steer/heifer beef

Monday, May 17,
2021

[Report
Overview](#)

Comprehensive Market

All sales types, all destinations (domestic and export), all delivery periods, all quality grades (branded and unbranded), fresh, frozen, and aged. (LM_XB463)

<u>IMPS/item description</u>	Loads	Wt Avg	Choice & Up [1]	Delivery 22/up (2)	Export (3)	Formula (4)	Aged (5)
109E Ribeye lip-on bone-in	69	1072.11	89%	4%	4%	50%	1%
112A Ribeye boneless light	58	1134.54	74%	2%	2%	67%	2%
112A Ribeye boneless heavy	111	1207.22	87%	4%	5%	73%	1%
114 Shoulder clod	34	295.15	68%	3%	10%	51%	1%
114A Shoulder clod trimmed	114	307.72	77%	5%	1%	60%	1%
116A Chuck roll 1x1 neck- off	270	347.53	79%	36%	18%	39%	1%

Contact Information

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<https://www.marketnews.usda.gov/mnp/ls-home>



USDA Livestock Mandatory Reporting (LMR) Boxed Beef Price Reports/ Data/Information

Stephen Koontz

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State University

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Market Information is Important

For the individual – market price information is important for making good business decisions.

For the overall marketplace – for free-market economies to work well then market participants need to be well-informed.

What are the prices? What is the market potential?

Again, there are a breadth of data users and providers of information.

Substantially used by downstream purveyors.

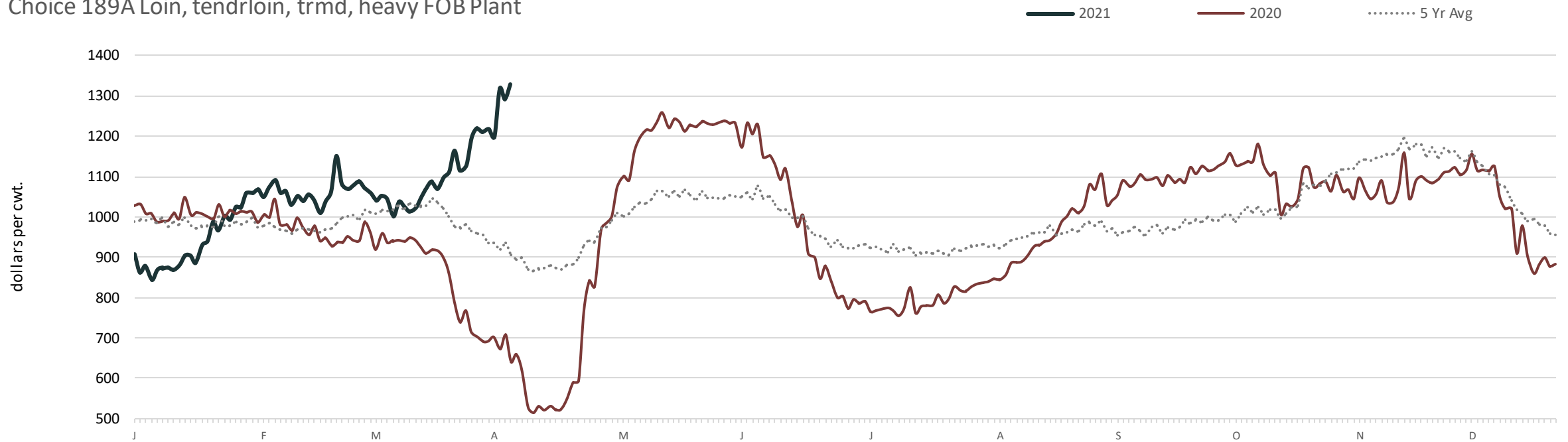
And, I would argue, it is informative to upstream sellers as well.

Let's go to the USDA AMS Market News Website

<https://www.ams.usda.gov/market-news>

What did the pandemic reveal?

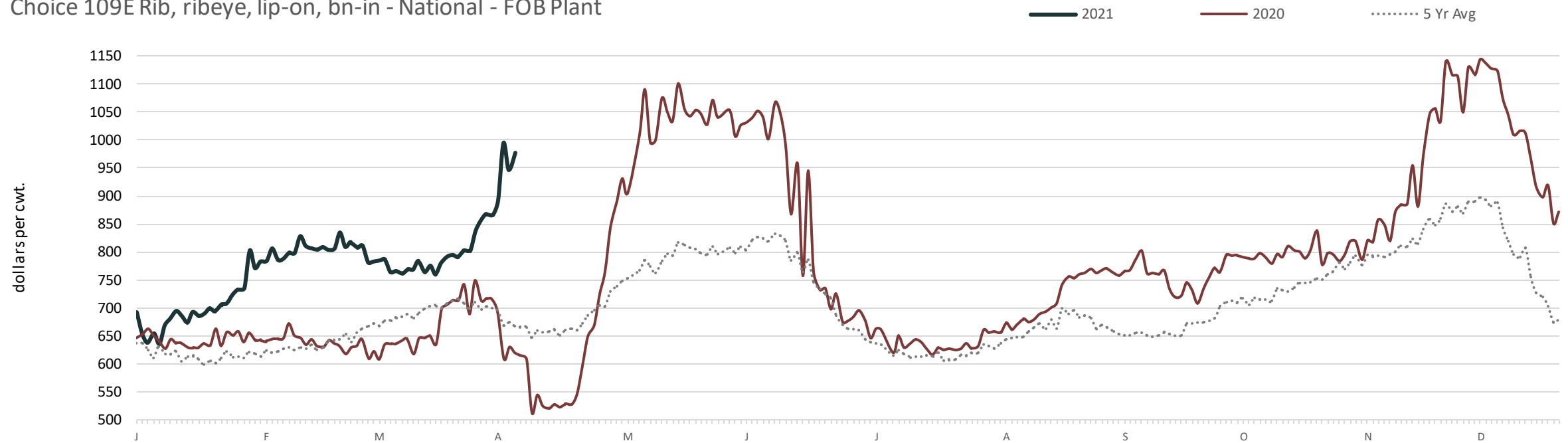
Choice 189A Loin, tendrloin, trmd, heavy FOB Plant



Daily average negotiated Choice 189A Loin, tendrloin, trmd, heavy in dollars per cwt. comparing 2021 to 2020 and to the 5-year average. Source: USDA Agricultural Marketing Service

What did the pandemic reveal?

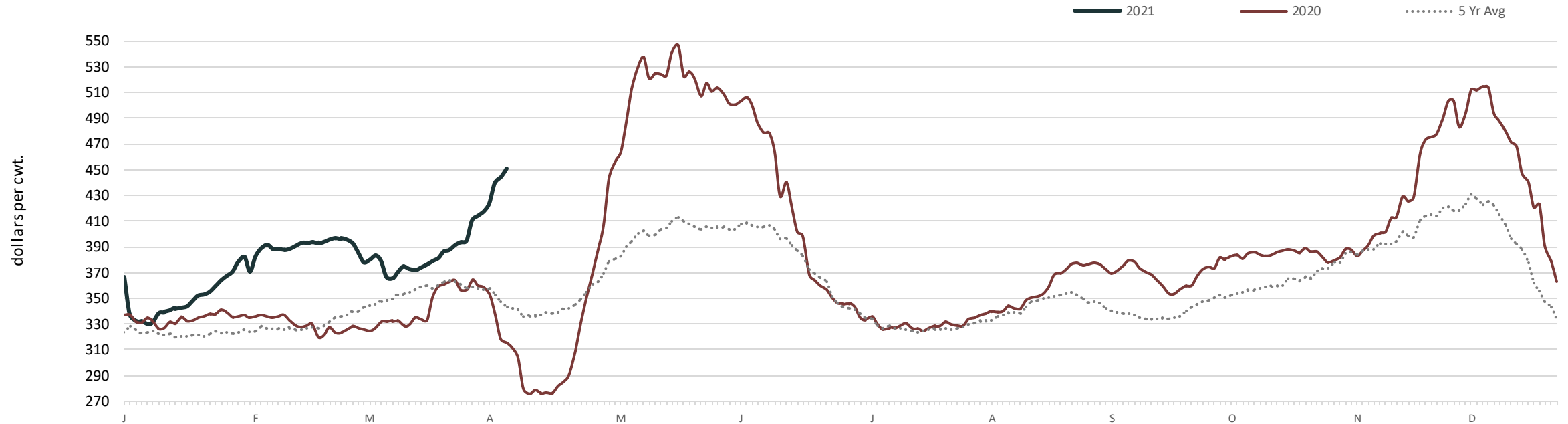
Choice 109E Rib, ribeye, lip-on, bn-in - National - FOB Plant



Daily average negotiated Choice Rib, ribeye, lip-on, bn-in value dollars per cwt. comparing 2021 to 2020 and to the 5-year average. Source: USDA Agricultural Marketing Service

What did the pandemic reveal?

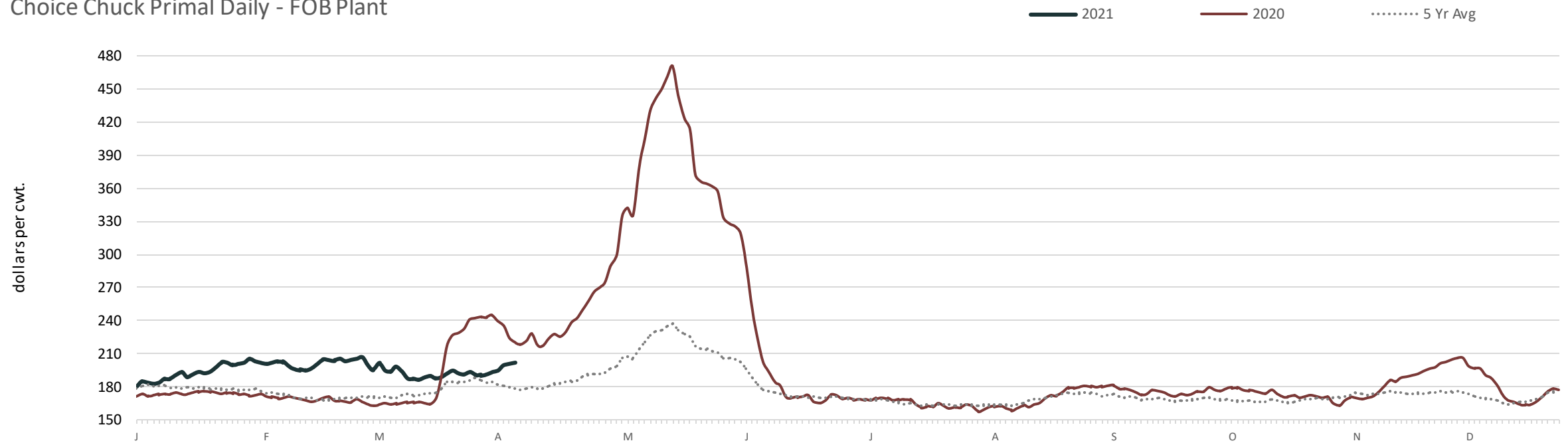
Choice Rib Primal Daily- FOB Plant



Daily Choice Rib Primal in dollars per cwt. comparing 2021 to 2020 and to the 5-year average. Source: USDA Agricultural Marketing Service

What did the pandemic reveal?

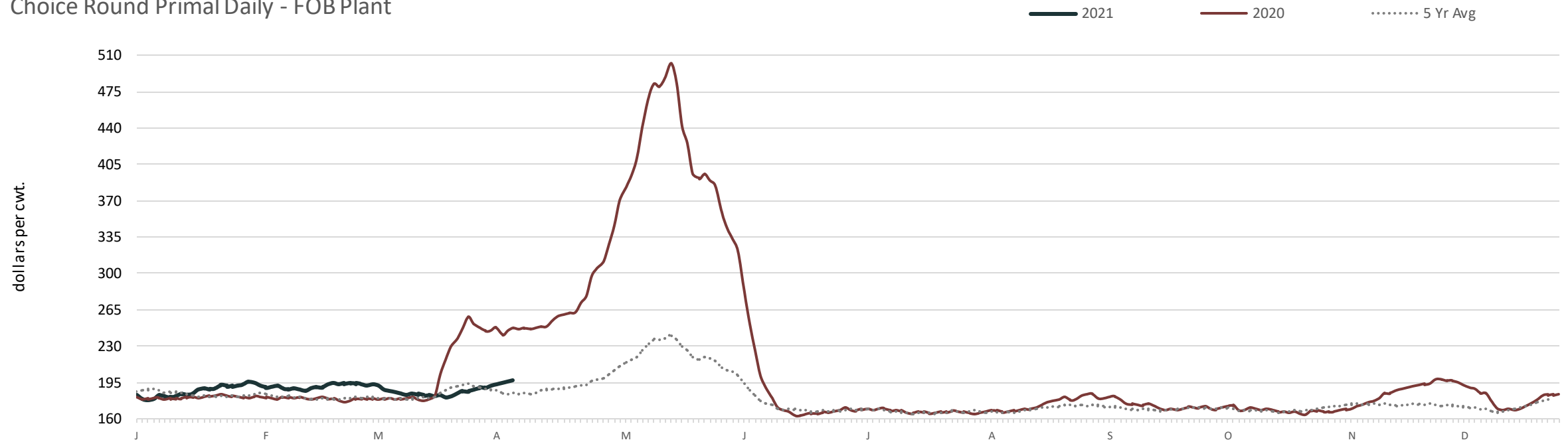
Choice Chuck Primal Daily - FOB Plant



Daily Choice Chuck Primal value dollars per cwt. comparing 2021 to 2020 and to the 5-year average. Source: USDA Agricultural Marketing Service

What did the pandemic reveal?

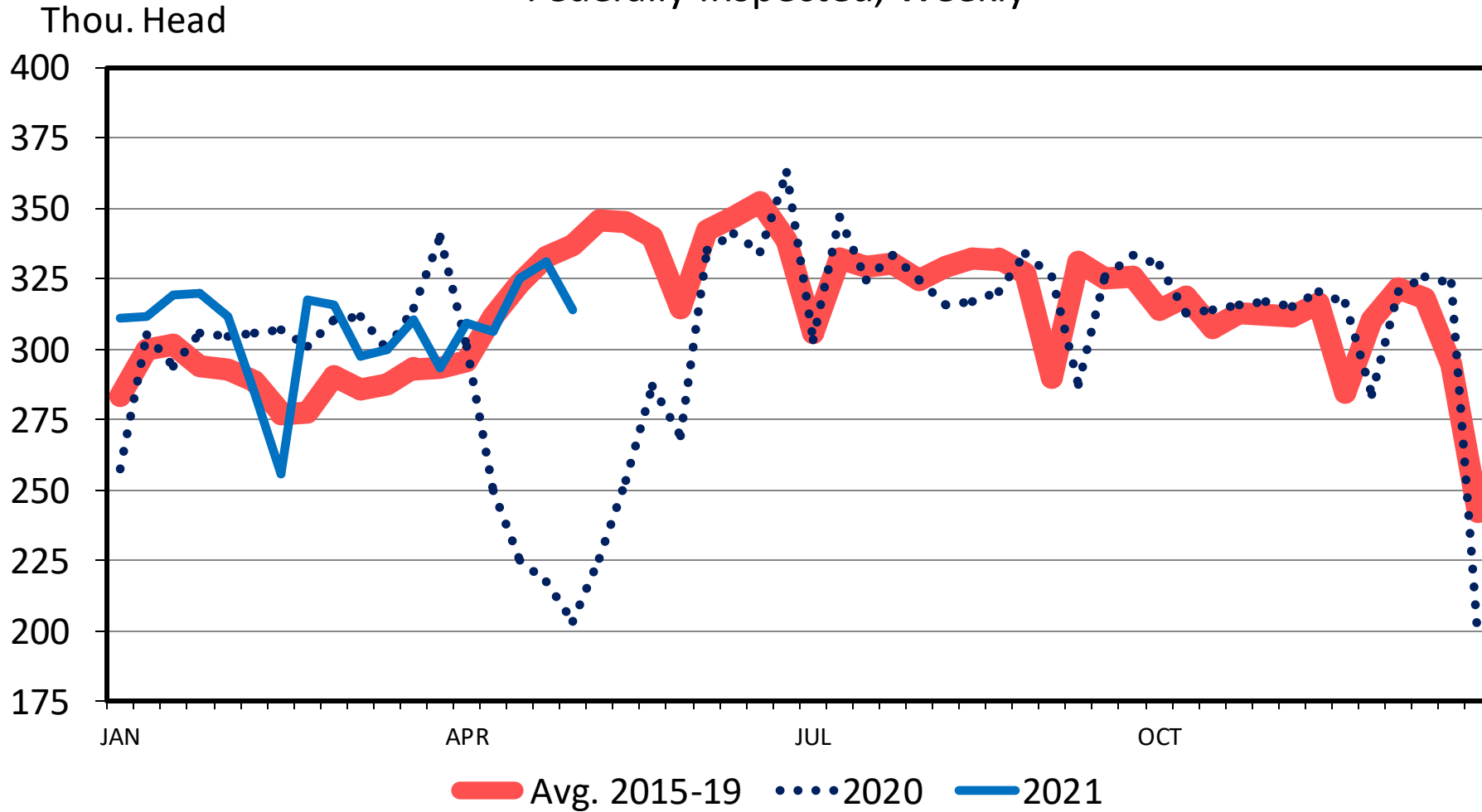
Choice Round Primal Daily - FOB Plant



Daily Choice Round Primal in dollars per cwt. comparing 2021 to 2020 and to the 5-year average. Source: USDA Agricultural Marketing Service

STEER SLAUGHTER

Federally Inspected, Weekly

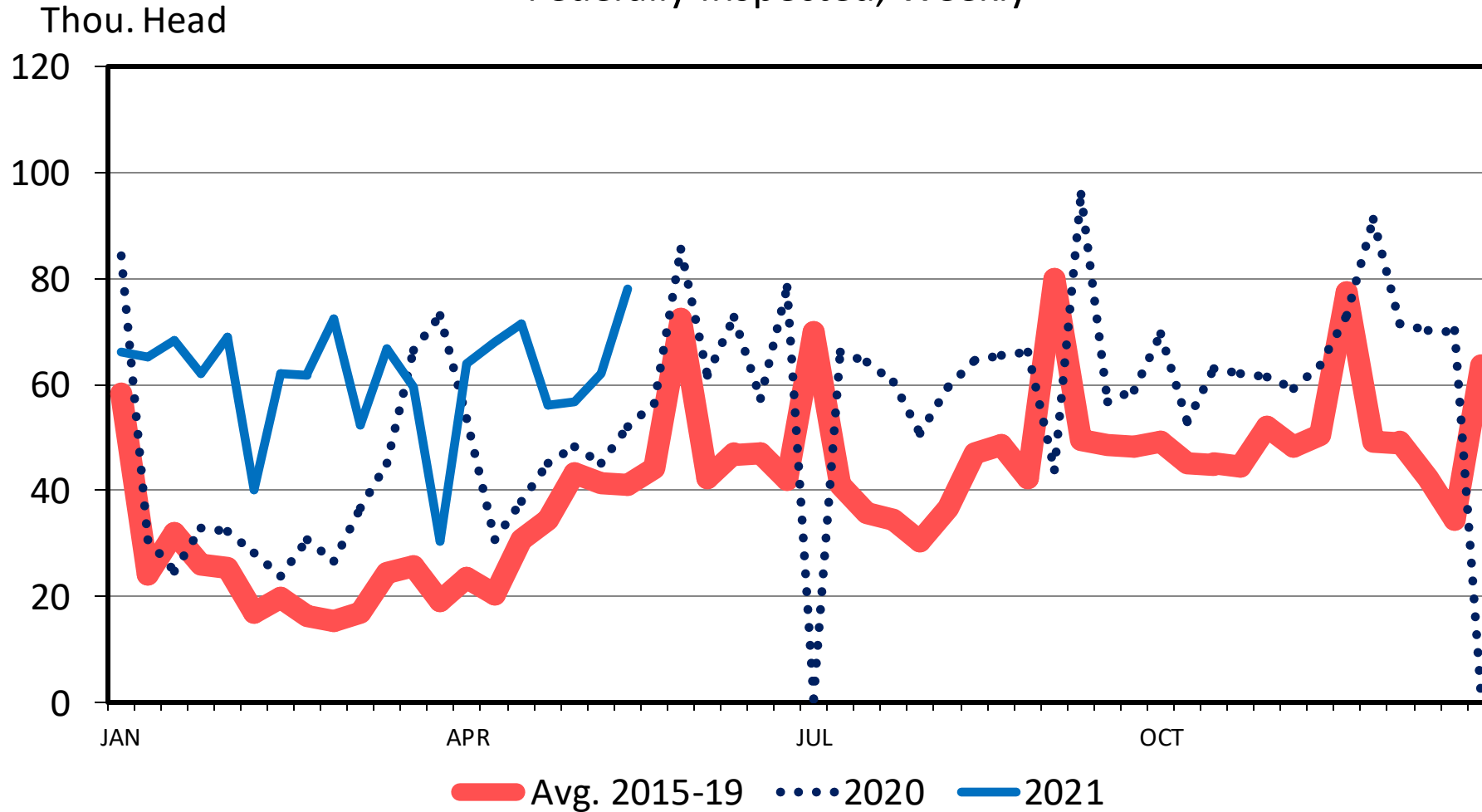


Data Source: USDA-AMS & USDA-NASS

Livestock Marketing Information Center

SATURDAY CATTLE SLAUGHTER

Federally Inspected, Weekly

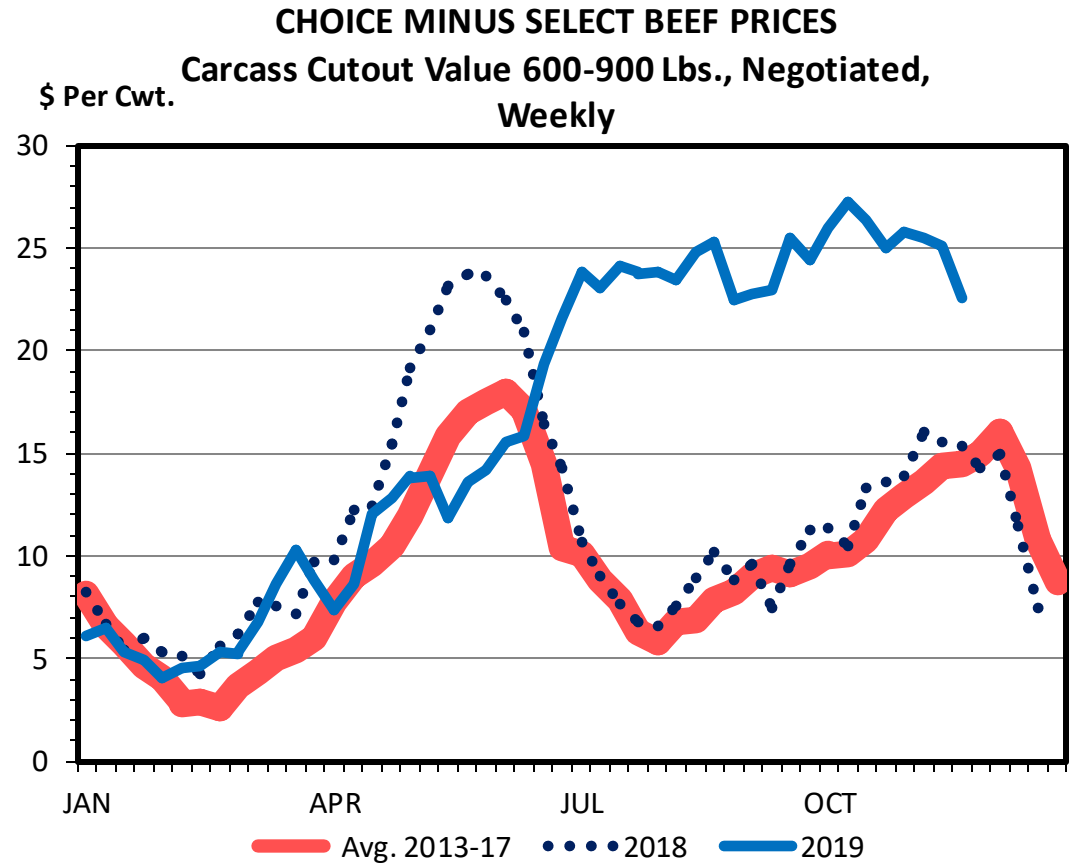
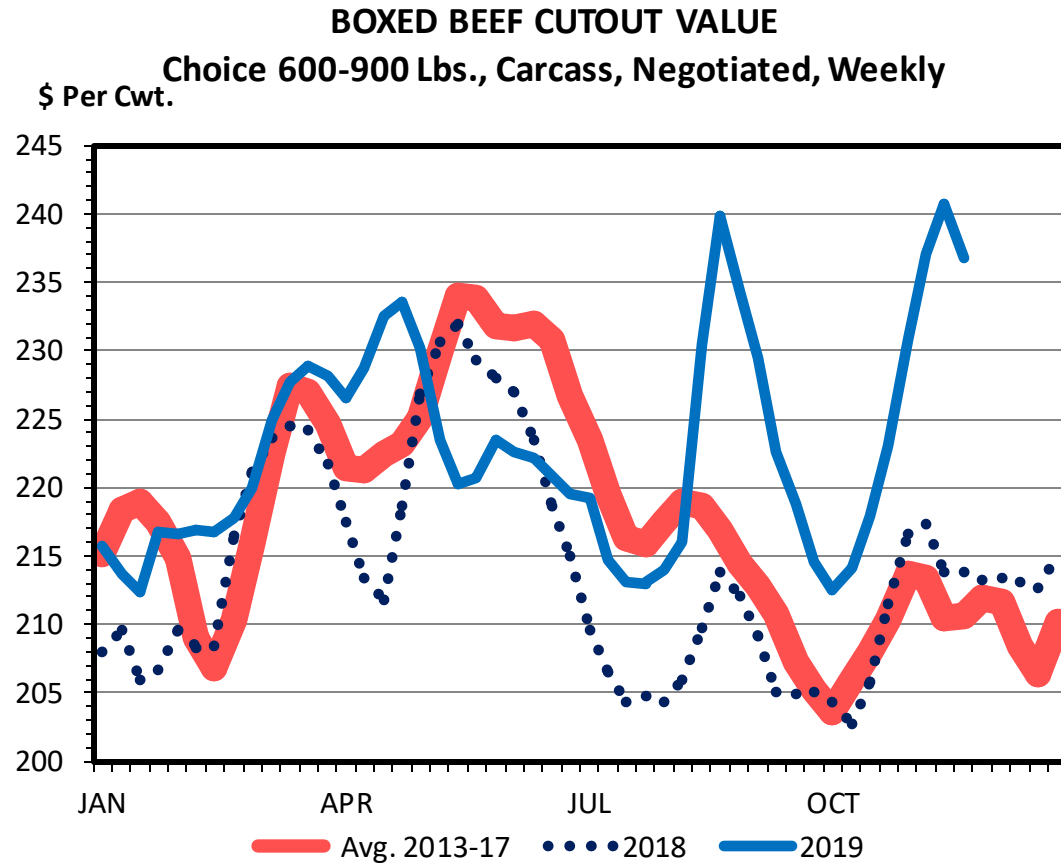


Data Source: USDA-AMS & USDA-NASS

Livestock Marketing Information Center

C-S-03
05/21/21

But it's not just... Also, 2019 had optimism...

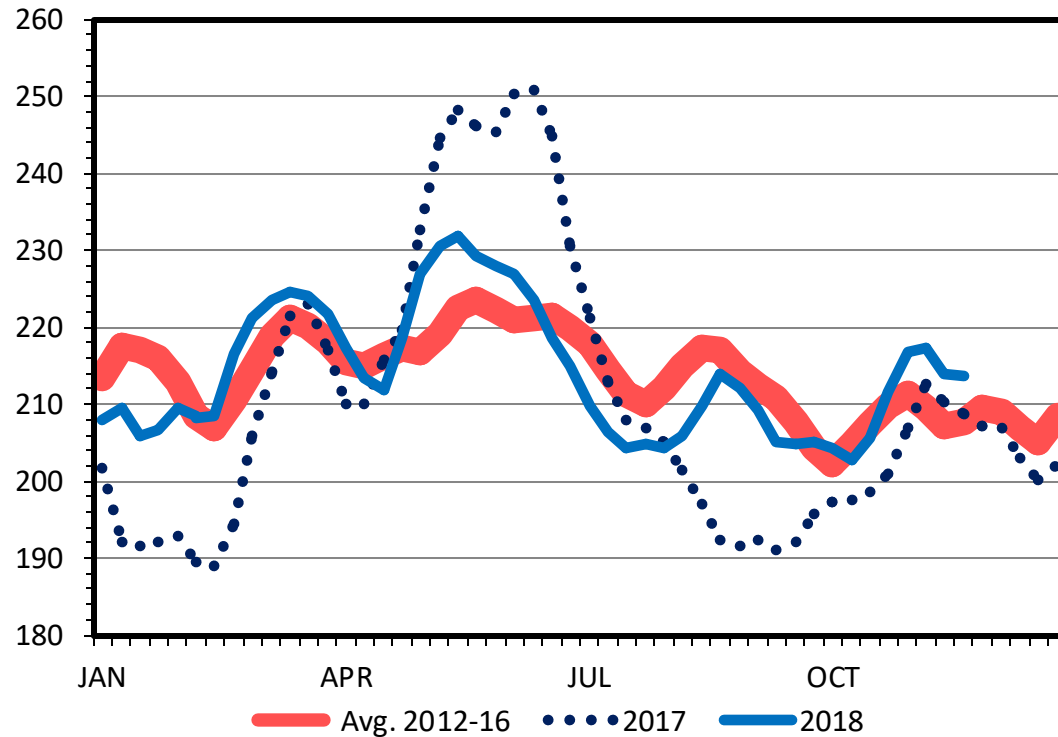


But it's not just... But 2018 was flat...

BOXED BEEF CUTOUT VALUE

Choice 600-900 Lbs., Carcass, Negotiated, Weekly

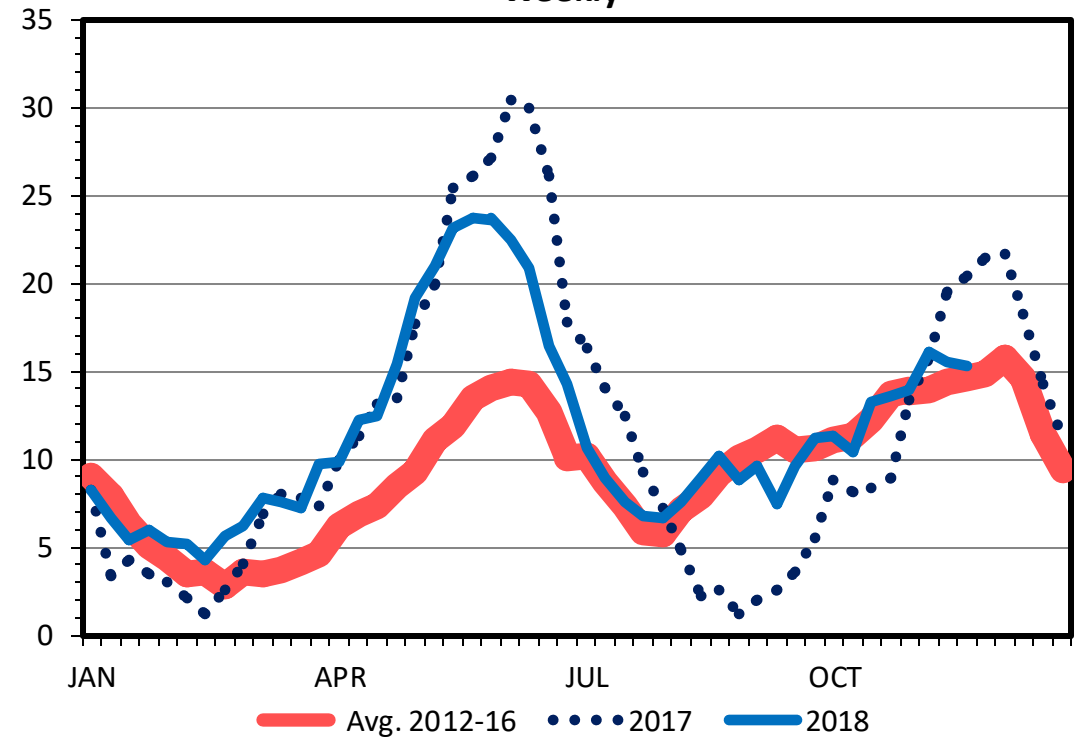
\$ Per Cwt.



CHOICE MINUS SELECT BEEF PRICES

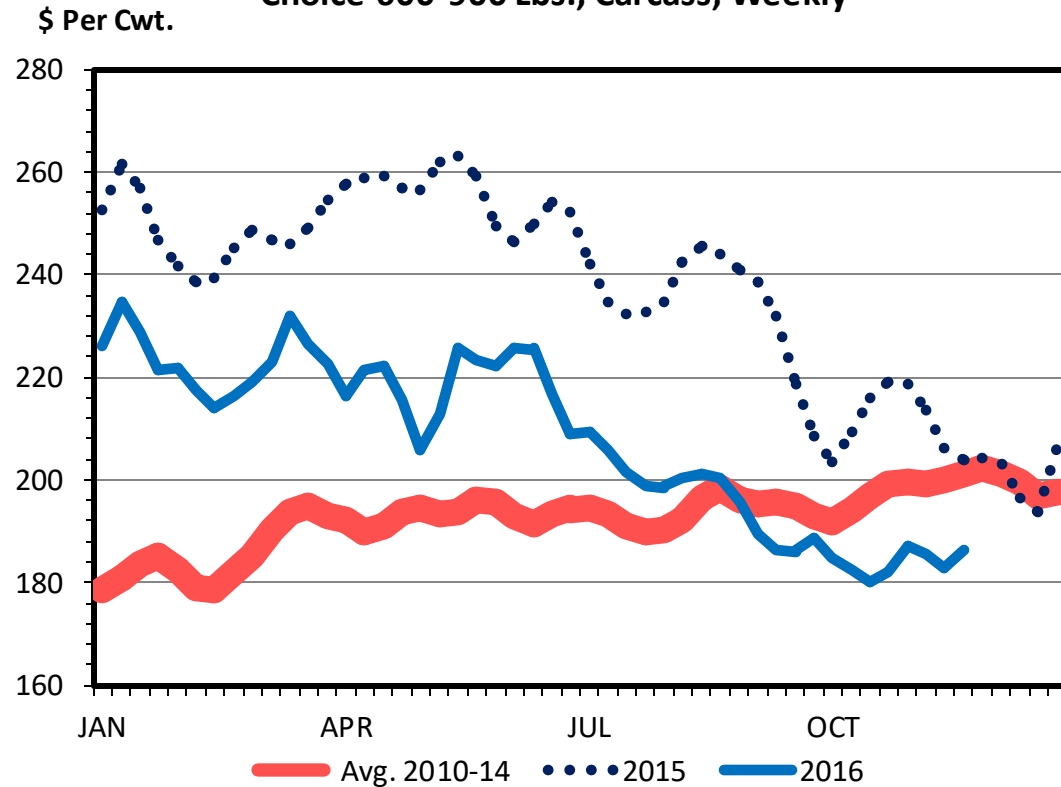
Carcass Cutout Value 600-900 Lbs., Negotiated, Weekly

\$ Per Cwt.

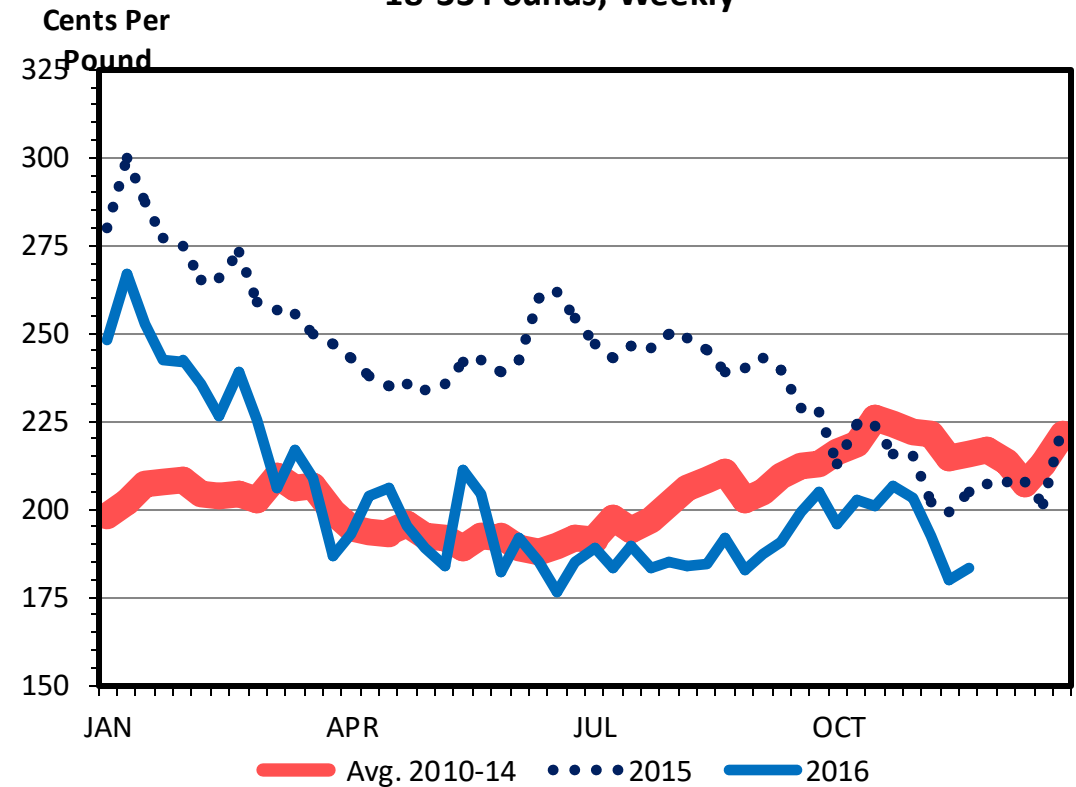


But it's not just... And in 2016 it was not good...

BOXED BEEF CUTOUT VALUE
Choice 600-900 Lbs., Carcass, Weekly



WHOLESALE BEEF BOTTOM ROUND PRICES
18-33 Pounds, Weekly



Some things that are seen in the LMR data

- There are strong and different seasonal patterns in product prices.
- Premiums and discounts across Quality Grade and Yield Grade that are not constant.
- Choice-Select spread communicates information on demand.
- Differences in end-meats, middle-meats, and ground product.
- Similar issues to fed cattle prices in terms of formulas and forward contracting.
- Clear benchmarks! USDA AMS and NASS establish the Gold-Standard.

Some conclusions? And what's next?

- Beef markets are varied and complicated.
- Different supply chains, demands, and opportunities.
- Market potential, market potential, market potential...
- Leading indicators? Lagging problems?
- Upstream providers will understand downstream markets.
- New opportunities?

Website Script

Main MN page.

“Livestock, meats, poultry, eggs, grain & hay”

“Meat” – first 2 and the next 3 are pork and Other.

Daily Beef Reports – lsddcbs.pdf – links take you to the data

- **nw_ls410.txt**
- **AM & PM**
- **Lsdcbbbs.pdf**

Weekly/Monthly beef reports

- **Comprehensive TXT**
- **Negotiated, forward, formula.**
- **Branded, prime, ungraded.**
- **Grassfed**

National Daily and National Weekly Cattle and Beef Summary Reports

National Daily Cattle & Beef Summary
Des Moines, Iowa
Wednesday, May 26, 2021

AMS 24550LM XB405

DAILY ESTIMATED CUTOFF VALUES		Choice/Select Spread
Choice	600-900#	25.44
Select	600-900#	
Current Cutoff Values:	329.49	304.05
Change from prior day:	(-0.43)	(-0.21)

Primal Rib 536.50 449.44
Primal Chuck 241.87 238.45
Primal Round 250.98 246.50
Primal Loin 492.74 430.27
Primal Brisket 289.92 289.44
Primal Short Plate 225.13 225.13
Primal Flank 166.55 160.63

Load Count:
Total 119
Choice 72
Select 23
Trimming 11
Grinds 14

Fresh 50% Trimmings 11 Loads @ 70.56

AMS 2829NW LS441

USDA BY-PRODUCT DROP VALUE (STEER) - DAILY
12.09 Change: unchanged

AMS 24550LM C4100

5 AREA WEEKLY ACCUMULATED WEIGHTED AVG CATTLE PRICE			
As of 10:00 am	Head Count	Avg Weight	Avg Price
Live Steer	15,136	1,434	119.76
Live Heifer	7,173	1,301	119.82
Dressed Steer	7,845	917	190.94
Dressed Heifer	1,748	835	190.78

AMS 5208NSV ES710

DAILY CATTLE SLAUGHTER

Today	120,000
Week Ago	118,000
Year Ago (act)	110,000
Week to Date	357,000
Same Period Last Week	353,000
Same Period Last Year	223,000
Previous Day	Steer and Heifer 95,000 Cow and Bull 26,000

AMS 5609SU LS712

BEEF PRODUCTION	5/22/2021	Last Week	Last Year
	(Estimate)	(Estimate)	(Actual)
Slaughter	669,000	640,000	572,000
Live Weights	1366	1368	1370
Dressed Weights	825	826	825
Beef Production (millions of pounds)	550.7	527.3	470.5

AMS 2829NW LS411

USDA BEEF CARCASS PRICE EQUIVALENT INDEX VALUE

Choice	Select	Dressing percent:	
		Steer	Heifer
600-900#	600-900#	63.28	63.25
\$247.18	\$224.16		
Change (-0.10)	unchgd		

AMS 24550LM XB405

USDA NATIONAL CUTTER COW CARCASS CUTOFF
210.51 0.85 90% lean: 256.00

CME-LIVE CATTLE

	High	Low	Change	Settle
JUN	117.50	116.08	(0.28)	116.45
AUG	120.88	118.85	(0.78)	119.33
OCT	125.25	123.28	(0.45)	124.08

CME-FEBRUER CATTLE

	High	Low	Change	Settle
MAY	136.80	136.30	(0.13)	136.50
AUG	158.73	154.15	(1.48)	155.20
SEP	159.75	156.03	(0.83)	157.10

Weekly Choice Cutout

LMR Steer/Heifer Dressed Weights

5 Area Weekly Wtd Avg Steer Price

Weekly Ch/Se Spread

USDA Livestock, Poultry & Grain Market News
Des Moines, Iowa | PH 515-284-4460
Email: Desm.LPGMN@ams.usda.gov
<https://livestock.ams.usda.gov/ViewReport?87>
USDA AMS Livestock, Poultry & Grain Market News

National Weekly Cattle and Beef Summary
Des Moines, Iowa
For Week Ending: 5/21/2021

USDA Livestock, Poultry & Grain Market News
Mon May 24, 2021

	This Week	Prior Week	Last Year
LM XB463	309.63	300.61	394.73
NATIONAL COMPREHENSIVE BOXED BEEF			
CUTOFF VALUES			
Primal Rib	502.40	495.97	496.49
Primal Chuck	229.05	221.93	360.88
Primal Round	227.88	213.21	385.20
Primal Loin	465.05	456.18	490.12

WEEKLY COMPREHENSIVE ITEM SUMMARY

Select & Choice Spot Market Loads 392
Comprehensive Loads 3206
CH&SE Percent of the Comprehensive 12%

LMR Cattle Purchase Type Breakdown

2021 Q1	National	5-Area	TX/OK/NM	KS	NE	IA
Negotiated	20.0%	20.1%	7.9%	13.2%	33.0%	15.1%
Formula	63.0%	67.4%	81.9%	80.9%	54.2%	31.0%
Forward Contract	10.8%	7.2%	5.4%	3.1%	6.5%	15.9%
Negotiated Grid	6.2%	5.3%	4.3%	2.3%	6.3%	7.7%

National Weekly Fed Cattle Comprehensive Report
National Weekly Fed Cattle Comprehensive C/S V Report

LM CT162

PRIME CATTLE PREMIUM AND DISCOUNTS	Prime	Choice	Select	Standard	CAB
	11.51	11.51	7.73	0.00	0.00
	(20.70)	(16.99)	(18.48)	(33.04)	(30.05)
	5.97	5.97	6.78		

LM CT160

5 AREA WEEKLY WEIGHTED CATTLE PRICE			
Live Steer	119.72	119.73	117.06
Live Heifer	119.44	119.82	118.31
Dressed Steer	190.58	190.49	183.35
Dressed Heifer	191.04	191.25	185.23

NW LS441

USDA BY-PRODUCT DROP VALUE (STEER)
12.07 12.01 7.01

SJ LS712

WEEKLY ESTIMATED BEEF PRODUCTION			
5/21/2021	(Estimate)	(Estimate)	(Actual)
Slaughter	669,000	640,000	572,000
Live Weights	1366	1368	1370
Dressed Weights	825	826	825
Beef Production (mil lbs)	550.7	527.6	470.5

LMR CH & up Grading %s, Weights, and Dressing % (Formula, Forward Contract & Grid Net Purchases Based on State of Origin for WE today)

Beef Type Str/Hfr:	Grading	Carcass Wt	Dressing
TX/OK/NM	71.58%	835.8	63.97%
Kansas	84.80%	860.6	63.80%
Nebraska	88.63%	885.1	63.19%
Colorado	82.64%	840.0	62.88%
IA/MN	86.78%	916.2	63.26%
Daily Fed Str/Hfr:			
National	86.46%	842.0	60.33%

Weekly Comprehensive Cutout Value

5 Area Weekly Wtd Avg Steer Price

Weekly Beef Production

Weekly Steer Drop Value

USDA Livestock, Poultry & Grain Market News
Des Moines, Iowa
Phone: 515-284-4460
Email: desm.lgmn@usda.gov
www.ams.usda.gov/LSMarketNews



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Thank you for Participating

For more information on this webinar series and the
USDA Cattle and Carcass Training Centers, visit:

www.ams.usda.gov/grades-standards/beef/cattle-carcass-training-centers