

## Daily Livestock Report

E-Livestock Volume	6/26/09	6/25/09	6/19/09
LE (E-Live Cattle):	9,035	8,573	10,534
GF (E-Feeder Cattle):	563	580	1,324
HE (E-Lean Hogs):	13,276	13,057	18,137

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Please see the announcement on page 2 regarding expanded Globex trading hours for grains, oilseed and ethanol. They will be effective July 1.

USDA's quarterly Hogs and Pigs Report, released on Friday brought few surprises with most numbers being quite close to the averages of analysts' pre-report estimates. The table on page 2 shows the key numbers from Friday's reports as well as data from last June, analysts' pre-report percent-of-year-ago estimates and the difference between the actual and actual percentages. As you can see, the inventory and farrowing intentions are very close to pre-report estimates with the exception of the number of market pigs weighing 180-lbs and over. Because of the small differences, it is very likely that CME Lean Hogs futures contracts have already incorporated the forward-looking information - ie. the inventories of pigs weighing less than 179 pounds and the farrowings and farrowing intentions. Many of the animals in the 180-lb. and over category have already gone to slaughter, though, so this number is a bit of a litmus test on the report. And the number this quarter is very, very close to actual slaughter after adjusting for this year's lower imports of Canadian market hogs.

The two numbers in the report that could be worrisome are the kept for breeding number (down 2.7% from last year) and the March-May pigs saved per litter (+2.5% from last year). The first is relatively close to the expected level but neither of the actual figure nor the expected number indicate that U.S. producers had, AS OF JUNE 1, made a substantial reduction in the size of the breeding herd. Combine that number with another record quarter for average litter size and the March-May pig crop is almost as large as last year, meaning that the only substantive change in September-November slaughter will be the expected lower number pigs that will be imported from Canada. But that is nothing new. Lower imports of Canadian feeder pigs are the primary reason for the smaller market herd on June 1. The U.S. pig crop for December 2008 through May was only 0.4% lower than one year ago. The remainder of the 1.9% decline in market animals was due to smaller feeder/weaner pig numbers coming from Canada.

And the pace of that decline will almost certainly increase this year as Canadian producers again face the double-impact of poor pork production economics and a Canadian dollar that had, as of June 5, gained about 15% relative to the U.S. dollar since mid-March. The Canadian dollar has lost about half of that gain in the past three weeks but it is still strong enough to add to the economic woes of Canadian producers.

"AS OF JUNE 1" is, of course, an important qualifier two paragraphs above. Much has changed, at least in terms of market psychology, since that date. While producers were already dealing with higher feed costs and the shock of H1N1 influenza prior to June 1, there was still some hope that both would be somewhat temporary. Those feelings waned seriously after June 1 when the cash hog market continued to eschew any semblance of a rally and CME Lean Hogs futures declined by \$3 to \$7/cwt. over a 10 day period. Sow slaughter increased from just less than 60,000 head per week before Memorial Day to nearly 65,000 head the week of June 13.

### PRODUCTION AND PRICE SUMMARY

Item	Units	Week Ending 6/27/2009							
		Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change	
C FI Slaughter	Thou. Head	673	675	-0.30%	713	-5.61%	16,041	-5.2%	
A FI Beef Cow Slaughter	Thou. Head	58.8	62.8	-6.44%	69.2	-15.04%	1,453	-7.6%	
T Avg. Live Weight	Lbs.	1271	1269	0.16%	1268	0.24%	1,291	1.4%	
T Avg. Dressed Weight	Lbs.	769	770	-0.13%	772	-0.39%	780	1.2%	
L Beef Production	Million Lbs.	516.2	517.7	-0.29%	550	-6.15%	12,465	-4.0%	
E Live Fed Steer	\$/cwt live wt.	80.74	81.73	-1.20%	98.28	-17.80%			
Dressed Steer	\$/cwt carcass	129.61	129.88	-0.20%	154.72	-16.20%			
OKC Feeder Steer	600-700 Lbs.	103.09	102.40	0.68%	114.52	-9.98%			
Beef Cutout	600-750 Choice	139.71	140.00	-0.20%	164.25	-14.90%			
Hide/Offal	\$/cwt live wt.	7.23	7.36	0.80%	11.40	-36.60%			
H FI Slaughter	Thou. Head	2032	2062	-1.45%	2140	-5.04%	54,255	-4.2%	
O FI Sow Slaughter	Thou. Head	64.9	61.0	6.34%	69.3	-6.35%	1,432	-11.7%	
G Avg. Dressed Weight	Lbs.	203	202	0.50%	198	2.53%	204	0.8%	
S Pork Production	Million Lbs.	412	418.4	-1.53%	423.1	-2.62%	11,060	-3.4%	
Iowa-S. Minn. Direct	Avg.	57.23	56.77	0.80%	73.79	-22.40%			
Natl. Base Carcass Price	Weighted Avg.	59.29	58.94	0.60%	73.66	-19.50%			
Natl. Net Carcass Price	Weighted Avg.	61.45	61.07	0.60%	76.22	-19.40%			
Pork Cutout	185 Lbs.	54.85	56.26	-2.50%	79.77	-31.20%			
C Young Chicken Slaughter*	Million Head	160.50	160.46	0.02%	166.93	-3.85%	3,739	-5.8%	
H Avg. Weight	Lbs.	5.43	5.52	-1.63%	5.62	-3.38%	5.5	-0.4%	
I Chicken Production	Million Lbs.	871.49	885.73	-1.61%	938.15	-7.11%	15,318	-6.1%	
C Eggs Set	Million	202.50	203.49	-0.49%	213.18	-5.01%	5,070	-6.8%	
K Chicks Placed	Million Head	170.64	170.58	0.03%	179.58	-4.98%	4,203	-5.9%	
E 12-City Broiler	Composite	85.12	86.15	-1.20%	82.39	3.30%			
N Georgia Dock Broiler	2.5-3 Lbs.	88.01	87.8	0.20%	84.28	4.40%			
T Young Turkey Slaughter*	Million Head	4.79	4.91	-2.28%	4.84	-1.03%	108.4	-5.1%	
U Avg. Weight	Lbs.	27.68	28.28	-2.12%	29.04	-4.68%	29.3	-0.9%	
R Turkey Production	Million Lbs.	132.7	138.7	-4.36%	140.7	-5.67%	2,520	-5.6%	
K Eastern Region Hen	8-16 Lbs.	84.00	82.25	2.10%	91.65	-8.30%			
F Corn, Omaha	\$/ per Bushel	3.62	3.74	-3.20%	7.16	-49.40%			
E DDGS, Minnesota	\$/ per ton	126.50	141.50	-10.60%	187.50	-32.53%			
E Wheat, Kansas City	\$/ per Bushel	5.73	6.00	-4.50%	9.00	-36.30%			
D Soybeans, S. Iowa	\$/ per Bushel	12.16	11.86	2.50%	15.37	-20.90%			
SB Meal, 48% Central Illinois	\$/ per Ton	415.30	423.90	-2.00%	422.20	-1.60%			

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

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**EXPENDED GLOBEX TRADING HOURS FOR GRAINS, OILSEEDS AND ETHANOL**

Effective Wednesday, July 1, 2009, CME Group will expand the Globex trading hours of CBOT grains, oilseeds and ethanol. In addition, the expansion of trading hours will apply to KCBT Wheat and MGEX Spring Wheat futures and options (MGEX Indices hours will not change). The new ETH hours will run from 6:00 p.m. to 7:15 a.m. Central time Sunday through Friday for futures and options on futures for full and mini-sized where offered. RTH hours will remain 9:30 a.m. to 1:15 p.m. weekdays. Exceptions: MGEX Spring Wheat Futures and Options close at 1:30 p.m. and CBOT mini-sized grain contracts close at 1:45 p.m.

If you have any questions, please contact the CME Globex Control Center at 312-456-2391 or in Europe at 44-207-623-4708.

**USDA Quarterly Hogs and Pigs Report**

June 26, 2009

Category	2008	2009	2009 as Pct of 2008	Pre-Report Estimates	Actual - Estimate
Inventories on June 1 <sup>1</sup>					
All hogs and pigs	67,400	66,079	98.0	98.1	-0.1
Kept for breeding	6,131	5,967	<b>97.3</b>	97.6	<b>-0.3</b>
Kept for market	61,269	60,112	98.1	98.0	0.1
Under 60 lbs.	22,197	21,673	97.6	98.2	-0.6
60-119 lbs.	15,321	15,008	98.0	97.7	0.3
120-179 lbs.	12,892	12,584	97.6	97.7	-0.1
180 lbs. and over	10,860	10,847	<b>99.9</b>	98.6	1.3
Farrowings <sup>2</sup>					
Mar-May sows farrowed	3,052	2,971	<b>97.3</b>	97.3	0.0
June-Aug Intentions	3,075	2,974	96.7	96.7	0.0
Sep-Nov Intentions	3,028	2,962	97.8	97.5	<b>0.3</b>
Mar-May Pig Crop <sup>1</sup>	28,630	28,547	<b>99.7</b>	99.1	0.6
Mar-May pigs saved per litter	9.38	9.61	<b>102.5</b>	101.8	<b>0.7</b>

<sup>1</sup>Thousand head<sup>2</sup>Thousand litters