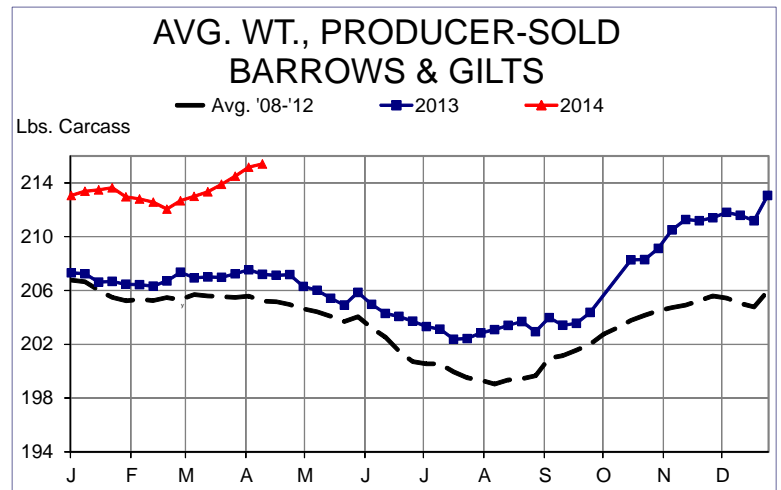
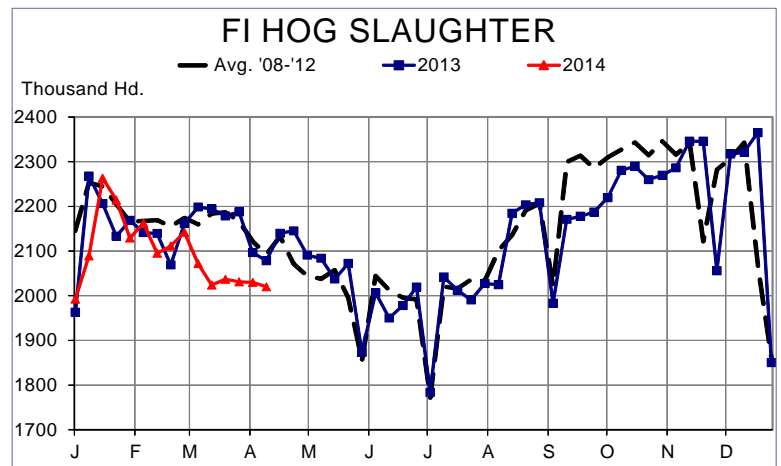


This week marks Holy Week on the calendars of Christian denominations. It commemorates Jesus's triumphal entry into Jerusalem and His final week of earthly ministry before being crucified and, according to Christian beliefs, rising from the dead on the first day of the following week. While clearly quite important and meaningful to millions of people and many of our readers, the week also marks the end of the 40-day period of Lent in which many believers forsake certain foods or habits as a symbol of identity with Christ's suffering and to commemorate His 40 days of fasting before he began his earthly ministry. Meat is one of the things that many — especially among Catholics — give up to some degree (frequently on Fridays and thus all those fish specials this time of year) during the period. That comes to an end next Saturday and thus may fuel some increase in meat demand in coming weeks. We must also keep in mind that the timing of Easter is variable and, due to moon phases relative to the spring equinox, is three weeks later this year than it was in 2013. So, as we have mentioned a few times, year-on-year comparisons of things like slaughter and production (due to work schedules) and demand (due to lent) are a bit complicated. We offer all of this as just one more item to add to the list of factors that you must consider when analyzing markets. Just what you needed, right?

A key issue in hog and pork markets for the next few weeks will be "currentness" of marketings. We don't think you'll find that word in that form in Webster's or Wikipedia because, as far as we know, it is pretty much a term of the livestock and meat trade. As a definition in this context we would offer "The degree to which the animals that should have been marketed have, in fact, been marketed." Or "The degree to which producers are either behind or ahead of their normal schedule of marketings." While always an issue to be considered, we think it is critical at this time simply because prices have been changing so much, impacting the economic rewards that producers face for alternative courses of action.

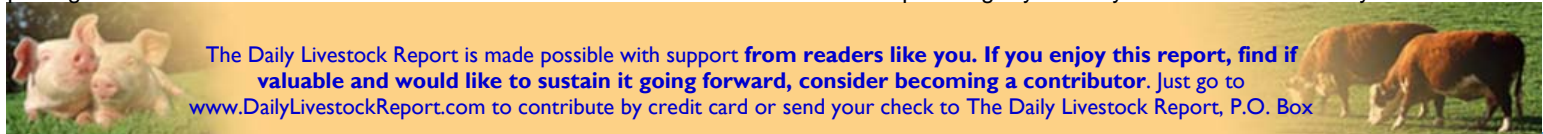
The critical elements for judging "currentness" are slaughter relative to expected levels and the weights of animals coming to market. DLR readers can quickly spot the trap in that statement since "expected levels" of slaughter are pretty much all over the map given PEDv's impacts and USDA's March Hogs and Pigs report inventories. The March report data suggest that FI hog slaughter should have been about 4.8% lower than last year since March 1 — or from 2.057 to 2.092 million head. Dr. Steve Meyer's computations using PEDv case accession data, University of Minnesota information on the infection percentage of herds in a sample that represents 2.5 million sows and broadly-based anecdotal evidence that infected farms lose from 2.5 to 3.0 pigs per sow, would put March and April slaughter only 1.1% and 3.8% lower than last year due to PEDv. Those figures get MUCH larger when we get to July and beyond.

Actual FI slaughter has been down 5.6%, year-on-year, from March 1 through last week suggesting that, even relative to USDA's figures, producers may not be current in their marketings. Barrow and gilt slaughter from March 1 through March 28 (the last week for which such data are available) is down 6.9% — further supporting the conclusion.



Finally, weights have been rising steadily over the same period — a logical occurrence since feeding hogs longer has added to revenues by selling more pounds at steadily higher prices, at least until recently. The chart for producer-sold barrows and gilts appears above. Their upward trend since late February slowed last week. The average weight of all hogs (which includes sows and "off" or lightweight market hogs) dropped one pound to 214 the week of April 4 and stayed at that level last week. The average weight of negotiated barrows and gilts — the true marginal supply of market hogs — peaked the week of March 21 at 210.9 and had dropped all the way to 206.8 by last week. It appears producers are catching up a bit.

Bottom line: One reason for the March shortfalls has been delayed marketings as producers added weight and waited on climbing prices. Producers are catching up, pushing slaughter runs HIGHER than they should be at present. That can't go on for long, though, and we expect larger year-on-year declines come May.



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

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.

Daily Livestock Report

Sponsored by  **CME Group**

Vol. 12, No. 74 / April 14, 2014

PRODUCTION AND PRICE SUMMARY

Week Ending **4/12/14**

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change
	Total Meat & Poultry Prod.	Million lbs.	1669.6	1630.1	2.42%	1679.0	-0.56%	23,075	-2.61%
C	FI Slaughter	Thou. Head	573	583	-1.72%	607	-5.62%	8,288	-6.33%
A	FI Cow Slaughter	Thou. Head	112.5	112.9	-0.31%	120.2	-6.35%	1,468	-8.15%
T	Avg. Live Weight	Lbs.	1307	1314	-0.53%	1301	0.46%	1,329	0.63%
T	Avg. Dressed Weight	Lbs.	794	796	-0.25%	787	0.89%	800	0.43%
L	Beef Production	Million Lbs.	453.7	463.1	-2.03%	476.6	-4.80%	6,615	-5.86%
E	Live Fed Steer	\$/cwt live wt.	149.32	149.71	-0.30%	127.20	17.39%		
	Dressed Steer	\$/cwt carcass	240.29	240.09	0.08%	201.26	19.39%		
&	OKC Feeder Steer	700-800 Lbs.	177.08	178.96	-1.05%	141.06	25.54%		
	Beef Cutout	600-750 Choice	225.50	232.13	-2.86%	190.60	18.31%		
B	Hide/Offal	\$/cwt live wt.	16.07	16.09	-0.12%	14.44	11.29%		
E	Rib	Choice	323.04	327.00	-1.21%	275.99	17.05%		
E	Round	Choice	194.85	205.52	-5.19%	161.44	20.69%		
F	Chuck	Choice	180.48	184.58	-2.22%	159.99	12.81%		
	Trimblings, 50%	Fresh	113.11	117.44	N/A	96.46	17.26%		
	Trimblings, 90%	Fresh	255.22	257.87	N/A	217.80	17.18%		
H	FI Slaughter	Thou. Head	2020	2030	-0.49%	2078	-2.80%	30,601	-3.87%
O	FI Sow Slaughter	Thou. Head	56	50.5	10.56%	57.2	-2.38%	695	-5.02%
G	Avg. Dressed Weight	Lbs.	214	214	0.00%	208	2.88%	214	2.96%
S	Pork Production	Million Lbs.	432.6	434.1	-0.35%	431.7	0.21%	6,535	-1.05%
	Iowa-S. Minn. Direct	Avg.	123.02	127.75	-3.70%	80.98	51.91%		
&	Natl. Base Carcass Price	Weighted Avg.	120.24	120.95	-0.59%	80.42	49.52%		
	Natl. Net Carcass Price	Weighted Avg.	122.31	123.27	-0.78%	82.82	47.68%		
P	Pork Cutout	200 Lbs	127.17	131.97	-3.64%	81.53	N/A		
O	Hams	Primal Cutout	104.19	114.67	-9.14%	62.72	N/A		
R	Loins	Primal Cutout	125.69	129.36	-2.84%	86.18	N/A		
K	Trimblings, 72% Lean	Fresh	131.62	142.73	N/A	51.30	156.57%		
	Bellies	Primal Cutout	197.58	199.72	-1.07%	139.44	N/A		
C	Young Chicken Slaughter*	Million Head	155.49	150.84	3.08%	153.24	1.47%	1,954	-0.67%
H	Avg. Weight	Lbs., RTC	4.34	4.17	4.11%	4.34	0.00%	4.3	0.02%
I	Broiler Production	Million Lbs., RTC	675.3	629.3	7.31%	665.6	1.47%	8,641	-0.66%
C	Eggs Set	Million	202.1	199.9	1.10%	199.7	1.20%	2,806	1.06%
K	Chicks Placed	Million Head	165.1	164.7	0.28%	165.0	0.06%	2,290	0.01%
E	National Composite Broiler	Composite	108.9	108.51	0.40%	106.94	1.80%		
N	Georgia Dock Broiler	2.5-3 Lbs.	107.25	106.48	0.70%	102.51	4.60%		
	Northeast Breast	Skinlss/Bonelss	168.57	164.07	2.70%	153.24	10.00%		
	Northeast Leg Quarters		46.70	49.91	0.00%	53.43	-7.20%		
T	Young Turkey Slaughter*	Million Head	4.26	4.14	3.00%	4.22	0.92%	51.0	-6.67%
U	Avg. Weight	Lbs.	25.34	25.05	1.18%	24.90	1.77%	25.2	0.97%
R	Turkey Production	Million Lbs.	107.9	103.6	4.22%	105.1	2.71%	1,284	-5.90%
K	Eastern Region Hen	8-16 Lbs.	100.29	101.50	-1.20%	100.47	-0.20%		
F	Corn, Omaha	\$ per Bushel	4.87	4.81	1.14%	6.81	-28.56%		
E	DDGS, Minnesota	\$ per ton	232.50	240.00	-3.13%	235.00	-1.06%		
E	Wheat, Kansas City	\$ per Bushel	7.20	7.63	-5.64%	7.26	-0.83%		
D	Soybeans, S. Iowa	\$ per Bushel	15.06	14.96	0.67%	14.69	2.50%		
	SB Meal, 48% Central Illinois	\$ per Ton	512.50	514.10	-0.31%	411.50	24.50%		

* 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