

Daily Livestock Report

The daily ERRATA: The year-end stocks-to-use ratio for soybeans in Figure 2 of yesterday's edition should have read 7.6% in stead of 7.0%. That figure is 9% higher than last month and 13.7% higher than the 2008 year-end stocks-to-use ratio.

The January WASDE report, released on Monday, included some changes in USDA's forecasts for beef, pork and chicken production and exports in 2009. The changes were not earth-shattering by any stretch but the three sectors face such a tenuous profit situation and have all become so dependent on exports that both output and shipments to foreign buyers are critical to prices in the coming year. The graphs at right include 2007 data and USDA's December and January estimates for both measures for '08 and '09.

The largest changes from December to January were for production numbers. Estimated 2008 U.S. beef production reduced 0.11% to 26.662 billion pounds. '08 pork production was reduced by 0.26% to 23.378 billion pounds and chicken output was reduce 0.27% to 36.5 billion pounds. All of the 2008 output levels except beef, though, are still dramatically higher than 2007 levels with pork output estimated to finish the year 6.5% higher and chicken output expected to be up 2.1%. We are not sure about the chicken number since using an equal number of weeks in 2008 as were used in 2007 show production up only 1.2%. It is possible that the daily data that go into actual annual production figures could make up that difference but regardless, the increase in chicken production in 2008 is small from a historical perspective. The final 2008 figure for turkey production (not included here because it messes up the scale of the graph) is expected to be 4.9% higher than 2007.

Readers should note that beef and pork production figures are carcass weight while poultry is "ready-to-cook" weight. That is best approximation we have for chicken but it does include a far higher percentage of bone and other waste than does standard carcass weights for cattle and hogs. These are not a perfect "apples to apples" comparison but they are the best we can do and are generally consistent over time.

USDA is forecasting a slight (2.4%) increase for U.S. beef exports in 2009 as the impact of increasing post-BSE access to Korea and other markets offset the effect of a stronger U.S. dollar. USDA is decidedly pessimistic about pork exports in 2009, predicting that they will fall by 14%. Chicken exports are predicted to fall by 8.6% in 2009. None of the 2009 export forecasts were changes from January levels.

USDA's Agricultural Marketing Service released the final rule for Mandatory Country-of-Origin Labeling (MCOOL) yesterday. The rule includes responses to a myriad of comments received last fall after USDA began the MCOOL program under and interim final rule. The final rule includes most of the features of the interim rule, including streamlined record-keeping and documentation requirements for producers that should make the program significantly less costly than earlier feared. The final rule also appears to provide more flexibility for U.S. packers in labeling product from animals imported for either feeding in the U.S. or directly to slaughter. This degree of flexibility was a point of contention between Congressional supporters of MCOOL, USDA and industry groups last summer. The final rule language provides enough flexibility that we think the same disagreements are likely to erupt in coming days and weeks with Congress threatening to close "loopholes" in the law.

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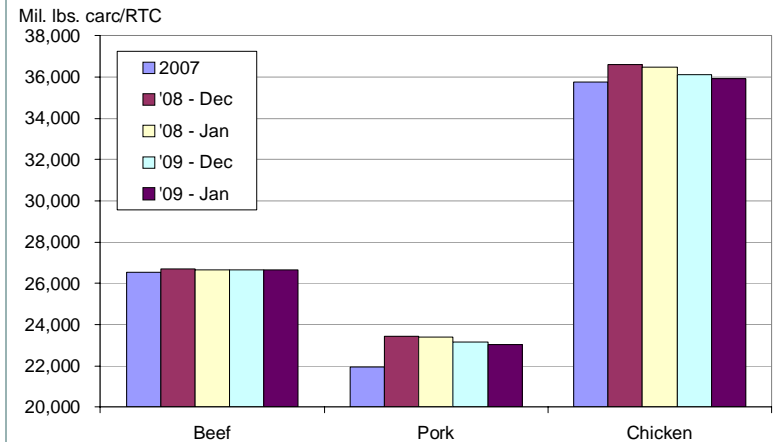
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E-Livestock Volume	1/13/09	1/12/09	1/6/09
LE (E-Live Cattle):	21,811	15,486	19,607
GF (E-Feeder Cattle):	745	580	803
HE (E-Lean Hogs):	16,834	16,499	11,950

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BEEF, PORK AND CHICKEN PRODUCTION

Source: USDA January WASDE



BEEF, PORK AND CHICKEN EXPORTS

Source: USDA January WASDE

