

Dear Daily Livestock Subscriber,

We are writing to ask for your support ([today's report is on page 2](#)).

Back in about 2002 the CME came to Steve Meyer and me and requested that we invent a one page economic newsletter that would go out to the trade every day. The CME wanted a vehicle to deliver information to the trade as they evolved from an open outcry market to today's electronic market for livestock futures. At that time the CME paid for the whole service.

As electronic trading successfully replaced the open outcry markets, CME's interest in funding this daily newsletter declined. Today CME is only supporting a small percentage of the costs of producing and distributing the Daily Livestock Report (DLR). But interest from subscribers, like you, continues to be as strong as it has ever been.

Since 2012 we have asked subscribers for regular voluntary support payments to keep the DLR operating. That request system has not been working very well, partially because we have not been very diligent in asking for support.

Recently, we have started sending out invoices to subscribers. Organizations with multiple subscribers have received the first batch of invoices and we will send the rest shortly. **A number of companies and individuals have already responded and we greatly appreciate their generous support.**

We are at a crossroad. If we don't get adequate funding from our readers the DLR may disappear. We do recognize that some people, like students in an economics class at a University, do not have funds to pay for subscriptions. But they have an interest in this industry and we intend to make it available to them too.

We have tried to keep a voluntary, family-type, honor system in running the DLR and have approached various companies for support commensurate with the number of subscribers from that company. Our plan is to send an invoice based on the number of subscribers that we have in our list when the invoice goes out rather than try and keep track of when people join or leave. If someone already has sent a contribution and 10 people from that company join tomorrow, we will not send you an invoice until next year. We want to concentrate our efforts on writing great reports. We don't want to become experts on billing matters.

Bottom line, we need financial funding to keep the CME Daily Livestock Report operating. We are counting on YOU to provide that funding.

If you have not already done so please do your part today.

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USDA-NASS (National Agricultural Statistics Service) initiated their weekly Crop Progress report in recent weeks. This week marked their first range and pasture conditions ratings of the year. They reported that as of early May, range and pasture conditions were rated to be similar to a year ago. The ratings come from NASS employed crop observers that submit their ratings at the end of each week. The ratings fall into 5 qualitative categories; excellent, good, fair, poor and very poor.

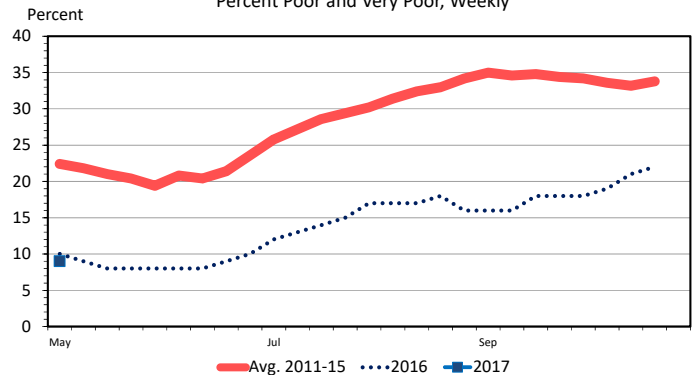
The Livestock Marketing Information Center analyzes the data in the context of the beef cow population in each state to better understand the impact on cow calf producers. Based on a beef cow population weighting of state range and pasture conditions, **9% of the pastures were rated poor or very poor at the start of this May versus 10% a year ago.** Sixty-three percent of range and pastures were in the good to excellent condition, up from 58% a year ago. On a regional basis, the Northeastern US registered the biggest improvement from a year ago. Only 3% of the pastures were rated poor or very poor in the last week, versus 20% a year ago. The beef cow population in the Northeast is not as big of a factor as in the Midwest, Southeast or Plains states, so this improvement does not have an impact on the overall US condition rating. The dairy industry in the Northeast plays a significant role in US dairy markets, so range and pasture in this region could effect milk and dairy product markets.

The end of the drought in California in recent months had the expected effect on range and pasture conditions in that state as only 5% of the pastures are rated poor or very poor, currently, compared to 15% a year ago. California pastures rated excellent picked up the difference with a jump from 30% to 40%. California is the largest milk producing state in the US, so this probably has a bearing on national milk market trends this year. The improvement in California reduced Western Region range and pastures rated poor or very poor by 5% from a year ago. Range and pasture conditions across the Western Region have improved dramatically when compared to the early parts of this decade, when extreme dryness was felt from the Pacific to the eastern slope of the Rockies. The beef cow population expanded by 3% in 2015 and 5% in 2016 partially due to the improved forage situation.

The Great Plains region (Kansas and Colorado north to North

US RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly

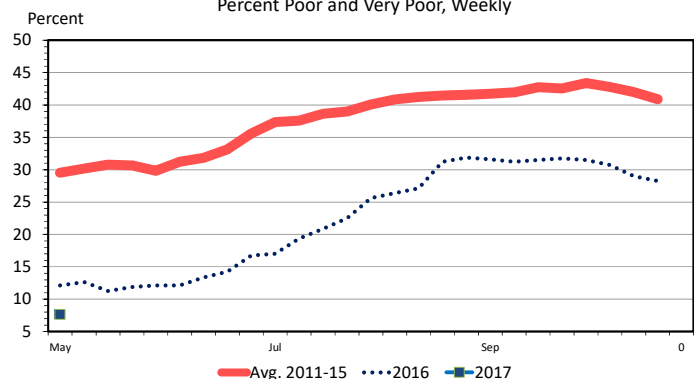


Data Source: USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

G-NP-30
05/08/17

WESTERN REGION RANGE AND PASTURE CONDITION

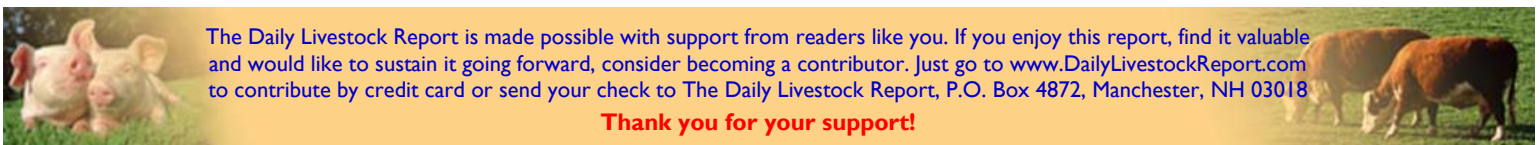
Percent Poor and Very Poor, Weekly



Data Source: USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

G-NP-31
05/08/17

Dakota and Montana) has the greatest concentration of beef cows and pasture conditions this spring are about the same as a year ago. Sixty-three percent of the pasture are rated good or excellent in this region compared to 61% a year ago. Currently, pastures rated poor or very poor account for 8% of the total, the same as a year ago. Two years ago, only 40% of the pastures in this region were rated good or excellent in early May.



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