Volume 7, Number 11 January 16, 2009

E-Livestock Volume	1/16/09	1/15/09	1/9/09
LE (E-Live Cattle):	10,001	18,871	16,227
GF (E-Feeder Cattle):	499	1,047	567
HE (E-Lean Hogs):	11,088	12,912	18,815

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Daily Livestock Report

PRODUCTION AND PRICE SUMMARY

Week Ending 1/17/2009

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change
C	FI Slaughter	Thou. Head	608	601	1.16%	653	-6.91%	1,376	-19.8%
A	FI Beef Cow Slaughter	Thou. Head	48.6	40.7	19.42%	55.5	-12.48%	3,591	13.4%
T	Avg. Live Weight	Lbs.	1310	1300	0.77%	1293	1.31%	1,305	0.6%
T	Avg. Dressed Weight	Lbs.	786	784	0.26%	773	1.68%	785	1.4%
L	Beef Production	Million Lbs.	476.2	469.8	1.36%	503.2	-5.37%	1,077	-18.5%
E	Live Fed Steer	$/cwt live wt.	83.12	83.75	-0.80%	90.09	-7.70%		
	Dressed Steer	$/cwt carcass	135.30	133.53	1.30%	142.92	-5.30%		
	Georgia Feeder Steer	600-700 Lbs.	81.67	80.77	1.10%	88.12	-7.30%		
	Beef Cutout	600-750 Choice	149.78	144.50	3.70%	147.34	1.70%		
	Hide/Offal	$/cwt live wt.	6.87	6.34	3.80%	9.95	-31.00%		
H	FI Slaughter	Thou. Head	2325	2386	-2.56%	2419	-3.91%	5,367	-17.1%
O	FI Sow Slaughter	Thou. Head	47.8	36.5	31.06%	48.3	-0.85%	3,518	6.5%
G	Avg. Dressed Weight	Lbs.	203	204	-0.49%	206	-1.46%	203	-1.5%
S	Pork Production	Million Lbs.	470.6	482.1	-2.39%	495.3	-4.99%	1,086	-18.3%
	Iowa-S. Minn. Direct	Avg.	58.76	54.82	7.20%	47.59	23.50%		
	Natl. Base Carcass Price	Weighted Avg.	57.62	55.20	4.40%	50.82	13.40%		
	Natl. Net Carcass Price	Weighted Avg.	59.82	57.20	4.60%	52.91	13.10%		
	Pork Cutout	185 Lbs.	57.17	57.84	-1.20%	55.38	3.20%		
C	Young Chicken Slaughter*	Million Head	166.82	127.53	30.80%	168.13	-0.78%	167	-45.2%
H	Avg. Weight	Lbs.	5.58	5.54	0.72%	5.58	0.00%	5.6	-0.1%
I	Chicken Production	Million Lbs.	930.83	706.53	31.75%	938.15	-0.78%	693	-45.2%
C	Eggs Set	Million	201.62	202.64	-0.50%	215.44	-6.41%	202	-53.4%
K	Chicks Placed	Million Head	168.18	168.70	-0.31%	178.51	-5.79%	168	-52.8%
E	12-City Broiler	Composite	82.56	82.51	0.10%	78.73	4.90%		
N	Georgia Dock Broiler	2.5-3 Lbs.	86.34	86.61	-0.30%	76.58	12.70%		
T	Young Turkey Slaughter*	Million Head	4.70	3.16	48.83%	4.88	-3.81%	4.7	-45.0%
U	Avg. Weight	Lbs.	30.28	31.60	-4.18%	30.68	-1.30%	30.3	-2.5%
R	Turkey Production	Million Lbs.	142.2	99.7	42.61%	149.8	-5.06%	114	-46.3%
K	Eastern Region Hen	8-16 Lbs.	70.00	71.60	-2.20%	73.1	-4.20%		
F	Corn, Omaha	$ per Bushel	3.76	3.95	-4.80%	4.70	-20.00%		
E	DDGS, Minnesota	$ per ton	122.50	122.50	0.00%	172.50	-28.99%		
E	Wheat, Kansas City	$ per Bushel	5.69	6.11	-6.90%	9.66	-41.10%		
D	Soybeans, S. Iowa	$ per Bushel	NQ	9.94	NA	11.88	NA		
	SB Meal, 48% Central Illinois	$ per Ton	304.50	297.80	2.20%	332.80	-8.50%		

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this table. Cow & sow slaughter are for 2 weeks ear

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Please be a bit patient with the YTD percent change numbers in our data table. As far as we can tell, they are correct but they look pretty screwy due to the way the New Year's holiday fell this year. The first two weeks of 2009 involved 6 weekdays and 2 Saturdays where the same weeks in 2008 had 8 weekdays and 2 Saturdays. That makes a BIG difference early in the year — but it will wash out as we add more weeks.

The inventory of cattle in Alberta and Saskatchewan feedlots on January 1 was reported 5% below the year-ago level in CanFax's monthly report on Friday. An estimated 1.035 million head were on feed in the two provinces compared to 982,966 head last year and 1.063 million head on December 1. A chart of the monthly inventory data appears in Figure 1 on page 2. The reduction in feedlot numbers was driven primarily by very low December placements (see Figure 2 on page 2). Only 121,000 head were placed in December, 18% lower than one year earlier and the smallest for any December since 2003. Jim Robb of the Livestock Marketing Information Center in Denver cites several factors that contributed to the small December numbers. They include falling calf and yearling prices, feedlots that were rather full do to large fall placements, a shrinking Canadian calf crop and very cold temperatures that prevented some sales and shipments.

Canada and its livestock producer groups have reacted very positively to USDA's final rule for mandatory country-of-origin labeling (MCOOL). Perhaps the most important reaction was Canada's withdrawal of an earlier-submitted request for official consultations regarding MCOOL under WTO rules. That request was the first step that could lead to a full-blown trade case charging the U.S. with violating WTO agreements by applying differentiating labels. Canadian agriculture minister Gerry Ritz said Canada will continue to monitor the situation and assess "what [MCOOL] is doing to us."

There was little news out of Washington on the subject last week as the Congress works on an economic stimulus package and more economy-related issues. Oh yes, and there is that inauguration thing coming up next week for which they all must prepare — so we doubt there will be much on MCOOL next week either.

U.S. livestock and meat markets were mixed this week. Live cattle prices remained in the low $80s, 7-8% lower than last year on 4% lower slaughter and 5% lower beef production. Cattle demand remains quite soft. Hog prices saw a $2-$4/cwt rally this week even though the cutout value was lower. This week's prices were sharply higher than one year ago on slaughter that continues below year-ago levels. The relative size of the percentage changes of price and slaughter/production in the table at left suggests firm live hog demand. Chicken producers continue to reduce output and see results with the composite broiler price gaining nearly 5% versus one year ago and Georgia dock prices increasing by 12% vs. 2008.

Figure 1

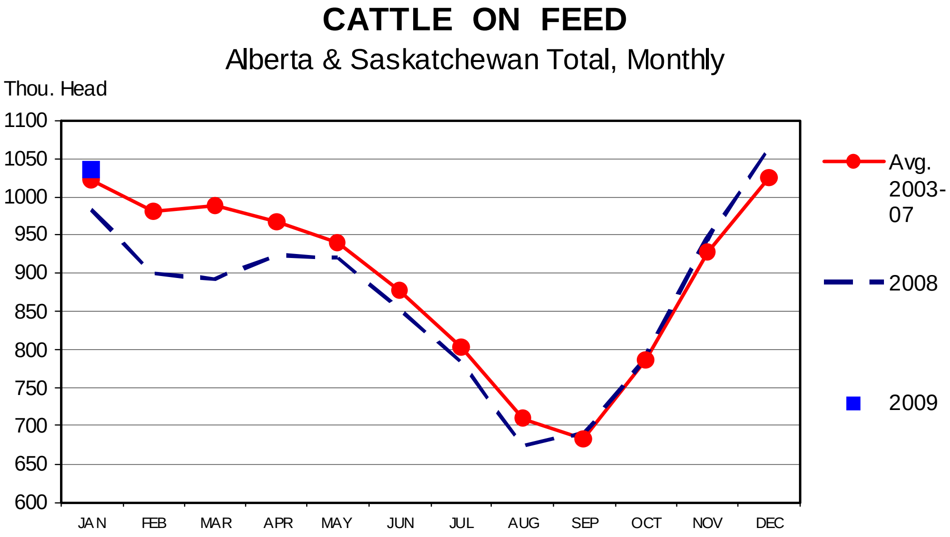

Figure 2