

Daily Livestock Report

PRODUCTION & PRICE SUMMARY

Week Ending **2/21/2009**

Item	Units	Last Week	Prior Week	Pct. Change	Last Year	Pct. Change	2008 & 2009 YTD	Y/Y % Change
		21-Feb-09	14-Feb-09		23-Feb-08			
FI Slaughter	Thou. Head	615	614	0.16%	621	-1.01%	4,522.0	-6.3%
FI Cow Slaughter **	Thou. Head	123	129	-4.70%	109	13.10%	758.4	8.5%
C Avg. Live Weight	Lbs.	1,317	1,316	0.08%	1,284	2.57%	1,311.5	1.6%
A Avg. Dressed Weight	Lbs.	789	786	0.38%	775	1.81%	786.3	1.3%
T Beef Production	Million Lbs.	483.2	480.8	0.50%	480	0.67%	3,541.7	-5.0%
T Live Fed Steer Price	\$ per cwt	79.46	82.19	-3.32%	91.59	-13.24%		
L Georgia Feeder Steer Price	600-700 Lbs.	84.05	82.62	1.73%	99.80	-15.78%		
E Beef Cutout Value	600-900 Ch.	134.76	136.33	-1.15%	149.39	-9.79%		
Hide/Offal	\$/cwt	6.64	6.89	-3.63%	10.80	-38.52%		
FI Slaughter	Thou. Head	2,214	2,236	-0.98%	2,205	0.39%	16,512.0	-6.5%
FI Sow Slaughter **	Thou. Head	58.3	58.4	-0.13%	62.8	-7.13%	360.5	-5.8%
H Avg. Dressed Weight	Lbs.	204.0	204.0	0.00%	203.0	0.49%	204.3	0.1%
O Pork Production	Million Lbs.	451.4	456.3	-1.07%	448.3	0.69%	3,371.4	-6.4%
G Iowa-S. Minn. Direct	Wtd. Avg.	60.66	58.74	3.27%	58.19	4.24%		
S Natl. Base Carcass Price	Wtd. Avg.	60.89	57.42	6.04%	59.63	2.11%		
Natl. Net Carcass Price	Wtd. Avg.	63.11	59.58	5.92%	61.86	2.02%		
Pork Cutout	185 Lbs.	57.61	58.08	-0.81%	61.49	-6.31%		
C Young Chicken Slaughter *	Million Head	154.5	155.5	-0.61%	163.7	-5.62%	933.6	-5.9%
H Avg. Weight	Lbs.	5.48	5.49	-0.18%	5.57	-1.62%	5.5	0.0%
I Chicken Production	Million Lbs.	846.9	870.0	-2.65%	928.9	-8.83%	5,142.6	-5.9%
C Eggs Set	Million	203.5	201.9	0.78%	218.5	-6.85%	1,413.8	-5.9%
K Chicks Placed	Million Head	166.7	168.0	-0.77%	177.5	-6.13%	1,173.2	-5.6%
E 12-City Broiler Price	Composite	78.81	80.66	-2.29%	80.95	-2.64%		
N Georgia Dock Broiler Price	2.5-3 Lbs.	86.48	86.9	-0.48%	77.86	11.07%		
T Young Turkey Slaughter *	Million Head	4.632	4.456	3.95%	4.659	-0.58%	27.2	-4.6%
U Avg. Weight	Lbs.	29.48	30.15	-2.22%	29.76	-0.94%	30.4	-0.2%
R Turkey Production	Million Lbs.	136.6	134.3	1.64%	138.7	-1.51%	827.2	-4.8%
K Eastern Region Hen Price	8-16 Lbs.	77.67	75.00	3.56%	77.00	0.87%		
G Corn, Omaha	\$ per Bushel	3.42	NQ	N/A	5.03	-32.01%		
R DDGs, Minnesota	\$ per Ton	125.00	125.00	0.00%	157.50	-20.63%		
A Wheat, Kansas City	\$ per Bushel	5.18	5.37	-3.54%	10.67	-51.45%		
I Soybeans, S. Iowa	\$ per Bushel	8.61	9.41	-8.50%	13.68	-37.06%		
N Soybn Meal, 48% Decatur	\$ per Ton	282.50	309.20	-8.64%	342.80	-17.59%		

* 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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E-Livestock Volume

	20-Feb	19-Feb	13-Feb
LE (E-Live Cattle):	15,536	15,255	8,544
GF (E-Feeder Cattle):	2,286	1,483	1,951
HE (E-Lean Hogs):	11,203	12,366	6,391

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Market Comments

Two closely watched USDA reports, a much anticipated letter from the USDA Secretary, and financial market turmoil all made for a very busy day on Friday. We'll briefly touch upon these points and plan to look at them in a bit more detail next week:

- **Cattle on Feed:** The USDA cattle on feed survey numbers were quite close to pre-report estimates (see p.2). There was some hope that feedlot placements, which were expected to rise about 4% from the previous year, would provide a bullish surprise similar to what happened the previous month. That did not happen so even though the numbers came in very close to pre-report estimates, it is likely markets may view the report in negative light. The impact on futures on Monday should be minimal as markets continue to closely follow the turmoil in financial markets and broader economy, seeking to gauge potential impact on consumer demand and beef sales going forward.

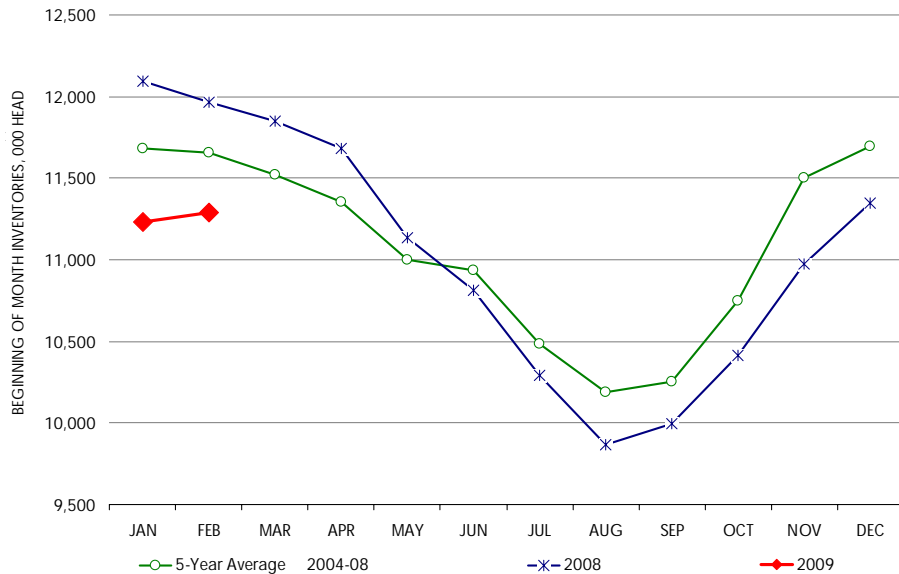
- **Cold Storage Stocks:** The detailed cold storage numbers are included in the summary table on page 2. One thing to note is that USDA made some revisions to boneless beef and ham stocks. The revisions were due to "increased coverage of cold storage facilities as well as updated plant information" (USDA). In the case of hams, USDA shows that total ham stocks at the end of January were 82.2 million pounds, 8% less than a year ago. Last month, USDA showed total ham stocks were up some 29% from the previous year. It is somewhat confusing as to how USDA went about in making such a change. Did it revise 2008 historical numbers up, as more information became available but left current month numbers unchanged, thus showing smaller inventories? All we have to go by is that the numbers were revised. So much for looking at ham stocks as an indicator of export sales. The lack of specificity on the part of USDA is troubling. Whenever such significant changes are made, it is important to provide more details, otherwise the usefulness of the cold storage report comes into question.

- The US **Secretary of Agriculture**, Tom Vilsac, send a **letter to industry on Friday**. The letter affirmed that the Final COOL regulations would go into effect on March 16, as previously scheduled. However, the letter suggests that industry adopt more stringent labelling rules than the USDA Final Rule prescribes and appears to leave the door open to additional rule making should industry not comply with the suggested changes. [See here for more details.](#)

U.S. ALL CATTLE ON FEED: 1,000+ CAPACITY FEEDLOTS

	Number, Thousand Head			Current as Percent of Year Prior		
	2007	2008	2009	Actual	Pre-Report Estimates	Difference
	Placed on Feed During January	1,690	1,787	1,858	104.0	103.1
Fed Cattle Marketed During January	1,841	1,853	1,737	93.7	92.6	1.1
On Feed February 1	11,726	11,966	11,288	94.3	94.5	-0.2

MONTHLY FED CATTLE INVENTORIES, US ALL CATTLE 1000+ CAPACITY



USDA STOCKS IN COLD STORAGE REPORT

COMMODITY	Stocks in All Warehouses			Percent Of	
	31-Jan-08	31-Dec-08	31-Jan-09	Jan-08	Dec-08
1,000 Pounds					
Frozen Pork					
<i>Picnics, Bone-In</i>	15,039	8,924	9,213	61	103
<i>Hams, Total</i>	88,937	74,215	82,165	92	111
<i>Bone-in</i>	42,757	36,793	42,447	99	115
<i>Boneless</i>	46,180	37,422	39,718	86	106
<i>Bellies</i>	70,647	51,593	67,703	96	131
<i>Loins, Total</i>	45,650	44,174	51,948	114	118
<i>Bone-in</i>	17,582	18,043	20,580	117	114
<i>Boneless</i>	28,068	26,131	31,368	112	120
<i>Ribs</i>	72,254	82,013	87,351	121	107
<i>Butts</i>	21,407	25,122	18,737	88	75
<i>Trimmings</i>	63,268	64,997	67,157	106	103
<i>Other</i>	111,706	105,812	109,944	98	104
<i>Variety Meats</i>	31,775	25,575	24,132	76	94
<i>Unclassified</i>	54,246	73,217	76,811	142	105
Total	574,929	555,642	595,161	104	107
Frozen Beef					
<i>Boneless</i>	382,386	415,048	383,445	100	92
<i>Beef Cuts</i>	68,396	77,589	71,298	104	92
Total	450,782	492,637	454,743	101	92
Other					
<i>Veal</i>	6,589	9,194	7,851	119	85
<i>Lamb & Mutton</i>	15,177	21,001	20,363	134	97
Total	21,766	30,195	28,214	130	93
Total Red Meat	1,047,477	1,078,474	1,078,118	103	100
Chicken					
<i>Broilers (Whole)</i>	20,719	27,213	18,466	89	68
<i>Hens</i>	1,571	3,192	5,473	348	171
<i>Other Chicken</i>	750,715	735,037	663,583	88	90
Total	773,005	765,442	687,522	89	90
Turkey					
<i>Whole Turkeys</i>	97,913	139,352	195,782	200	140
<i>Other Turkeys</i>	229,677	256,792	258,220	112	101
Total	327,590	396,144	454,002	139	115
<i>Ducks</i>	5,088	1,993	3,416	67	171
Total Poultry	1,105,683	1,163,579	1,144,940	104	98