

Daily Livestock Report

E-Livestock Volume	3-Apr	1-Apr	27-Mar
LE (E-Live Cattle):	16,203	10,955	9,651
GF (E-Feeder Cattle):	1,528	1,148	4,310
HE (E-Lean Hogs):	10,956	13,588	10,197

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

Market Comments

April live cattle futures closed the week at just a little over \$86/cwt, the highest level since mid February. Fed cattle and feeder cattle futures posted strong gains for the week, in large part thanks to a more optimistic outlook about the future of the US economy. We suspect much of the buying that took place in the last couple of days of the week was influenced by the bullishness in equities and currency markets (vs. US dollar). Both nearby live cattle and feeder cattle futures gained some 320 points since last Monday. Total cattle slaughter for the week were 606,000 head, about 27,000 head higher than the previous week but still 3.2% lower than last year. Packers opted to run a full production day on Friday, which accounted for the increase from the previous week. In the near term, we should continue to see very light Saturday slaughter levels. Keep in mind, however, that while slaughter numbers are running below last year's levels, this does not necessarily mean smaller beef output. Cattle carcass weights are currently some 23 pounds or 3% higher than a year ago, offsetting almost the entire decline in slaughter numbers. Beef production for the week was down just 0.4% from a year ago. US beef packers are trying to balance two competing demands on their business. On the one hand, poor margins due to weak prices for beef cuts and other animal parts, necessitate that they reign in output. On the other hand, they have to fill orders that were placed in the previous months. While large packers have cut back on the amount of beef that they offer out front, that is still a significant part of their business. Reducing slaughter can be a good strategy in the short term but lower plant utilization rates have their own costs.

Hog slaughter for the week continued to track below year ago. Total hog slaughter was 2.164 million head, 5.2% lower than a year ago. The decline is a little larger than what was indicated in the latest hogs and pigs report but we think the discrepancy is explained by the sharp reduction in the number of Canadian slaughter hogs. Sow slaughter rates are now running well below year ago levels as producers hold on to their most productive animals and no longer see the incentives to liquidate breeding animals. As for broiler production, it continues to be much smaller than a year ago and broiler supplies will likely remain tight given the sharp pullback in egg sets (-6.7%) and chick placements (-7.6%).

PRODUCTION & PRICE SUMMARY

Week Ending 4/4/2009

Item	Units	Last Week	Prior Week	Pct. Change	Last Year	Pct. Change	2008 & 2009 YTD	YY % Change
		4-Apr-09	28-Mar-09		5-Apr-08			
F1 Slaughter	Thou. Head	606	581	4.30%	626	-3.24%	8,174	-5.3%
F1 Cow Slaughter **	Thou. Head	111	112	-1.04%	110	0.87%	1,464	6.7%
Avg. Live Weight	Lbs.	1,305	1,308	-0.23%	1,269	2.84%	1,311	1.9%
Avg. Dressed Weight	Lbs.	793	793	0.00%	770	2.99%	790	1.8%
Beef Production	Million Lbs.	478.6	459.2	4.22%	480.4	-0.37%	6,435	-3.4%
Live Fed Steer Price	\$ per cwt	82.71	83.23	-0.62%	85.95	-3.77%		
Dressed Fed Steer Price	\$ per cwt	134.09	132.67	1.07%	138.09	-2.90%		
OKC Feeder Steer Price	600-700 Lbs.	102.59	103.01	-0.41%	106.51	-3.69%		
Beef Cutout Value	600-900 Ch.	135.20	134.73	0.35%	138.07	-2.08%		
Hide/Offal	\$/cwt	5.85	5.75	1.74%	10.54	-44.50%		
F1 Slaughter	Thou. Head	2,164	2,197	-1.50%	2,284	-5.23%	29,570	-5.3%
F1 Sow Slaughter **	Thou. Head	61.4	60.4	1.70%	70.1	-12.42%	721	-8.9%
Avg. Dressed Weight	Lbs.	204.0	204.0	0.00%	203.0	0.49%	204	0.2%
Pork Production	Million Lbs.	442.1	448.5	-1.43%	463.2	-4.56%	6,040	-5.0%
Iowa-S. Minn. Direct	Wtd. Avg.	56.97	56.09	1.57%	53.30	6.89%		
Natl. Base Carcass Price	Wtd. Avg.	57.71	57.28	0.75%	55.11	4.72%		
Natl. Net Carcass Price	Wtd. Avg.	59.94	59.39	0.93%	57.42	4.39%		
Pork Cutout	185 Lbs.	56.49	58.63	-3.65%	56.90	-0.72%		
Young Chicken Slaughter *	Million Head	155.5	154.2	0.89%	160.2	-2.93%	1,860	-5.9%
Avg. Weight	Lbs.	5.50	5.37	2.42%	5.59	-1.61%	5	-0.4%
Chicken Production	Million Lbs.	855.4	842.9	1.48%	913.5	-6.37%	10,213	-6.2%
Eggs Set	Million	200.2	199.7	0.25%	214.6	-6.71%	2,628	-6.2%
Chicks Placed	Million Head	166.6	170.7	-2.37%	180.4	-7.63%	2,178	-6.1%
12-City Broiler Price	Composite	75.80	76.67	-1.13%	76.86	-1.38%		
Georgia Dock Broiler Price	2.5-3 Lbs.	84.64	84.66	-0.02%	79.39	6.61%		
Young Turkey Slaughter *	Million Head	4.460	4.455	0.11%	4.626	-3.59%	54	-3.9%
Avg. Weight	Lbs.	29.35	29.6	-0.84%	29.33	0.07%	30	0.1%
Turkey Production	Million Lbs.	130.9	131.9	-0.73%	135.7	-3.52%	1,631	-3.9%
Eastern Region Hen Price	8-16 Lbs.	77.07	75.25	2.42%	86.00	-10.38%		
Com, Omaha	\$ per Bushel	3.93	3.74	5.08%	5.66	-30.57%		
DDGs, Minnesota	\$ per Ton	120.00	122.50	-2.04%	160.00	-25.00%		
Wheat, Kansas City	\$ per Bushel	5.78	5.18	11.58%	9.79	-40.96%		
Soybeans, S. Iowa	\$ per Bushel	9.94	9.13	8.87%	12.13	-18.05%		
Soybn Meal, 48% Decatur	\$ per Ton	304.90	299.30	1.87%	323.70	-5.81%		

* 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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