

Daily Livestock Report

Vol. 8, No. 126/ June 30, 2010

USDA'S much-anticipated Acreage and Grain Stocks reports will be released this morning. We included the average estimates for corn and soybean acreages yesterday. But did not have space to mention the pre-report stocks estimates. The surveyed analysts expect corn stocks to be 4.613 billion bushels, 352 million higher than one year ago. But they expect soybean stocks to be only 592 million bushels — LOWER than last year's 596 million. Projected year-end world soybean stocks are, of course, much higher this year but the domestic supply situation is still tight as we approach the end of the crop year.

With the world's focus on South Africa and the World Cup Soccer (or Football of Football, take your pick) tournament — yes, even we Americans notice! — we thought it would be fitting today to look at some worldwide production figures for the major meat species. The pie charts at right show world production shares for beef and pork in 2010 as estimated by USDA's Foreign Ag Service. Tables on page 2 show these same data plus information for 2009 and year-on-year percentage changes for both animal and meat output — two very different items, especially for beef.

Of the top 10 beef producing countries, the U.S. holds a 25% market share for 2010. Brazil, EU-27, China and Argentina fill out the top 5 for beef producing countries. Interestingly, Canada does not appear in the top 10 for either cattle or beef production, ranking 11th for both. FAS says Brazil's beef output this year will be 4.1% larger than in 2009. Only three other countries in the top 10 — India, Mexico and Pakistan — will see higher beef production this year according to FAS.

Seeing India in that list may be a surprise to some readers but, as the table shows, India produces more CATTLE than any other country. Brazil ranks second on both the cattle and beef lists while China ranks third in cattle production and fourth in beef production — perhaps another surprise. But always remember that any number from China is pretty mind-boggling.

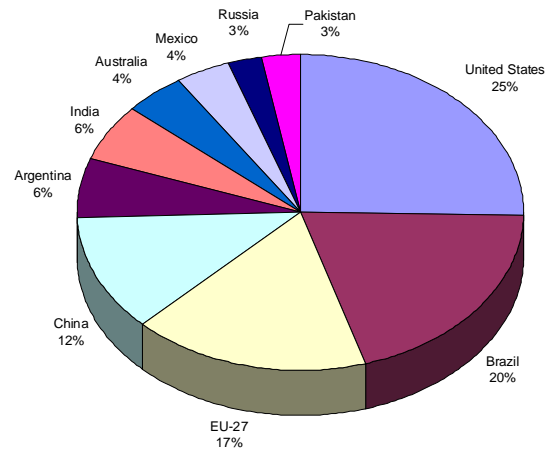
Note that Australia's forecast 2010 beef production is DOWN 1.2% from 2009 but its cattle production figure is UP 10.3% as it recovers from liquidations forced by often-severe drought conditions in recent years.

On the pork side, China simply dominates any world rankings or comparisons. That country will produce 25% more pigs and 13% more pork this year than the rest of the top 10 countries COMBINED. The pig and pork outputs of only Brazil will grow more rapidly than that of China this year but reports of continued losses and supply management efforts by the Chinese government indicate that this growth rate is not likely sustainable.

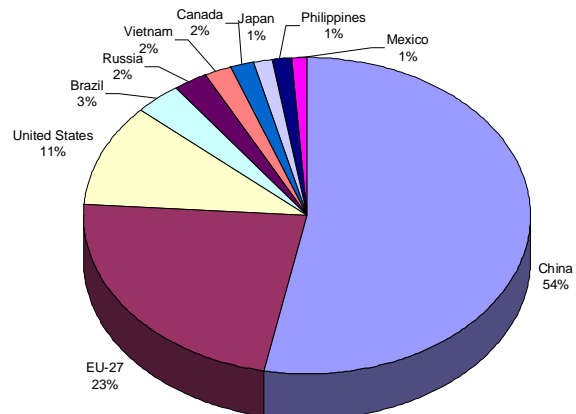
We think FAS's forecasts for output growth in Russia are important for the long term and are also revealing regarding Russia's actions this past year to block imports from the U.S. While the stated reason for import barriers was alleged tetracycline residues, Russia's clearly-stated desire to become self-sufficient and the need to protect the domestic industry was more likely the chief driver of those actions.

The largest decline in hog output (-4.3%) and second largest decline in pork output (-2.8%) from 2009 to 2010 belongs to Canada. The primary drive of the difference in those numbers is lower exports of pigs to the U.S. Roughly 5.5 million head will come south this year versus 6.36 million in 2009.

TOP 10 BEEF PRODUCING COUNTRIES



TOP 10 PORK PRODUCING COUNTRIES



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TOP 10 CATTLE AND BEEF PRODUCING COUNTRIES

CATTLE PRODUCTION (1000 Head)				BEEF PRODUCTION (1000 MT CWE)			
Country	2009	2010	% Chg	Country	2009	2010	% Chg
1 India	57,960	58,300	0.6%	United States	11,889	11,789	-0.8%
2 Brazil	49,150	49,400	0.5%	Brazil	8,935	9,300	4.1%
3 China	42,572	41,000	-3.7%	EU-27	7,970	7,920	-0.6%
4 United States	35,819	35,300	-1.4%	China	5,764	5,550	-3.7%
5 EU-27	30,400	30,150	-0.8%	Argentina	3,400	2,800	-17.6%
6 Argentina	12,300	13,200	7.3%	India	2,610	2,760	5.7%
7 Australia	9,213	10,158	10.3%	Australia	2,100	2,075	-1.2%
8 Russia	7,010	6,970	-0.6%	Mexico	1,700	1,735	2.1%
9 Mexico	6,775	6,797	0.3%	Russia	1,285	1,260	-1.9%
10 Colombia	5,675	5,675	0.0%	Pakistan	1,226	1,250	2.0%

TOP 10 HOG AND PORK PRODUCING COUNTRIES

HOG PRODUCTION (1000 Hd.)				PORK PRODUCTION (1000 MT CWE)			
Country	2009	2010	% Chg	Country	2009	2010	% Chg
1 China	651,682	668,500	2.6%	China	48,890	50,600	3.5%
2 EU-27	254,500	256,000	0.6%	EU-27	22,060	22,000	-0.3%
3 United States	115,115	113,278	-1.6%	United States	10,439	10,138	-2.9%
4 Russia	43,300	44,750	3.3%	Brazil	3,130	3,250	3.8%
5 Brazil	35,890	37,265	3.8%	Russia	2,200	2,250	2.3%
6 Canada	29,151	27,900	-4.3%	Vietnam	1,850	1,850	0.0%
7 Japan	17,700	17,500	-1.1%	Canada	1,790	1,740	-2.8%
8 Mexico	15,966	16,007	0.3%	Japan	1,310	1,300	-0.8%
9 Korea, South	14,916	15,079	1.1%	Philippines	1,225	1,225	0.0%
10 Ukraine	6,600	7,000	6.1%	Mexico	1,162	1,166	0.3%

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