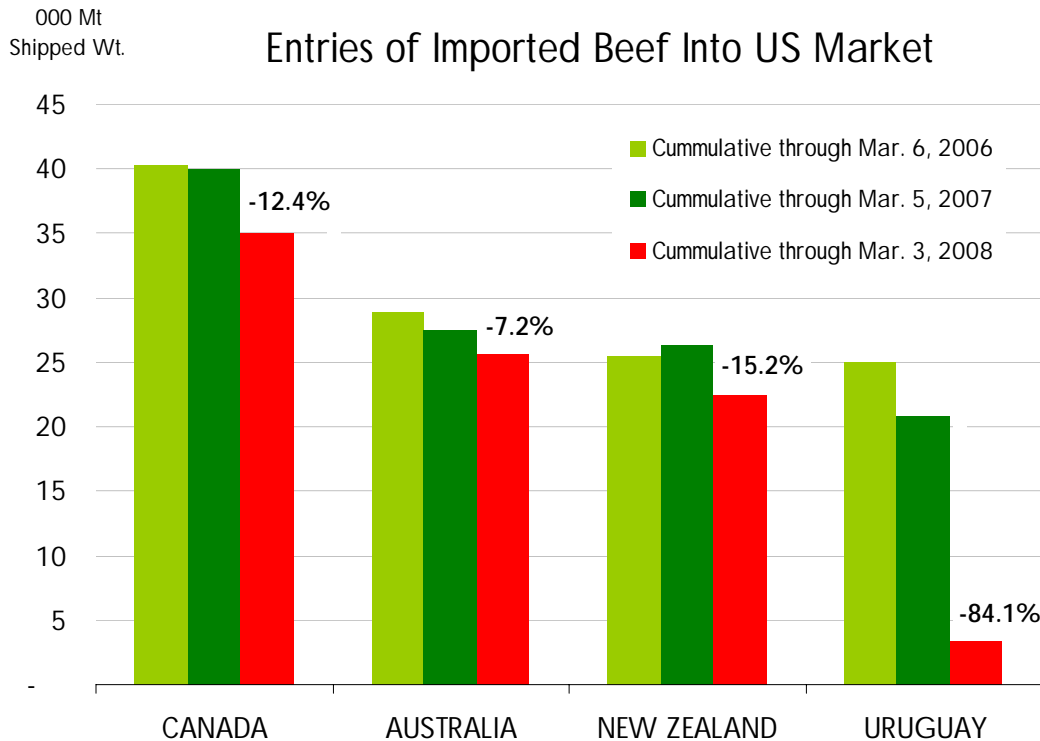


Daily Livestock Report

Livestock market information provided by Steve Meyer and Len Steiner.



Data source: US Customs

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 Len Steiner**, 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 require 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.

The Globe Logo and CME are trademarks of Chicago Mercantile Exchange Inc. Copyright © 2007 CME. All rights reserved.

E-Livestock Volume	10-Mar	7-Mar	3-Mar
LE (E-Live Cattle):	12,589	15,299 **	8578
GF (E-Feeder Cattle):	917	524	641
HE (E-Lean Hogs):	10,902	19,863	10905

Free real-time Globex quotes: www.cme.com/elivestockquotes

Market Comments

Sometimes overlooked, **imported beef makes up a notable part of the US beef supply and, as such, should be considered when analyzing beef consumption trends and outlook.**

In 2007, the United States imported 3.048 billion pounds of beef or 10.7% of the overall beef disappearance for the year. That amount was slightly lower than in 2006 and about 500 million pounds less than in 2005 and 2004. So far this year, beef imports are tracking well below year ago levels and, despite early projections for a moderate increase, it is likely that beef imports will remain light. As the attached chart shows, through the first nine weeks of this year, beef imports from Canada, Australia, New Zealand and Uruguay are down considerably from a year ago and 2006. Because the USDA and US Census Data is published with a considerable lag, we relied on the weekly numbers tracked by the US Customs. Please keep in mind that this is on a shipped weight basis and is not comparable with the USDA WASDE numbers which reflect carcass weight equivalents.

While all import volumes are down, the most significant decline has been from the reduction in beef imports from Uruguay. Uruguay became a significant player in the US imported beef market when it was allowed to again ship fresh/frozen beef to the US late in 2003. In the last two years imports from Uruguay have been volatile due to increased demand from other world markets and world trade disruptions caused by FMD outbreaks in Brazil and export controls in Argentina. The flow of Uruguayan beef to North America has declined sharply this year with total volume down some 84% from year ago levels. In our view, imports from Uruguay will remain light for some time. The EU and Russia will likely continue to limit the amount of Brazilian beef they import and Argentinian supplies are limited. The EU and Russia will make up some of their supply shortfall by continuing to bid on Uruguayan product and the strong Euro and Ruble will make those bids even more competitive compared to those of US buyers. Also, the 26.5% tariff on much of Uruguayan beef further erodes US competitiveness. As for Australia and New Zealand, beef imports are down and will likely continue on that trend due to limited cattle supplies (herd rebuilding) and a weak US dollar. Beef imports from Canada are so far down 12.4% from a year ago. Smaller feedlot inventories will limit the amount of beef available for export to the US.