

Daily Livestock Report

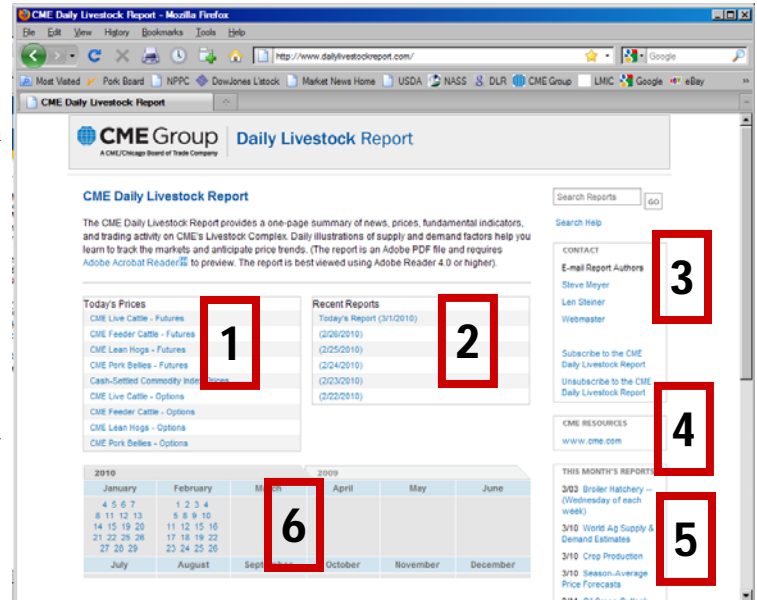
Vol. 8, No. 40/ March 2, 2010

Steve Meyer writes today: As I updated the links to key USDA reports at www.dailylivestockreport.com, it struck me that March could be a very tumultuous month for the markets that we watch and work in. Next week's World Ag Supply and Demand Estimates (WASDE) will provide USDA's latest insights into the South American crop situation and projected world supplies of soybeans and corn. Export performance for January will be released on March 12 and retail prices for meats will be published on March 18. Both of those are key items in measuring the status of meat and livestock demand. The usual monthly estimates of cattle numbers, poultry flock size, poultry slaughter and freezer inventories will be released the third week of the month. The Quarterly Hogs and Pigs report, which we hope will bring some clarity to the pig numbers versus performance debate comes out on March 26 and the month ends with two very important grain supply reports — Prospective Plantings and Grain Stocks — on March 31.

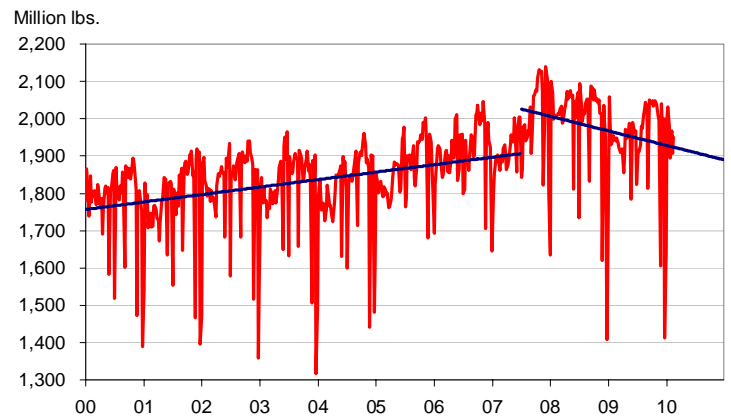
Updating the monthly links also reminded me that some readers may not be familiar with www.dailylivestockreport.com, the Daily Livestock Report website. The home page, which appears at right, provides links to a number of useful sites, including:

1. CME futures and options price quotes for Live Cattle, Feeder Cattle, Lean Hogs and Pork Bellies and the Commodity Index Prices for the cash-settled Feeder Cattle and Lean Hogs contracts.
2. Direct links to the current Daily Livestock Report and the immediate past 5 editions.
3. Direct links for authors Steve Meyer and Len Steiner as well as the site's webmaster, Derrick Sharpe.
4. Convenient Subscribe and Unsubscribe links as well as a link to other CME Group resources.
5. Links to key supply, demand and price reports from USDA.
6. An archive of every Daily Livestock Report ever written. The reports for the current year appear in the home page. Readers can click on the year tabs at the top of this section to move back one year at a time — all the way to 2002 and Volume 1, No. 1 published on September 26 of that year.

Len Steiner and Altin Kalo included the chart to the right in their bi-weekly Meat and Deli Planner this week and I think it provides a useful benchmark for what has happened to the meat and livestock sectors the past 2+ years. After a long period of growth and a surge in total meat and poultry supplies in late 2007 — driven primarily by sharply higher pork production, the result of the control of porcine circovirus and its impact on pig death loss and growth rates — total meat and poultry output has trended steadily lower. The trend lines are regressions simply using time as the independent variable. Nether trend has and acceptable R-square due to the high degree of seasonal variability and low output totals for holiday weeks but the time variables are highly significant and, clearly, have opposite signs. Further, the chart represents total output. Dividing by a growing population to get per capita output would make the recent-year downtrend even more dramatic. Should higher demand materialize from economic recovery and solutions to trade disputes with Russian and China, these lower supplies could fuel higher prices rather quickly.



TOTAL MEAT AND POULTRY PRODUCTION, WEEKLY



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