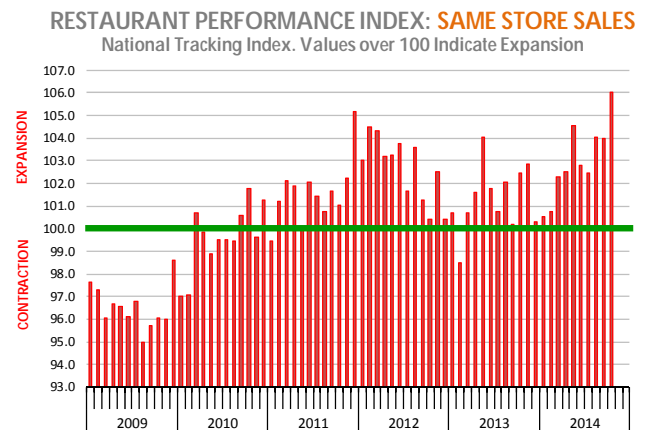
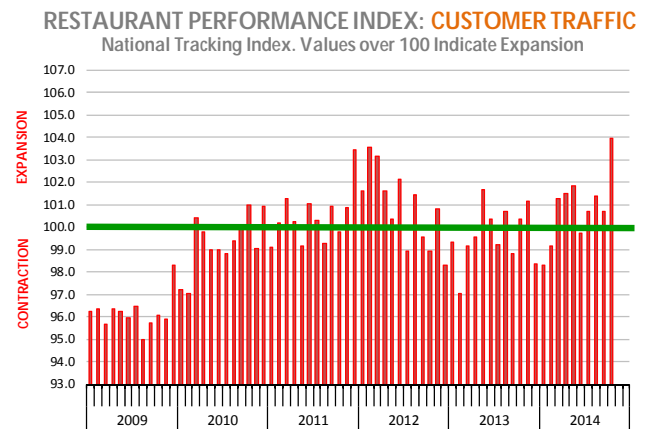
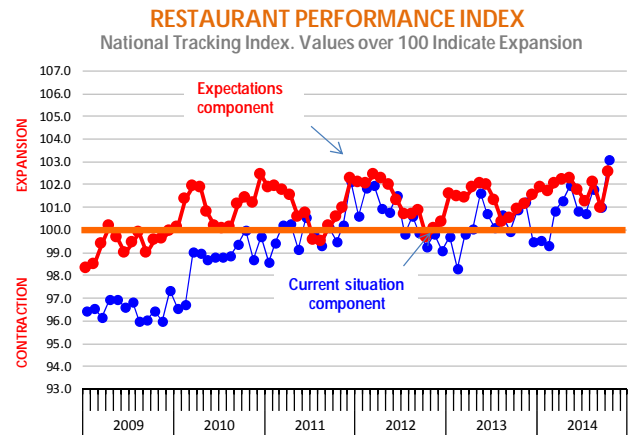


On page 2 we have included the regular weekly price and production summary. **While livestock and poultry numbers coming to market continues to be at or below year ago levels, it is interesting to note dramatic increase in carcass weights across all species** - reflecting the impact of lower feed costs and limited stock numbers. Cattle weights are currently running 2% above year ago levels, hog weights are up 1.4%, chicken RTC weights are up 4.7% and turkey weights are also 4.5% higher. Demand for meat protein is very strong, in part because of the growing popularity of low carb diets but also because an improving economy tends to benefit meat protein consumption. In the short term, the safest and quickest way for producers to respond to this strong demand is to add more pounds on the stock they have on the ground. Ample feed supplies have further facilitated this decision. Despite cattle slaughter down almost 11% for the week, hog slaughter down 3.2% and turkey slaughter down 4.7%, total meat protein production is almost unchanged compared to a year ago. In part this is due to the heavier weights but also because chicken producers have finally ramped up production, with RTC broiler supplies for the week up 7% compared to a year ago.

We have **devoted a lot of time in recent weeks to demand discussions, and for good reason.** We think that the price increases we have seen this year cannot be understood simply in the context of tightening supplies. PEDv was a significant issue, cattle numbers are down and poultry producers have not expanded fast enough. Still, overall meat protein supplies are down in single digits while the price of a number of meat protein almost doubled in price over the summer. Demand calculations from the Livestock Marketing Information Center show that "Choice Retail Beef and All Fresh Beef Demand for the third quarter of 2014 each rose 9% year-over-year." The pork demand index for Q3 was also up 7%. Keep in mind that the demand indexes noted above rely on retail price data. All indications are that foodservice demand also has improved and data from the National Restaurant Association shows robust growth in October. Foodservice operators polled by NRA indicated a significant jump in customer traffic numbers in September, always a positive factor. Same store sales also have been trending higher for much of the year but the latest index reading of 106 is the highest since the survey was started 10 years ago. It is interesting to note that the overall improvement in foodservice tracking numbers comes at a time when some larger chains have been reporting disappointing sales. There is a proliferation of new restaurant concepts offering an upgraded eating experience and fast casual remains a very popular option. Improvements in the foodservice business are particularly bullish for beef, in our view. According to the 2013 Volumetric Assessment of Beef in Foodservice, beef, beef volume accounted for 32% of overall meat protein volume sold by foodservice establishments, chicken was 30%, pork was 20% and seafood was 10.9%. So here's the situation: beef accounts for a third of the protein served at foodservice, you have more people coming through the door and they have more money in their pocket. Maybe \$170 cattle should not be such a surprise after all.



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# Daily Livestock Report

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## PRODUCTION & PRICE SUMMARY

Week Ending **11/29/2014**

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
		29-Nov-14	22-Nov-14		30-Nov-13			
<b>Total Red Meat &amp; Poultry</b>	<b>mil lbs., cwe</b>	<b>1,664</b>	<b>1,798</b>	<b>-7.48%</b>	<b>1,665</b>	<b>-0.08%</b>	<b>79,829</b>	<b>-1.9%</b>
<b>C</b> FI Slaughter	Thou. Head	496	567	-12.52%	556	-10.78%	27,278	-7.3%
<b>A</b> FI Cow Slaughter **	Thou. Head	111	109	2.20%	127	-12.71%	4,763	-14.0%
<b>T</b> Avg. Live Weight	Lbs.	1369	1370	-0.07%	1343	1.94%	1,331	1.2%
<b>T</b> Avg. Dressed Weight	Lbs.	828	828	0.00%	810	2.22%	805	1.2%
<b>L</b> Beef Production	Million Lbs.	409.9	468.5	-12.51%	449.2	-8.75%	21,958	-6.0%
<b>E</b> Live Fed Steer Price	\$ per cwt	171.38	171.15	0.13%	132.66	29.19%		
<b>E</b> Dressed Fed Steer Price	\$ per cwt	266.72	267.56	-0.31%	209.49	27.32%		
<b>&amp;</b> Georgia Feeder Steer	\$ per cwt	NQ	238.30	N/A	NQ	N/A		
<b>B</b> Choice Beef Cutout	\$ per cwt	256.77	254.79	0.78%	202.04	27.09%		
<b>E</b> Hide/Offal	\$ per cwt, live wt	16.46	16.38	0.49%	15.06	9.30%		
<b>B</b> Rib, Choice	\$ per cwt	403.24	393.23	2.55%	345.67	16.65%		
<b>E</b> Round, Choice	\$ per cwt	240.29	237.18	1.31%	172.34	39.43%		
<b>E</b> Chuck, Choice	\$ per cwt	223.71	224.27	-0.25%	168.24	32.97%		
<b>F</b> Trimmings, 50%	\$ per cwt	111.44	114.78	-2.91%	108.54	2.67%		
<b>F</b> Trimmings, 90%	\$ per cwt	295.82	295.32	0.17%	191.42	54.54%		
<b>H</b> FI Slaughter	Thou. Head	1,991	2,232	-10.80%	2,057	-3.21%	96,315	-5.2%
<b>H</b> FI Sow Slaughter **	Thou. Head	57.5	57.6	-0.32%	58.8	-2.29%	2,443	-5.7%
<b>O</b> Avg. Dressed Weight	Lbs.	215.0	215.0	0.00%	212.0	1.42%	214	3.6%
<b>O</b> Pork Production	Million Lbs.	427.7	478.8	-10.67%	436.6	-2.04%	20,603	-1.8%
<b>G</b> Iowa-S. Minn. Direct	Wtd. Avg.	86.62	86.76	-0.16%	80.44	7.68%		
<b>S</b> Natl. Base Carcass Price	Wtd. Avg.	86.83	86.78	0.06%	79.91	8.66%		
<b>S</b> Natl. Net Carcass Price	Wtd. Avg.	88.50	88.66	-0.18%	82.03	7.89%		
<b>S</b> Pork Cutout	205 Lbs.	92.88	93.88	-1.07%	89.11	4.23%		
<b>S</b> Hams	\$ per cwt	88.79	92.72	-4.24%	80.63	10.12%		
<b>S</b> Loins	\$ per cwt	95.11	94.95	0.17%	89.04	6.82%		
<b>S</b> Bellies	\$ per cwt	93.06	94.14	-1.15%	121.74	-23.56%		
<b>S</b> Trimmings, 72%	\$ per cwt	67.90	70.74	-4.01%	67.28	0.92%		
<b>C</b> Young Chicken Slaughter *	Million Head	156.4	157.4	-0.66%	153.0	2.19%	7,244	-0.2%
<b>H</b> Avg. Weight (Live)	Lbs.	5.99	6.09	-1.64%	5.72	4.72%	5.87	1.0%
<b>I</b> Chicken Production (RTC)	Million Lbs.	711.9	728.6	-2.29%	665.2	7.01%	32,314	0.8%
<b>C</b> Eggs Set	Million	207.6	207.2	0.18%	201.4	3.07%	9,513	1.6%
<b>K</b> Chicks Placed	Million Head	159.6	162.8	-1.98%	156.9	1.72%	7,774	0.5%
<b>E</b> National Composite Whole Bird	Composite	103.68	106.68	-2.81%	94.44	9.78%		
<b>N</b> Georgia Dock Broiler Price	2.5-3 Lbs.	112.97	112.89	0.07%	103.73	8.91%		
<b>N</b> Northeast Breast, B/S	\$/cwt	139.94	141.97	-1.43%	125.42	11.58%		
<b>N</b> Northeast Legs	\$/cwt	56.68	55.53	2.07%	59.07	-4.05%		
<b>T</b> Young Turkey Slaughter *	Million Head	4.787	5.389	-11.17%	5.024	-4.72%	202.569	-1.8%
<b>U</b> Avg. Live Weight	Lbs.	29.64	28.22	5.03%	28.36	4.51%	30.58	0.6%
<b>R</b> Turkey Production (RTC)	Million Lbs.	114.2	122.4	-6.68%	114.0	0.22%	4,953	-1.1%
<b>K</b> National Hen	8-16 Lbs.	114.85	116.66	-1.55%	101.64	13.00%		
<b>G</b> Corn, Omaha	\$ per Bushel	3.64	3.53	3.12%	4.13	-11.86%		
<b>R</b> Wheat, Portland (delivered)	\$ per Ton	7.23	6.79	6.48%	7.13	1.40%		
<b>A</b> Wheat, Kansas City (deliv.)	\$ per Bushel	6.13	5.96	2.85%	7.16	-14.39%		
<b>I</b> Soybeans, Cntrl IL	\$ per Bushel	10.51	10.21	2.94%	13.34	-21.21%		
<b>N</b> Soybn Meal 48%, Cntrl IL	\$ per Ton	455.10	424.30	7.26%	484.40	-6.05%		

\* 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.

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