

For Immediate Release

Allendale, Inc. Releases Cattle on Feed and Cold Storage Estimates

CHICAGO, IL. (October 16, 2018) – The following are our estimates for the coming Cattle on Feed and Cold Storage reports:

September Placements are expected 0.2% over last year at 2.154 million head. This is the largest September placement in seven years. It would also mark five months in a row of higher than last year placements. High placements have been seen despite profitability concerns. Kansas State estimates a \$110 loss per head on finished cattle in September. First half 2019 marketings are slated for \$122 - \$125 breakevens. August placements determine a part of the March through early August beef supply.

Allendale anticipates a Marketing total in September at 0.7% under last year for a total of 1.771 million. This is the lowest September marketing in three years. There was a calendar adjustment due to September 2018 holding one less weekday and the same Saturdays as September 2017.

Total Cattle on Feed as of October 1 comes to 5.9% over last year at 11.446 million. That is a record October 1 total since the 1996 start of the current data-series. Record COF is noted for three months in a row now.

USDA CATTLE ON FEED REPORT

| | Allendale Estimate |
|----------------------|--------------------|
| ON FEED OCT 1 | 105.9 |
| PLACEMENTS | 100.2 |
| MARKETINGS | 99.3 |

Cattle on Feed is estimated as a percentage compared to last year.

Allendale projects a 591 million lb. total pork stock level for the end of September. The five-year average is 607 million lbs. Our estimate represents an increase of 8 million lb. from the previous month. The five-year average month to month change for September is a 21 million lb. increase. Beef stocks, at 537 million lbs., are over the five-year average of 467. This month’s estimate represents an increase of 34 million lbs. from the previous month. The five-year average for this month is a 27 million lb. increase.

USDA COLD STORAGE

| | Last Year | Last Month | Allendale Estimate |
|---------------------------|-----------|------------|--------------------|
| PORK STOCKS SEP 30 | 618.563 | 582.592 | 590.588 |
| BEEF STOCKS | 496.015 | 503.449 | 537.302 |

Cold Storage is reported in million lbs.

For questions and comments, please contact Rich Nelson, Chief Strategist at 800-262-7538 or rnelson@allendale-inc.com.

More information on Allendale can be found at www.allendale-inc.com/media.