

Daily Livestock Report

Vol. 8, No. 143, July 26, 2010

USDA's semi-annual Cattle (or Cattle Inventory) and monthly Cattle On Feed reports, released on Friday indicated, with only a few exceptions, cattle numbers very close to that averages of analysts' pre-report estimates. The data from the Cattle report appear in the table below while the data for Cattle on Feed are in the table at the top of page 2. We believe the reports are neutral for cattle and beef markets and underscore the continuing down-sizing of the U.S. beef industry. Some highlights of the two reports are:

- Total cattle and calves at 100.80 million head, 1.2% lower than one year ago and precisely the level that analysts, on average, expected. That number is the smallest on record for July 1 and is smaller than all January 1 inventories since 1963.
- Beef cows and heifers that have calved (we aren't sure how a heifer could have already calved since a heifer, by definition, has yet to have a calve but . . .) numbered 31.7 million head on July 1, again right on the average of the analysts' pre-report estimates at 98.6% of 2009. This number, too, is the smallest July 1 number on record and smaller than any January 1 inventory since 1963. It is in line with beef cow slaughter that is up 12.7% thus far in 2010 — a pattern that, if anything, appears to be accelerating in spite of almost universally good pasture conditions. 4 of 8 non-holiday weeks since May 1 have seen beef cow slaughter over 20% higher than one year earlier. And the other non-holiday weeks in that span saw beef cow slaughter over 13% higher than last year.
- A 2010 calf crop of 35.4 million head, 1.2% smaller than that of 2009. That number was only 0.1% smaller than the average pre-report estimate. The 35.4 million head would break last year's record as the smallest since 1950.
- The number of beef heifers weighing 500 lbs. and over was 0.1% lower than last year but the number of dairy heifers weighing 500 lbs. and over was up 2.4%. It is hard to buy out enough dairy cows to reduce the herd if producers simply keep back heifers at that pace. It looks like there will be enough dairy cows to support some more buyouts, though.
- The stock of beef heifers, steers and bulls weighing 500 lbs. or more (excluding beef heifers being kept for replacements) was 0.8% smaller than last year while the inventory of calves weighing 500 lbs. and less (generally this spring's calf crop) was down 1.4%. Those numbers suggest lower year-on-year placements for the immediate future.
- There were 10.07 million head of cattle in U.S. feedlots with capacities of 1000 head and more on July 1, 3.3% more than last year and, again, precisely the number expected, on average, by the surveyed analysts. This is the second straight month that inventories have been larger than one year earlier following a long string of inventories that were lower than one year before.
- The inventory number was driven by sharply larger placements versus one year ago — up 17% from last year. But, as we have pointed out, that increase is more a function of very low 2009 placements than an unusual surge in 2010. In fact, monthly placements for May and June were 4.2% and 4.7% LOWER than the 5-year average for those months.

USDA Cattle Inventory -- July 2010

Category	Pre-Report Estimates*		Actual			Difference
	Range	Average	2009	2010	Pct of '09	
	Percent of Prev Year		Thousand Head			
All cattle and calves	98.2 - 99.2	98.8	102,000	100,800	98.8	0.0
Total Cows/heifers that have calved	98.3 - 98.8	98.6	41,400	40,800	98.6	0.0
Beef cows/heifers that have calved	98.4 - 98.8	98.6	32,200	31,700	98.4	-0.2
Dairy cows/heifers that have calved	97.8 - 99.5	98.5	9,200	9,100	98.9	0.4
Heifers 500 pounds and over	97.8 - 100.6	99.3	16,200	16,100	99.4	0.1
Beef replacement heifers	97.7 - 98.4	97.9	4,500	4,400	97.8	-0.1
Dairy replacement heifers	98.7 - 101.7	100.1	3,950	4,050	102.5	2.4
Other heifers	96.8 - 102.6	99.8	7,750	7,650	98.7	-1.1
Steers 500 pounds & over	97.9 - 99.3	98.5	14,400	14,300	99.3	0.8
Bulls 500 pounds & overs	97.6 - 100.1	99.1	2,100	2,100	100.0	0.9
Calves under 500 pounds	98.2 - 99.6	99.1	27,900	27,500	98.6	-0.5
Annual calf crop	98.3 - 99.8	98.9	35,819	35,400	98.8	-0.1

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USDA Cattle on Feed Report Summary --- July 2010

	Thous. Hd.		2010 as Pct. of 2009		
	2009	2010	Actual	Estimate*	Difference
On Feed, July 1	9,752	10,070	103.3	103.3	0.0
Placed on Feed in June	1,391	1,628	117.0	120.3	-3.3
Fed Cattle Marketed, June	1,989	1,997	100.4	101.7	-1.3

*DowJones Newswire

Source: USDA NASS

PRODUCTION AND PRICE SUMMARY

Week Ending 7/24/2010

Item	Units	Current		Pct. Change	Last Year		Pct. Change	YTD	Pct. Change	Last 52 Weeks	Pct. Change
		Week	Last Week		Last Year	Last Year					
C FI Slaughter	Thou. Head	666	666	0.00%	634	634	5.08%	18,115	1.0%	530	-311.6%
A FI Beef Cow Slaughter	Thou. Head	58.5	67.9	-13.88%	61.6	61.6	-5.03%	1,897	13.0%		
T Avg. Live Weight	Lbs.	1281	1270	0.87%	1285	1285	-0.31%	1,271	-1.5%	1,296	0.2%
T Avg. Dressed Weight	Lbs.	770	767	0.39%	782	782	-1.53%	765	-2.0%	784	0.1%
L Beef Production	Million Lbs.	511.5	509.1	0.47%	484.2	484.2	5.64%	13,799	-1.0%	412	2228.8%
E Live Fed Steer	\$/cwt live wt.	91.04	90.99	0.10%	82.81	82.81	9.90%				
Dressed Steer	\$/cwt carcass	145.57	146.08	-0.30%	131.00	131.00	11.10%				
OKC Feeder Steer	600-700 Lbs.	114.73	118.29	-3.01%	106.15	106.15	8.08%				
Beef Cutout	600-750 Choice	155.32	154.50	0.50%	138.75	138.75	11.90%				
Hide/Offal	\$/cwt live wt.	10.84	10.64	2.20%	7.20	7.20	50.60%				
H FI Slaughter	Thou. Head	1961	2002	-2.05%	2029	2029	-3.34%	57,715	-3.9%	1,914	1693.3%
O FI Sow Slaughter	Thou. Head	51.9	54.1	-4.01%	61.5	61.5	-15.59%	1,577	-6.5%		
G Avg. Dressed Weight	Lbs.	202	202	0.00%	201	201	0.50%	203	0.1%	203	0.5%
S Pork Production	Million Lbs.	395.4	404.1	-2.15%	407.1	407.1	-2.87%	11,733	-3.9%	387	103.2%
Iowa-S. Minn. Direct	Avg.	76.50	77.64	-1.50%	57.67	57.67	32.70%				
Natl. Base Carcass Price	Weighted Avg.	77.12	76.99	0.20%	59.06	59.06	30.60%				
Natl. Net Carcass Price	Weighted Avg.	79.77	79.71	0.10%	61.32	61.32	30.10%				
Pork Cutout	185 Lbs.	82.56	84.08	-1.80%	54.65	54.65	51.10%				
C Young Chicken Slaughter*	Million Head	163.02	144.99	12.44%	160.68	160.68	1.46%	4,312	2.4%	130	-198.6%
H Avg. Weight	Lbs.	5.55	5.53	0.36%	5.43	5.43	2.21%	5.6	1.5%	6	0.3%
I Chicken Production	Million Lbs.	904.78	801.79	12.85%	872.50	872.50	3.70%	17,908	3.8%	742	-186.2%
C Eggs Set	Million	209.19	206.07	1.51%	204.58	204.58	2.25%	6,000	1.6%	203	-217.8%
K Chicks Placed	Million Head	174.05	173.30	0.43%	168.47	168.47	3.31%	4,934	0.7%	169	-269.2%
E 12-City Broiler	Composite	87.71	85.41	2.70%	86.00	86.00	2.00%				
N Georgia Dock Broiler	2.5-3 Lbs.	86.92	86.59	0.40%	88.12	88.12	-1.40%				
T Young Turkey Slaughter*	Million Head	4.61	3.89	18.28%	4.54	4.54	1.57%	116.4	-4.5%	122	-178.0%
U Avg. Weight	Lbs.	28.86	29.13	-0.93%	28.73	28.73	0.45%	29.7	2.1%	29	-13.8%
R Turkey Production	Million Lbs.	132.9	113.4	17.19%	130.3	130.3	2.03%	2,773	-1.9%	98	-167.2%
K Eastern Region Hen	8-16 Lbs.	92.04	92.33	-0.30%	79.5	79.5	15.80%				
F Corn, Omaha	\$ per Bushel	3.43	3.59	-4.46%	3.09	3.09	11.18%				
E DDGS, Minnesota	\$ per ton	96.00	96.00	0.00%	79.00	79.00	21.52%				
E Wheat, Kansas City	\$ per Bushel	4.39	4.09	7.33%	NQ	NQ	#VALUE!				
D Soybeans, S. Iowa	\$ per Bushel	9.68	9.81	-1.33%	12.50	12.50	-22.60%				
SB Meal, 48% Central Illinois	\$ per Ton	312.00	308.60	1.10%	429.70	429.70	-27.40%				

* 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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