

# Daily Livestock Report

Vol. 8, No. 34/ February 22, 2010

USDA released its monthly Cattle On Feed report on Friday afternoon. The key numbers from the report as well as the results of Dow Jones' pre-report survey of analysts appear on the table at right. Some highlights are:

- February 1 inventory of cattle on feed in feedlots with a capacity of 1000 head or more was 10.989 million head, 2.6% fewer than one year ago and virtually unchanged from a revised January 1 inventory of 11.008 million head. The February 1 number was 0.5% larger than the average of the pre-report estimates — close enough that we will not likely see a large price change on Monday's Live Cattle Futures trade.
- The number that was significantly different from expected was January placements numbering 1.825 million head, 98.2% as many as one year ago. That is over 3% more cattle placed last month than was expected by the surveyed analysts and a number that is a bit of a surprise given the very difficult weather conditions in many feeding areas. This figure could well be supportive of summer Live Cattle futures on Monday.
- 1.774 million cattle were marketed in January, 2.1% more than one year ago and just over 1% more than was expected by analysts. As a point of reference, steer and heifer slaughter for the four weeks ending January 30 was 5.5% higher than last year.
- Placements by weight class were very, very similar to last year with the only significant difference being in the 600-699 pound category where 445,000 head were placed this year versus 505,000 last year. The weighted average placement weight during January was 693.8 pounds, virtually identical to last year's 694.3 pounds and only 1.5 pounds lower than the 2004-2008 average of 695.3 pounds. The similarity of those numbers simply suggests placement weights will not cause either the timing of marketings or market weights to differ much from historic norms. That doesn't mean those two factors will not differ from history as there are a host of things that could still cause that to happen. But it doesn't appear that placement weights will be the reason for any variation.

The February report also includes estimates of the number and inventories of various sizes of cattle feedlots, including those with capacities of less than 1,000 head which are not included in other monthly reports. USDA estimates that there are 80,000 feedlots with inventories of less than 1,000 head and that they held 2.634 million head on February 1. The number of small feedlots is the same as one year ago while their inventory is 0.5% higher. USDA also estimates that the total capacity of U.S. feedlots actually INCREASED last year, from 16.7 million to 16.8 million. Capacity utilization on February 1 was 82% — down 1% from last year. That low capacity utilization rate suggests that further consolidation will occur in coming year. Profit margins are not likely to ever stay good for long with that much excess capacity.

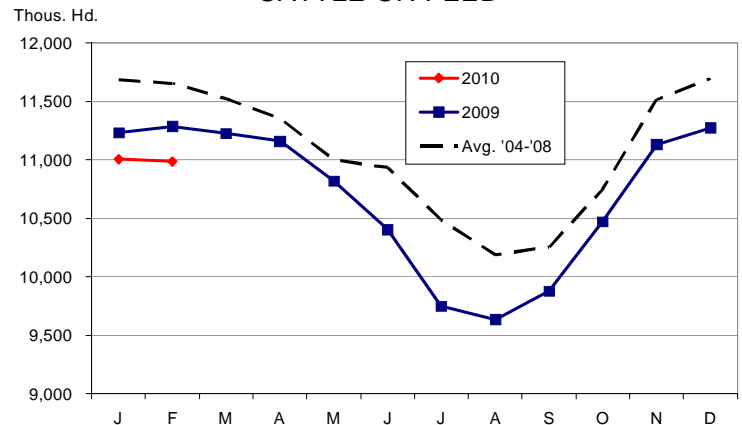
## USDA Cattle on Feed Report Summary --- February 2010

	Thous. Hd.		2010 as Pct. of 2009		
	2009	2010	Actual	Estimate*	Difference
On Feed, February 1	11,288	10,989	97.4	96.9	0.5
Placed on Feed in January	1,858	1,825	98.2	95.1	3.1
Fed Cattle Marketed, January	1,737	1,774	102.1	100.9	1.2

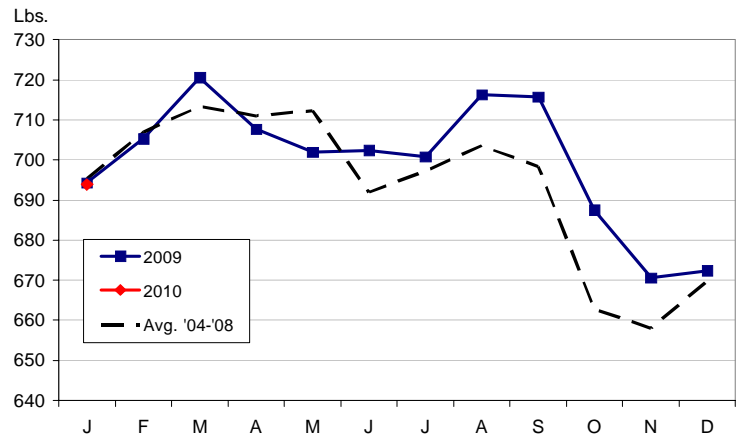
\*Dow Jones Newswire

Source: USDA NASS

### CATTLE ON FEED



### COF AVERAGE PLACEMENT WEIGHT



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Vol. 8, No. 33/ February 19, 2010

## PRODUCTION AND PRICE SUMMARY

Week Ending **2/20/2010**

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change
<b>C</b>	FI Slaughter	Thou. Head	620	602	2.99%	625	-0.83%	3,900	-0.3%
<b>A</b>	FI Beef Cow Slaughter	Thou. Head	62.1	71.7	-13.41%	61.5	0.89%	423	10.9%
<b>T</b>	Avg. Live Weight	Lbs.	1289	1283	0.47%	1317	-2.13%	1,291	-1.6%
<b>T</b>	Avg. Dressed Weight	Lbs.	774	774	0.00%	793	-2.40%	775	-1.6%
<b>L</b>	Beef Production	Million Lbs.	478.2	464.1	3.04%	486.5	-1.71%	3,010	-1.7%
<b>E</b>	Live Fed Steer	\$/cwt live wt.	88.79	88.41	0.40%	79.48	11.70%		
	Dressed Steer	\$/cwt carcass	144.48	140.18	3.10%	128.27	12.60%		
	OKC Feeder Steer	600-700 Lbs.	106.84	100.27	6.55%	102.23	4.51%		
	Beef Cutout	600-750 Choice	144.58	139.32	3.80%	134.76	7.30%		
	Hide/Offal	\$/cwt live wt.	9.77	9.62	4.00%	6.64	47.10%		
<b>H</b>	FI Slaughter	Thou. Head	2163	2153	0.46%	2215	-2.35%	13,141	-8.0%
<b>O</b>	FI Sow Slaughter	Thou. Head	55.2	57.8	-4.50%	58.3	-5.43%	341	-5.4%
<b>G</b>	Avg. Dressed Weight	Lbs.	203	204	-0.49%	204	-0.49%	203	-0.4%
<b>S</b>	Pork Production	Million Lbs.	438.6	437.8	0.18%	452.1	-2.99%	2,673	-8.4%
	Iowa-S. Minn. Direct	Avg.	64.49	64.84	-0.50%	60.09	7.30%		
	Nat. Base Carcass Price	Weighted Avg.	64.26	63.78	0.70%	60.74	5.80%		
	Nat. Net Carcass Price	Weighted Avg.	66.72	66.26	0.70%	62.94	6.00%		
	Pork Cutout	185 Lbs.	69.24	68.47	1.10%	57.61	20.20%		
<b>C</b>	Young Chicken Slaughter*	Million Head	156.28	159.89	-2.26%	154.55	1.12%	795	2.0%
<b>H</b>	Avg. Weight	Lbs.	5.48	5.53	-0.90%	5.48	0.00%	5.6	0.9%
<b>I</b>	Chicken Production	Million Lbs.	856.42	884.19	-3.14%	846.93	1.12%	3,299	3.2%
<b>C</b>	Eggs Set	Million	205.15	203.98	0.58%	202.82	1.15%	1,418	0.4%
<b>K</b>	Chicks Placed	Million Head	164.76	163.26	0.92%	167.04	-1.36%	1,163	-0.9%
<b>E</b>	12-City Broiler	Composite	82.39	79.74	3.30%	78.81	4.50%		
<b>N</b>	Georgia Dock Broiler	2.5-3 Lbs.	82.91	82.66	0.30%	86.48	-4.10%		
<b>T</b>	Young Turkey Slaughter*	Million Head	4.34	4.35	-0.30%	4.63	-6.30%	21.5	-4.9%
<b>U</b>	Avg. Weight	Lbs.	29.97	30.41	-1.45%	29.48	1.66%	30.4	0.7%
<b>R</b>	Turkey Production	Million Lbs.	130.1	132.4	-1.74%	136.6	-4.75%	524	-4.4%
<b>K</b>	Eastern Region Hen	8-16 Lbs.	79.75	77.50	2.90%	77.67	2.70%		
<b>F</b>	Com, Omaha	\$ per Bushel	3.50	3.51	-0.28%	3.41	2.60%		
<b>E</b>	DDGS, Minnesota	\$ per ton	97.50	97.50	0.00%	125.00	-18.40%		
<b>E</b>	Wheat, Kansas City	\$ per Bushel	4.37	4.33	0.92%	5.18	-15.64%		
<b>D</b>	Soybeans, S. Iowa	\$ per Bushel	9.56	9.48	0.84%	8.97	6.50%		
	SB Meal, 48% Central Illinois	\$ per Ton	296.10	298.40	-0.77%	282.50	4.80%		

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

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