



Beef- Last week's holiday shortened cattle slaughter came in at an estimated 570,000 head, just 0.9% under last year, but sharply lower carcass weights dropped total beef production 2.5% below 2017. Tighter cattle supplies appear to be weighing on production and are expected to temper year-over-year gains into the winter months. The USDA's Cattle on Feed report confirmed expectations for reduced October placements, down 6.1% from the prior year. Cattle marketed throughout October were up 4.8% (with one extra marketing day this year), narrowing November 1st on-feed inventories to a 3.2% year-over-year increase; the first non-record monthly inventory total in five months.

The Kitchen Sink (Various Markets)- The cocoa market continues to track above last year's lower price levels. Yet, world cocoa supplies are adequate which has tempered the upside in the market during the fall. However, an El Nino weather pattern could shorten cocoa output in 2019. The risk in cocoa prices is to the upside.

Grains- The domestic 2019-20 winter wheat crop is progressing under generally favorable conditions. As of November 25th, 95% of the crop was seeded and 55% of the crop was rated in either good or excellent condition. In the same week last year, just 50% of the crop was rated either good or excellent. This may temper the upside in wheat prices.

Dairy- Low dairy prices continue to curb milk production growth in the U.S. During October, U.S. milk output was just .8% bigger than the previous year due to a 1.1% gain in milk per cow yields and a .3% smaller milk cow herd. Milk farmers reduced the herd during the month by a net 2,000 head making it the smallest since February 2017. Recent milk cow slaughter has been strong which suggests that milk production expansion should be tempered through the end of the year. The cheese markets remain at deflated levels. The butter market usually moves lower in December.

Pork- Pork output last week was down 13% from the non-holiday week prior but came in 5% over last year's Thanksgiving harvest. Pork production continues to track above a year ago, but active sales, including exports, continue to hint that a bottom for the USDA pork cutout could form relatively soon. The belly primal has fallen from its late-October counter-seasonal peak. However, recent history hints that there is upside risk potential for the pork belly market from late-November into early- February.

Poultry- For the week ending November 17th, chicken slaughter declined 3.96% from the week prior and was 1.4% below a year ago. Languishing chicken prices continue to hamper integrator margins, dissuading placement activity. Based on preliminary chick placements, estimates for slaughter levels into year's end remain lackluster, forecast down nearly 3% year-over-year. As Thanksgiving came and went, turkeys in cold storage as of October 31st fell in accordance with a traditional seasonal pattern, as retail demand for the frozen birds ramped up. Despite aggressive retail price features, with price features as low as \$0.29 per pound, retail ads on whole birds were down 2% (year-over-year) for the week of Thanksgiving.

Seafood- As of this week, NOAA Fisheries Service is reporting none of the 2018-19 Alaskan Bering Sea snow crab had been landed which is not unusual. Typically, almost all of the Alaskan snow crab fishing occurs in the winter. The Alaskan quota this year is 27.6 million pounds, up 50% from last year's small quota. Still, snow crab prices could remain elevated