

## Daily Livestock Report

E-Livestock Volume	9-Jan	8-Jan	2-Jan
LE (E-Live Cattle):	16,227	20,831	13,140
GF (E-Feeder Cattle):	567	1,187	820
HE (E-Lean Hogs):	18,815	23,006	17,639

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### Market Comments

**Errata:** Please note that in the previous issue of the DLR we noted the wrong date for the upcoming USDA supply and demand report. **The USDA data will be released on Monday, January 12** and it can be found at:

<http://www.usda.gov/oce/commodity/wasde/>

The production data for the week ending January 10 are in and they reflect what we have been talking about for some time - **the meat industry is in contraction mode**. This was the first full production week of the new year and it showed that beef and pork production were down 3.7%. Official broiler production data is not out yet but preliminary USDA estimates indicate that total broiler production for the week was also down 1.3% from year ago levels. More importantly, however, all three top meat protein species are expected to register declines in output in the first half of 2009. The latest cattle on feed report showed total feedlot supplies as of December 1 were down 6% from a year ago. While cow slaughter may remain high, especially dairy cow slaughter, it will not be enough to offset the decline in steer and heifer numbers. As for hogs, the latest count of US hogs and pigs as of December 1 showed that total inventories were 2% lower than a year ago and with farrowings for Sep—Nov down 6%, supplies in Q2 of 2009 are expected to decline the most. Broiler producers on their part also continue to place fewer birds for grow out than a year ago. For the past six weeks, broiler egg sets were on average 7.3% lower than a year ago while chick placements were on average 6.4% lower than last year.

Grain markets showed further signs of decoupling from energy markets on Friday trading as soybean values were up as much as 48.5 cents on the January contract and all other current crop contracts were 42 cents or higher. Corn futures were up in sympathy with soybeans as the market seeks to keep enough acres in corn production. There is plenty of talk about much lower grain prices, and they are so compared to the peaks hit last summer. However, as the chart to the left shows, current corn prices are down only 16% from year ago levels and soybean meal prices, a key component in animal and poultry feed, are down 12%.

### PRODUCTION & PRICE SUMMARY

Item	Units	Week Ending					1/10/2009	
		Last Week	Prior Week	Pct. Change	Last Year	Pct. Change	2008 & 2009 YTD	Y/Y % Change
		10-Jan-09	3-Jan-09		12-Jan-08			
FI Slaughter	Thou. Head	601	511	17.61%	634	-5.21%	764.0	-28.1%
FI Cow Slaughter **	Thou. Head	78	118	-33.93%	82	-5.24%	6,104.0	11.9%
C Avg. Live Weight	Lbs.	1,304	1,304	-0.31%	1,297	0.23%	1,302.0	0.4%
A Avg. Dressed Weight	Lbs.	784	784	0.00%	773	1.42%	784.0	1.2%
T Beef Production	Million Lbs.	469.8	399.2	17.69%	488	-3.73%	597.1	-27.1%
L Live Fed Steer Price	\$ per cwt	83.97	86.08	-2.45%	91.40	-8.13%		
E Georgia Feeder Steer Price	600-700 Lbs.	80.77	NQ	N/A	93.84	-13.93%		
E Beef Cutout Value	600-900 Ch.	144.50	143.49	0.70%	149.24	-3.18%		
	Hide/Offal	6.34	6.35	-0.16%	9.89	-35.89%		
FI Slaughter	Thou. Head	2,386	1,918	24.40%	2,434	-1.99%	3,049.0	-24.8%
FI Sow Slaughter **	Thou. Head	36.5	65.7	-44.45%	38.7	-5.66%	3,470.5	5.0%
H Avg. Dressed Weight	Lbs.	202.0	203.0	-0.49%	206.0	-1.94%	202.5	-1.7%
O Pork Production	Million Lbs.	482.1	388.7	24.03%	500.8	-3.73%	616.4	-26.1%
G Iowa-S. Minn. Direct	Wtd. Avg.	54.52	50.38	8.22%	46.97	16.07%		
S Natl. Base Carcass Price	Wtd. Avg.	54.79	54.11	1.26%	50.51	8.47%		
	Natl. Net Carcass Price	56.82	56.17	1.16%	52.35	8.54%		
	Pork Cutout	57.84	54.85	5.45%	56.19	2.94%		
C Young Chicken Slaughter *	Million Head	127.5	108.5	17.59%	136.0	-6.25%	8,524.5	1.5%
H Avg. Weight	Lbs.	5.54	5.53	0.18%	5.59	-0.89%	5.5	-0.9%
I Chicken Production	Million Lbs.	706.5	608.9	16.04%	772.9	-8.59%	47,225.7	0.5%
C Eggs Set	Million	202.6	202.7	-0.04%	219.3	-7.62%	202.6	0.5%
K Chicks Placed	Million Head	168.7	166.2	1.46%	177.8	-5.14%	168.7	-5.1%
E 12-City Broiler Price	Composite	82.58	82.03	0.67%	77.53	6.51%		
N Georgia Dock Broiler Price	2.5-3 Lbs.	86.61	85.78	0.97%	76.43	13.32%		
T Young Turkey Slaughter *	Million Head	3.156	3.1	1.81%	3.659	-13.75%	252.4	4.1%
U Avg. Weight	Lbs.	31.60	29.46	7.26%	31.45	0.48%	31.6	0.5%
R Turkey Production	Million Lbs.	99.7	91.3	9.20%	115.1	-13.34%	7,976.6	4.6%
K Eastern Region Hen Price	8-16 Lbs.	71.60	72.00	-0.56%	72.52	-1.27%		
G Corn, Omaha	\$ per Bushel	3.95	4.00	-1.25%	4.69	-15.78%		
R DDGs, Minnesota	\$ per Ton	122.50	122.50	0.00%	146.50	-16.38%		
A Wheat, Kansas City	\$ per Bushel	6.11	5.89	3.74%	8.84	-30.88%		
I Soybeans, S. Iowa	\$ per Bushel	9.94	9.31	6.77%	12.14	-18.12%		
N Soybn Meal, 48% Decatur	\$ per Ton	297.80	301.50	-1.23%	339.20	-12.21%		

\* 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.

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