

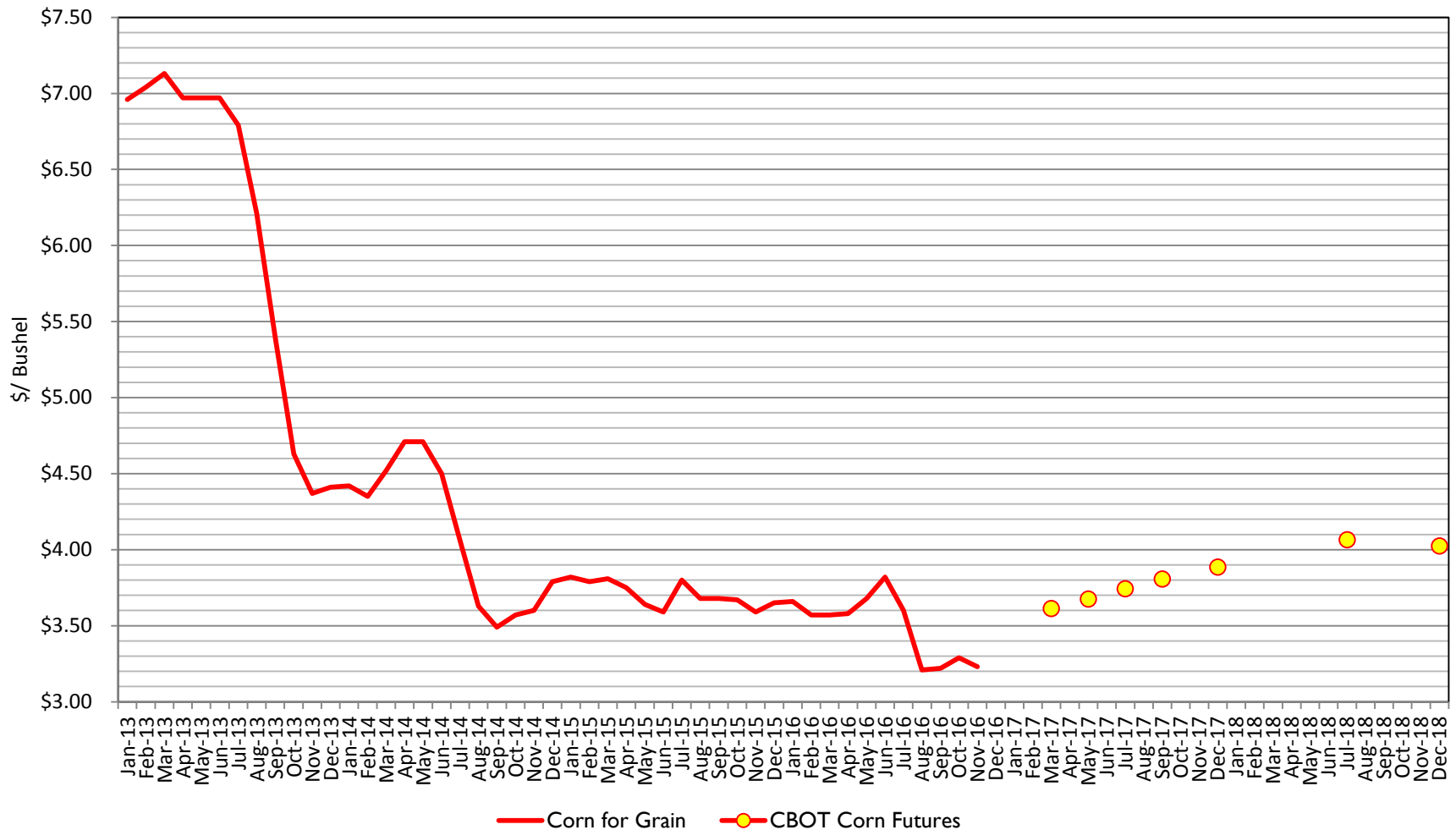


COMMODITY CORNER

January 2017

U.S. AGRICULTURAL PRICES RECEIVED: CORN

SOURCE: USDA, CME GROUP

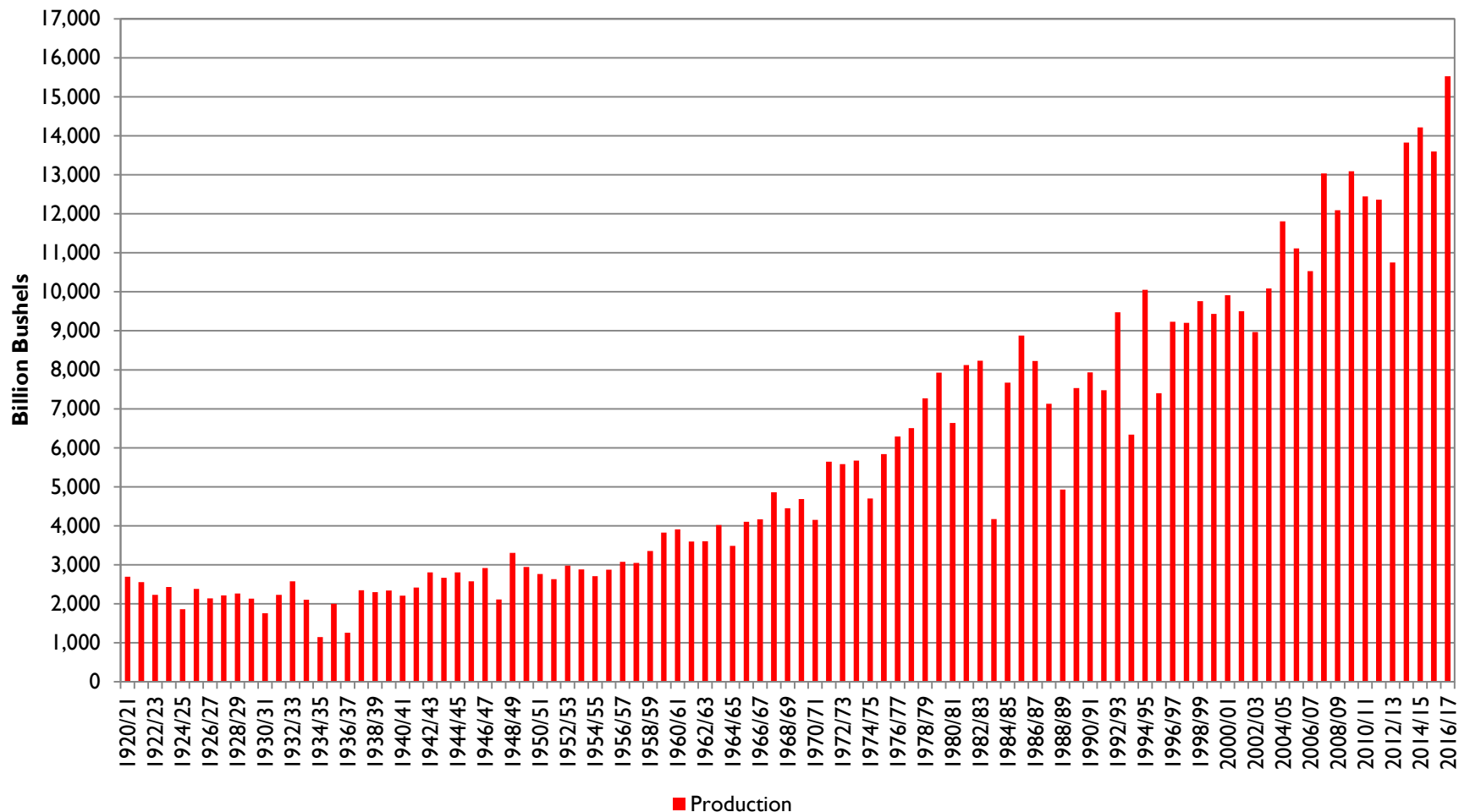


- South American weather is important now, but overall market is well supplied.



CORN PRODUCTION, U.S.

SOURCE: USDA



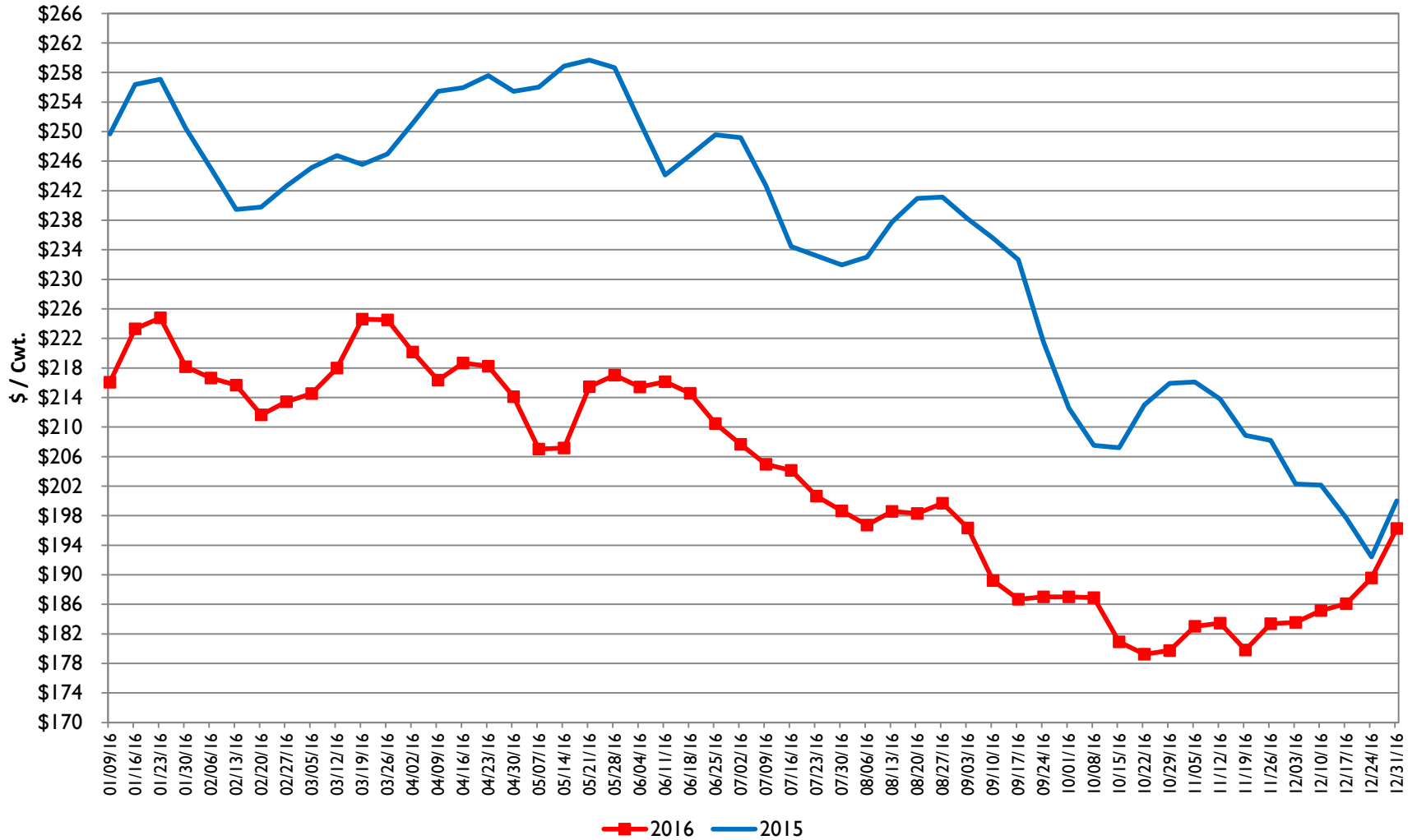
— Record large 2016 production. Can US top it this year?



MAKING YOUR WORLD STRONGER

U.S. COMPREHENSIVE BOXED BEEF CUTOUT VALUE: CHOICE ONLY

SOURCE: USDA



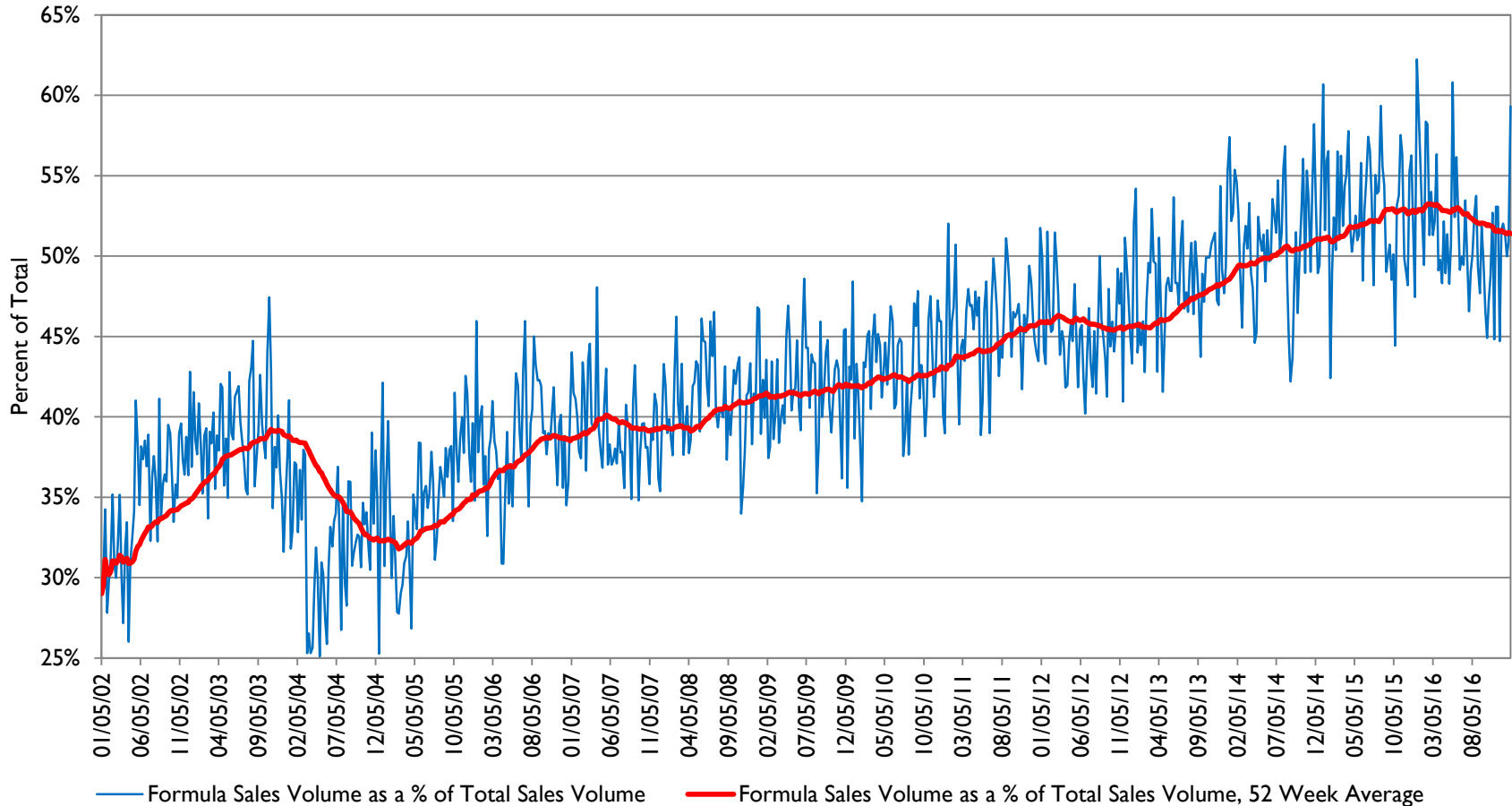
— Beef values rebounding on improved demand.



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U.S. COMPREHENSIVE BEEF CUTOUT: FORMULA SALES AS A PERCENT OF TOTAL SALES VOLUME

SOURCE: USDA



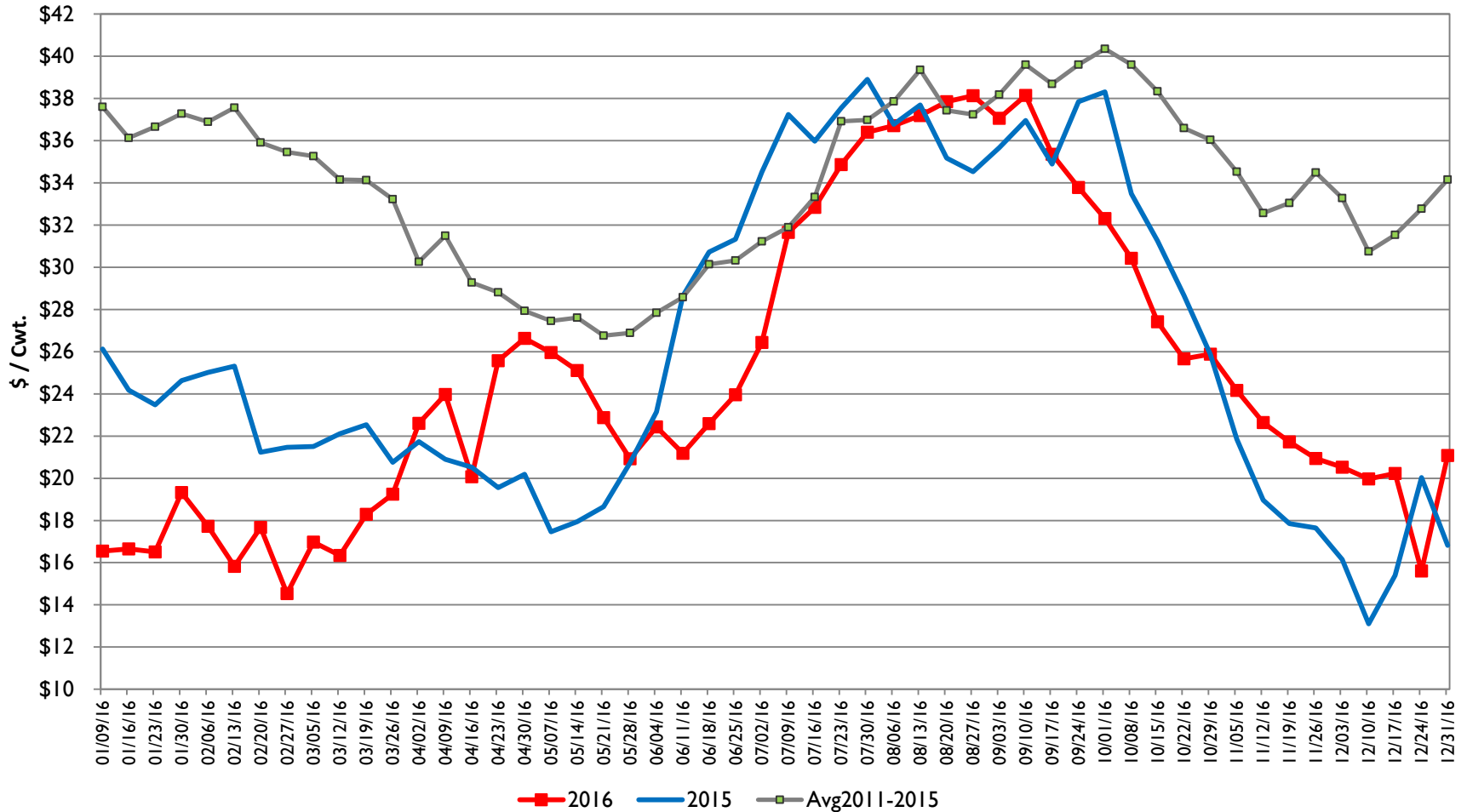
— Still 1 of every 2 pounds purchased on formula.



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U.S. COMPREHENSIVE BOXED BEEF CUTOUT: PRIME MINUS CHOICE

SOURCE: USDA



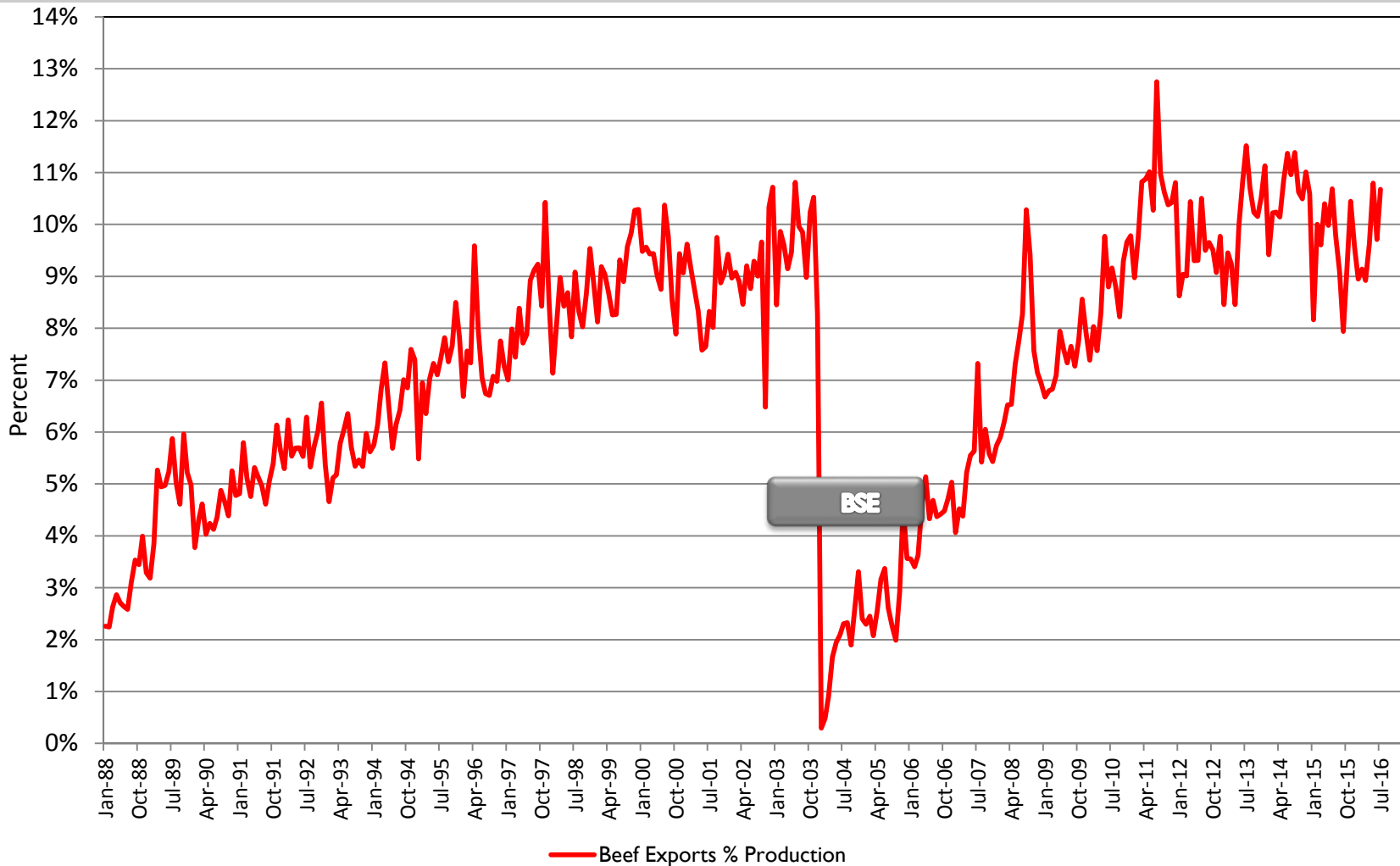
- Despite record Prime supply, the premium to Choice held last year's levels - a sign of solid demand.



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U.S. BEEF EXPORTS AS A PERCENT OF US BEEF PRODUCTION

SOURCE: USDA



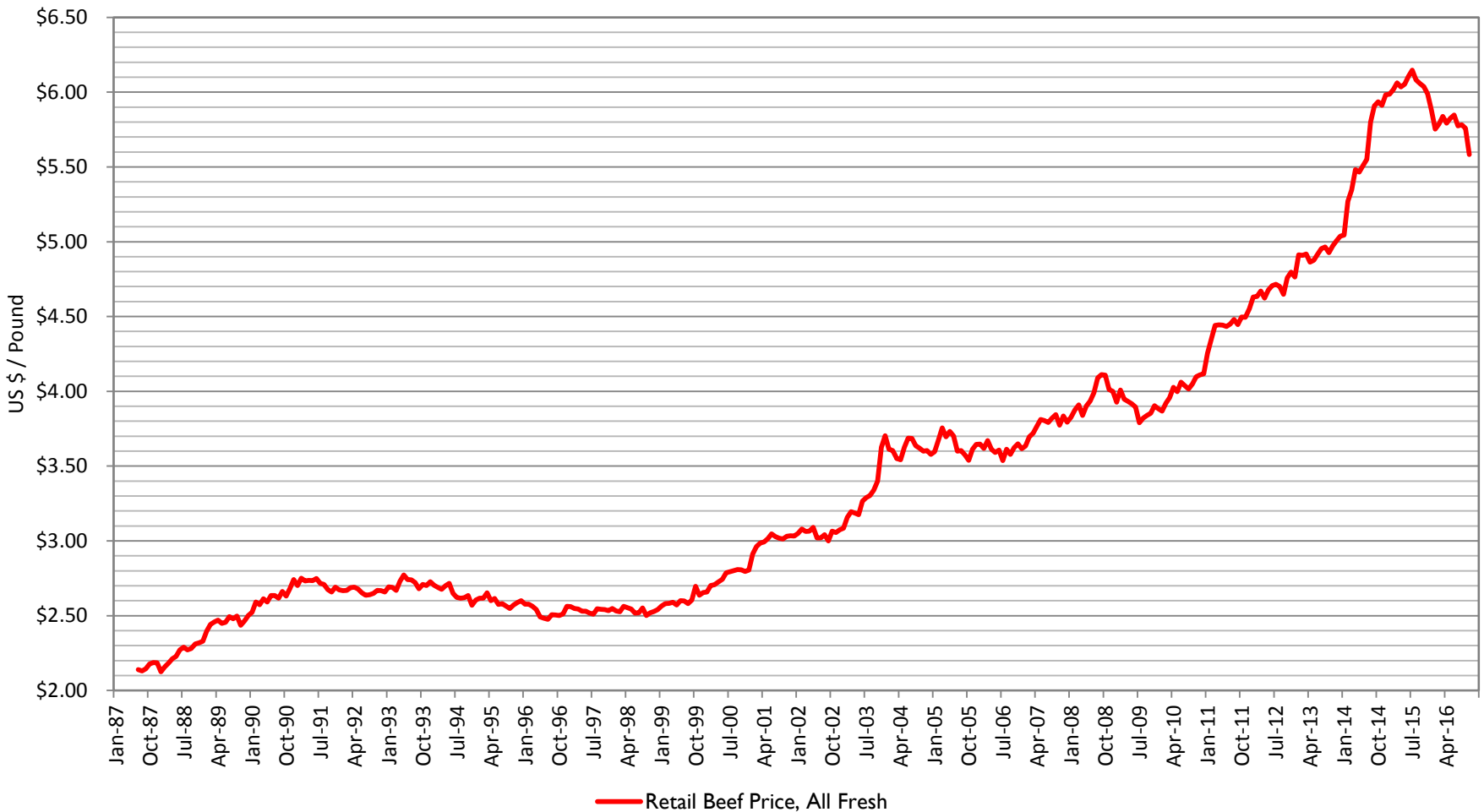
— Exports holding despite rising US\$.



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U.S. RETAIL ALL FRESH BEEF PRICE

SOURCE: USDA



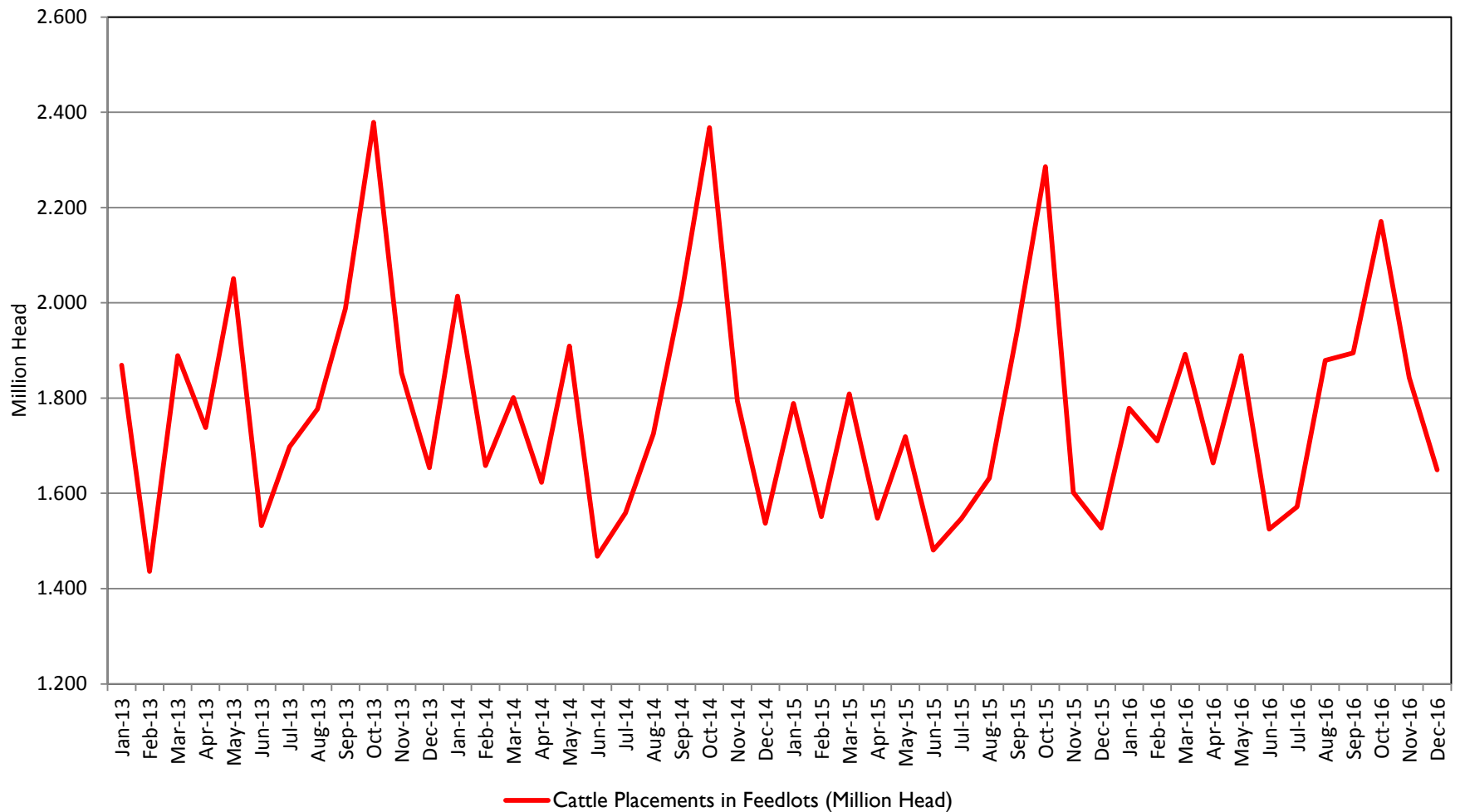
- Retail prices beginning to fall, will stimulate beef buying interest.



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CATTLE PLACEMENTS, U.S.

SOURCE: USDA

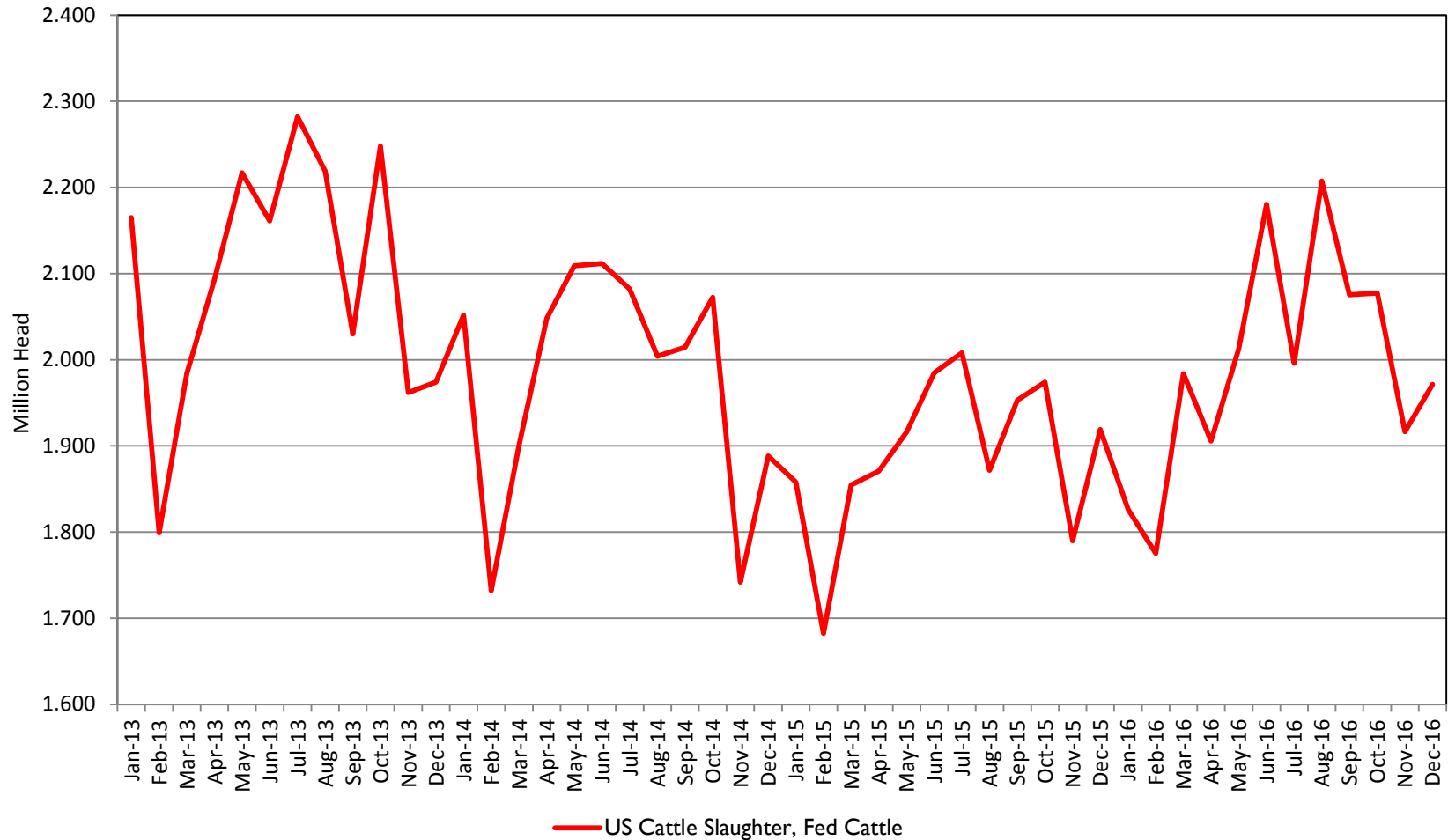


— Fall peak is past, placements retreat.



CATTLE SLAUGHTER, U.S.

SOURCE: USDA

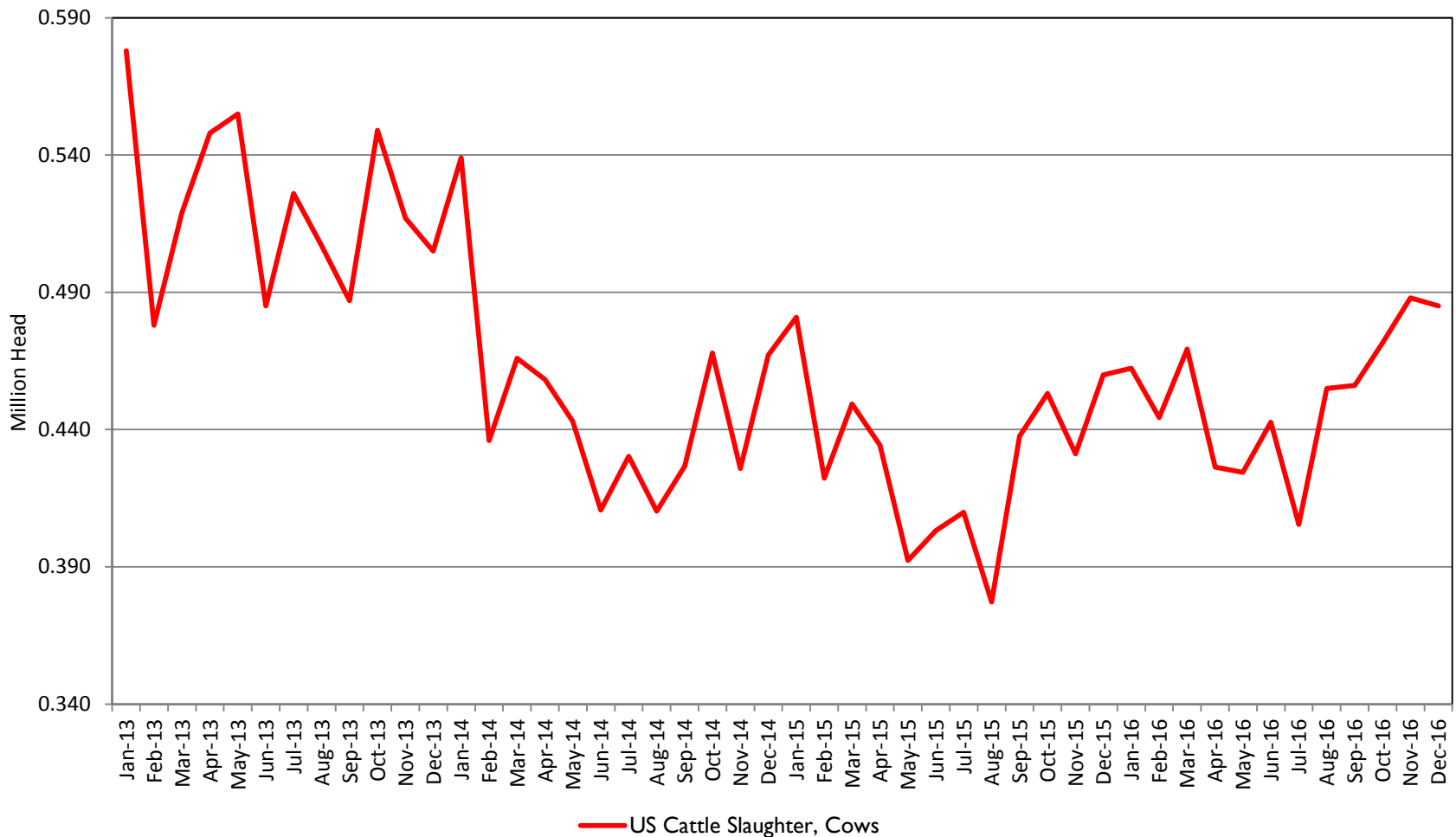


— Seasonally low slaughter expected through Q1



COW SLAUGHTER, U.S.

SOURCE: USDA



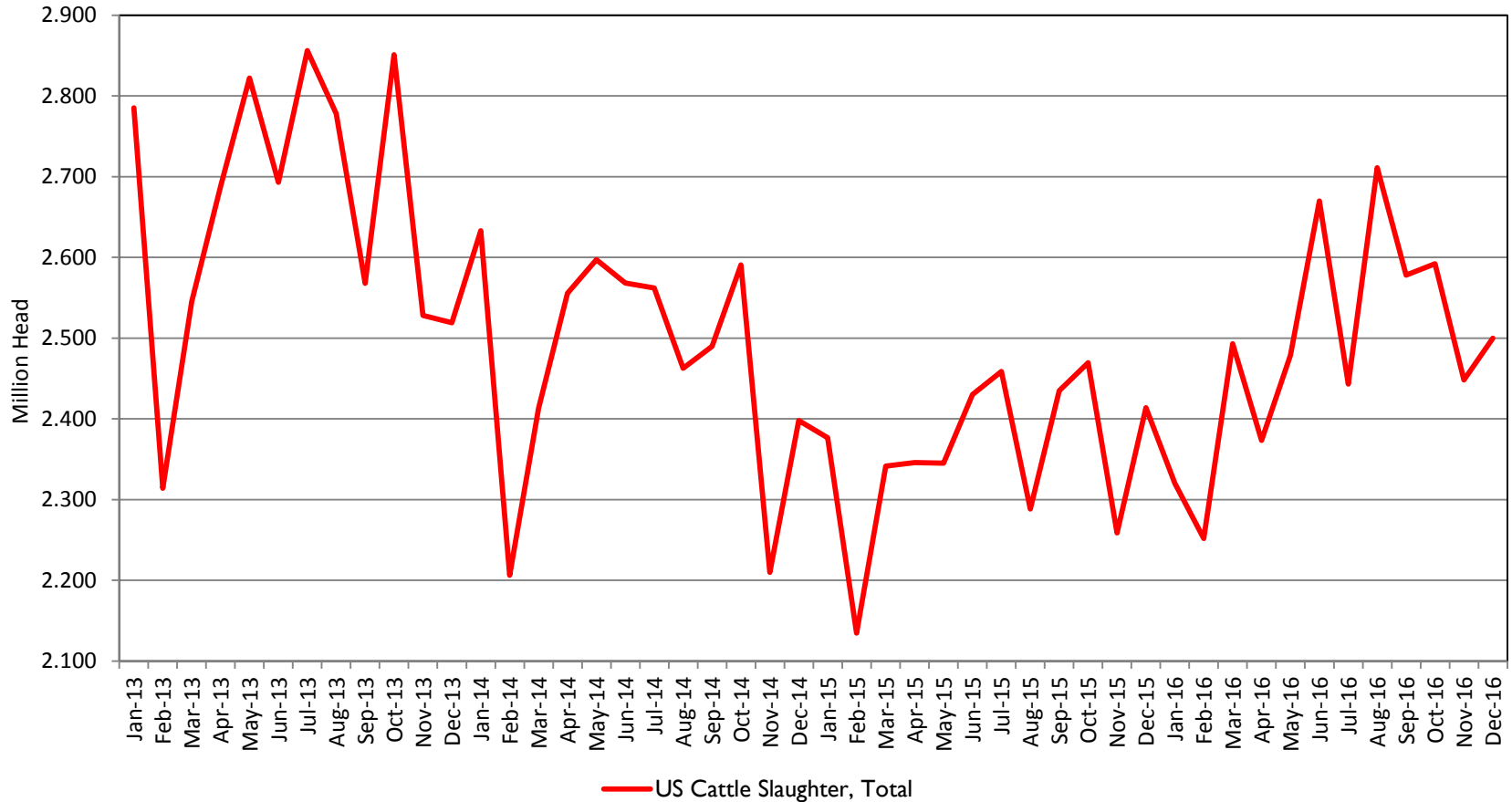
— Still near peak levels, will decline into summer.



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STEER + HEIFER SLAUGHTER, U.S.

SOURCE: USDA



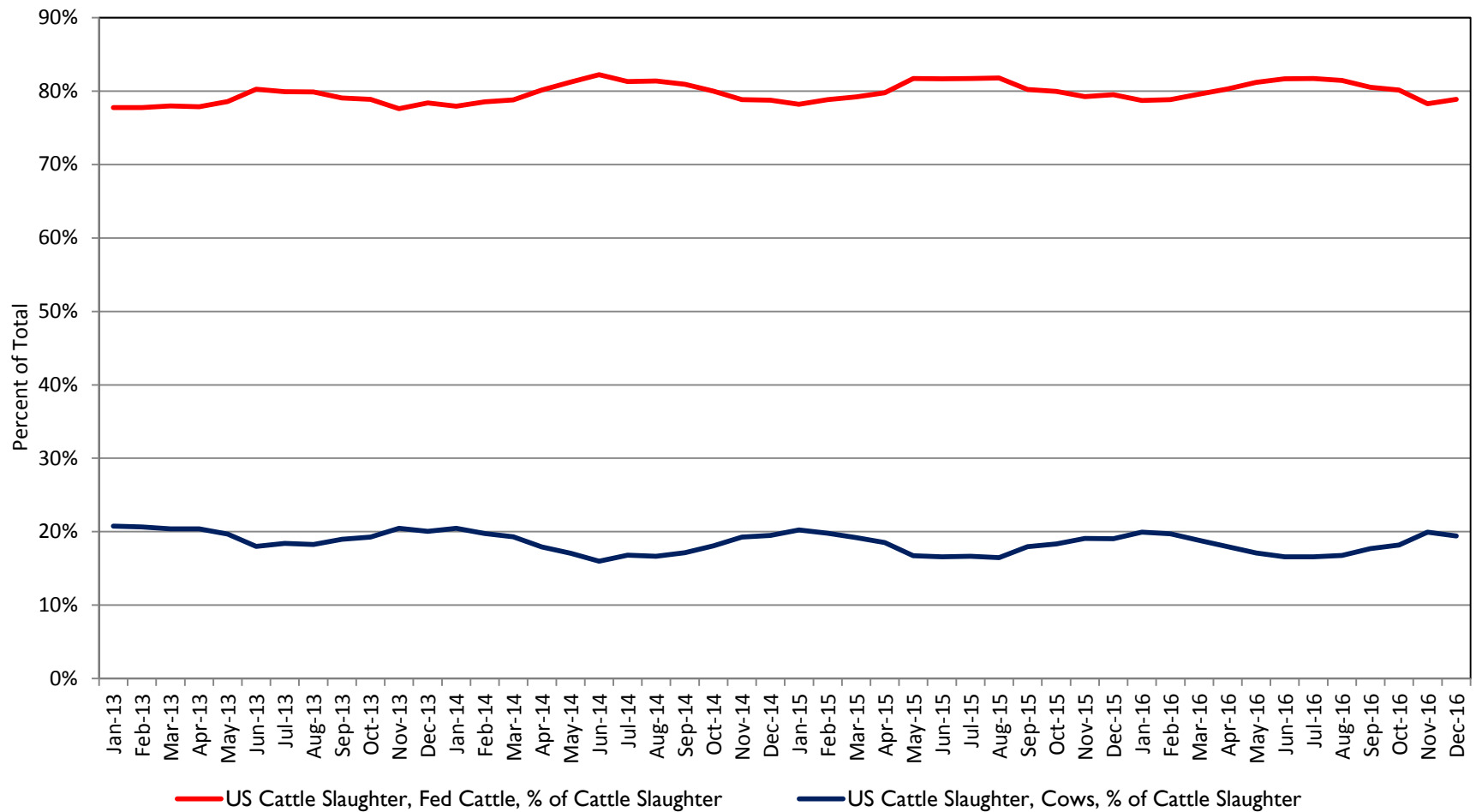
— Tighter supply coming in Q1



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CATTLE SLAUGHTER, U.S.: PERCENT BY CLASS

SOURCE: USDA



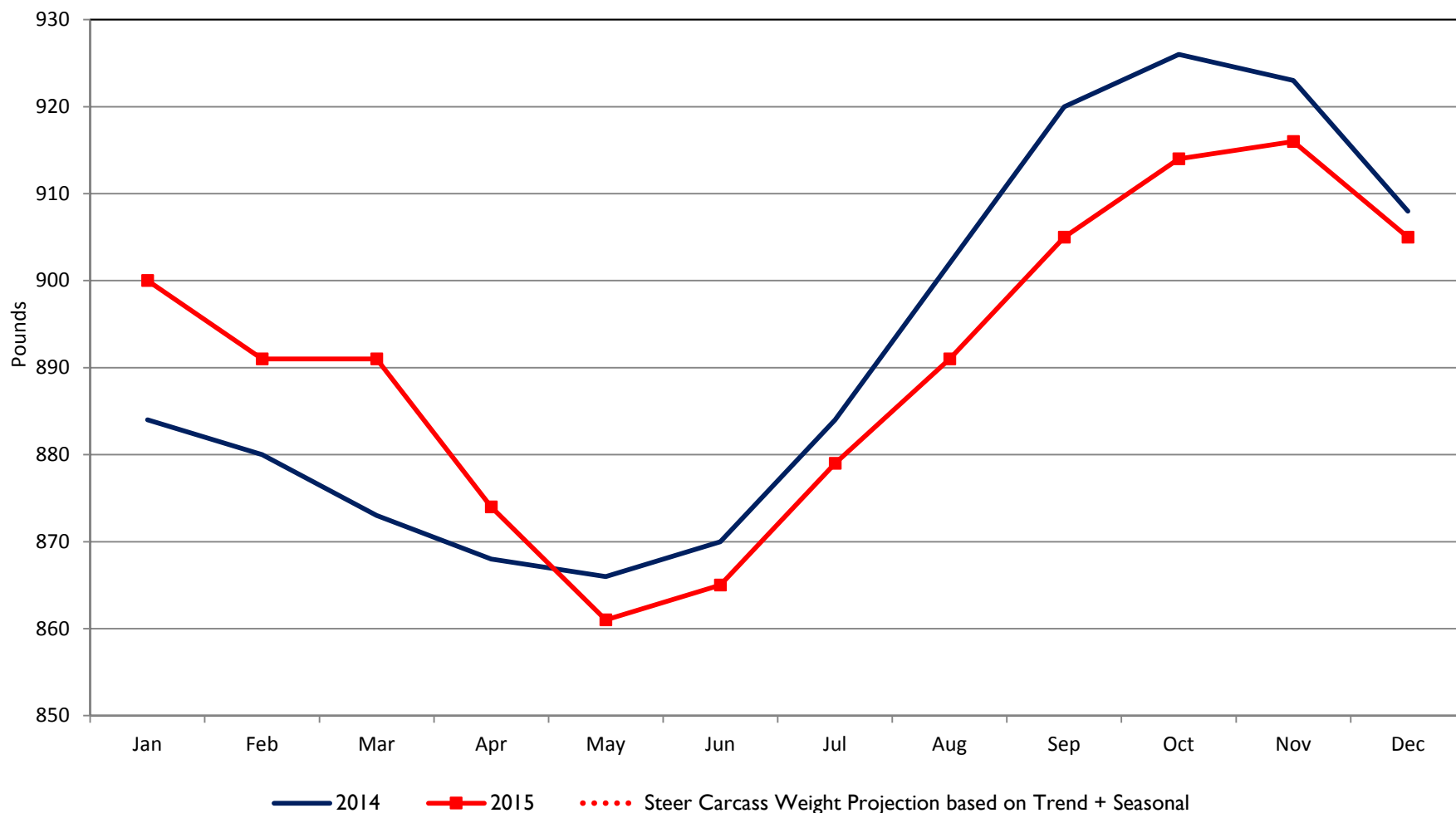
— Mix will shift back toward fed cattle



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STEER CARCASS WEIGHT, U.S.

SOURCE: USDA, JBS

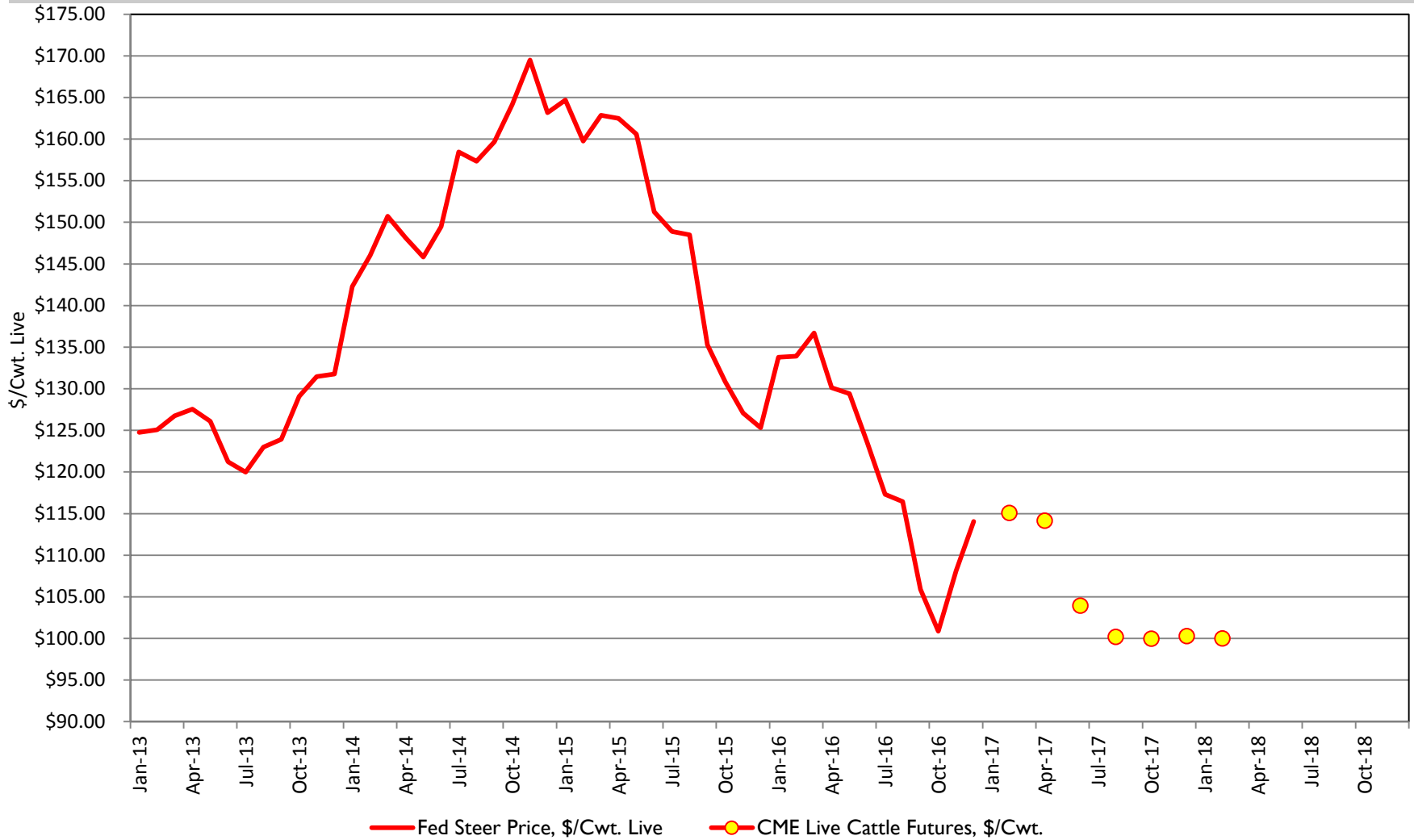


— Weights are falling seasonally, expected to bottom in late spring



U.S. FED STEER PRICE AND CME LIVE CATTLE FUTURES PRICE

SOURCE: USDA AND CME GROUP



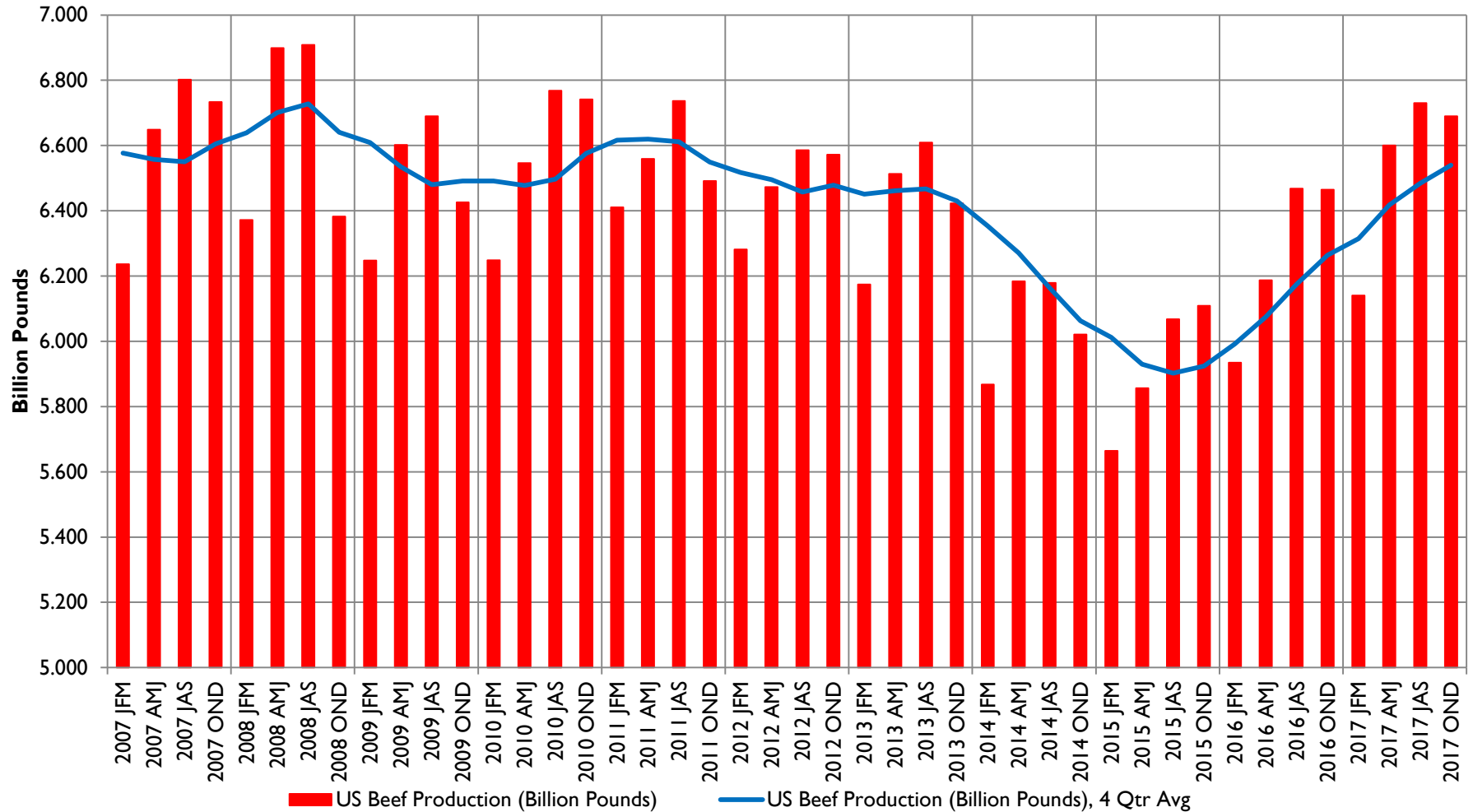
— Futures reflect tightest supply in first half 2017



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BEEF PRODUCTION, U.S.

SOURCE: USDA, WASDE



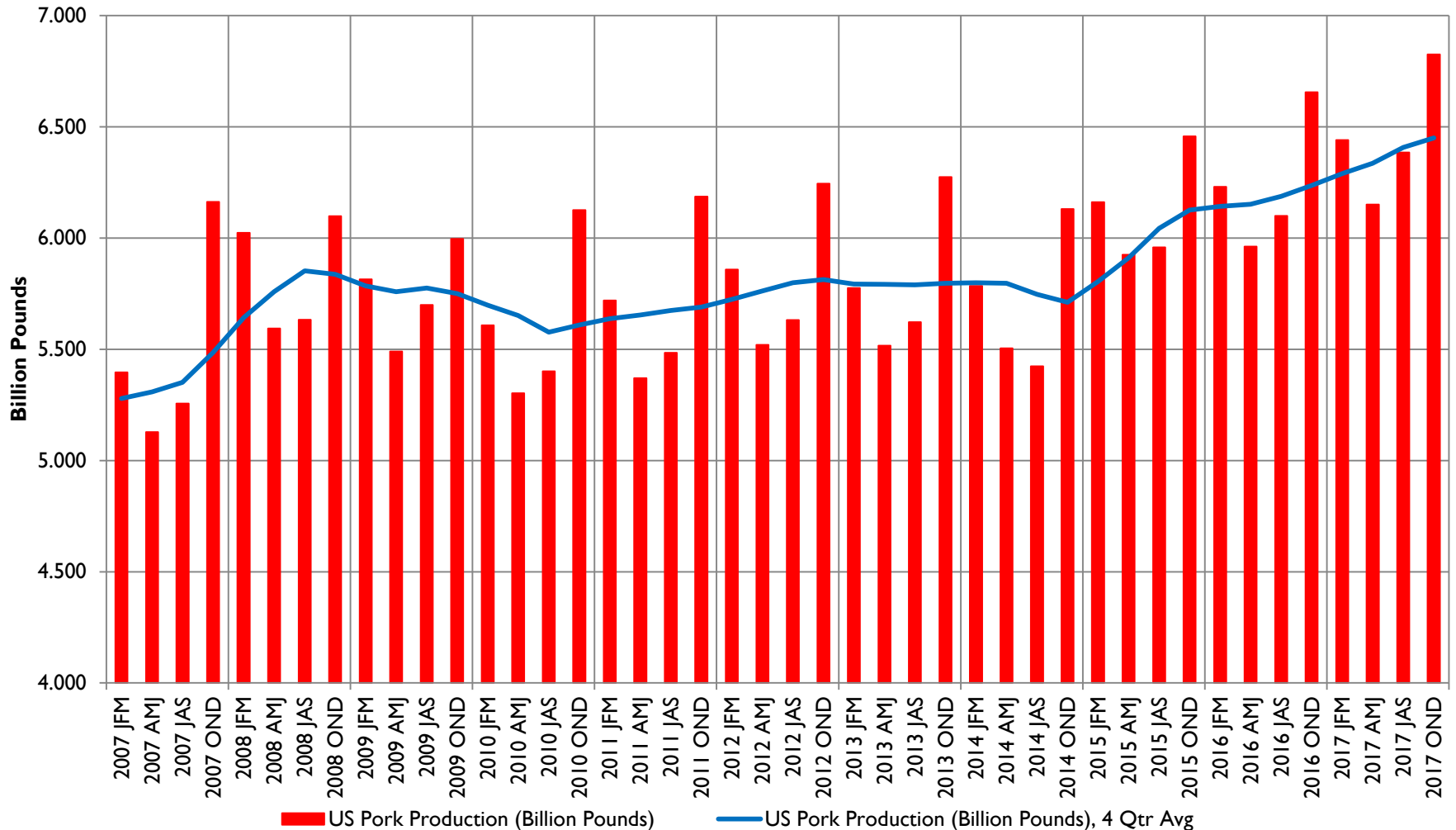
— USDA projecting tight Q1 supply



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PORK PRODUCTION, U.S.

SOURCE: USDA, WASDE



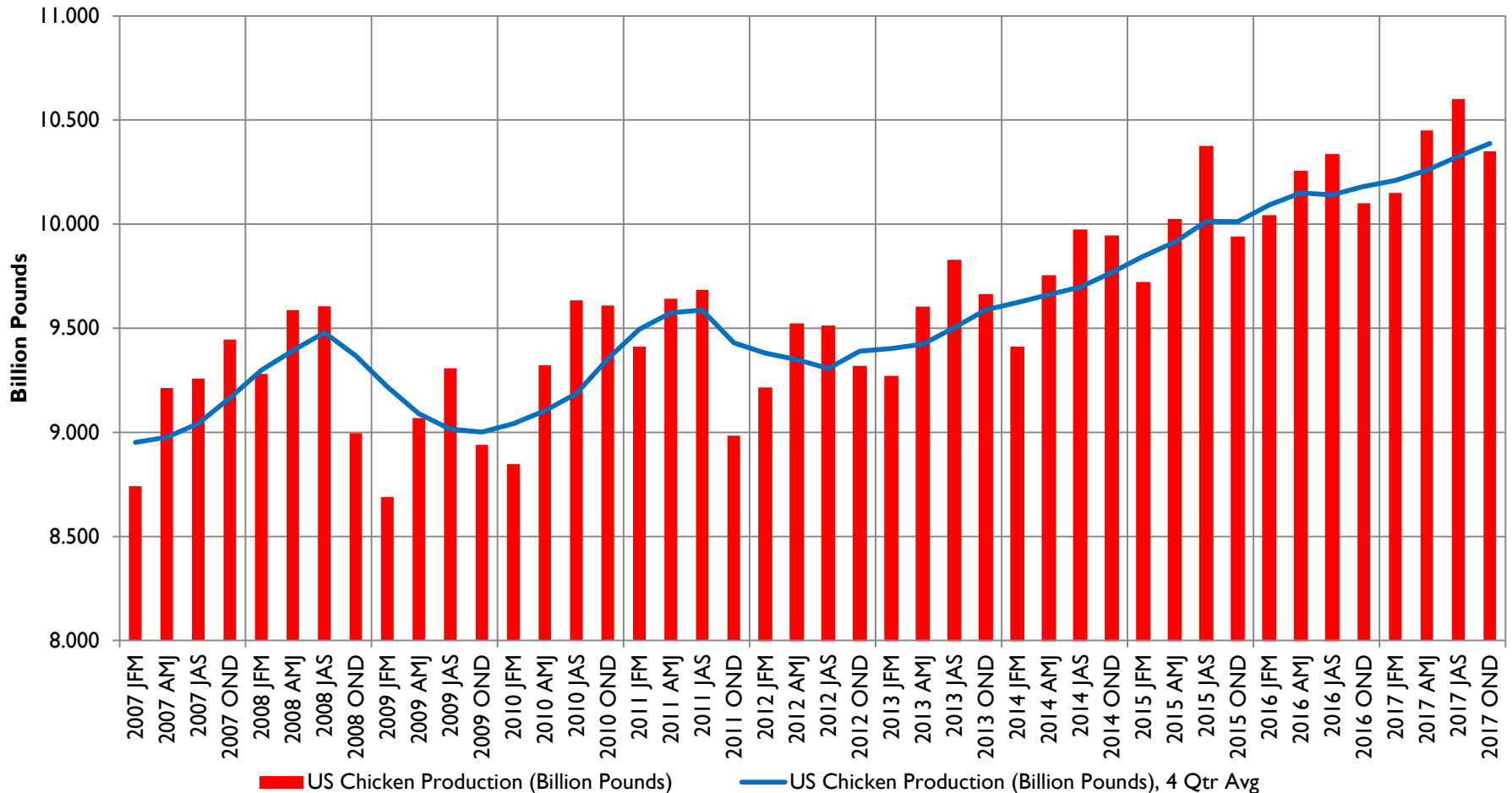
— USDA projects steady growth rate



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BROILER PRODUCTION, U.S.

SOURCE: USDA, WASDE



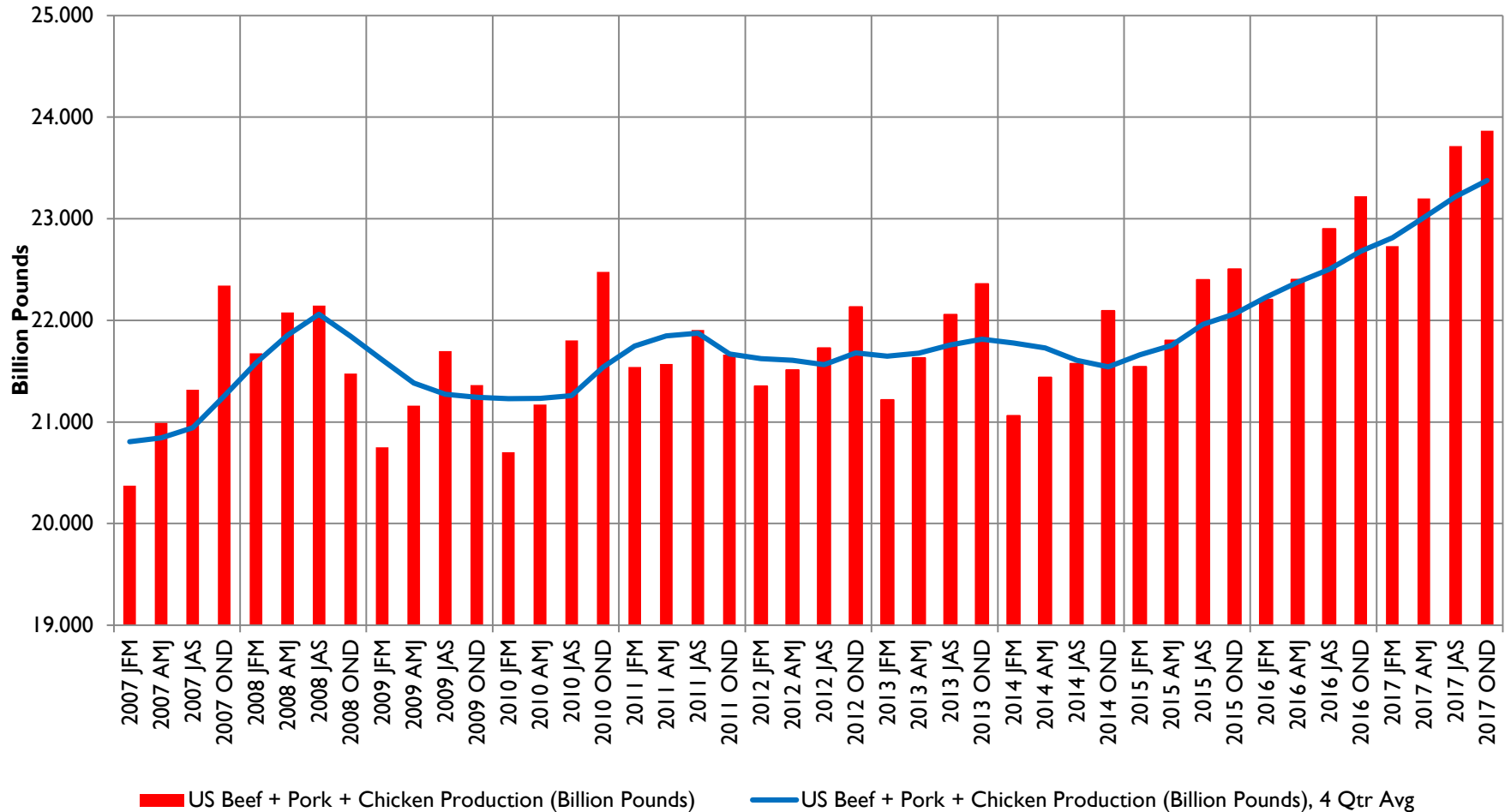
— Falling supply into Q1 projected by USDA



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BEEF + PORK + BROILER PRODUCTION, U.S.

SOURCE: USDA, WASDE



— USDA projecting total supply dip in Q1



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