

The Christmas Holiday schedule for CME Group agricultural futures and options exchanges are as follows:

- Livestock, dairy and lumber products on the CME Globex platform will observe their regular close on Friday, December 23.
- Globex agricultural markets will be closed Monday, December 26 in observance of Christmas.
- Globex agricultural markets will re-open at 9:05 a.m. CST on Tuesday, December 27.
- CME Group trading floors in Chicago will close at their normal times on Friday with the exception of the floors for Foreign Exchange and Interest Rate products which will close at 12:00 noon.
- All CME Group trading floors will be closed on Monday, December 26 and will re-open at their regular times on Tuesday, December 27.

With that said, readers take note: THE USDA QUARTERLY HOGS AND PIGS REPORT WILL BE RELEASED FRIDAY AT 1:00 P.M. EST instead of the normal 3:00 p.m. EST release time. Yes, that is while Friday's floor trading session is still going on and, yes, as far as we know it represents a change in the release time. There was a day when the trade and USDA both believed these reports were important enough — or at least potentially important enough — that they should be released on Friday afternoon while markets were closed. USDA released the September report on a Wednesday and will now release the December report while the futures and options market is open. Many Hogs and Pigs reports have been yawners in recent years but taking this chance strikes us a bit adventuresome. **But that is the schedule — December Hogs and Pigs report, Friday afternoon at 1:00 p.m. EST/ 12:00 p.m. CST.** At least we will all get to leave for home and the holiday a bit earlier!

Dow Jones Newswire's quarterly survey of analysts' expectations for the quarterly Hogs and Pigs report (results in the table at right) indicate that slow growth is still the trend for the U.S. swine herd. Every average estimate is above year-ago levels except that of Sep-Nov farrowings which is 99.9% of last year. This follows the pattern of September when actual USDA data shows every category slightly higher than last year except Jun-Aug farrowings and Sep-Nov farrowing intentions which were 98.5 % and 99.8% of year-earlier levels.

The chart at right, with analysts' average estimates converted to head and denoted by the red observations for 2011, shows how these estimates fit the historical data. The market herd estimate fits a very normal seasonal pattern and the breeding herd estimate fits the slow growth trend that started in Q1 of 2010. We think it is interesting that market hog inventories have returned to almost the same trend they were on from 2000 through 2006. That trend was blown to the top side by the introduction of circovirus vaccines (which allowed a larger percentage of pigs to survive to market

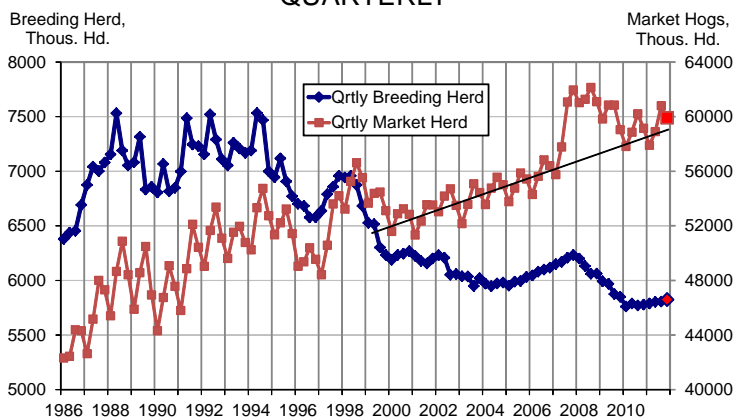
weight) in 2007. The market herd then declined sharply along with the breeding herd when costs exploded in 2008 and 2009. Note that market herd growth is generally back on the same trend but that the breeding herd is growing at a decidedly slower pace, clearly denoting productivity growth. That growth becomes even more impressive when one considers that roughly 2 million fewer feeder pigs will be imported from Canada this year versus 2007—and 1 million fewer than 2008. The market herd inventory would be even higher had Canadian imports remained at pre-2009 levels.

**USDA Quarterly Hogs and Pigs Report
Market Analysts' Pre-Report Estimates**

USDA Hogs & Pigs Report December 23, 2011	Percent of December 27, 2010	
	Range	Average
Inventories on December 1		
All hogs and pigs	100.0 - 102.0	101.3
Kept for breeding	100.4 - 101.0	100.8
Kept for market	100.0 - 102.0	101.3
Under 50 lbs.	101.3 - 102.0	101.8
50-119 lbs.	100.8 - 102.0	101.5
120-179 lbs.	100.1 - 102.0	101.0
180 lbs. and over	100.6 - 101.6	101.2
Farrowings		
Sep-Nov sows farrowed	99.5 - 100.2	99.9
Dec-Feb Intentions	100.0 - 101.1	100.6
Mar-May Intentions	100.5 - 101.3	100.8
Sep-Nov Pig Crop	101.0 - 102.0	101.6
Sep-Nov pigs saved per litter	101.0 - 102.0	101.6

Source: DowJones Newswire

**U.S. BREEDING & MARKET HERDS,
QUARTERLY**



**Announcing Weekly Live Cattle Options
Now Trading**

The Daily Livestock Report is published by Steve Meyer and Len Steiner. To subscribe/unsubscribe visit www.dailylivestockreport.com.

Disclaimer: The Daily Livestock Report is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.

CME Group is the trademark of CME Group, Inc. The Globe logo, Globex® and CME® are trademarks of Chicago Mercantile Exchange, Inc. CBOT® is the trademark of the Board of Trade of the City of Chicago. NYMEX, New York Mercantile Exchange, and ClearPort are trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. Copyright © 2011 CME Group. All rights reserved.