Daily Livestock Report

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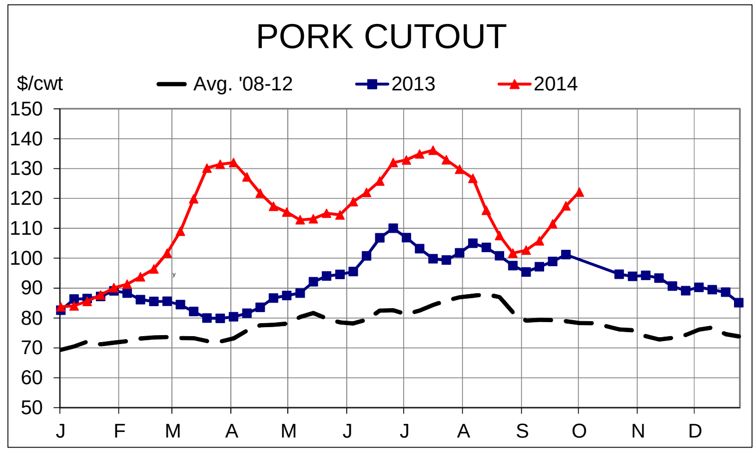
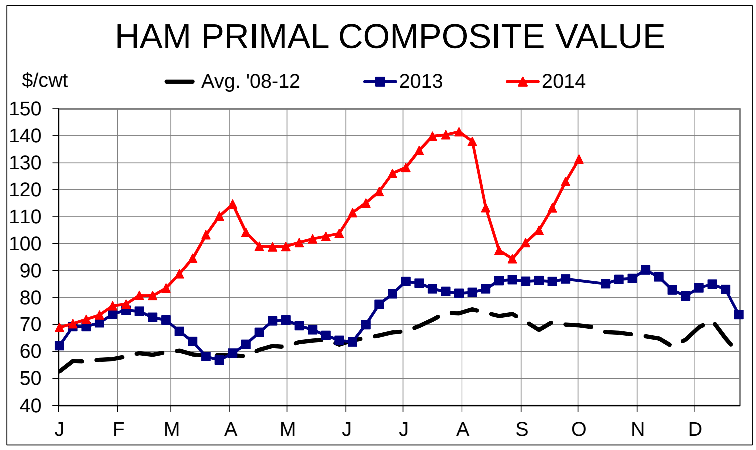
An update on the lack of reported trades in the negotiated (spot) cattle markets for Texas and Oklahoma. The lack of the noted prices in USDA's weekly report for September 27 had nothing to do with confidentiality criteria. THERE WERE NO NEGOTIATED CATTLE TRADES in that market during that week. Recall that we had speculated that the lack of a published number was due to too few trades or too few buyers reporting trades. We guess that is true since there were zero trades and zero buyers. You can't get fewer than that, we suppose.

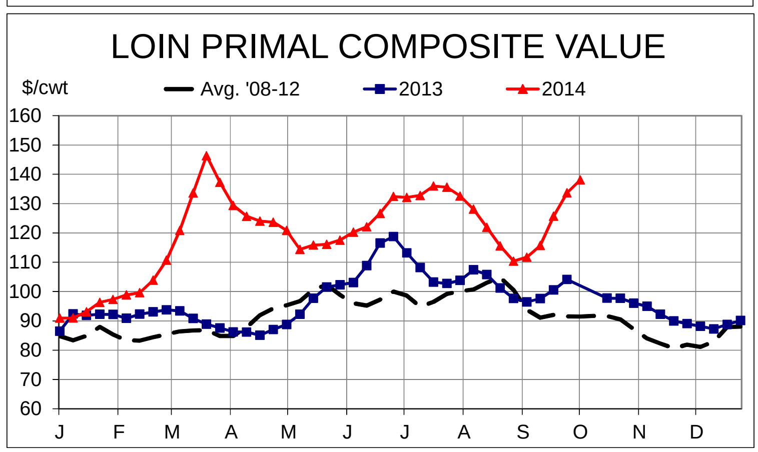
Also note in our Production and Price Summary table that the time period for no year-on-year price comparisons has arrived. It was once year ago that the government shutdown forced USDA's Livestock Market News to close up shop for three weeks. The agency was able to backfill some of those missed data but could not parse out daily or weekly data for most cattle and hogs from the lumps of data submitted when LMN's operations resumed the week that ended October 25, 2013. Note that there is a price for OKC feeders in our table because that auction occurred early in the week that ended October 4, 2013. Even that price will be missing from our tables the next two week.

Last week saw the remarkable counter-seasonal move of pork prices continue with USDA's estimated cutout value gaining $4.65 to reach $122.13, its highest level since early August. The cutout value has gained over $20/cwt. in just five weeks. What is more remarkable is that the five weeks from late August to early October is normally a period in which the cutout value slides on seasonally larger slaughter. Hog slaughter has grown since early August but a) started that increase at a very low PEDv-induced level and b) has increased less than normal (11.8% vs. 13.3%) over than time period. Perhaps more important this year, though, is the fact that average slaughter weights have not increase nearly as quickly as normal or as they did one year ago. Over the period 2009-2013, the average dressed weight for all hogs increased from 200.4 lbs. the first week of August to 204.4 the first week of October. This year, that weight has DECLINED one pound (213 to 212). Producer-sold barrows and gilts normally go from 200.9 to 204.0 pounds during that period. This year? 214.0 to 213.0. Weights had made up for 5%-plus of the PEDv slaughter reductions since May. They made up for only 2.4% of the 5.8% year-on-year slaughter reduction last week. And while supply is one driver of the rally, we must remember that last week's cutout ($122.13) was 12.8% higher than the last pre-shutdown value we had for last year. A price increase of that magnitude on 3.2% less product, year-on-year, suggests a resurgence of demand as well.

Virtually every pork cut — even bellies — has played some part in this rally but none to the degree of hams, whose primal composite value has surged by 39% since the end of August. Just as with the cutout value, we are normally on the back side of seasonal strength for hams at this point. And loins have played an unusually large, and also counter-seasonal, role in this surge. The loin primal composite posted its second-highest value of the year last week at $138.06, up $27.70 in five weeks!







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PRODUCTION AND PRICE SUMMARY

Week Ending 10/4/14

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change
	Total Meat & Poultry Prod.	**Million lbs.**	**1737.7**	**1722.5**	**0.88%**	**1735.6**	**0.12%**	**65,664**	**-2.24%**
C	FI Slaughter	Thou. Head	582	572	1.75%	639	-8.93%	22,827	-7.09%
A	FI Cow Slaughter	Thou. Head	102.8	98.6	4.26%	118.1	-12.97%	3,927	-13.98%
T	Avg. Live Weight	Lbs.	1353	1349	0.30%	1325	2.11%	1,324	1.04%
T	Avg. Dressed Weight	Lbs.	820	819	0.12%	803	2.12%	802	1.01%
L	Beef Production	Million Lbs.	476.4	467.3	1.95%	512.3	-7.01%	18,277	-6.09%
E	Live Fed Steer	$/cwt live wt.	159.98	156.75	2.10%	NQ	#VALUE!		
	Dressed Steer	$/cwt carcass	252.00	245.78	2.53%	NQ	#VALUE!		
&	OKC Feeder Steer	700-800 Lbs.	240.07	236.29	1.60%	164.08	46.32%		
	Beef Cutout	600-900 Choice	238.19	239.62	-0.60%	NQ	#VALUE!		
B	Hide/Offal	$/cwt live wt.	16.42	16.47	-0.30%	NQ	#VALUE!		
E	Rib	Choice	336.99	337.14	-0.04%	NQ	#VALUE!		
E	Round	Choice	221.56	221.47	0.04%	NQ	#VALUE!		
F	Chuck	Choice	214.17	214.28	-0.05%	NQ	#VALUE!		
	Trimmings, 50%	Fresh	103.85	107.67	-3.55%	NQ	#VALUE!		
	Trimmings, 90%	Fresh	296.01	298.32	-0.77%	NQ	#VALUE!		
H	FI Slaughter	Thou. Head	2090	2095	-0.24%	2219	-5.82%	78,987	-5.34%
O	FI Sow Slaughter	Thou. Head	55.2	56.0	-1.56%	58.0	-4.89%	1,990	-6.11%
G	Avg. Dressed Weight	Lbs.	212	212	0.00%	207	2.42%	214	3.87%
S	Pork Production	Million Lbs.	443.4	443.7	-0.07%	458.2	-3.23%	16,885	-1.65%
	Iowa-S. Minn. Direct	Avg.	108.66	107.73	0.86%	NQ	#VALUE!		
&	Natl. Base Carcass Price	Weighted Avg.	105.29	103.43	1.80%	NQ	#VALUE!		
	Natl. Net Carcass Price	Weighted Avg.	107.37	105.62	1.66%	NQ	#VALUE!		
P	Pork Cutout	200 Lbs	122.13	117.48	3.96%	NQ	#VALUE!		
O	Hams	Primal Cutout	131.36	123.06	6.74%	NQ	#VALUE!		
R	Loins	Primal Cutout	138.06	133.65	3.30%	NQ	#VALUE!		
K	Trimmings, 72% Lean	Fresh	110.72	103.19	7.30%	NQ	#VALUE!		
	Bellies	Primal Cutout	117.63	110.75	6.21%	NQ	#VALUE!		
C	Young Chicken Slaughter*	Million Head	157.57	157.34	0.15%	157.04	0.34%	591	-90.15%
H	Avg. Weight	Lbs., RTC	4.47	4.46	0.33%	4.29	4.17%	4.3	0.66%
I	Broiler Production	Million Lbs., RTC	704.3	701.0	0.48%	673.9	4.52%	26,507	0.24%
C	Eggs Set	Million	201.5	196.3	2.66%	196.8	2.39%	7,918	1.24%
K	Chicks Placed	Million Head	164.8	167.1	-1.39%	161.4	2.10%	6,477	0.00%
E	National Composite Broiler	Composite	108.33	109.04	-0.70%	NQ	NA		
N	Georgia Dock Broiler	2.5-3 Lbs.	112.97	112.4	0.50%	NQ	NA		
	Northeast Breast	Skinlss/Bonelss	191.82	192.33	-0.30%	NQ	NA		
	Northeast Leg Quarters		46.50	46.18	0.69%	0.00	#DIV/0!		
T	Young Turkey Slaughter*	Million Head	4.62	4.51	2.37%	3.89	18.66%	162.6	-2.80%
U	Avg. Weight	Lbs.	24.59	24.53	0.26%	23.45	4.88%	24.6	0.37%
R	Turkey Production	Million Lbs.	113.5	110.6	2.64%	91.2	24.45%	3,995	-2.40%
K	Eastern Region Hen	8-16 Lbs.	116.50	113.88	2.30%	NQ	NA		
F	Corn, Omaha	$ per Bushel	2.72	2.98	-8.74%	0.00	#DIV/0!		
E	DDGS, Minnesota	$ per ton	115.00	115.00	0.00%	#N/A	#N/A		
E	Wheat, Kansas City	$ per Bushel	5.51	5.49	0.36%	NQ	#VALUE!		
D	Soybeans, S. Iowa	$ per Bushel	9.12	9.15	-0.33%	NQ	NA		
	SB Meal, 48% Central Illinois	$ per Ton	342.20	385.40	-11.21%	NQ	NA		

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

Source: USDA Agricultural Marketing Service, various reports