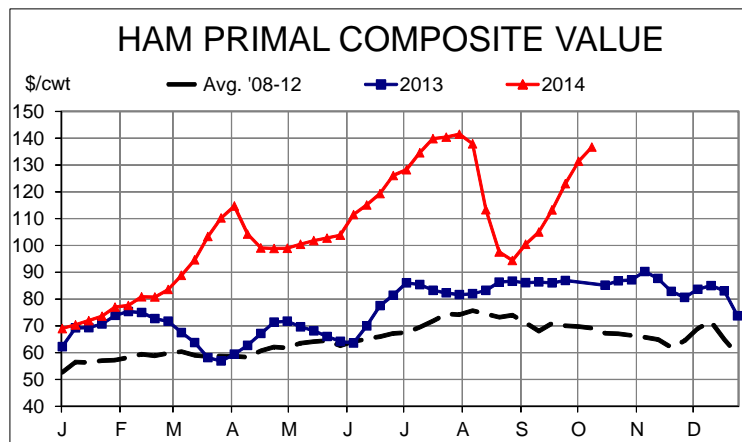
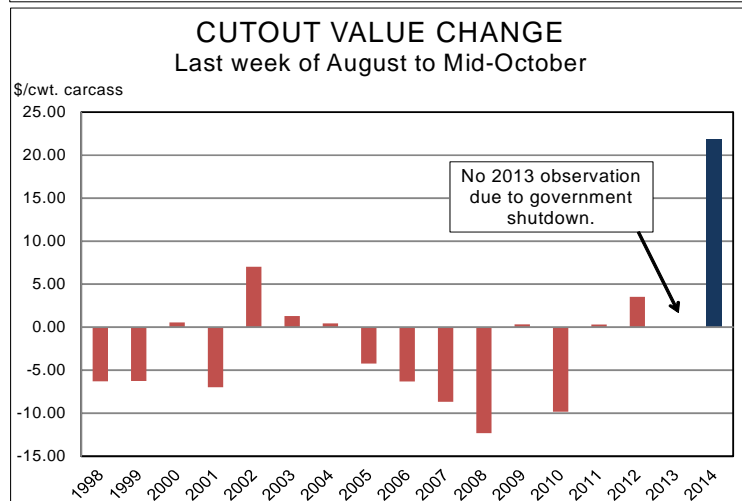
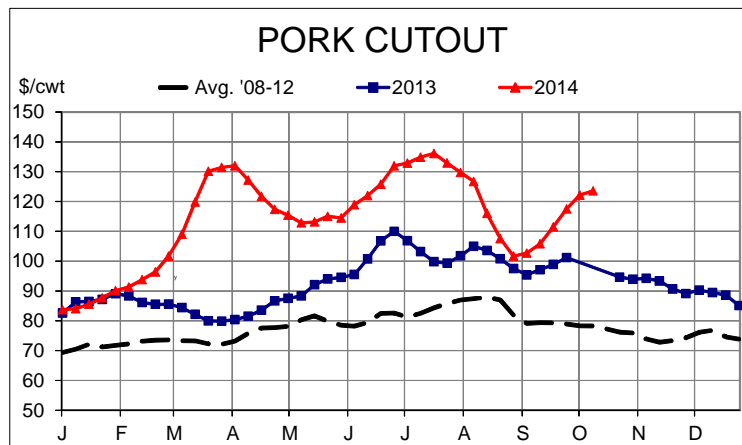


Remember that CME Globex trading hours change on Monday, October 27. The details of the amended rules and the current and future trading hours appears once more as page 2 today. The announcement from CME Group includes phone numbers and e-mail addresses for a number of key CME Group staff members who would be glad to respond to any questions you may have.

The remarkable counter-seasonal move of pork prices finally slowed last week as USDA's estimated cutout value gained ONLY \$1.43/cwt. to reach \$123.56, its highest level since the week that ended August 8. The cutout value has gained nearly \$22/cwt. in the five weeks since it bottomed out at \$101.67 the week of August 29. What is more remarkable is that the six weeks from late August to mid-October is normally a period in which the cutout value slides on seasonally larger slaughter. As can be seen, in the middle chart, this rally is truly historic. The average change over the period is -\$3.16 per cwt where this year's change is +\$21.89/cwt.

Hog slaughter has indeed 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 they normally do and certainly not as quickly as they did last fall as feed costs fell. We do not believe PEDv played a part in higher hog weights until December 2013 when Seaboard Foods began taking hogs much heavier to backfill the weaned pig losses they suffered in the Panhandle region in early summer. Over the period 2009-2013, the average dressed weight for all hogs increased from 200.4 lbs. the first week of August to 205.0 the second week of October. This year, that weight has DECLINED one pound (213 to 212). Producer-sold barrows and gilts normally go from 200.7 to 204.4 pounds during that period. This year? 214.0 to 213.5. Weights had made up for 5%-plus of the PEDv slaughter reductions since May. They made up for only 2.4% of the 6.3% year-on-year slaughter reduction last week. And while supply is one driver of the rally, we must remember that last week's cutout (\$123.56) was 22% higher than the last pre-shutdown value we had for last year. A price increase of that magnitude on 4% less product, year-on-year, reflects a continued surge for wholesale pork demand.

Virtually every pork cut has played some part in this rally but none to the degree of hams, whose primal composite value has surged by 45% since the end of August and gained another \$5+ last week. 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 was lower last week after posting its second-highest value of the year (\$138.06) the prior week. That value was \$27.70 larger than just five weeks earlier! Pork bellies actually led the price surge last week, gaining \$7.16 to hit \$124.79. Could those huge stocks be getting substantially smaller? It's certainly possible with yr/yr output now declining.



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 2, Adel, IA 50003.

Thank you for your support!

The Daily Livestock Report is published by Steve Meyer & Len Steiner, Inc., Adel, IA and Merrimack, NH. To subscribe, support or unsubscribe visit www.dailylivestockreport.com. Copyright © 2014 Steve Meyer and Len Steiner, Inc. All rights reserved.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group, CME and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The Daily Livestock Report is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.



Special Executive Report

S-7194

October 3, 2014

Reduction of CME Globex Trading Hours for CME Livestock Contracts

Based on feedback from a broad cross-section of livestock market participants, effective Monday, October 27, 2014, and pending all relevant CFTC regulatory review periods, the Chicago Mercantile Exchange Inc. will reduce the hours of trading on CME Globex for the following livestock contracts:

Contract	Globex Symbol	Rulebook Chapter
Live Cattle Futures	LE	101
Live Cattle Options	LE	101A
Live Cattle Calendar Spread Options	L0A, L0B, L0C	101B
Feeder Cattle Futures	GF	102
Feeder Cattle Options	GF	102A
Lean Hog Futures	HE	152
Lean Hog Options	HE	152A

Current CME Globex Trading Hours	CME Globex Trading Hours as of Monday, October 27
Monday 9:05 a.m. Central Time/CT-Opening	Monday 9:05 a.m. Central Time/CT-Opening
Daily trading halts 4:00 p.m. - 5:00 p.m. CT. Trading restarts at 5:00 p.m. CT and continues until 4:00 p.m. CT on Monday-Thursday.	At 4:00 p.m. CT on Monday- Thursday, the markets halt and restart at 8:00 a.m. CT on the next morning.
Friday 1:55 p.m. CT- Close	Friday 1:55 p.m. CT-Close

These contracts will continue to be available for trading on the CME trading floor and available for submission for clearing via CME ClearPort with unchanged hours.

Questions regarding this Special Executive Report may be directed to Tom Clark, Director, Agricultural Business Line Management, 312-930-4595, Thomas.Clark@cmegroup.com or Jack Cook, Director, Commodity Research & Product Development, at 312-930-3295, Jack.Cook@cmegroup.com or Matt Herrington, Manager, Commodity Research & Product Development at 312-338-2787, Matthew.Herrington@cmegroup.com.

For media inquiries concerning this Special Executive Report, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.