Daily Livestock Report

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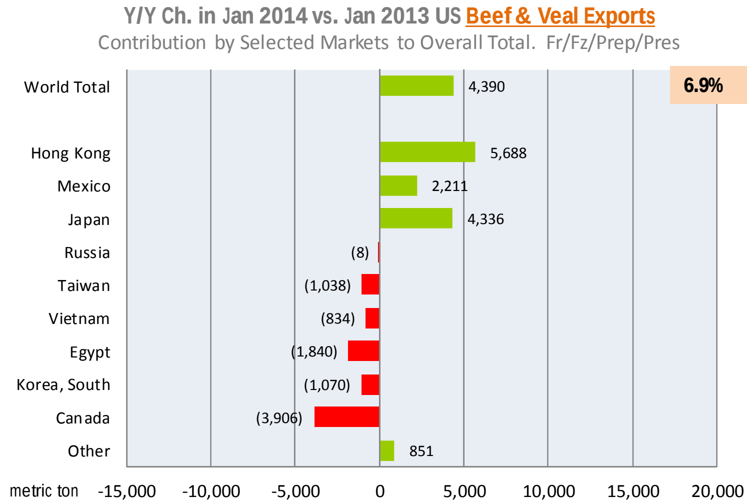

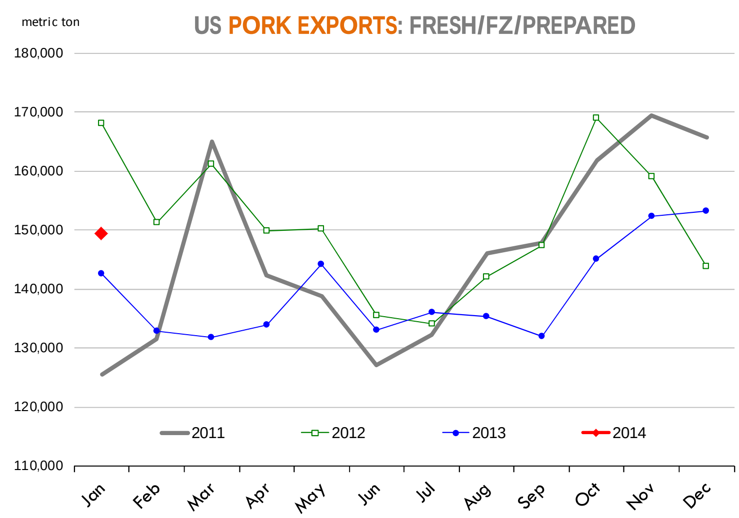

Red meat exports were higher in January despite a significant increase in US prices compared to the previous year. Keep in mind, however, that much of the supply shipped in January was contracted in the previous month so we will likely see the full impact of the higher beef and pork prices in the February and March data. Below are some of the highlights from the January export update:

Beef: Total exports of fresh/frozen and cooked beef in January were 67,828 MT, 6.9% higher than the previous year. Exports to Japan, a key market for US beef at this point, continue to be strong, up 48% compared to the limited volume of 2013 and now accounting for 20% of all US beef exports. Shipments to Hong Kong have been particularly supportive of US beef exports in the last 12 months and in January total shipments were 12,376 MT, up 85% from a year ago. However, based on weekly export data shipments to this market cooled off in February and early March. It remains to be seen how exports to Hong Kong perform in the coming months. Seasonally exports should be higher in the spring and summer. Mexico is now the fourth largest market for US beef and, at 11,400 MT, US beef exports were up 24% compared to a year ago. Mexico demand for US beef rebounded in 2013 after collapsing in 2012. Some of this was due to a significant liquidation of the beef cow herd due to drought pressures. Beef supplies in Mexico will likely be limited in 2014 as slaughter numbers decline and producers try to retain what is left of their herds. Also, the calf crop in Mexico has been cut by some 25% in the last decade and this means that Mexican processors now rely on US beef supplies more than ever. Exports to South Korea were 9,223 MT, 10% lower than a year ago. Exports of beef variety meats in January were 30,000 MT, 29% higher than a year ago and a boost to cattle drop credit values.

Pork: Pork exports in January were 149,315 MT, 4.7% higher than a year ago. The increase was driven largely by strong exports to Mexico, which accounted for almost a third of all US pork exports. Total pork shipments to Mexico were 46,139 MT, 11.3% higher than a year ago. US pork exports to Mexico in the last three months have averaged almost 20% higher than the previous year. With ham prices now above $90/cwt, it remains to be seen how the pace of exports to Mexico will be sustained in the spring and summer. Pork exports to China/Hong Kong have also improved and at 17,851MT in January they were 35% higher than last year. Exports to China still are much lower than what the were in 2011. Exports to other Asian markets, such as Taiwan and S. Korea were down in January. Exports to Canada in January were 15,673 MT, 8.4% lower than a year ago and the lowest monthly volume since June 2011. US pork exports to the Canadian market have been negatively affected by the weakness in the value of the Canadian dollar even as domestic slaughter tracks well below year ago levels.

Bottom line: Red meat exports were relatively strong in January but volumes will likely decline in the coming months as tight supplies and high prices take their toll.

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PRODUCTION & PRICE SUMMARY

Week Ending 3/8/2014

Source: Various USDA Agricultural Marketing Service reports. Some data are preliminary.

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			8-Mar-14	1-Mar-14		9-Mar-13			
	Total Red Meat & Poultry	**mil lbs., cwe**	**1,677**	**1,727**	-2.89%	**1,717**	-2.33%	**15,574**	-2.4%
	FI Slaughter	Thou. Head	548	567	-3.35%	598	-8.41%	5,393	-7.5%
C	FI Cow Slaughter **	Thou. Head	109	102	6.59%	119	-8.93%	907	-8.1%
A	Avg. Live Weight	Lbs.	1330	1335	-0.37%	1320	0.76%	1,336	0.8%
T	Avg. Dressed Weight	Lbs.	802	805	-0.37%	795	0.88%	802	0.3%
T	Beef Production	Million Lbs.	438.6	458.0	-4.24%	474.4	-7.55%	4,326	-6.4%
L	Live Fed Steer Price	$ per cwt	149.13	150.61	-0.98%	127.72	16.76%		
E	Dressed Fed Steer Price	$ per cwt	238.29	239.98	-0.70%	203.15	17.30%		
	OKC Feeder Steer, 600-700	$ per cwt	188.14	183.21	2.69%	156.18	20.46%		
&	Choice Beef Cutout	$ per cwt	233.40	219.60	6.28%	195.02	19.68%		
	Hide/Offal	$ per cwt, live wt	15.52	15.32	1.31%	13.92	11.49%		
B	Rib, Choice	$ per cwt	303.56	288.74	5.13%	285.86	6.19%		
E	Round, Choice	$ per cwt	226.27	213.33	6.07%	171.22	32.15%		
E	Chuck, Choice	$ per cwt	211.81	198.97	6.45%	171.98	23.16%		
F	Trimmings, 50%	$ per cwt	133.90	121.40	10.30%	83.43	60.49%		
	Trimmings, 90%	$ per cwt	252.35	248.41	1.59%	216.71	16.45%		
	FI Slaughter	Thou. Head	2,072	2,155	-3.85%	2,198	-5.75%	20,473	-3.0%
	FI Sow Slaughter **	Thou. Head	56.6	55.6	1.90%	55.2	2.51%	423	-4.8%
H	Avg. Dressed Weight	Lbs.	213.0	213.0	0.00%	208.0	2.40%	213	2.8%
O	Pork Production	Million Lbs.	441.2	458.4	-3.75%	456.4	-3.33%	4,364	-0.3%
G	Iowa-S. Minn. Direct	Wtd. Avg.	102.72	97.42	5.44%	76.81	33.73%		
S	Natl. Base Carcass Price	Wtd. Avg.	96.65	91.72	5.38%	77.34	24.97%		
	Natl. Net Carcass Price	Wtd. Avg.	99.06	93.88	5.52%	79.76	24.20%		
	Pork Cutout	205 Lbs.	109.00	101.71	7.17%	85.04	28.17%		
	Hams	$ per cwt	88.83	83.56	6.31%	67.50	31.60%		
	Loins	$ per cwt	120.86	110.71	9.17%	93.40	29.40%		
	Bellies	$ per cwt	154.56	143.79	7.49%	136.12	13.55%		
	72CL Pork Trim	$ per cwt	112.08	98.22	14.11%	57.58	94.65%		
C	Young Chicken Slaughter *	Million Head	153.5	160.0	-4.04%	154.4	-0.56%	1,347	-0.9%
H	Avg. Weight (Live)	Lbs.	5.94	5.81	2.24%	5.74	3.48%	5.88	0.8%
I	Chicken Production (RTC)	Million Lbs.	693.1	706.4	-1.89%	673.5	2.90%	6,015	-0.1%
C	Eggs Set	Million	201.8	200.3	0.72%	200.0	0.90%	1,802	1.3%
K	Chicks Placed	Million Head	161.7	162.4	-0.45%	162.6	-0.54%	1,470	0.3%
E	12-City Broiler Price	Composite	92.45	94.4	-2.07%	107.82	-14.26%		
N	Georgia Dock Broiler Price	2.5-3 Lbs.	104.75	104.08	0.64%	101.57	3.13%		
	Northeast Breast, B/S	$/cwt	132.31	127.22	4.00%	143.21	-7.61%		
	Northeast Legs	$/cwt	58.68	61.97	-5.31%	66.59	-11.88%		
T	Young Turkey Slaughter *	Million Head	4.183	4.089	2.30%	4.509	-7.23%	34.498	-9.0%
U	Avg. Live Weight	Lbs.	31.17	31.85	-2.14%	31.25	-0.26%	31.56	0.8%
R	Turkey Production (RTC)	Million Lbs.	104.2	104.2	0.00%	112.7	-7.57%	869	-8.4%
K	Eastern Region Hen Price	8-16 Lbs.	99.80	96.61	3.30%	96.31	3.62%		
G	Corn, Omaha	$ per Bushel	4.69	4.39	6.83%	7.29	-35.67%		
R	DDGs, Minnesota	$ per Ton	240.00	217.50	10.34%	254.00	-5.51%		
A	Wheat, Kansas City	$ per Bushel	7.21	6.65	8.42%	6.93	4.04%		
I	Soybeans, S. Iowa	$ per Bushel	14.52	14.07	3.20%	15.20	-4.47%		
N	Soybn Meal, 48% Decatur	$ per Ton	492.90	516.50	-4.57%	448.10	10.00%		

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago due to reporting lag.