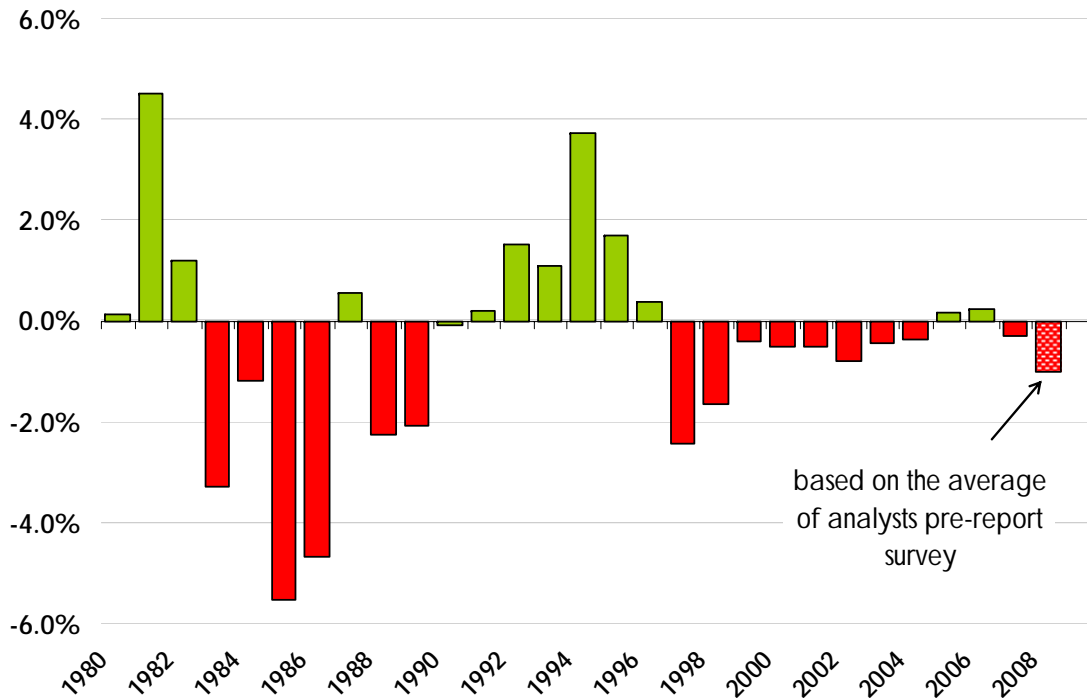


Daily Livestock Report

US Beef Industry Continues to Shrink and Fewer Calves Expected in Coming Years Heifers Held Back for Beef Cow Replacement, Year/Year % Change



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E-Livestock Volume	28-Jan	27-Jan	21-Jan
LE (E-Live Cattle):	11,245	10,494	14,332
GF (E-Feeder Cattle):	953	1,119	1,808
HE (E-Lean Hogs):	14,129	13,584	10,941

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Market Comments

USDA will release on Friday afternoon, 2PM CST, the results of its **semi-annual survey of US cattle operations, providing an estimate of the number of cattle and calves as of January 1, 2008**. Below is a summary of pre-report estimates from an analyst survey conducted by Dow Jones. Please note that the numbers reflect percent of year ago levels.

	Average	Range
All cattle & calves	99.3	98.9 - 99.6
Annual calf crop	99.3	98.3 - 99.7
Total cows/heifers that have calved	99.0	97.8 - 99.6
beef cows/heifers that have calved	98.8	98.5 - 99.4
milk cows/heifers that have calved	100.1	98.7 - 101.3
Heifers 500 pounds and over	99.3	98.0 - 99.7
beef replacement heifers	97.7	96.1 - 98.7
milk replacement heifers	98.3	96.5 - 98.8
other heifers	100.3	99.2 - 101.5
Steers 500 pounds and over	99.3	98.2 - 100.0
Bulls 500 pounds and over	99.3	98.0 - 99.9
Calves under 500 pounds	98.9	97.5 - 99.9

The report should provide a good overview of the current state of the US cattle industry and how the US cow-calf operators have responded to a generally negative year in 2008. The average of analysts estimates indicates that they expect beef replacement heifers, animals held back for herd rebuilding, to be down 2.3%, pointing to continued future reductions in the US beef cow herd. The US beef cow herd, which are animals that will produce calves this spring, is expected to be down 1.2% from year ago levels. If this proves to be correct, it would put the total beef cow inventory as of January 1 at 32.162 million head, the smallest beef cow inventory since 1963. The total US cow inventory as of January 1 is expected to be down 1%, and at an implied inventory number of 41.359 million head, this would be the smallest cow inventory since 1950. The annual calf crop of 2008 is currently expected to be down 0.7%, and at 37.099 million calves, this would be the smallest calf crop since 1951.