

Daily Livestock Report

Vol. 8, No. 78/ April 26, 2010

USDA's monthly Cattle On Feed report, released on Friday, indicates lower-than-expected numbers across the board. The table at right includes key data from the report as well as the average of analysts' pre-report estimates. Note the negative numbers in the far-right column indicating that actual report numbers were lower than expected by the analysts surveyed last week by DowJones. The trade is calling the report neutral to bullish with most of the bullishness being in the deferred months.

USDA Cattle on Feed Report Summary --- April 2010

	Thous. Hd.		2010 as Pct. of 2009		
	2009	2010	Actual	Estimate*	Difference
On Feed, April 1	11,162	10,769	96.5	97.1	-0.6
Placed on Feed in March	1,808	1,857	102.7	106.6	-3.9
Fed Cattle Marketed, March	1,824	1,902	104.3	104.9	-0.6

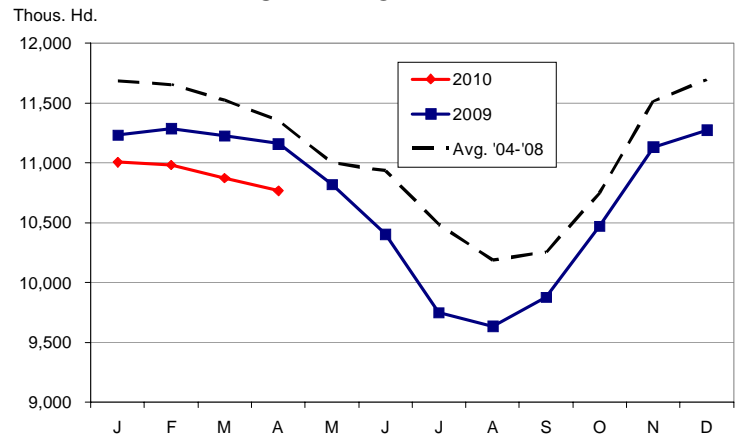
*DowJones Newswire

Source: USDA NASS

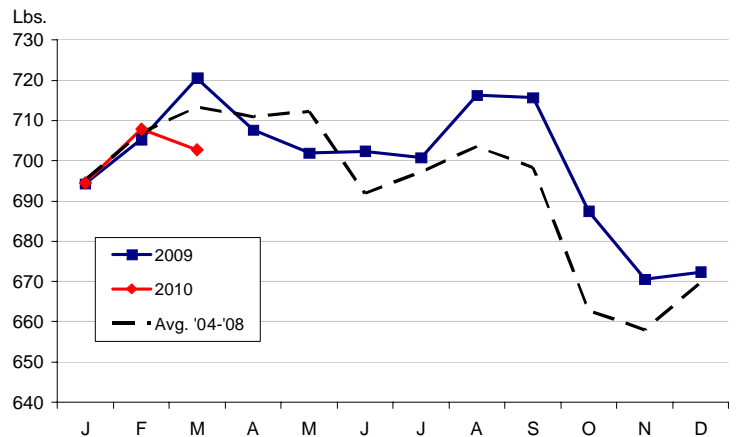
Some highlights of the report are:

- March placements of 1.857 million head were substantially smaller than analysts expected. The number was 2.7% larger than one year ago but analysts had expected March placements to be 6.6% higher than last year due to being able to lock in profits on March-placed cattle and the belief that some cattle did not get placed in January and February due to uncooperative weather conditions. It appears, though, that the 2009 calf crop (the smallest in 60 years!) trumped both of those factors.
- Cattle on feed in feedlots with capacities of 1000 head and more (the only lots covered by this survey and resulting report) numbered 10.769 million head on April 1, 3.5% fewer than last year but only 0.6% fewer than were expected by analysts. This marks the 22nd time in the last 24 months that the number of cattle on feed has been lower than one year before. The only exceptions were October and November of 2009. This year marks the lowest April 1 inventory since 2004 — a number negatively impacted by the December 2003 discovery of BSE in the U.S.
- Sharply lower placement weights when compared to both last year and the '04-'08 average. This year's average, 702.8 lbs., was 10.7 lbs. lower than the 5-year average and nearly 18 lbs. lower than one year ago. In addition, this year marks the first that we could find (our placement weight data go back to 1996) in which the average placement weight in March was lower than that of February. This year's 5.1 lb. decline compares to an average increase of 9.6 lbs. from Feb to March from 1996 through 2009. The decline is likely due to harsh winter weather that slowed gains on wheat pasture and grass. The big driver was a decline of 85,000 head (15%) in the number of cattle weighing 800 pound and over. In addition, placements of cattle weighing under 600 pounds were UP 90,000 head or 29.5% for the month. These weights plus gains of roughly \$6 and \$10/cwt. for yearling steer and steer calf prices, respectively, during March point to a real scramble for feeder cattle — a scramble that is not likely over.

CATTLE ON FEED



COF AVERAGE PLACEMENT WEIGHT



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PRODUCTION AND PRICE SUMMARY

Week Ending **4/24/10**

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change
C	FI Slaughter	Thou. Head	641	636	0.79%	599	6.92%	10,176	1.3%
A	FI Beef Cow Slaughter	Thou. Head	66.3	62.1	6.69%	55.8	18.77%	992	9.7%
T	Avg. Live Weight	Lbs.	1250	1255	-0.40%	1271	-1.65%	1,279	-1.9%
T	Avg. Dressed Weight	Lbs.	762	763	-0.13%	769	-0.91%	769	-2.2%
L	Beef Production	Million Lbs.	486.6	483.5	0.64%	498.3	-2.35%	7,791	-1.0%
E	Live Fed Steer	\$/cwt live wt.	99.31	99.53	-0.20%	87.89	13.00%		
	Dressed Steer	\$/cwt carcass	160.35	159.24	0.70%	142.24	12.70%		
	OKC Feeder Steer	600-700 Lbs.	119.53	121.32	-1.47%	107.83	10.85%		
	Beef Cutout	600-750 Choice	167.81	166.77	0.60%	152.83	9.80%		
	Hide/Offal	\$/cwt live wt.	10.74	10.52	2.00%	5.95	80.50%		
H	FI Slaughter	Thou. Head	2073	2032	2.02%	2137	-3.01%	34,370	-4.4%
O	FI Sow Slaughter	Thou. Head	56.1	56.5	-0.67%	57.4	-2.32%	872	-3.1%
G	Avg. Dressed Weight	Lbs.	204	204	0.00%	204	0.00%	204	-0.3%
S	Pork Production	Million Lbs.	423.3	414.3	2.17%	436.4	-3.00%	6,991	-4.8%
	Iowa-S. Minn. Direct	Avg.	80.91	77.38	4.60%	61.27	32.10%		
	Nat. Base Carcass Price	Weighted Avg.	76.42	73.39	4.10%	61.03	25.20%		
	Nat. Net Carcass Price	Weighted Avg.	79.18	76.04	4.10%	63.13	25.40%		
	Pork Cutout	185 Lbs.	88.51	82.82	6.90%	59.70	48.30%		
C	Young Chicken Slaughter*	Million Head	161.55	160.05	0.94%	155.01	4.22%	2,382	2.8%
H	Avg. Weight	Lbs.	5.60	5.49	2.00%	5.54	1.08%	5.6	1.1%
I	Chicken Production	Million Lbs.	904.69	878.69	2.96%	858.74	5.35%	9,851	3.9%
C	Eggs Set	Million	206.84	208.04	-0.57%	203.82	1.48%	3,278	0.9%
K	Chicks Placed	Million Head	169.48	172.51	-1.76%	166.89	1.55%	2,686	-0.1%
E	12-City Broiler	Composite	81.21	81.59	-0.50%	77.54	4.70%		
N	Georgia Dock Broiler	2.5-3 Lbs.	84.56	84.64	-0.10%	85.05	-0.60%		
T	Young Turkey Slaughter*	Million Head	4.47	4.33	3.07%	4.06	9.97%	64.9	-3.3%
U	Avg. Weight	Lbs.	29.17	29.47	-1.02%	28.32	3.00%	29.9	1.0%
R	Turkey Production	Million Lbs.	130.3	127.7	2.02%	115.0	13.27%	1,554	-2.1%
K	Eastern Region Hen	8-16 Lbs.	86.00	83.68	2.80%	77	11.70%		
F	Corn, Omaha	\$ per Bushel	3.44	3.71	-7.28%	3.67	-6.40%		
E	DDGS, Minnesota	\$ per ton	105.00	87.50	20.00%	117.50	-12.00%		
E	Wheat, Kansas City	\$ per Bushel	4.44	5.56	-20.14%	5.39	-17.63%		
D	Soybeans, S. Iowa	\$ per Bushel	10.07	9.85	2.23%	10.41	-3.20%		
	SB Meal, 48% Central Illinois	\$ per Ton	307.60	294.90	4.31%	332.90	-7.60%		

* 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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