

## Daily Livestock Report

### Market Comments

Statistics Canada issued its latest estimates of hog and cattle inventories on Tuesday, February 17 and now we have a **clearer picture of the pork and beef supplies in North America at the beginning of the current calendar year**. Because USDA conducts its quarterly hog inventory survey a month prior to the Canadian survey, the combined hogs and pigs numbers presented to the right are not exactly January 1 data but they are pretty close. Below is a brief recap of what the latest Canadian release contained and implications for North American supplies:

- **Total hog and pig inventories in Canada were reported at 12.4 million head, 10.2% lower than a year ago and the largest year over year in Canadian hog inventories in the last thirty years.** This is the third consecutive year that Canadian hog inventories have declined and Canadian hog and pig supplies are currently some 18% smaller than they were back in 2006, the peak of the last growth cycle. As the chart to the right shows, current North American inventories have been scaled back to the trend levels of the last few years. More importantly, the sharp cutbacks in the breeding herd all but assure even smaller supplies in 2009. The Canadian breeding herd as of January 1 was 1.404 million head, 7.1% smaller than a year ago. When combined with the US breeding herd of December 1, the total North American hog breeding inventory is estimated at 7.485 million head, some 260,000 head or 3.4% smaller than a year ago. This is the smallest North American breeding herd in at least thirty years. While productivity gains may offset some of the impact from the smaller breeding herd, the current declines should help mitigate the negative effects of expected smaller North American pork exports to the rest of the world in 2009.

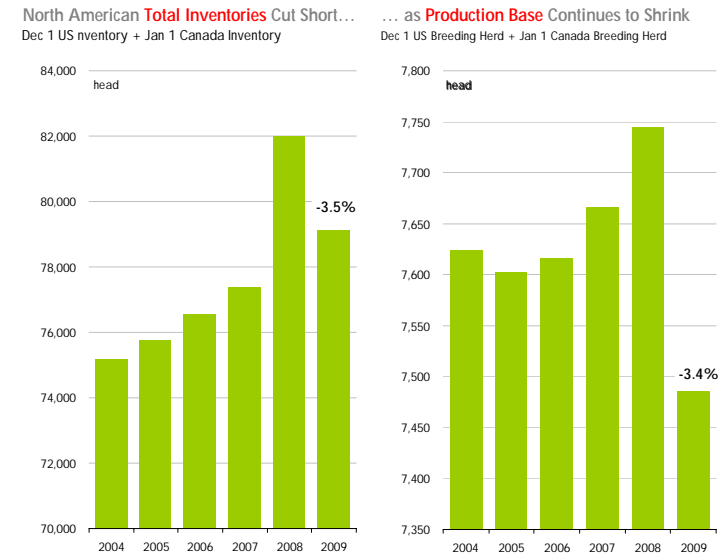
- **Total cattle inventories in Canada as of January 1 were 13.180 million head, 5.1% less than a year ago.** Canadian cattle inventories have declined for four consecutive years and current inventory levels are down some 12.5% from the peak of the last growth cycle in 2005. Canadian beef cow inventories were reported at 4.655 million head, 6.6% lower than a year ago. The magnitude of the decline in Canadian beef cow numbers was surprising, reflecting the extremely difficult conditions under which Canadian producers had to operate in 2008, including a strong currency, very high feed costs and adding insult to injury, the implementation of country of origin labeling in the US. Current North American beef cow inventory numbers are down 2.9% from a year ago and the smallest in over thirty years.

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E-Livestock Volume	17-Feb	16-Feb	10-Feb
LE (E-Live Cattle):	14,559	Holiday	21,188
GF (E-Feeder Cattle):	1,971	Holiday	1,885
HE (E-Lean Hogs):	9,966	Holiday	10,314

### Hogs & Pigs



### Cattle & Calves

