

Daily Livestock Report

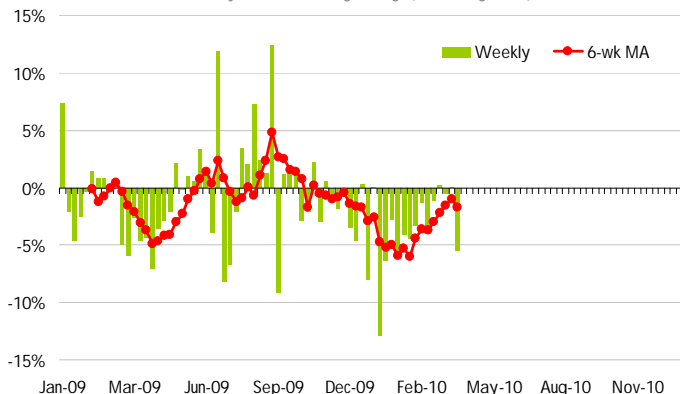
Vol. 8, No. 68 / April 12, 2010

Market Comments

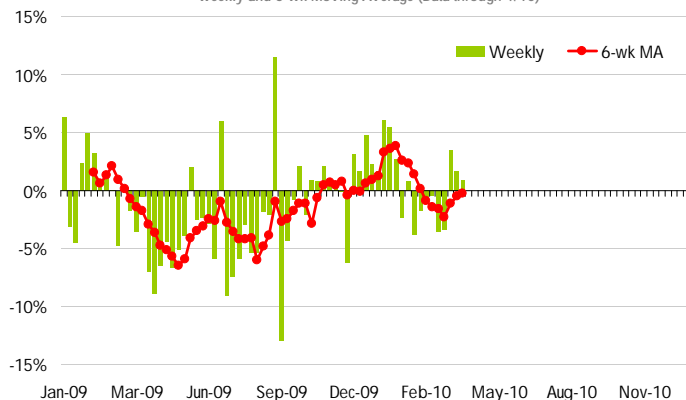
US meat supplies for the week were generally lower compared to the previous year but the data was somewhat skewed by Easter, which is a moving holiday. Overall, the weekly production data continued to show a trend of relatively tight supplies. Cattle slaughter for the week was just 616,000 head, down 3.3% compared to the week before but 2.75% higher than a year ago. Cattle carcass weights remain well below year ago levels and total production for the week was only 0.9% higher than a year ago. Based on preliminary data from USDA, we estimate that steer and heifer slaughter for the week was just 0.4% higher than a year ago but with steer weights running some 3% below a year ago, total fed beef production for the week was down about 2.4%. US domestic cow slaughter has remained above year ago levels in part due to the higher price for cows. It is hard to conceive that this will continue for too long. Producers may be pulling their marketings forward but given current feeder cattle prices, the pace of liquidation in the last two years and overall structure of the cow-calf sector, we suspect beef cow slaughter will be at or below year ago levels in May and June. It's a big if but we think the market does not believe that the cows are going to be there once the calving season is completed, especially if pasture conditions are good, which seems to be a good bet at this point.

Hog slaughter for the week was down sharply due to some plants closing on the Monday after Easter. Total slaughter for the week was down 7.3% from the week prior and was also down 5.4% from the year before. While we do not expect hog slaughter to run at current levels for an extended period of time, the latest hogs and pigs report pointed to lower hog slaughter and production for Q2 of 2010. Weather this summer will be a key factor. As we saw this past winter, hog carcass weights are an important variable which tends to impact overall supplies. Last year, a very cool summer caused hog weights to stay at relatively high levels. If hog weights this year follow a more seasonal trend, then it will tend to further compound the effect of the expected decline in hog slaughter and further limit hog supplies. There is also some anecdotal evidence to suggest that the lower hog weights are also in part due to the lower quality corn that is being fed to animals at this time. Hog prices are currently up some 33.3% compared to year ago levels, supported in part by higher cash prices, especially for lean and fat pork trimmings (+70% and +122%), pork bellies (+23%) and hams (+55%).

Y/Y % Change in US Pork Production
Weekly and 6-wk Moving Average (Data through 4/10)



Y/Y % Change in US Beef Production
Weekly and 6-wk Moving Average (Data through 4/10)



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PRODUCTION & PRICE SUMMARY

Week Ending **4/10/2010**

Item	Units	Last Week	Prior Week	Pct. Change	Last Year	Pct. Change	2010 YTD	Y/Y % Change
		10-Apr-10	3-Apr-10		11-Apr-09			
C FI Slaughter	Thou. Head	616	637	-3.30%	599	2.75%	8,891	1.2%
A FI Cow Slaughter **	Thou. Head	116	118	-1.55%	108	6.84%	1,585	0.8%
T Avg. Live Weight	Lbs.	1265	1271	-0.47%	1286	-1.63%	1,284	-1.8%
A Avg. Dressed Weight	Lbs.	764	765	-0.13%	778	-1.80%	771	-2.2%
T Beef Production	Million Lbs.	469.1	485.6	-3.40%	465.1	0.86%	6,828	-1.0%
T Live Fed Steer Price	\$ per cwt	99.77	96.24	3.67%	86.01	16.00%		
L Dressed Fed Steer Price	\$ per cwt	161.38	155.81	3.57%	137.26	17.57%		
E OKC Feeder Steer Price	619-700 Lbs.	97.00	96.04	0.99%	97.58	-0.59%		
Beef Cutout Value	619-900 Ch.	164.80	163.47	0.81%	137.72	19.66%		
Hide/Offal	\$/cwt	10.24	10.22	0.20%	5.93	72.68%		
H FI Slaughter	Thou. Head	2,012	2,170	-7.28%	2,127	-5.39%	30,274	-4.5%
H FI Sow Slaughter **	Thou. Head	61.2	61.4	-0.19%	61.1	0.20%	760	-2.9%
O Avg. Dressed Weight	Lbs.	204.0	204.0	0.00%	204.0	0.00%	203	-0.4%
G Pork Production	Million Lbs.	410.1	441.8	-7.18%	433.7	-5.44%	6,153	-5.0%
S Iowa-S. Minn. Direct	Wtd. Avg.	74.18	69.39	6.90%	55.66	33.27%		
S Natl. Base Carcass Price	Wtd. Avg.	70.20	66.74	5.18%	56.97	23.22%		
Natl. Net Carcass Price	Wtd. Avg.	72.91	69.24	5.30%	59.14	23.28%		
Pork Cutout	185 Lbs.	77.52	73.25	5.83%	57.87	33.96%		
C Young Chicken Slaughter *	Million Head	156.2	157.9	-1.06%	153.9	1.48%	2,060	2.3%
H Avg. Weight	Lbs.	5.55	5.54	0.18%	5.49	1.09%	5.55	1.1%
I Chicken Production	Million Lbs.	866.9	874.6	-0.88%	845.0	2.59%	11,438	3.4%
C Eggs Set	Million	204.3	205.4	-0.51%	203.6	0.34%	2,863	1.0%
K Chicks Placed	Million Head	168.8	169.2	-0.26%	169.0	-0.14%	2,344	-0.1%
E 12-City Broiler Price	Composite	82.42	85.28	-3.35%	76.3	8.02%		
N Georgia Dock Broiler Price	2.5-3 Lbs.	84.14	84.26	-0.14%	84.84	-0.83%		
T Young Turkey Slaughter *	Million Head	4.025	4.324	-6.91%	4.534	-11.23%	56,107	-4.9%
U Avg. Weight	Lbs.	30.02	30.01	0.03%	29.16	2.95%	30.05	0.5%
R Turkey Production	Million Lbs.	120.8	129.8	-6.88%	132.2	-8.61%	1,686	-4.4%
K Eastern Region Hen Price	8-16 Lbs.	82.80	82.90	-0.12%	76.00	8.95%		
G Corn, Omaha	\$ per Bushel	3.37	3.34	0.90%	3.79	-11.08%		
R DDGs, Minnesota	\$ per Ton	87.50	89.00	-1.69%	122.50	-28.57%		
A Wheat, Kansas City	\$ per Bushel	4.19	4.03	3.97%	5.41	-22.55%		
I Soybeans, S. Iowa	\$ per Bushel	9.44	9.43	0.11%	10.18	-7.27%		
N Soybn Meal, 48% Decatur	\$ per Ton	274.60	276.40	-0.65%	317.20	-13.43%		

* 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.