

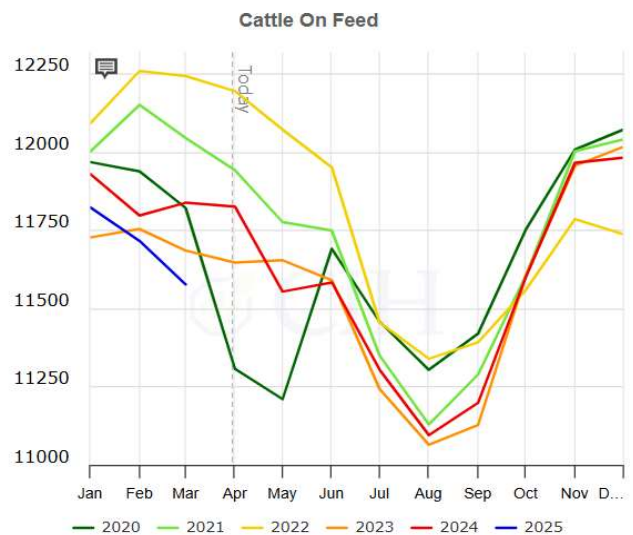
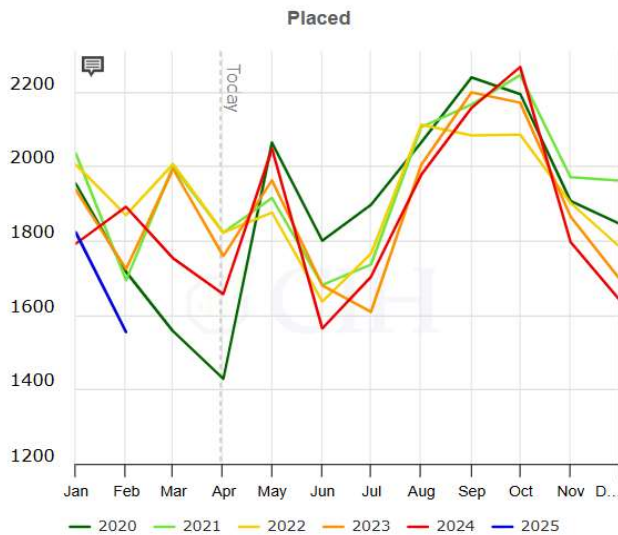
Beef Margin Watch: March



Cattle futures continued to strengthen in nearby expirations over the second half of March, while deferred contracts held steady and the corn market moved lower. The market continues to be supported by declining cattle and beef inventories and strong domestic demand. USDA's March Cattle on Feed Report showed total cattle on feed as of March 1 at 11.577 million head, down 139,000 from the previous month and 261,000 or 2.2% lower than last year. Cattle inventories have been declining steadily since the beginning of the year with that trend expected to continue through the spring and summer as feeder cattle imports from Mexico continue to be limited. While imports resumed last month, the totals remain very minimal, with just over 35,000 head imported over the first half of March down 45% from the same period last year. USDA reported February placements at 1.554 million head, down 14.6% from last year which will keep feedlot inventory relatively tight. USDA also pegged total frozen beef inventories in Cold Storage at the end of February at 428.1 million pounds, down 2.3% from the previous year and 13.6% below the five-year average. The figure was also 5.9% below January, a larger than seasonally normal month-over-month decline. Boneless beef inventories saw a notable drawdown with tight slaughter runs and high lean beef prices in the backdrop of strong demand. The Livestock Marketing Information Center publishes a quarterly demand index for beef at retail which accounts for inflation that last year reflected a 6.5% increase from the previous year to the highest level since 2000. Our clients have benefited from recent strategic adjustments to add upside flexibility to existing cattle hedges as well as adjustments to strengthen forward feed coverage.

USDA March Cattle on Feed Summary:

Cattle on Feed Report								Edit	
	2023	2024	2025	Actual	Avg Est	Low Est	High Est	Previous Month	Diff From Est
Placed On Feed in Feb (1,000 head)	1723	1890	1554	82.22%	85.4%	79.1%	90.5%	85.3%	-3.2
Fed Cattle Marketed in Feb (1,000 head)	1734	1793	1633	91.08%	92.0%	91.2%	93.2%	87.4%	-0.9
Other Disappearance in Feb (1,000 head)	58	56	60	107.14%	0.0%	0.0%	0.0%	100.0%	107.1
On Feed Mar 1 (1,000 head)	11685	11838	11577	97.80%	98.3%	97.0%	99.0%	98.8%	-0.5



The information contained in this publication is taken from sources believed to be reliable, but is not guaranteed by Commodity & Ingredient Hedging, LLC, nor any affiliates, as to accuracy or completeness, and is intended for purposes of information and education only. Nothing therein should be considered as a solicitation to trade commodities or a trade recommendation by Commodity & Ingredient Hedging, LLC. All references to market conditions are current as of the date of the presentation. Futures and options trading involves the risk of loss. Past performance is not indicative of future results. Please visit www.cihmarginwatch.com to subscribe to the CIH Margin Watch report.