

Daily Livestock Report

U.S. corn producers lost ground last week relative to historical planting progress measures according to this week's Crop Progress report released Monday. Only 15% of the nation's corn acres were planted last week, bringing the year-to-date total to 48%. That compares to 51% reported in the 5/11/2008 report and a 48% value for 5/10/2008 in this week's report. USDA apparently extrapolated that number to account for the different report dates. Our charts at right use the actual data from last year's reports and the actual averages for 2003 through 2008. The average percentage planted by this date for 2003-2008 is 77.4% and this week's figure is only 8% higher than that of 1993, the slowest pace on record. Another week of slow progress could make this year's pace a new record low.

The problem remains wet conditions in the eastern Cornbelt with Illinois, Indiana, Ohio, and Michigan reporting only 10, 11, 22 and 18% of acres planted. Those compare to 5-year averages of 84, 70, 68 and 62%. And these are BIG corn states that accounted for just over 30% of the U.S. crop in 2008. Conditions are much better in the western Cornbelt where planting progress in Iowa, Nebraska and Minnesota is ahead of historical paces. Those three states ranked 1st, 3rd and 4th in corn production in 2008 and accounted for nearly 40% of the total crop.

The same wet conditions are causing delays in soybean planting as well with only 14% of soybean acres planted as of Sunday. That compares to 11% last year and a 5-year average of 31.6%. Here again, western states are at or ahead of "normal" plating pace while the eastern Cornbelt is lagging due to wet conditions. There is still plenty of time to plant soybeans — as long as those eastern fields dry out some.

Hog prices continued to fight their way back toward "pre-flu" levels today with the national afternoon base price for negotiated purchases gaining \$2.13/cwt carcass to reach \$58.29/cwt. Those numbers may not exactly match the figures for the entire day (which will be published in tomorrow morning's Prior Day Purchased Swine Report — USDA report LM-HG-200) but they will not likely be far off. If so, negotiated hog prices are back within \$3/cwt of their level on April 24 when the H1N1 virus scare broke. The same would be true of the weighted average over all pricing methods. With slaughter levels expected to remain near 2 million head per week, further strength is very likely given pork's price advantage over other meats and still-recovering wholesale pork and hog demand.

So how much damage was done? Using daily weighted average prices for all pricing methods, daily average slaughter weights for all producer-sold hogs and estimated daily slaughter totals for April 27 through May 8, the reduction in producers' sales revenues is \$39.2 million relative to the value of hogs on April 24. That figure assumes that prices would have remained constant when most observers expected the seasonal rally that began — and ended — with a \$4/cwt increase the week of April 25 to continue. If average prices would have increased by \$3/cwt in each of the past two weeks, producers would have realized another \$24.3 million in revenues. So, the real reduction in producers' bottom lines is over \$63 million — and counting.

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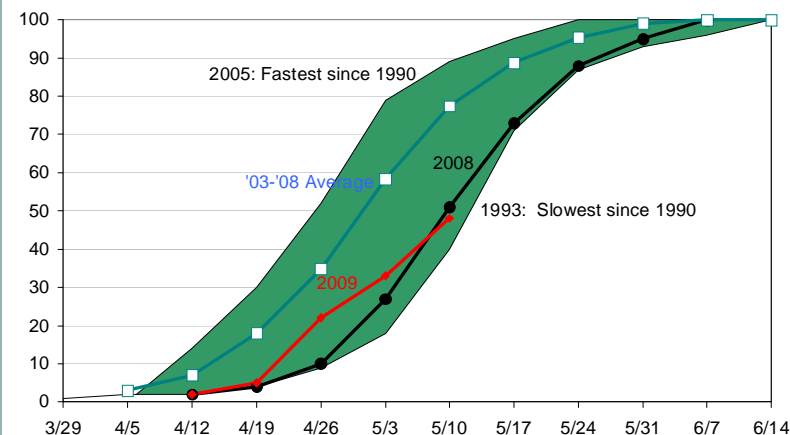
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| E-Livestock Volume | 5/11/09 | 5/8/09 | 5/4/09 |
|-----------------------|---------|--------|--------|
| LE (E-Live Cattle): | 17,340 | 20,815 | 8,696 |
| GF (E-Feeder Cattle): | 1,584 | 1,311 | 1,107 |
| HE (E-Lean Hogs): | 18,101 | 20,336 | 19,351 |

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CORN CROP PROGRESS

Percent Planted, 18 States



SOYBEAN CROP PROGRESS

Acres Planted, 18 States

