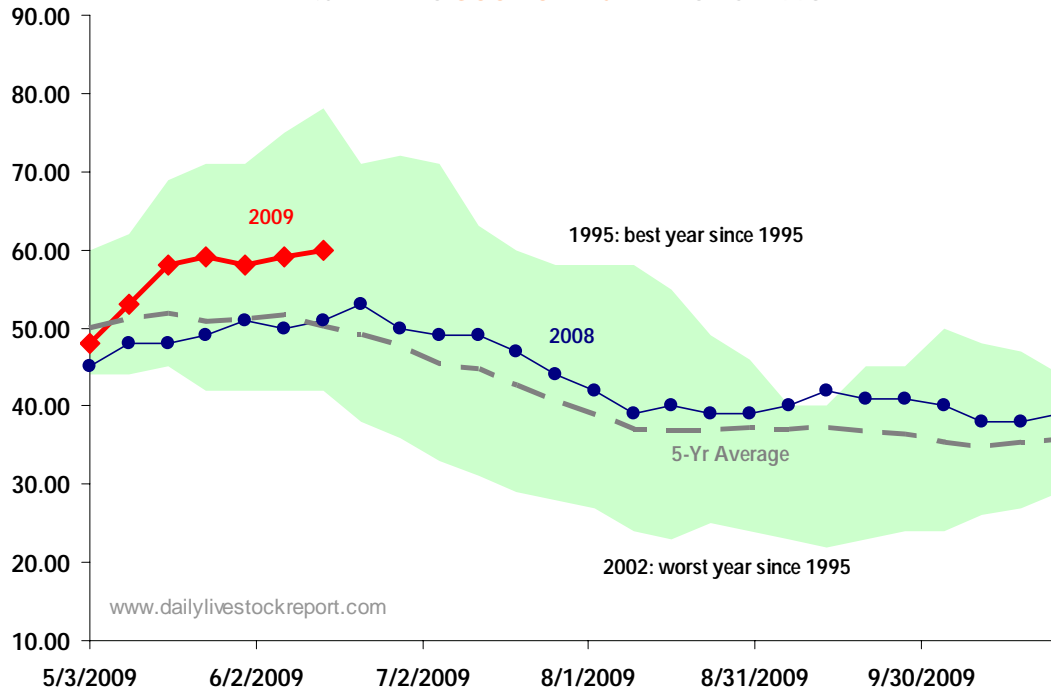


Daily Livestock Report

US RANGE AND PASTURE CONDITIONS

% RATED AS GOOD OR EXCELLENT SINCE 1995



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E-Livestock Volume	16-Jun	15-Jun	9-Jun
LE (E-Live Cattle):	10,391	8,030	11,427
GF (E-Feeder Cattle):	1,272	1,000	1,992
HE (E-Lean Hogs):	14,946	16,056	23,212

Market Comments

Correction: Please note that in yesterday's report we incorrectly quoted the price of early weaned pigs and feeder pigs in \$/cwt. Rather, the USDA prices quoted are in \$/head. On page 2, we have included the charts from yesterday's report with the corrected label for the y-axis.

Pastures and ranges across the country continue to be in much better shape compared to year ago and five year average levels. This has eased the immediate pressures on cow-calf producers and slowed the pace of beef cow slaughter, helping offset the increase in the number of dairy cows coming to market. Longer term, however, the industry still will have to content with a feed cost structure that is out of synch with beef prices paid in the domestic market. The latest USDA weekly survey showed that for the week ending June 14, 60% of the pastures and ranges were rated in good or excellent condition. This compares with 51% a year ago and 50% for the five year average. It is the best year in terms of pasture conditions since 2005. For the past two and a half years, producers have had to contend with drought in key areas as well as surging feed costs, which pushed a significant number of beef cows to market. The pace of beef cow liquidation has slowed this summer but we are far from any herd rebuilding. On the other hand, dairy producers still are struggling with relatively high feed and energy costs and poor returns. Nearby milk futures closed on Tuesday afternoon below the \$10 threshold and by most estimates producers need to get around \$16-17 to even have a chance of becoming profitable. As a result, the liquidation of the dairy cow herd will likely continue. For the moment, weekly dairy cow slaughter also is boosted by the dairy cow herd retirement program. USDA weekly cow slaughter data is reported with a bit of a lag but it shows that for the week ending May 30th there were 55,701 beef cows sent to market, 13.8% less than a year ago but still 7.6% more than the five year average. Dairy cow slaughter surged higher and at 48,845 head, it was 25.9% larger than a year ago and 36.6% higher than the 5-yr. average. Overall, US cow slaughter is only 1.1% larger than last year but still some 19.5% higher than the five year average. The reduction in beef cow slaughter has, as expected, offset much of the increase in the dairy numbers but overall cow slaughter and the resulting grinding beef supplies remain well above normal for this time of year and have helped keep ground beef prices in check.

