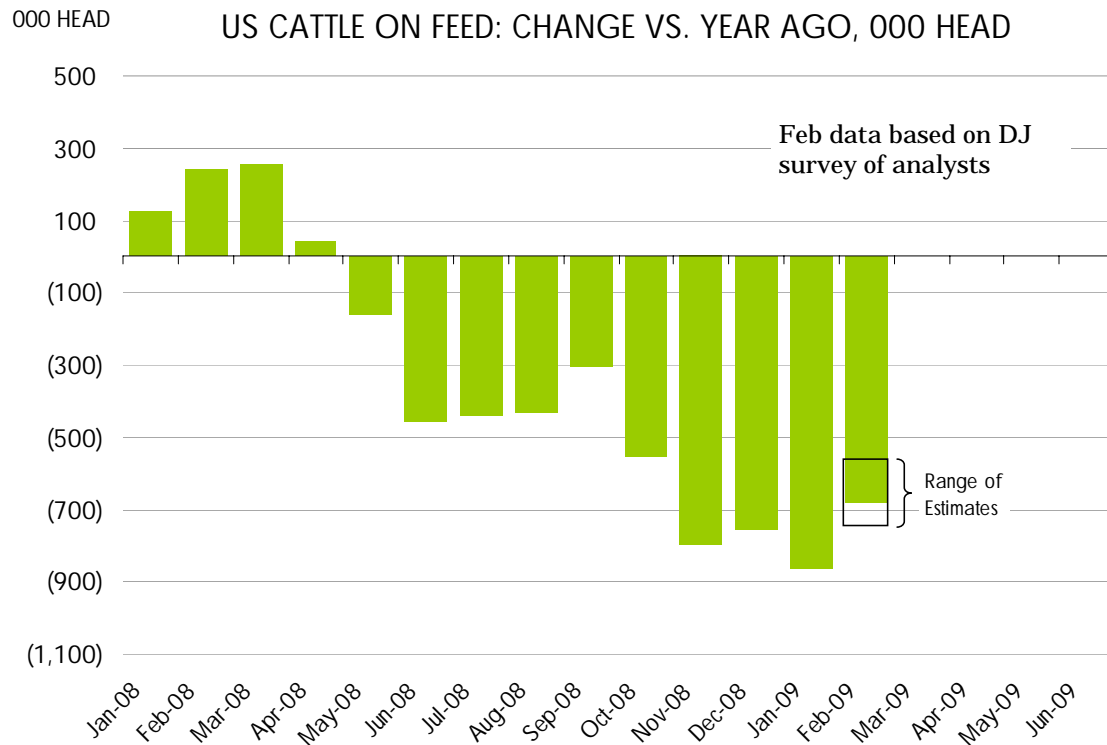


Daily Livestock Report



Please feel free to forward the Daily Livestock Report to others who you think will benefit from having this information. The DLR is published daily by **Steve Meyer and Steiner Consulting Group**, and distributed courtesy of Chicago Mercantile Exchange, Inc. You can **subscribe for free** by going to www.dailylivestockreport.com/subscribe.asp. To submit a comment or suggestion, please send an e-mail to: feed-back@dailylivestockreport.com. To unsubscribe from the DLR newsletter, go to www.dailylivestockreport.com/unsubscribe.asp.

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.

E-Livestock Volume	18-Feb	17-Feb	11-Feb
LE (E-Live Cattle):	12,498	14,559	8,650
GF (E-Feeder Cattle):	1,664	1,971	1,538
HE (E-Lean Hogs):	9,861	9,966	7,640

Market Comments

Note: A small correction to yesterday's letter, where the word decline was omitted. The first sentence in paragraph 2 should have read "the largest year over year decline in Canadian hog inventories in the last thirty years."

USDA will release on Friday the **results of its January survey of feedlots with 1000 head of cattle or more and markets will pay close attention to the number of cattle placed on feed**. In the last USDA reports, placements were lower than analysts expected and it will be interesting to see if the current economic realities faced by feedlot operators force them to cut back more aggressively in the coming months. Below is a summary of pre-report estimates based on a survey of 11 analysts conducted by Dow Jones. The data is percent of year ago levels:

	Average	Range
On Feed on Feb 1	94.5	93.8 - 95.3
Placed on Feed in Jan	103.1	98.5 - 108.0
Marketed in Jan	92.6	91.5 - 95.0

As the poll results above show, there is some expectation that feedlot placements in January will be up, the average of analysts polled indicating a 3% increase from year ago levels. Some are expecting placements to increase significantly from the historically low levels established last year, some expecting as much as an 8% increase from a year ago. It will be interesting to see if the USDA numbers agree with this general expectation of higher placements. Summer cattle futures trended lower in January. The June live cattle futures contract closed on January 6 at \$88.2 /cwt but during the course of the month live cattle futures continued to drift lower and on January 29 closed at \$82.025. Feedlots are reported to be losing considerable money in the current market and it will be interesting to see if they placed more cattle on feed than the prior year. By the way, in January 2008, summer cattle futures (Jun 2008) were trading in the low to mid \$90s. One factor that may have spurred placements is the decline in corn futures, which declined about 10% between Jan 6 - Jan 29, 2009 (May contract). Marketings are expected to be down 7.4% from a year ago. Our calculations of steer and heifer slaughter for January show a 9% decline compared to prior year. Keep in mind, however, that there was 1 less slaughter day in 2009 vs. 2008.