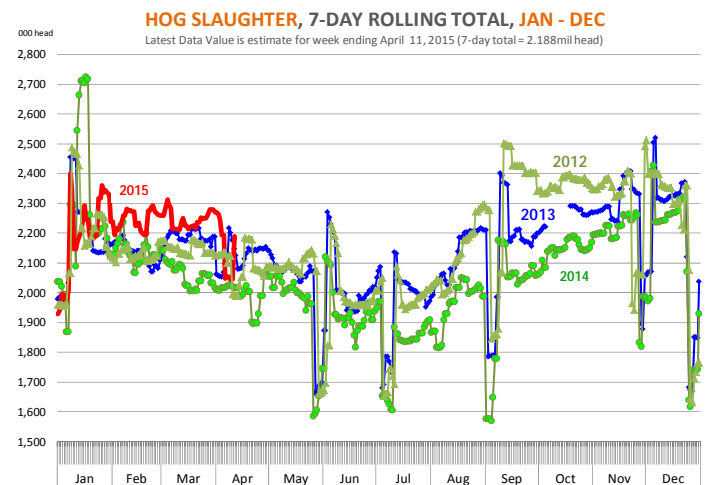
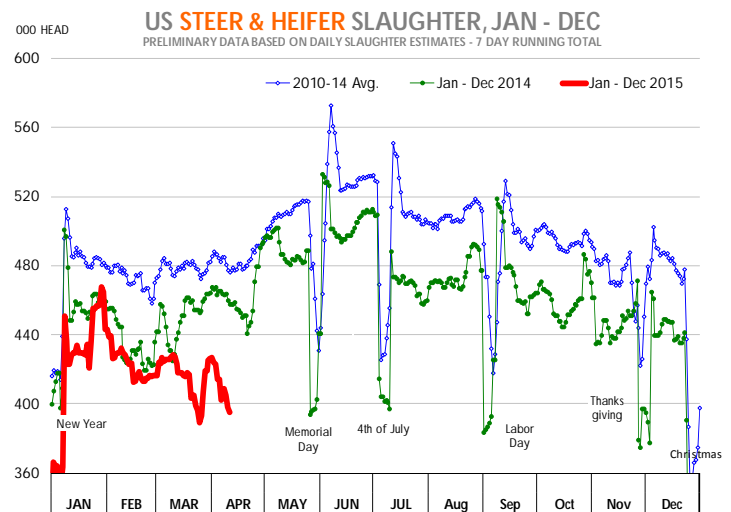
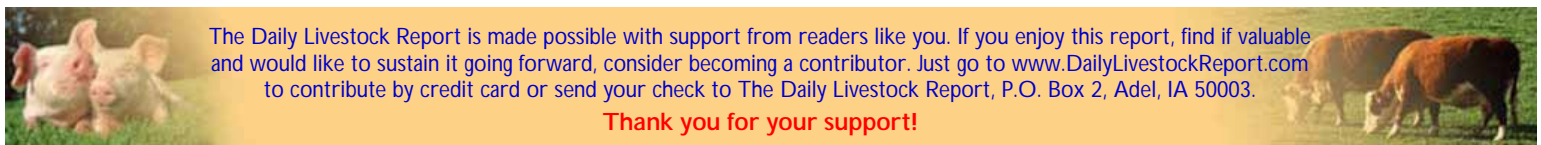


Fed cattle futures declined sharply on Friday as market participants were disappointed by the limited cash trade and lower prices paid at the end of the week. The nearby April live cattle contract declined the daily permissible limit (300 points) but summer and fall contracts also dropped by more than 200 points. The previous week cash cattle prices were holding at around \$167/cwt, a significant premium over the April futures. Earlier in the week it appeared that market participants were expecting cash fed trade to decline by around \$2/cwt but there were also rumors of possibly steady money being paid. Feedlots so far this year have been able to hold the line and force packers to pay up. It appeared that April would end up following the same predictable path. That did not seem to happen, however. For the week we calculate steer and heifer slaughter was around 395,000 head, 13.7% lower than a year ago and a tremendous 17% below the five year average. We say this is an estimate as USDA will print the Friday and Saturday steer/heifer estimates on Monday. However, total slaughter on Friday was a mere 90,000 head while Saturday slaughter was a mere 4,000 head. Cow/bull slaughter has been running at a daily pace of about 21,000 head, implying one of the lightest Friday/Saturday fed slaughter levels so far this year. USDA reports published on Friday indicated that fed prices were down on very light trading. Live fed cattle prices in Kansas were reported \$4 lower compared to the previous week and down \$7 in Colorado. These cattle were reported to have a delevivery period of 15-30 days (see USDA report LS831). For the week the live fed steer price was reported at \$163/cwt, down 2.7% from the previous week. The concern among market participants is that supplies of market ready cattle are expected to increase in the coming weeks, a function of larger placements of heavy steers last fall and the seasonally large total placement numbers last October (see DLR on 4/9). Beef production for the week was down 10.4% as heavier weights offset some of the reduction in slaughter. The choice cutout gained about 1.2% for the week although Friday the cutout managed to close lower than the previous close, further fueling the retreat in the fed cattle complex.

While fed and feeder cattle futures are currently debating how high is high enough, **lean hog futures are looking to establish a bottom and set the stage for the seasonal increase in May and June.** June lean hog futures gained 135 points on Friday even as hog slaughter on Friday at 2.188 million head was 8.6% higher than a year ago. As with cattle, market participants are paying close attention to cash trade and Friday the IA/MN lean hog carcass price was quoted at \$61.03/cwt, \$1.82/cwt higher than the previous day. Weekly exports are pointing to robust sales in March and early April. We will focus on this point more at length later in the week but early estimates indicate that March pork exports may have been near or slightly above year ago levels and one of the largest export months on record. The pork cutout on Friday was slightly lower than a previous day. For the week the pork cutout was quoted at \$65.73/cwt,



1.2% higher than the week before but still significantly lower than a year ago. Ham and pork belly prices, which hold the key to the seasonal increase in the cutout, were up 5.9% and 2.6%, respectively. But even as hog/pork prices have been depressed for too long and have no way to go but up, there are still some concerns. Hog weights, which were trending lower in March, have once again started to move up, implying that supplies on the ground could be heavy in the short term. Also, more cases of bird flu will continue to negatively impact poultry exports. Chicken leg quarters are down by more than 30%. See full summary of price and production numbers on page 2.



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Daily Livestock Report

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Vol. 13, No. 73 / April 13, 2015

PRODUCTION & PRICE SUMMARY

Week Ending **4/11/2015**

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
		11-Apr-15	4-Apr-15		12-Apr-14			
Total Red Meat & Poultry	mil lbs., cwe	1,671	1,729	-3.32%	1,687	-0.90%	23,827	2.6%
C FI Slaughter	Thou. Head	502	525	-4.38%	575	-12.76%	7,661	-7.6%
A FI Cow Slaughter **	Thou. Head	104	103	1.19%	113	-7.17%	1,290	-12.1%
T Avg. Live Weight	Lbs.	1344	1344	0.00%	1314	2.28%	1,356	2.0%
T Avg. Dressed Weight	Lbs.	815	816	-0.12%	793	2.77%	815	2.3%
L Beef Production	Million Lbs.	408.3	427.7	-4.54%	455.6	-10.38%	6,247	-5.5%
E Live Fed Steer Price	\$ per cwt	163.13	167.57	-2.65%	149.16	9.37%		
E Dressed Fed Steer Price	\$ per cwt	264.01	265.64	-0.61%	239.71	10.14%		
& Georgia Feeder Steer	\$ per cwt	237.40	239.92	-1.05%	175.37	35.37%		
B Choice Beef Cutout	\$ per cwt	257.50	254.55	1.16%	225.50	14.19%		
E Hide/Offal	\$ per cwt, live wt	14.02	14.38	-2.50%	16.11	-12.97%		
E Rib, Choice	\$ per cwt	387.62	382.89	1.24%	323.04	19.99%		
E Round, Choice	\$ per cwt	221.44	221.74	-0.14%	194.85	13.65%		
F Chuck, Choice	\$ per cwt	206.73	206.55	0.09%	180.48	14.54%		
F Trimmings, 50%	\$ per cwt	107.55	104.68	2.74%	113.11	-4.92%		
F Trimmings, 90%	\$ per cwt	295.55	295.96	-0.14%	255.22	15.80%		
H FI Slaughter	Thou. Head	2,188	2,194	-0.27%	2,015	8.58%	32,054	4.8%
H FI Sow Slaughter **	Thou. Head	56.1	56.4	-0.64%	55.8	0.38%	673	-3.2%
O Avg. Dressed Weight	Lbs.	214.0	214.0	0.00%	215.0	-0.47%	215	0.5%
O Pork Production	Million Lbs.	468	469.3	-0.28%	434.1	7.81%	6,880	5.3%
G Iowa-S. Minn. Direct	Wtd. Avg.	58.41	56.39	3.58%	122.35	-52.26%		
S Natl. Base Carcass Price	Wtd. Avg.	61.11	60.88	0.38%	119.60	-48.90%		
S Natl. Net Carcass Price	Wtd. Avg.	63.30	62.98	0.51%	121.75	-48.01%		
S Pork Cutout	205 Lbs.	65.73	64.98	1.15%	127.17	-48.31%		
S Hams	\$ per cwt	42.98	40.60	5.86%	104.19	-58.75%		
S Loins	\$ per cwt	83.66	82.45	1.47%	125.69	-33.44%		
S Bellies	\$ per cwt	65.51	63.85	2.60%	197.58	-66.84%		
S Trimmings, 72%	\$ per cwt	47.18	35.20	34.03%	135.30	-65.13%		
C Young Chicken Slaughter *	Million Head	153.0	157.4	-2.79%	155.5	-1.60%	2,024	2.2%
H Avg. Weight (Live)	Lbs.	6.06	6.08	-0.33%	5.83	3.95%	6.07	4.3%
I Chicken Production (RTC)	Million Lbs.	704.7	727.2	-3.11%	688.9	2.28%	9,335	6.5%
C Eggs Set	Million	209.9	208.6	0.62%	203.7	3.01%	2,689	2.9%
K Chicks Placed	Million Head	168.3	168.0	0.14%	166.1	1.33%	2,196	3.1%
E National Composite Whole Bird	Composite	103.07	100.68	2.37%	108.88	-5.34%		
N Georgia Dock Broiler Price	2.5-3 Lbs.	114.12	113.42	0.62%	107.09	6.56%		
N Northeast Breast, B/S	\$/cwt	151.88	152.48	-0.39%	168.57	-9.90%		
N Northeast Legs	\$/cwt	46.03	45.84	0.41%	67	-31.30%		
T Young Turkey Slaughter *	Million Head	3,572	4,259	-16.13%	4,259	-16.13%	53,712	2.3%
U Avg. Live Weight	Lbs.	31.44	30.48	3.15%	31.69	-0.79%	31.61	0.1%
R Turkey Production (RTC)	Million Lbs.	90.4	104.5	-13.48%	108.0	-16.27%	1,365	3.5%
K National Hen	8-16 Lbs.	105.36	102.74	2.55%	100.29	5.06%		
G Corn, Omaha	\$ per Bushel	3.73	3.83	-2.61%	4.87	-23.41%		
R Wheat, Portland (delivered)	\$ per Ton	6.33	6.76	-6.36%	7.45	-15.03%		
A Wheat, Kansas City (deliv.)	\$ per Bushel	5.64	5.88	-4.08%	7.20	-21.67%		
I Soybeans, Cntrl IL	\$ per Bushel	9.68	10.00	-3.20%	15.06	-35.72%		
N Soybn Meal 48%, Cntrl IL	\$ per Ton	329.20	351.30	-6.29%	512.50	-35.77%		

* 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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