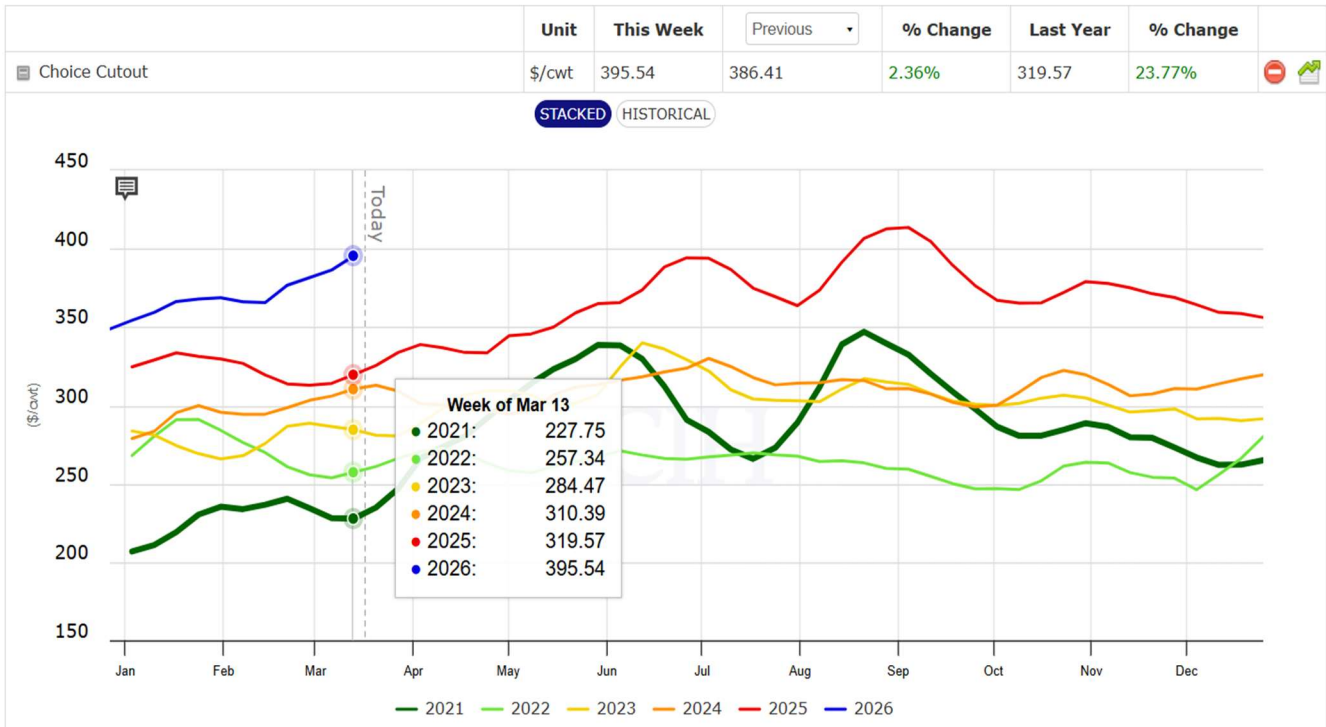


Beef Margin Watch: March



Cattle prices were relatively flat over the first half of March while corn prices strengthened as risk premium gets added to the grain markets due to the ongoing war with Iran. The cattle market remains supported by declining slaughter and firm beef prices. According to data published by USDA’s ERS, January domestic beef production was estimated at 2.119 billion pounds, down 252 million or 10.6% from last year, although increased beef imports and declining exports relative to a year ago helped to mitigate some of the impact. January beef imports of 655 million pounds were up 47 million or 7.7% higher than last year while exports of 195 million were down 35 million or 15.1% lower than a year ago. Domestic per capita beef availability was 6.7% lower in January relative to 2025 which continues to support beef cutout values. The choice beef cutout ended the week of March 13 at \$395.54/cwt., up \$30 or 8.2% from the middle of February and 23.8% higher than last year’s price in mid-March of \$319.57/cwt. With declining cow slaughter, lean grinding beef has been particularly tight with 90% trimmings at \$434.56/cwt., well above last year’s price of \$381.14 in mid-March and just shy of the 2025 all-time high in early September of \$435.31/cwt. Continued tight supplies are expected through the spring which should continue supporting beef prices into the summer grilling season. Fed cattle slaughter last week was estimated at 419,000 head, down 11.6% from last year with slaughter over the past four weeks down 186,000 head or 10% below a year ago. One point to mention is that packer margins have improved substantially over the past month as fed cattle prices have declined around \$6/cwt. during this time period while beef prices have improved. Our clients have maintained inventory hedges on cattle while recently adding length in corn.

USDA Choice Beef Cutout:



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.