

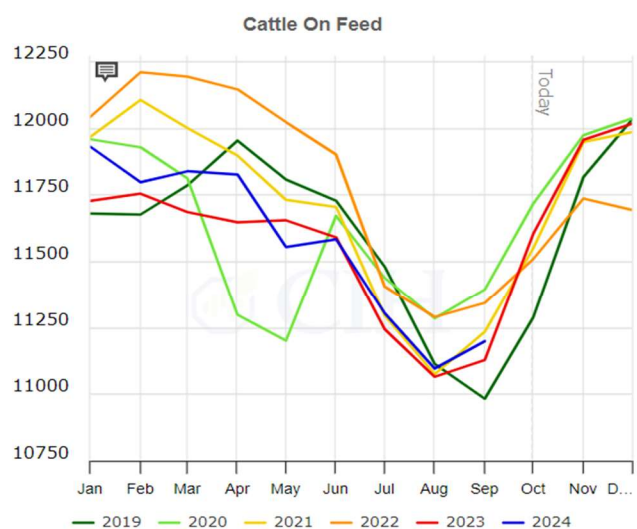
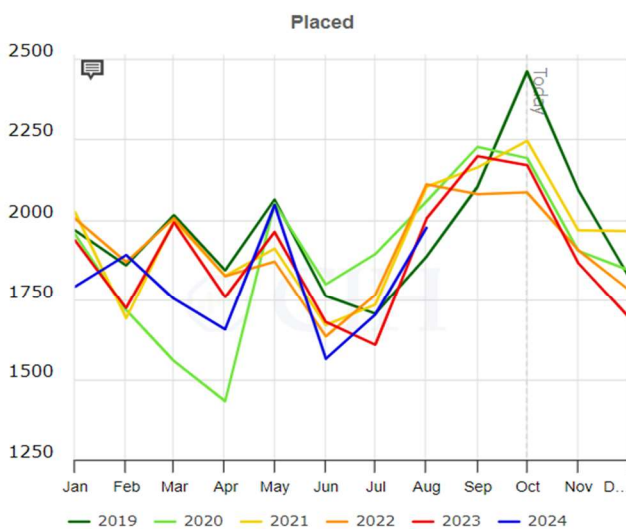
Beef Margin Watch: September



Both cattle and corn futures moved higher over the second half of September with a firm tone in both markets. USDA's Cattle on Feed report showed total on-feed inventory as of September 1st at 11.198 million head, up 0.64% from last year and in line with pre-report expectations. August placements of 1.975 million head were down 1.4% from a year ago and likewise within the range of analysts' expectations. While cattle placements were expected to decline given a lower calf crop and cattle inventory, deteriorating pasture conditions over the summer portend a potential increase in placements in upcoming reports. Drought conditions have worsened in some key areas including the Texas Panhandle, Oklahoma, the Eastern Corn Belt, and the western part of the Dakotas. Some 35% of cattle are currently located in areas experiencing drought with 10% in areas of more extreme drought conditions compared to less than 10% and 3%, respectively, earlier this spring. USDA's NASS September Livestock Slaughter report detailed statistics through August reflecting commercial and federally inspected YTD beef production at 17.9 and 17.6 billion pounds, respectively, down 0.6% and 0.5% from last year. Cow slaughter through August at 3.8 million head is down 14.8% from a year ago, although this may pick up as drought conditions worsen. YTD average dressed weight for all cattle was reported at 845 pounds, up 3.1% from 2023 which has helped to offset the decline in slaughter totals. USDA also reported total frozen beef Cold Storage inventories of 395.186 million pounds at the end of August, down 1.8% from July but essentially unchanged from a year ago. Our clients continue to evaluate strategic adjustments to existing cattle inventory and corn feed hedges as prices rise.

USDA September Cattle on Feed Report 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 Aug (1,000 head)	2110	2003	1975	98.60%	98.9%	96.8%	102.3%	116.0%	-0.3
Fed Cattle Marketed in Aug (1,000 head)	2004	1885	1818	96.45%	96.6%	96.3%	97.5%	98.0%	-0.2
Other Disappearance in Aug (1,000 head)	53	55	54	98.18%	0.0%	0.0%	0.0%	96.4%	98.2
On Feed Sep 1 (1,000 head)	11342	11127	11198	100.64%	100.8%	100.2%	101.3%	100.9%	-0.2



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.