Daily Livestock Report

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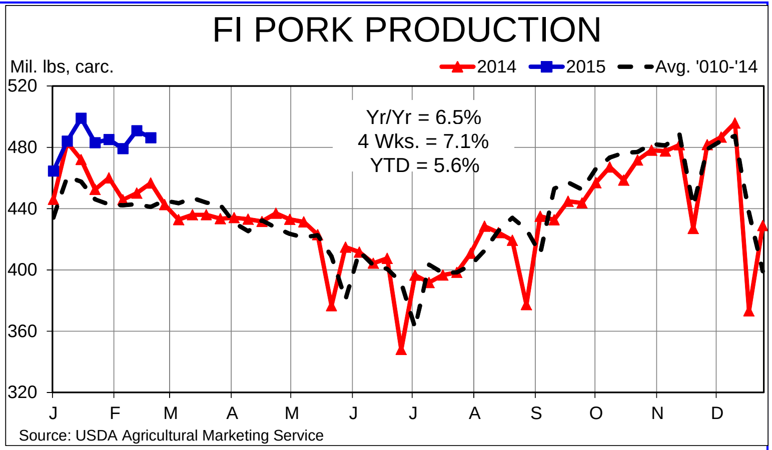
ERRATA: We neglected to update the year-to-date figures for slaughter and production in yesterday's Production and Price Summary table. A corrected table appears on page 2. We pull these numbers each week from USDA's LS 712 (Estimated Weekly Meat Production Under Federal Inspection) and PY017 (Weekly Poultry Slaughtered Under Federal Inspection) reports. Both can be easily accessed at our homepage, at www.dailylivestockreport.com. The year-to-date figures in the table are based on daily data so they don't agree precisely with the YTD figures in the charts at right which are based on weekly data.

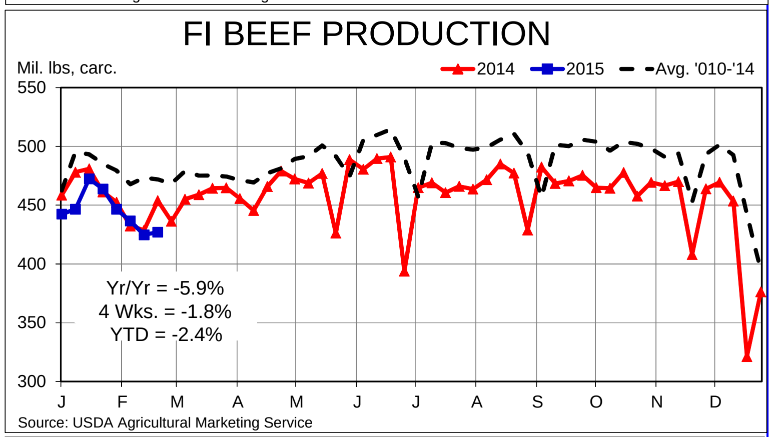
The production stories of the three major meat protein species are considerably different so far in 2015. Total meat and poultry production (including also turkey) so far this year is up 2.1% from one year ago but none of the individual species number is even close to that average. All have been plagued by sluggish demand at the wholesale level due to the West Coast port slowdown but, as we detailed last week, that slowdown has had markedly different impacts across the species. It was almost entirely negative for pork but, due to our much more balanced beef trade, both positive and negative for beef. It certainly had a negative impact on chicken dark meat prices but breast and wing prices have largely compensated for that.

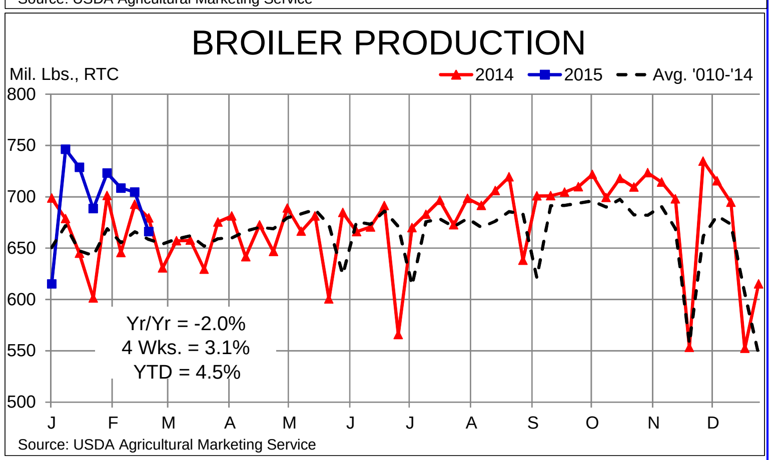
Pork output, of course, has been much larger than expected almost from the get-go this year and is up 5.6% year-to-date. The increase is primarily attributable to slaughter (ie. the number of animals) and calls into question USDA's estimate last fall of the Jun-Aug pig crop. Those pigs would, generally, have accounted for slaughter from December 1 to date and USDA said there was 1.1% FEWER of them than there was one year ago. But, based on weekly data, slaughter has been 1.6% higher since December 1, year-on-year, and 2.1% higher than what we had expected from the December Hogs and Pigs report. While weights have been falling quickly, they remain higher than last year thus adding to the increase in animal numbers. The March Hogs and Pigs report survey hits the field this week. The report will be released on March 27 and it will be very interesting to see if USDA concludes that pig crop estimate was too low. We think it might have been a bit low but we still think the surge of hog numbers has been driven largely by producers' efforts to sell before prices fell further and to free up finishing space to handle higher-than-expected weaned pig survival rates given the surprisingly mild hit of PEDv this winter.

The beef situation is almost perfectly the opposite: Feeders and packers are in a money-losing standoff as the cattle get bigger and bigger. So far, the lower number of cattle actually sold has offset higher weights and beef output is lower for the year but we still fear that a lot of long-fed, big cattle will come to town this spring. "Feed 'em till the price comes back" hardly ever works and we don't think it will this time either. We are entering the traditional time of seasonally low slaughter but have to wonder whether that will be the case this year.

Broiler production is all about those weights! Year-to-date slaughter is up only 1% from 2014 but weights have added nearly 3.5% to total output. Higher egg sets (3%) and chick placements (3.5%) suggest that slaughter numbers will grow in weeks to come so year-on-year production changes of 4 to 5% will be no surprise as we get into April. With breast and wing prices holding, there is little pressure at present to slow that growth.







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PRODUCTION AND PRICE SUMMARY

Week Ending 2/28/15

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change
	Total Meat & Poultry Prod.	**Million lbs.**	**1675.2**	**1722.3**	**-2.74%**	**1707.0**	**-1.87%**	**13,523**	**2.11%**
C	FI Slaughter	Thou. Head	523	521	0.38%	570	-8.19%	4,507	-6.98%
A	FI Cow Slaughter	Thou. Head	109.5	108.2	1.22%	101.9	7.47%	759	-4.98%
T	Avg. Live Weight	Lbs.	1361	1360	0.07%	1329	2.41%	1,362	1.95%
T	Avg. Dressed Weight	Lbs.	818	817	0.12%	798	2.51%	818	1.95%
L	Beef Production	Million Lbs.	427	424.7	0.54%	453.7	-5.88%	3,677	-5.18%
E	Live Fed Steer	$/cwt live wt.	156.69	159.43	-1.70%	150.61	4.04%		
	Dressed Steer	$/cwt carcass	251.37	254.37	-1.18%	239.97	4.75%		
&	OKC Feeder Steer	700-800 Lbs.	#N/A	211.55	#N/A	168.62	#N/A		
	Beef Cutout	600-900 Choice	245.28	239.47	2.43%	219.60	11.69%		
B	Hide/Offal	$/cwt live wt.	14.15	14.20	-0.35%	15.32	-7.64%		
E	Rib	Choice	344.42	332.98	3.44%	288.74	19.28%		
E	Round	Choice	227.73	222.21	2.48%	213.33	6.75%		
F	Chuck	Choice	209.54	205.26	2.09%	198.97	5.31%		
	Trimmings, 50%	Fresh	88.94	83.78	6.16%	121.40	-26.74%		
	Trimmings, 90%	Fresh	291.30	291.74	-0.15%	248.41	17.27%		
H	FI Slaughter	Thou. Head	2262	2280	-0.79%	2142	5.60%	18,726	1.84%
O	FI Sow Slaughter	Thou. Head	54.8	56.0	-2.18%	55.6	-1.41%	378	3.28%
G	Avg. Dressed Weight	Lbs.	215	215	0.00%	213	0.94%	215	0.99%
S	Pork Production	Million Lbs.	486.3	490.8	-0.92%	456.7	6.48%	4,032	2.89%
	Iowa-S. Minn. Direct	Avg.	64.93	57.92	12.10%	97.42	-33.35%		
&	Natl. Base Carcass Price	Weighted Avg.	64.47	63.27	1.90%	91.72	-29.71%		
	Natl. Net Carcass Price	Weighted Avg.	66.52	65.04	2.28%	93.88	-29.14%		
P	Pork Cutout	200 Lbs	70.14	72.21	-2.87%	101.71	-31.04%		
O	Hams	Primal Cutout	56.99	59.74	-4.60%	83.56	-31.80%		
R	Loins	Primal Cutout	81.59	82.54	-1.15%	110.71	-26.30%		
K	Trimmings, 72% Lean	Fresh	41.71	49.27	-15.34%	98.22	-57.53%		
	Bellies	Primal Cutout	77.46	82.66	-6.29%	143.79	-46.13%		
C	Young Chicken Slaughter*	Million Head	147.78	156.82	-5.76%	159.98	-7.63%	1,098	3.09%
H	Avg. Weight	Lbs., RTC	4.51	4.49	0.33%	4.33	4.13%	4.5	3.75%
I	Broiler Production	Million Lbs., RTC	666.1	704.5	-5.45%	692.5	-3.81%	5,065	6.52%
C	Eggs Set	Million	206.9	207.1	-0.10%	199.9	3.50%	1,651	3.17%
K	Chicks Placed	Million Head	167.9	168.0	-0.05%	162.6	3.24%	1,352	3.28%
E	National Composite Broiler	Composite	94.6	92.88	1.90%	94.40	0.20%		
N	Georgia Dock Broiler	2.5-3 Lbs.	113.45	112.67	0.70%	104.08	9.00%		
	Northeast Breast	Skinlss/Bonelss	138.09	137.15	0.70%	127.22	8.50%		
	Northeast Leg Quarters		36.87	35.63	3.48%	42.62	-13.49%		
T	Young Turkey Slaughter*	Million Head	3.77	3.98	-5.47%	4.09	-7.92%	29.3	6.07%
U	Avg. Weight	Lbs.	25.45	25.69	-0.93%	25.47	-0.09%	25.3	0.17%
R	Turkey Production	Million Lbs.	95.8	102.3	-6.36%	104.2	-8.01%	748	8.10%
K	Eastern Region Hen	8-16 Lbs.	100.08	99.25	0.80%	96.61	3.60%		
F	Corn, Omaha	$ per Bushel	3.77	3.80	-0.92%	4.39	-14.24%		
E	DDGS, Minnesota	$ per ton	165.00	167.50	-1.49%	217.50	-24.14%		
E	Wheat, Kansas City	$ per Bushel	5.40	5.33	1.31%	6.65	-18.80%		
D	Soybeans, S. Iowa	$ per Bushel	10.34	10.20	1.37%	14.07	-26.50%		
	SB Meal, 48% Central Illinois	$ per Ton	383.60	378.00	1.48%	516.50	-25.70%		

* Chicken & turkey slaughter, production and prices are 1 week earlier than the date at the top of this table. Cow & sow slaughter are for 2 weeks earlier

Source: USDA Agricultural Marketing Service, various reports