

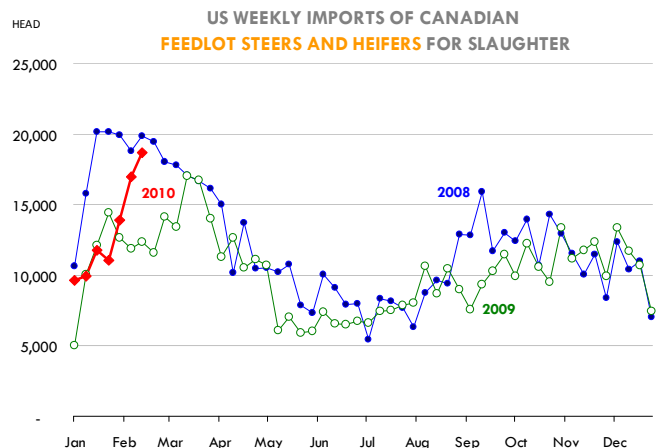
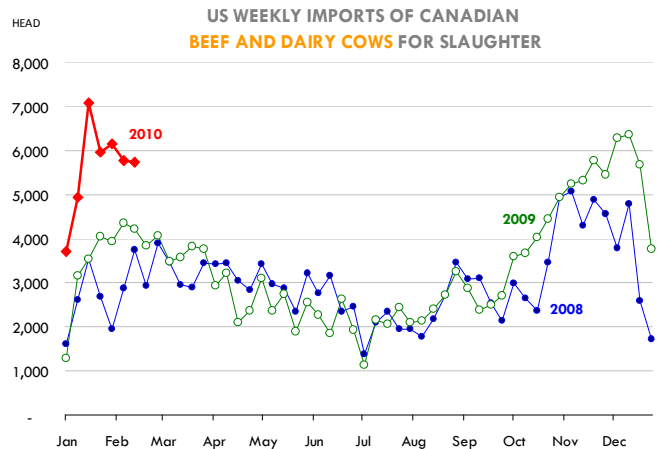
# Daily Livestock Report

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## Market Comments

**USDA will publish on Wednesday, March 10, its latest estimates of US grain and meat production for the 2009/10 marketing year.** It will be particularly interesting to see how USDA handles its corn and soybean supply and demand table. Generally the January report is seen as a benchmark for the new corn and bean crops since by that time the harvest has been completed and USDA also has had a chance to reconcile their data with the quarterly grain stocks report. Because of the weather delays and a significant amount of the crop left un-harvested, USDA has resurveyed producers in the affected areas and the March report will reflect the results of that survey. The supply related milestone is the 'Prospective Plantings' survey, which will be released on March 31.

One topic we have touched upon in previous issues has been **US beef cow slaughter and the fact that during the first two months of this year it has held up above year ago levels.** Dairy cow slaughter, on the other hand, has been well below year ago levels, which is understandable given the pace of liquidation we saw in the US dairy industry in 2009. But before making too much of the continued liquidation in the beef cow complex (which is where the future feedlot animals will come from), it is important to note that a good portion of the weekly increase in slaughter is due to more Canadian cows in the mix. As the top chart to the right indicates, imports of Canadian cows destined for US processing plants were up sharply in late 2009 and they remained very strong through February. For the period Jan 3 - Feb 20, **imports of Canadian slaughter cows were 39,291 head, some 12,178 head or 45% higher than the previous year.** During the same timeframe, total US cow slaughter was 870,885 head, 37,819 head or 4.2% lower than the previous year. US dairy cow slaughter during this period was 393,918 head, 57,993 head or 12.6% lower than a year ago while **US beef cow slaughter was 476,967 head, up 19,174 head or 4.2% higher than a year ago.** The USDA data series on Canadian cattle imports does not distinguish between beef and dairy cows but we suspect, based on the US state of entry, that about two thirds of the increase in Canadian slaughter cow imports is due to higher shipments of beef cows. If we are correct, and our Canadian (and US) readers can check our arithmetic on this, then between 45% - 60% of the year over year increase in US beef cow slaughter so far has been due to more Canadian beef cow imports.



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