

Daily Livestock Report

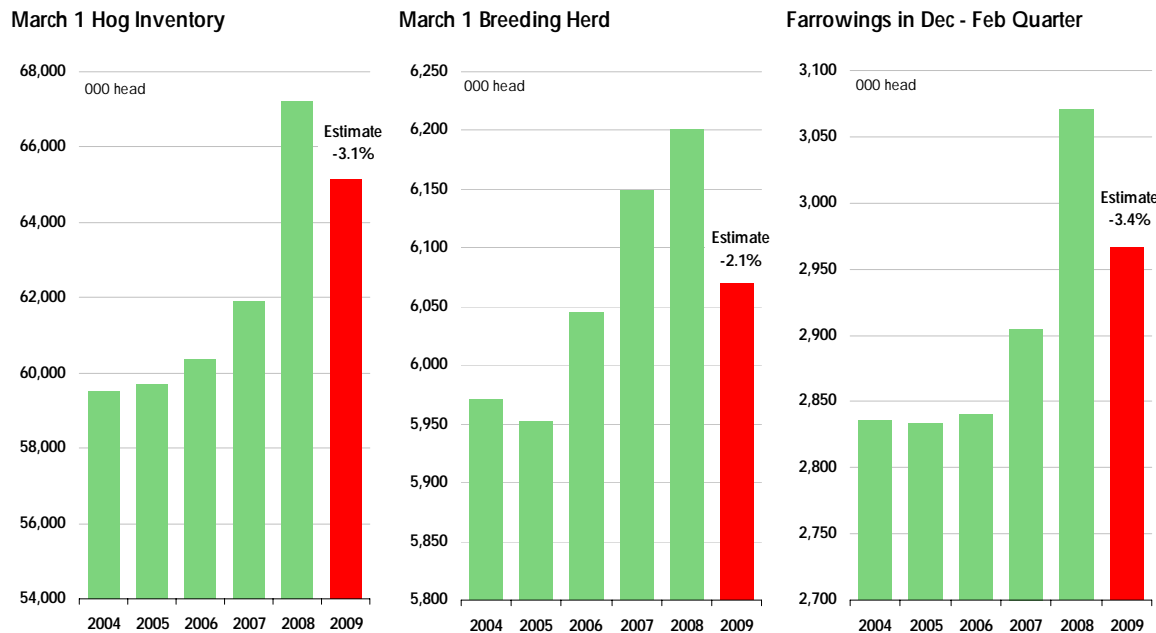
E-Livestock Volume	25-Mar	24-Mar	18-Mar
LE (E-Live Cattle):	11,780	15,933	12,324
GF (E-Feeder Cattle):	2,451	1,142	1,958
HE (E-Lean Hogs):	8,593	8,000	12,828

Market Comments

Hog futures have been trading sideways for much of this week on uncertainty about future supplies as well as ongoing export demand concerns. **The upcoming USDA hogs and pigs inventory report should provide an indication of current and future hog supplies** and will be especially useful in gauging farrowings in the past quarter as well as the impact of reduced Canadian shipments on the size of the total inventory. There has been plenty of talk in recent months of empty sow barns across Iowa and the upcoming inventory numbers should provide some indication of where we stand with regard to the size of the breeding herd. Sow slaughter has been running significantly below year ago levels (almost -10% since mid January). Prices for 500-500 lb. sows in March are some 80% over year ago. This suggests that producers at this point see little reason to continue to liquidate productive animals, especially given current feed grain prices. Also important going forward will be the decision by Smithfield Foods to only purchase hogs that are born and raised in the US, [effective April 2009](#). News reports indicate that other large packers may follow suit, restricting or eliminating the purchase of Canadian born animals. In the short term, this will tend to boost demand for slaughter animals at a time when supplies will be the tightest (see below). Attached is a summary of analysts' estimates from a survey conducted by Dow Jones (percent of year ago).

US Hog Supplies Take a Step Back From Torrid Growth of Recent Years

2009 Numbers Based on Average of Pre-Report Analyst Estimates, Dow Jones Survey



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Inventory Items	Average of Estimates	Range of Estimates
All hogs and pigs on March 1	96.9	96.1 - 98.5
Kept for breeding	97.9	97.0 - 98.5
Kept for marketing	96.8	95.9 - 98.6
Hogs weighing under 60 lbs	96.8	96.3 - 97.3
Hogs weighing 60 to 119 lbs	96.2	95.0 - 97.3
Hogs weighing 120-179 lbs	96.2	94.8 - 97.5
Hogs weighing 180 and over	97.7	96.9 - 99.1
Dec-Feb pig crop	98.5	96.9 - 99.1
Dec-Feb pigs per litter	101.8	100.3 - 102.5
Dec-Feb farrowings	96.6	96.2 - 97.0
Mar-May farrowing intentions	98	96.7 - 98.5
Jun-Aug farrowing intentions	98.5	97.9 - 99.5