

# Daily Livestock Report

Vol. 8, No. 2/ January 5, 2010

We had a number of requests following our last week's piece on Glen Grimes. For those of you wishing to drop Glenn an e-mail note of thanks or congratulations, he can still be reached at grimesg@missouri.edu. 'Once a Tiger, always a Tiger!' appears to still apply!"

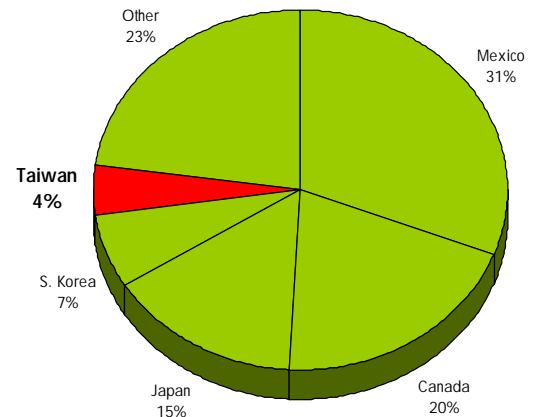
## Market Comments

USDA released on Monday the weekly production and price information and we have included an updated table on page 2.

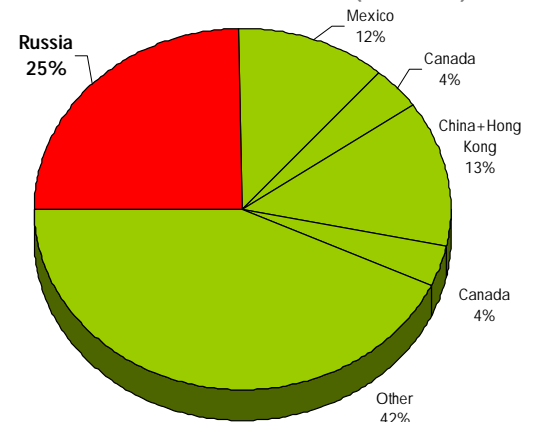
One question that will likely remain the focus of livestock markets in 2010 will be export demand and how that impacts overall prices for red meat and poultry in the US. The US is one of the top beef, pork and poultry suppliers in the world and consequently it is exposed to the vagaries of international trade. We are only a few days into the new year and two export issues have already come into focus. The first relates to the decision by the Taiwanese legislative body to overrule the government and re-impose a ban on bone-in US beef as well as offal and beef trimmings from older animals. Through the first 10 months of the year, Taiwan accounted for about 4% of US beef exports. Keep in mind, however, that this beef came in before the full access protocols (now overturned) came in effect in October. Based on preliminary data, shipments in November and December were very strong and part of the disappointment with the Taiwan decision has to do with the fact that it was seen as a strong growth market in 2010. Furthermore, the decision pours cold water on efforts by US trade representatives to provide US beef with full access to Asian markets, especially Japan. With domestic beef demand still tepid due to the recession and high unemployment, beef export growth is critical in 2010 and the recent Taiwan decision clearly is a step back for both the explicit and implicit impact it has on trade.

The second issue facing the industry is the recent decision by Russia to ban entry to US chicken treated with chlorine starting January 1. According to a Reuter's report "Russia's requirements will restrict the use of chlorine in poultry plants to 0.5 parts per million ... 10 times lower than the standard chlorine content in U.S. municipal drinking water." There is a significant amount of product currently on water and destined for Russian ports but there is a general expectation that it will be allowed to enter commerce. The Russian market is especially important to US poultry and it is likely that some resolution will be found long term. However, it is not a given and the US still is fighting with the EU on this particular issue. If the ban stays in place for a prolonged period of time, it will negatively impact not just broiler prices but meat prices in general.

US BEEF MARKETS IN 2009 (JAN - OCT)



US CHICKEN MARKETS IN 2009 (JAN - OCT)



Get free real-time CME Globex quotes at [www.cmegroup.com/elivestockquotes](http://www.cmegroup.com/elivestockquotes).

DRIVING FORCES BEHIND  
THE AG CREDIT MARKET

MISS THE WEBINAR? VIEW OUR ARCHIVE ▶

The Daily Livestock Report is published by **Steve Meyer** and **Len Steiner**. Please forward to others that may benefit from this information. To subscribe/unsubscribe visit [www.dailylivestockreport.com](http://www.dailylivestockreport.com).

Disclaimer: The *Daily Livestock Report* is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.

CME Group is the trademark of CME Group, Inc. The Globe logo, Globex® and CME® are trademarks of Chicago Mercantile Exchange, Inc. CBOT® is the trademark of the Board of Trade of the City of Chicago. NYMEX, New York Mercantile Exchange, and ClearPort are trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. Copyright © 2009 CME Group. All rights reserved.

# Daily Livestock Report

Published daily by Steve Meyer and Steiner Consulting Group

Vol. 8, No. 2/ January 5, 2010

## PRODUCTION & PRICE SUMMARY

Week Ending

1/2/2010

Item	Units	Week Ending							2010 YTD	Y/Y % Change
		Last Week	Prior Week	Pct. Change	Last Year	Pct. Change				
		2-Jan-10	26-Dec-09		3-Jan-09					
<b>C</b> FI Slaughter	Thou. Head	526	465	13.12%	516	1.88%	53	-67.7%		
<b>A</b> FI Cow Slaughter **	Thou. Head	124	122	1.30%	118	5.01%	n/a			
<b>A</b> Avg. Live Weight	Lbs.	1292	1302	-0.77%	1310	-1.37%	1,292	-1.4%		
<b>T</b> Avg. Dressed Weight	Lbs.	782	786	-0.51%	788	-0.76%	782	-0.8%		
<b>T</b> Beef Production	Million Lbs.	410.2	364.2	12.63%	405.3	1.21%	41	-68.5%		
<b>L</b> Live Fed Steer Price	\$ per cwt	84.12	82.04	2.54%	86.08	-2.28%				
<b>E</b> Dressed Fed Steer Price	\$ per cwt	135.21	131.47	2.84%	137.36	-1.57%				
<b>E</b> OKC Feeder Steer Price	619-700 Lbs.	97.00	96.04	0.99%	97.58	-0.59%				
Beef Cutout Value	619-900 Ch.	139.06	138.51	0.40%	143.49	-3.09%				
Hide/Offal	\$/cwt	9.54	9.51	0.32%	6.35	50.24%				
<b>H</b> FI Slaughter	Thou. Head	1,926	1,604	20.07%	1,899	1.44%	248	-62.2%		
<b>O</b> FI Sow Slaughter **	Thou. Head	64.4	65.5	-1.80%	65.7	-2.05%	n/a			
<b>O</b> Avg. Dressed Weight	Lbs.	203.0	203.0	0.00%	204.0	-0.49%	203	-0.5%		
<b>G</b> Pork Production	Million Lbs.	390.4	326.1	19.72%	387.1	0.85%	50	-62.4%		
<b>S</b> Iowa-S. Minn. Direct	Wtd. Avg.	62.04	60.08	3.26%	50.38	23.14%				
<b>S</b> Natl. Base Carcass Price	Wtd. Avg.	60.77	61.48	-1.15%	54.11	12.31%				
Natl. Net Carcass Price	Wtd. Avg.	63.03	63.78	-1.18%	56.17	12.21%				
Pork Cutout	185 Lbs.	67.73	68.15	-0.62%	54.85	23.48%				
<b>C</b> Young Chicken Slaughter *	Million Head	115.3	159.3	-27.66%	108.5	6.28%	7,988	-3.3%		
<b>H</b> Avg. Weight	Lbs.	5.45	5.53	-1.45%	5.53	-1.45%	5.53	0.0%		
<b>I</b> Chicken Production	Million Lbs.	628.2	881.1	-28.70%	599.8	4.74%	44,157	-3.3%		
<b>C</b> Eggs Set	Million	204.1	204.5	-0.23%	202.5	0.78%	10,395	-4.4%		
<b>K</b> Chicks Placed	Million Head	166.4	168.4	-1.19%	166.2	0.14%	8,619	-3.9%		
<b>E</b> 12-City Broiler Price	Composite	80.47	78.25	2.84%	82.51	-2.47%				
<b>N</b> Georgia Dock Broiler Price	2.5-3 Lbs.	82.24	81.63	0.75%	86.61	-5.05%				
<b>T</b> Young Turkey Slaughter *	Million Head	2.859	4.566	-37.39%	3.1	-7.77%	97	-6.2%		
<b>U</b> Avg. Weight	Lbs.	30.50	29.13	4.70%	29.46	3.53%	28.96	-0.9%		
<b>R</b> Turkey Production	Million Lbs.	87.2	133.0	-34.44%	91.3	-4.52%	2,817	-7.1%		
<b>K</b> Eastern Region Hen Price	8-16 Lbs.	78.38	80.38	-2.49%	72.00	8.86%				
<b>G</b> Corn, Omaha	\$ per Bushel	3.90	NQ	N/A	NQ	N/A				
<b>R</b> DDGs, Minnesota	\$ per Ton	102.50	102.50	0.00%	122.50	-16.33%				
<b>A</b> Wheat, Kansas City	\$ per Bushel	4.68	4.53	3.31%	NQ	N/A				
<b>I</b> Soybeans, S. Iowa	\$ per Bushel	9.92	NQ	N/A	NQ	N/A				
<b>N</b> Soybn Meal, 48% Decatur	\$ per Ton	336.40	318.90	5.49%	301.50	11.58%				

\* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

\*\* Cow and sow slaughter reflect levels from two weeks ago due to reporting lag.

**Note: Due to reporting lag, YTD data for Broilers and Turkeys refers to 2009**