Daily Livestock Report

Volume 7, Issue 49 March 6, 2009

E-Livestock Volume	6-Mar	5-Mar	27-Feb
LE (E-Live Cattle):	21,216	9,761	12,522
GF (E-Feeder Cattle):	2,272	1,728	1,594
HE (E-Lean Hogs):	19,694	11,522	14,323

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PRODUCTION & PRICE SUMMARY

Week Ending 3/7/2009

	Item	Units	Last Week	Prior Week	Pct. Change	Last Year	Pct. Change	2008 & 2009 YTD	Y/Y % Change
			7-Mar-09	28-Feb-09		8-Mar-08			
	FI Slaughter	Thou. Head	603	618	-2.43%	647	-6.81%	5,743.0	-5.9%
	FI Cow Slaughter **	Thou. Head	121	128	-5.64%	109	11.24%	1,007.4	9.5%
C	Avg. Live Weight	Lbs.	1,319	1,316	0.23%	1,281	2.97%	1,312.4	1.8%
A	Avg. Dressed Weight	Lbs.	791	790	0.13%	776	1.93%	787.8	1.5%
T	Beef Production	Million Lbs.	475	486.1	-2.28%	500	-5.00%	4,511.1	-4.4%
T	Live Fed Steer Price	$ per cwt	81.47	81.56	-0.11%	90.36	-9.84%		
L	Georgia Feeder Steer Price	600-700 Lbs.	85.81	80.16	7.05%	98.12	-12.55%		
E	Beef Cutout Value	600-900 Ch.	134.87	133.30	1.18%	150.04	-10.11%		
	Hide/Offal	$/cwt	6.29	6.54	-3.82%	10.89	-42.24%		
	FI Slaughter	Thou. Head	2,228	2,179	2.25%	2,231	-0.15%	20,919.0	-5.3%
	FI Sow Slaughter **	Thou. Head	59.3	58.9	0.70%	63.0	-5.84%	478.8	-6.2%
H	Avg. Dressed Weight	Lbs.	204.0	204.0	0.00%	203.0	0.49%	204.2	0.1%
O	Pork Production	Million Lbs.	454.5	444.5	2.25%	453.5	0.22%	4,269.5	-5.2%
G	Iowa-S. Minn. Direct	Wtd. Avg.	58.21	53.80	8.20%	53.21	9.40%		
S	Natl. Base Carcass Price	Wtd. Avg.	57.70	57.47	0.40%	56.89	1.42%		
	Natl. Net Carcass Price	Wtd. Avg.	59.87	59.65	0.37%	59.12	1.27%		
	Pork Cutout	185 Lbs.	56.00	56.31	-0.55%	59.28	-5.53%		
C	Young Chicken Slaughter *	Million Head	155.1	154.8	0.16%	165.9	-6.54%	1,243.4	-6.1%
H	Avg. Weight	Lbs.	5.52	5.48	0.73%	5.49	0.55%	5.5	-0.1%
I	Chicken Production	Million Lbs.	855.9	862.7	-0.79%	928.1	-7.78%	6,847.2	-6.2%
C	Eggs Set	Million	206.4	205.2	0.61%	219.8	-6.11%	1,825.2	-6.2%
K	Chicks Placed	Million Head	166.8	163.3	2.18%	177.6	-6.07%	1,503.8	-5.9%
E	12-City Broiler Price	Composite	79.18	80.1	-1.15%	79.6	-0.53%		
N	Georgia Dock Broiler Price	2.5-3 Lbs.	85.87	86.34	-0.54%	78.61	9.24%		
T	Young Turkey Slaughter *	Million Head	4.753	4.482	6.05%	4.777	-0.50%	36.5	-4.4%
U	Avg. Weight	Lbs.	28.95	29.67	-2.43%	29.77	-2.75%	30.1	-0.3%
R	Turkey Production	Million Lbs.	137.6	133.0	3.47%	142.2	-3.24%	1,099.1	-4.7%
K	Eastern Region Hen Price	8-16 Lbs.	75.00	75.00	0.00%	82.46	-9.05%		
G	Corn, Omaha	$ per Bushel	3.51	3.44	2.03%	5.27	-33.40%		
R	DDGs, Minnesota	$ per Ton	122.50	120.00	2.08%	162.50	-24.62%		
A	Wheat, Kansas City	$ per Bushel	5.44	5.17	5.22%	11.30	-51.86%		
I	Soybeans, S. Iowa	$ per Bushel	8.79	8.72	0.80%	NQ	N/A		
N	Soybn Meal, 48% Decatur	$ per Ton	274.80	277.50	-0.97%	352.30	-22.00%		

* 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.

Market Comments

Beef markets continue to hold a bearish undertone and packers appeared unable to provide much of a boost to beef prices despite a significant reduction in weekly slaughter. Total cattle slaughter for the week was just a little over 600,000 head, some 15,000 head less than the previous week and 44,000 head or 6.8% lower than a year ago. Cattle slaughter numbers were lower in part due to a reduction in the number of beef and dairy cows coming to market but mostly because of a sharp cutback in Friday and Saturday slaughter. We estimate that steer and heifer slaughter in the last two days of the week was down about 10,000 head compared to the previous week. Steer and heifer slaughter for the week was estimated to be down 7% from year ago levels while cow and bull slaughter was down 1.6% (please note that the weekly cow slaughter numbers in the attached table reflect the official USDA data that are reported with a two week lag). Current low beef values should provide an incentive for retail buyers to plan extensive beef features for the upcoming grilling season. The start of grilling season may be more than two months away but many features are planned well ahead of time. Reductions in fed beef supplies and advance bookings could lead to tighter supplies of steak cuts going into late May and June and likely higher spot prices at that time. It is a situation that has happened before and with restaurant business very slow, consumers could rely more on backyard barbecues to bring a sense of normalcy to a very stressful year.

While nearby cattle futures remained under pressure on Friday, with the April live cattle contract establishing life of contract lows, **lean hog futures appeared to receive a boost from reportedly tighter hog supplies and more aggressive packer bids**. This was evident in the weekly numbers, with the price of lean hogs increasing some 8.2% compared to the previous week even though cutout values actually declined by less than half a percent in the same period. Packer margins look quite poor as they are currently paying almost 10% more for hogs than a year ago while cutout values are 5.5% below year ago levels. For the moment, however, pork packers seem to be more focused on filling orders and generating business. Tighter supplies should help support the market in Q2 and this continues to be reflected in the summer contract premiums. Ham values are currently up about 15% from February levels on seasonally higher demand but remain about 8% lower from year ago levels.