

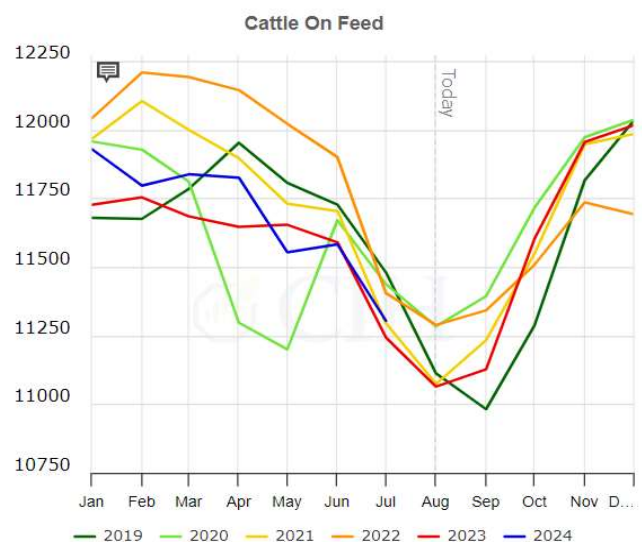
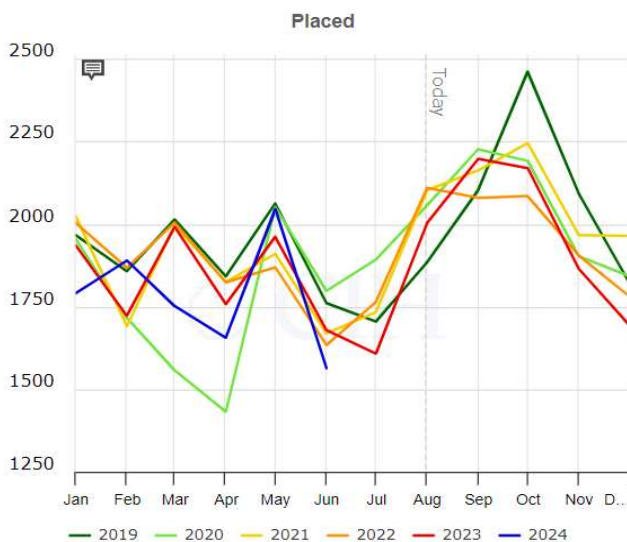
# Beef Margin Watch: July



Both cattle and corn futures continued to trade relatively steady over the last half of July with limited price movement in either market. The beef cutout has likewise been flat over the month of July, though continues to trade at 15-year highs for this point in the calendar year. USDA reported the total supply of Cattle on Feed as of July 1 at 11.304 million head, down 279,000 from June but up 61,000 or 0.5% from last year. Due to heavier placements earlier in the year, the supply market ready cattle remains well above year-ago levels, with cattle coming to market at heavier weights offsetting lower slaughter to maintain beef production steady to up slightly from 2023. USDA also provided a breakdown of the type of cattle on feed in this quarter-end report, with steer inventory of 6.824 million head up 56,000 or 0.8% above last year and heifer inventory of 4.48 million head up 5,000 or 0.1% from 2023. As of July 1, heifers made up 39.6% of the total cattle on feed, with a continued lack of any signs of herd rebuilding. USDA also reported beef inventories in Cold Storage at the end of June totaled 410.3 million pounds, down 0.1% from last year with boneless beef inventories of 372.8 million pounds down 0.5% from 2023 and beef cuts of 37.5 million pounds up 3.6% from a year ago. USDA reported strong beef exports sales last week of 17,710 MT which was well above the current pace of shipments, but over the past five weeks beef exports have averaged around 14,000 MT which is below the current pace of shipments with last week's exports of 16,209 MT above the prior four-week average but 6% lower than last year. Our clients have added feed ownership recently while maintain cattle inventory hedges.

## USDA July Cattle on Feed Summary:

Cattle on Feed Report								Edit	
	2022	2023	2024	Actual	Avg Est	Low Est	High Est	Previous Month	Diff From Est
Placed On Feed in Jun (1,000 head)	1634	1679	1564	93.15%	96.4%	89.9%	100.7%	76.4%	-3.2
Fed Cattle Marketed in Jun (1,000 head)	2061	1957	1786	91.26%	91.5%	90.0%	94.5%	91.4%	-0.2
Other Disappearance in Jun (1,000 head)	69	69	57	82.61%	0.0%	0.0%	0.0%	91.9%	82.6
On Feed Jul 1 (1,000 head)	11405	11243	11304	100.54%	101.0%	100.1%	101.7%	97.6%	-0.5



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