

Daily Livestock Report

PRODUCTION AND PRICE SUMMARY

		Week Ending 2/7/2009							
Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change	
C	FI Slaughter	Thou. Head	622	631	-1.43%	616	0.94%	3,267	-8.7%
A	FI Beef Cow Slaughter	Thou. Head	69.5	71.3	-2.43%	64.1	8.52%	254	-6.2%
T	Avg. Live Weight	Lbs.	1313	1307	0.46%	1288	1.94%	1,309	1.2%
T	Avg. Dressed Weight	Lbs.	783	786	-0.38%	778	0.64%	782	0.8%
L	Beef Production	Million Lbs.	484.9	492.2	-1.48%	477	1.66%	2,565	-7.3%
E	Live Fed Steer	\$/cwt live wt.	81.00	80.71	0.40%	91.73	-11.70%		
	Dressed Steer	\$/cwt carcass	131.07	129.46	1.20%	147.21	-11.00%		
	Georgia Feeder Steer	600-700 Lbs.	83.64	79.54	5.10%	98.29	-14.90%		
	Beef Cutout	600-750 Choice	139.72	145.47	-4.00%	148.57	-6.00%		
	Hide/Offal	\$/cwt live wt.	6.93	6.88	0.00%	10.44	-33.60%		
H	FI Slaughter	Thou. Head	2222	2267	-1.99%	2195	1.24%	12,084	-8.7%
O	FI Sow Slaughter	Thou. Head	60.8	63.9	-4.91%	67.7	-10.19%	244	-4.4%
G	Avg. Dressed Weight	Lbs.	205	204	0.49%	203	0.99%	205	0.1%
S	Pork Production	Million Lbs.	454.3	463.7	-2.03%	445.6	1.95%	2,471	-8.6%
	Iowa-S. Minn. Direct	Avg.	57.19	58.90	-2.90%	56.36	1.50%		
	Natl. Base Carcass Price	Weighted Avg.	58.69	58.58	0.20%	57.30	2.40%		
	Natl. Net Carcass Price	Weighted Avg.	60.89	60.77	0.20%	59.45	2.40%		
	Pork Cutout	185 Lbs.	56.98	57.49	-0.90%	60.82	-6.30%		
C	Young Chicken Slaughter*	Million Head	148.08	148.58	-0.34%	166.10	-10.85%	624	-5.9%
H	Avg. Weight	Lbs.	5.59	5.48	2.01%	5.47	2.19%	5.5	0.3%
I	Chicken Production	Million Lbs.	827.76	814.21	1.66%	908.54	-8.89%	2,561	-5.2%
C	Eggs Set	Million	198.87	201.66	-1.38%	218.88	-9.14%	1,009	-7.1%
K	Chicks Placed	Million Head	166.61	167.19	-0.35%	176.06	-5.37%	838	-5.7%
E	12-City Broiler	Composite	81.37	81.14	0.30%	76.12	6.90%		
N	Georgia Dock Broiler	2.5-3 Lbs.	86.58	86.57	0.00%	76.86	12.60%		
T	Young Turkey Slaughter*	Million Head	4.44	4.33	2.57%	4.76	-6.78%	18.1	-4.3%
U	Avg. Weight	Lbs.	30.37	30.98	-1.97%	30.10	0.90%	30.4	-1.1%
R	Turkey Production	Million Lbs.	134.8	134.1	0.55%	143.3	-5.95%	440	-4.9%
K	Eastern Region Hen	8-16 Lbs.	72.70	72.00	1.00%	75.5	-3.70%		
F	Com, Omaha	\$ per Bushel	3.65	3.65	0.00%	4.80	-24.00%		
E	DDGS, Minnesota	\$ per ton	127.50	132.50	-3.77%	165.00	-22.73%		
E	Wheat, Kansas City	\$ per Bushel	5.47	5.61	-2.50%	11.00	-50.30%		
D	Soybeans, S. Iowa	\$ per Bushel	9.75	9.54	2.20%	12.64	-22.90%		
	SB Meal, 48% Central Illinois	\$ per Ton	321.80	309.70	3.90%	345.20	-6.80%		

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

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E-Livestock Volume	2/6/09	2/5/09	1/30/09
LE (E-Live Cattle):	13005	12519	10694
GF (E-Feeder Cattle):	1640	1384	825
HE (E-Lean Hogs):	8713	13865	9243

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While our discussions this past week focused on meat demand, we thought this Friday edition would be a good time to turn our focus to supplies of beef, pork and chicken. Data for weekly and YTD production are shown in the table at left and charts for the three species as well as broiler egg sets appear on page 2. Note that the YTD percentage change numbers are different because the ones in the table are based on USDA daily data where the figures in the charts are based on weekly data using the same number of full weeks for both 2009 and 2008. The cumulative USDA data for beef and pork can be found at http://www.ams.usda.gov/mnreports/sj_ls712.txt while the cumulative data for broilers and turkey can be found at http://www.ams.usda.gov/mnreports/nw_py017.txt. These data will always differ a bit from the weekly summations. In addition, note that the data for beef and pork represent one more week than do the data for broilers. The beef and pork data in the table and graphs runs through February 7 where the data for chicken run through January 31.

With that said, the clear message so far in 2009 is LOWER ANIMAL PROTEIN PRODUCTION. That is no surprise given what producers went through in 2008 with feed costs. The magnitudes of the cutbacks, though, will perhaps be even more critical than normal this year given the apparent demand challenges that we face. Let's consider each species.

BEEF — Based on weekly data, production is down only fractionally this year with production each of the past three weeks being higher than one year earlier. Dressed weights are contributing to the increase slightly but slaughter has been larger in recent weeks as well. These slaughter totals correspond to cattle placed in July — the last month in which placements exceeded year-earlier levels. August placements were down 2.7% year-over-year so we can expect slaughter levels to decline. But the cattle placed in August were over 18 pounds/head heavier than one year earlier so finished weights may more than offset slaughter declines — at least for a couple of months based on very high placements weights last summer and lower-priced feed. Fed cattle at \$81 cash and losses of \$200/head, though, should be driving some cattle to market earlier. Let's hope so.

PORK — FI hog slaughter has been almost precisely at the levels suggested by the December Hogs and Pigs report. Put that with carcass weights very close to last year's levels and you get production that is about as expected as well. If this report holds, expect hog and pork supplies to fall relative to last year as we progress through the rest of Q1 and Q2. That short Sep-Nov pig crop will begin reaching market weights in late February.

BROILERS — The most dramatic and out-of-character changes are occurring here. Never in our careers have we seen this kind of reduction in broiler supplies. The USDA daily data say -5.7% while the weekly data say -5.2%. Here, too, weights are about constant so the reductions are coming from slaughter numbers and it appears that even lower numbers are on the way. Nearly 200 million (7.1%) fewer broiler eggs were placed in incubators in Q4-2008. Since it takes from 8-11 weeks, depending on slaughter weight, for an egg to result in a market bird, the birds that reached slaughter by January 31 came from eggs set in November or early December. Reductions of roughly 7% have continued through January, so we should expect to see lower slaughter numbers through March/April. The correlation between egg sets and chick placements is not perfect and year/year placement changes have been about 2% less than corresponding egg set changes. Still, 5% LOWER chick placements are an unusual occurrence indeed — and one that appears likely to continue for the foreseeable future.

Figure 1

FI BEEF PRODUCTION, WEEKLY

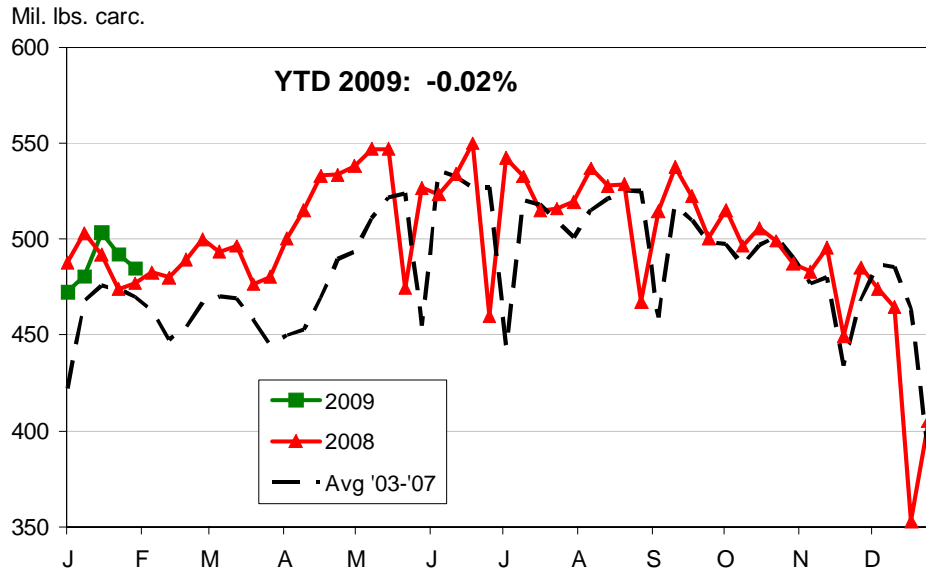


Figure 2

FI PORK PRODUCTION, WEEKLY

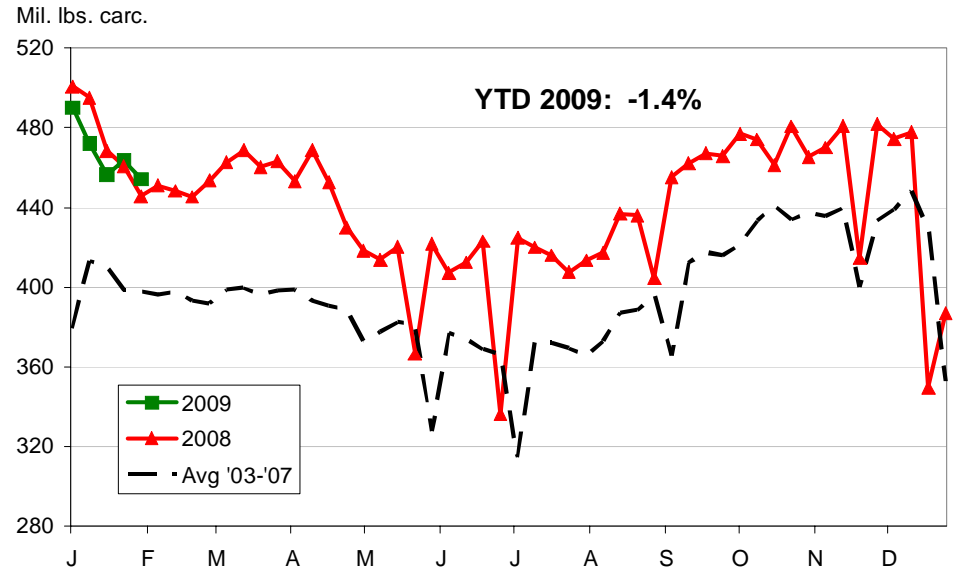


Figure 3

FI BROILER PRODUCTION, WEEKLY

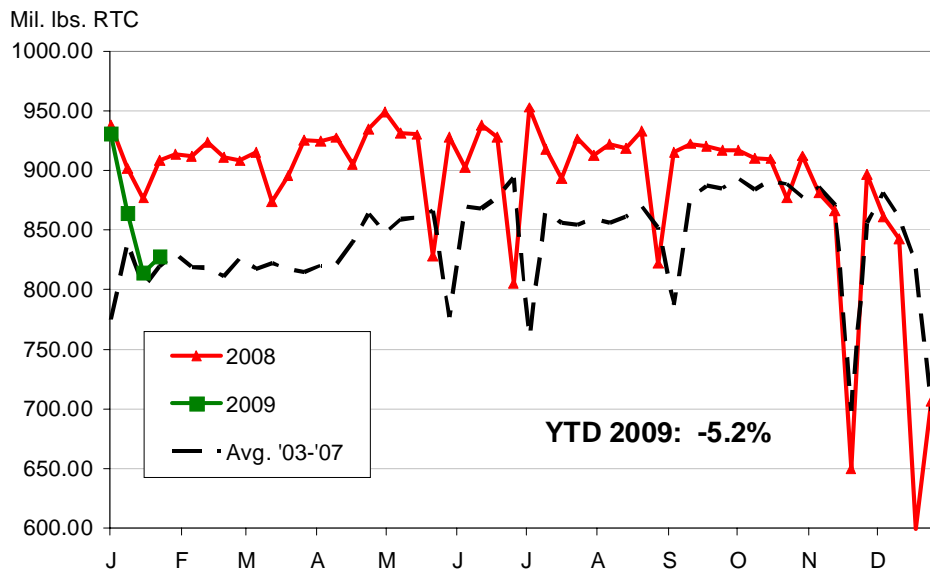


Figure 4

WEEKLY BROILER EGG SETS

