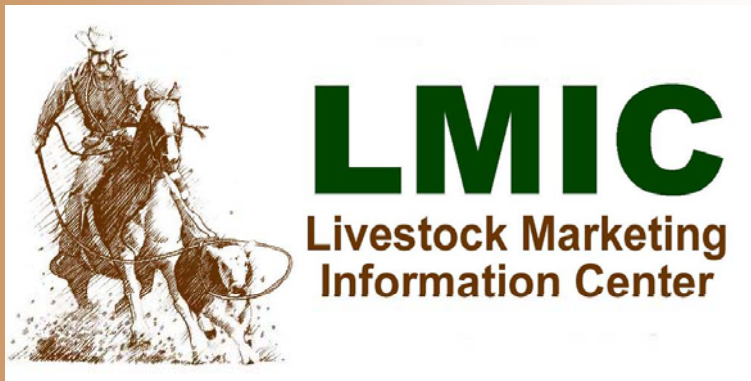


What Are Today's Livestock Markets Telling Us about the Future

Operating in the Face of Uncertain Markets

September 9, 2009



James Robb
Director
www.lmic.info



Livestock Markets and Outlook

- The Big Picture and Recession
- Hog Markets
- Dairy Markets
- Cattle Markets
- Managing In These Cattle Markets
- Price Forecasts: Hogs, Dairy and Cattle

USDA Data Sources – NASS, AMS, FAS and ERS

All Forecasts -- LMIC

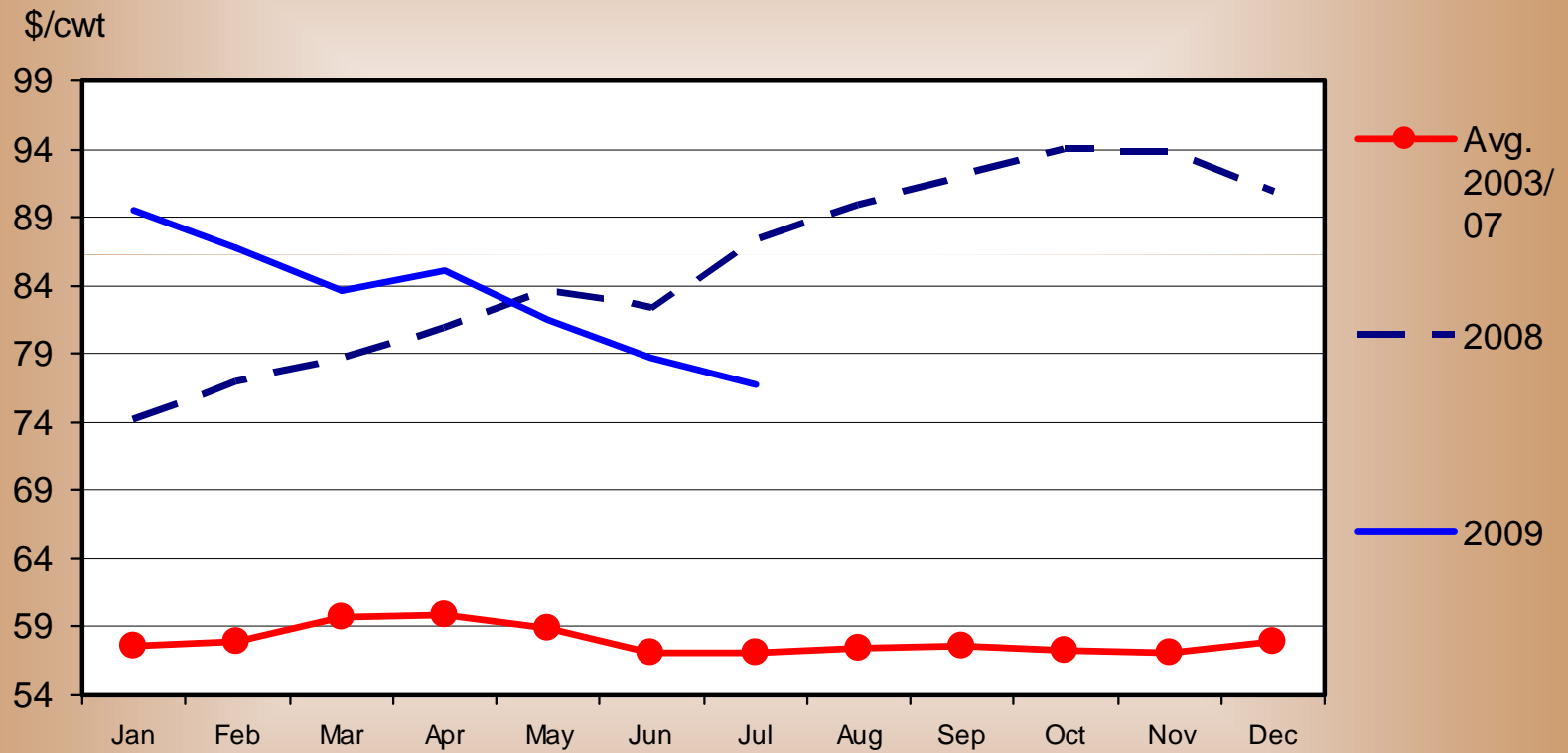
The Big Picture



Wal-Mart's wide aisles and broad selection of merchandise accommodate 100 million shoppers a week.

KANSAS FEEDLOT CLOSEOUTS

Feeding Costs per Cwt, Steers

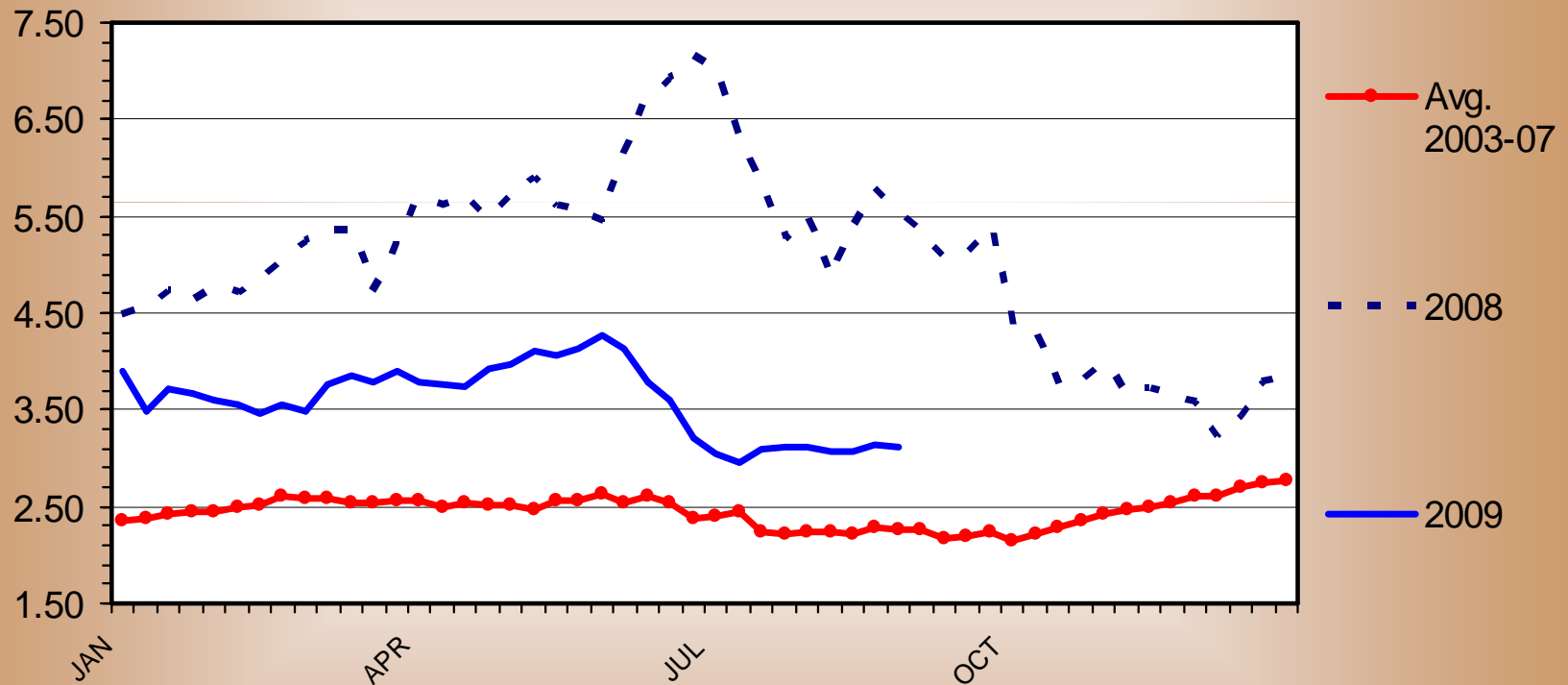


Data Source: KSU Focus on Feedlots Survey; Compiled by LMIC

OMAHA CORN PRICES

Weekly

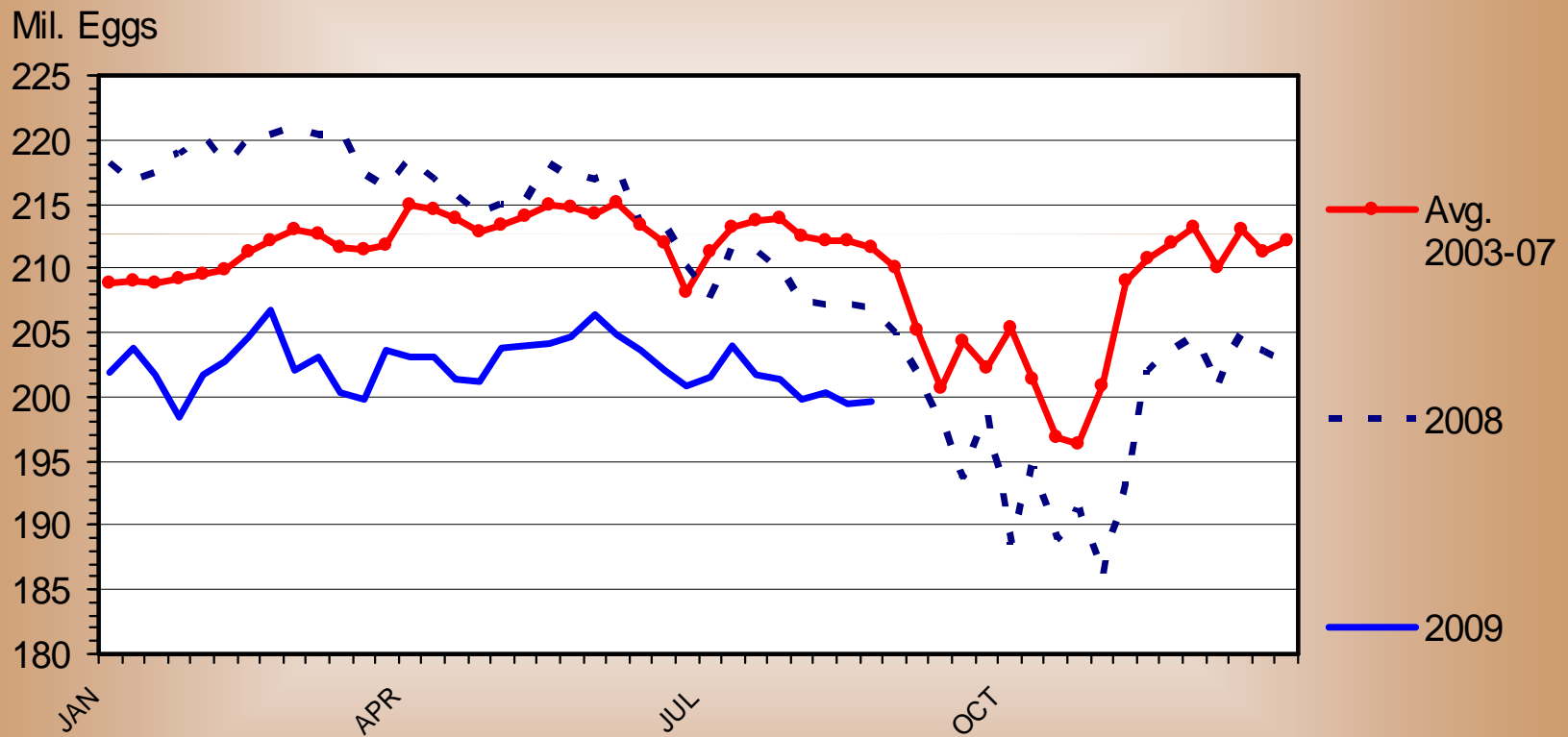
\$ Per Bu.



Data Source: USDA-AMS and Compiled by LMIC

BROILER EGGS SET

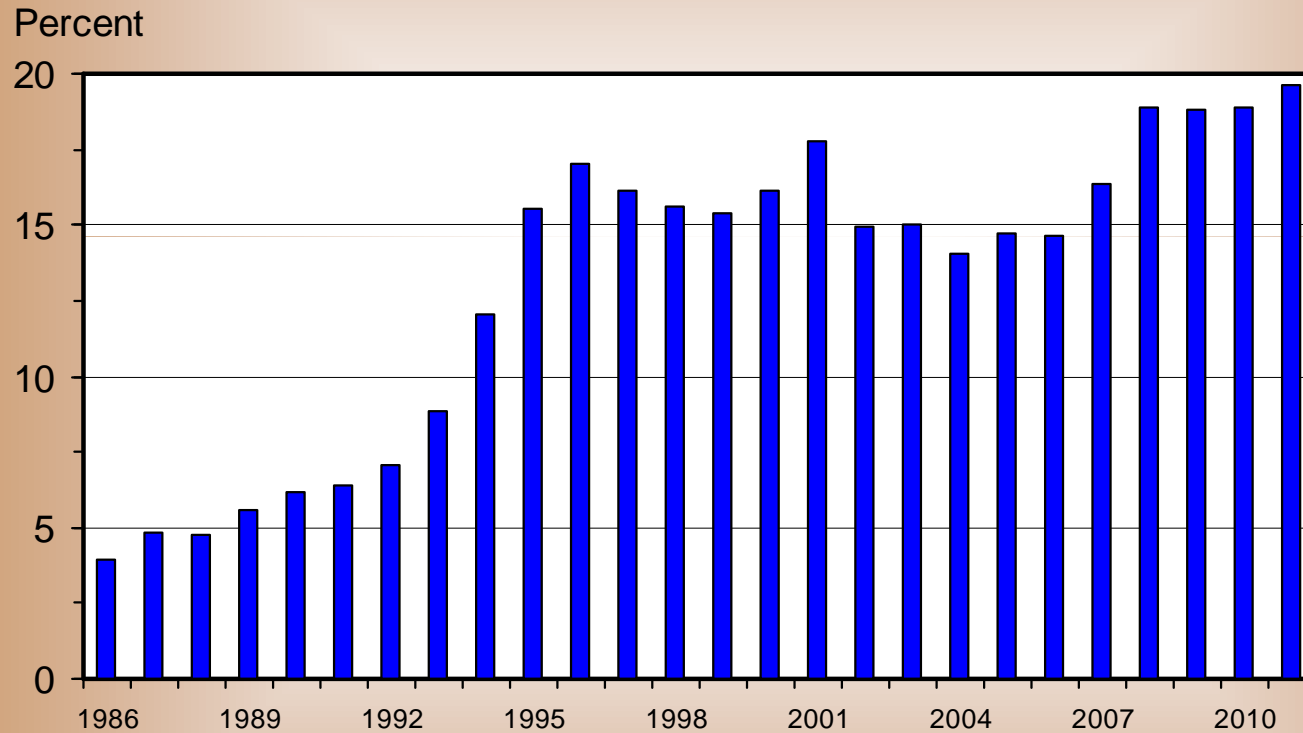
Weekly



Data Source: USDA-NASS and Compiled by LMIC

U S BROILER EXPORTS

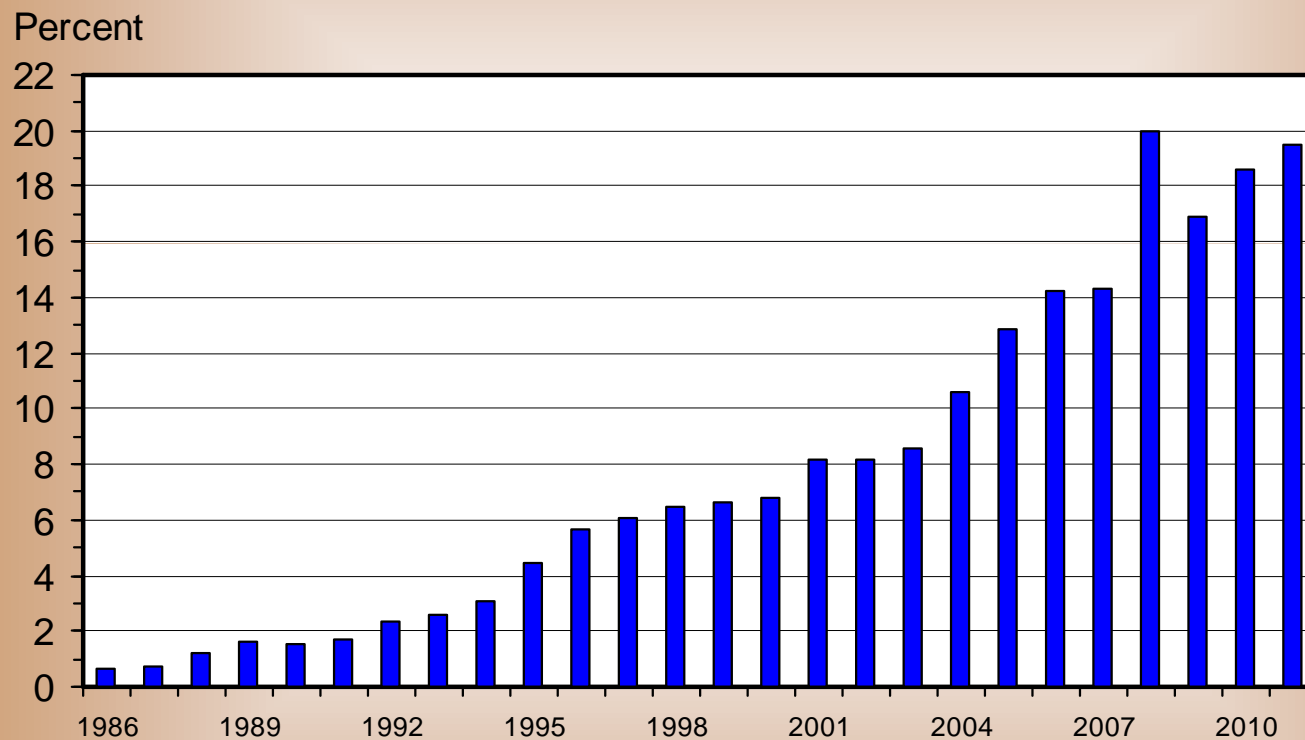
As a Percentage of Broiler Production, RTC, Annual



Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

U S PORK EXPORTS

As a Percentage of Production, Carcass Weight, Annual

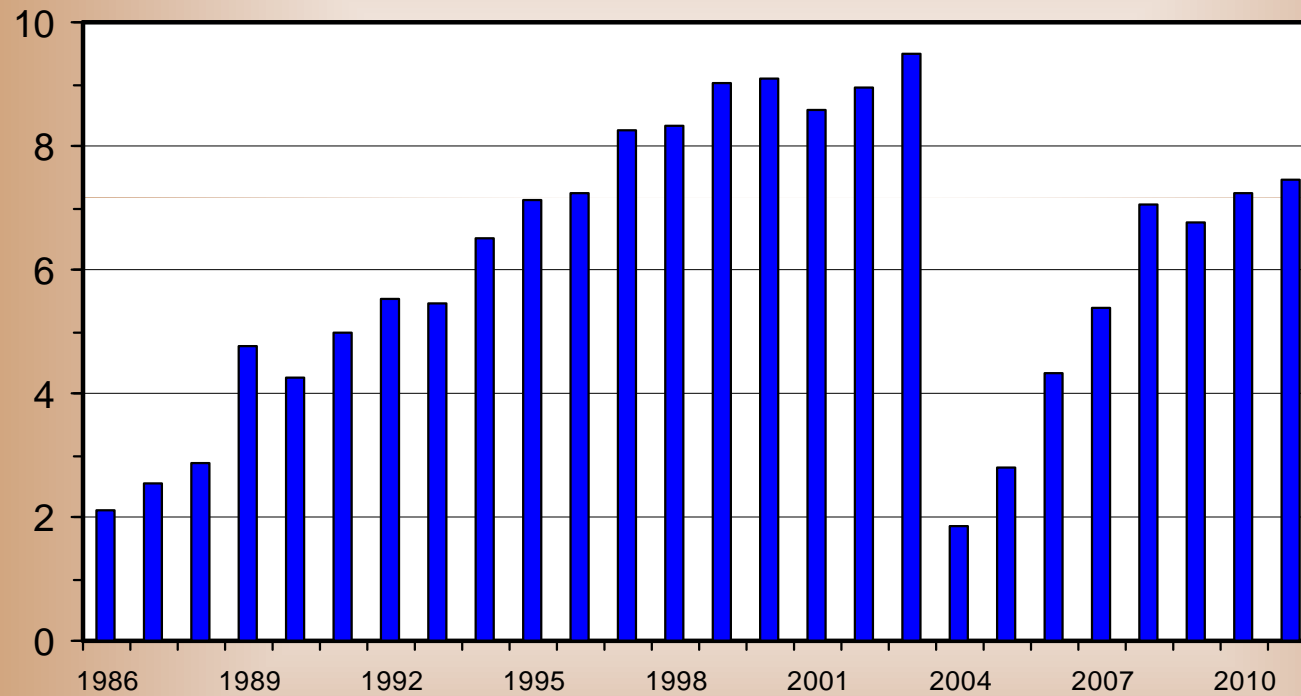


Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

U S BEEF AND VEAL EXPORTS

As a Percentage of Production, Carcass Weight, Annual

Percent

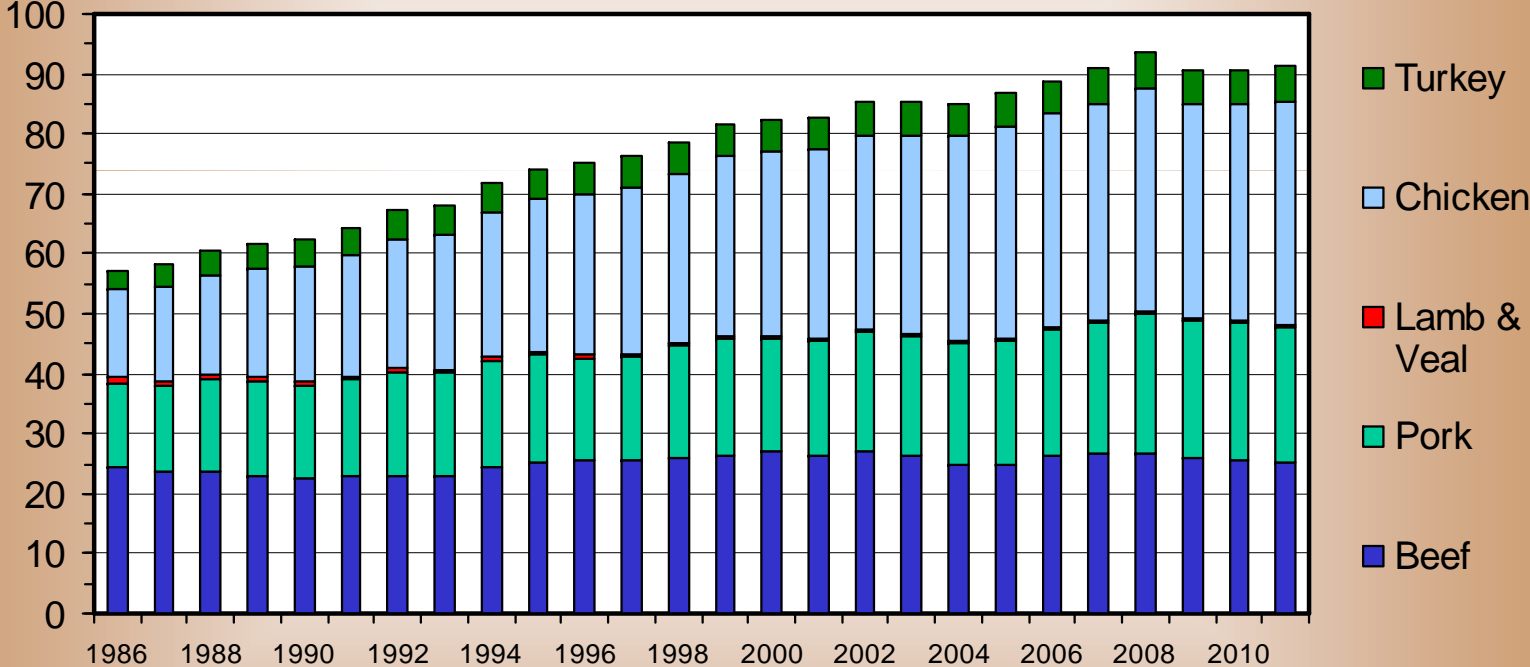


Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

COMMERCIAL MEAT & POULTRY PRODUCTION

By Type of Meat, Annual

Bil. Pounds

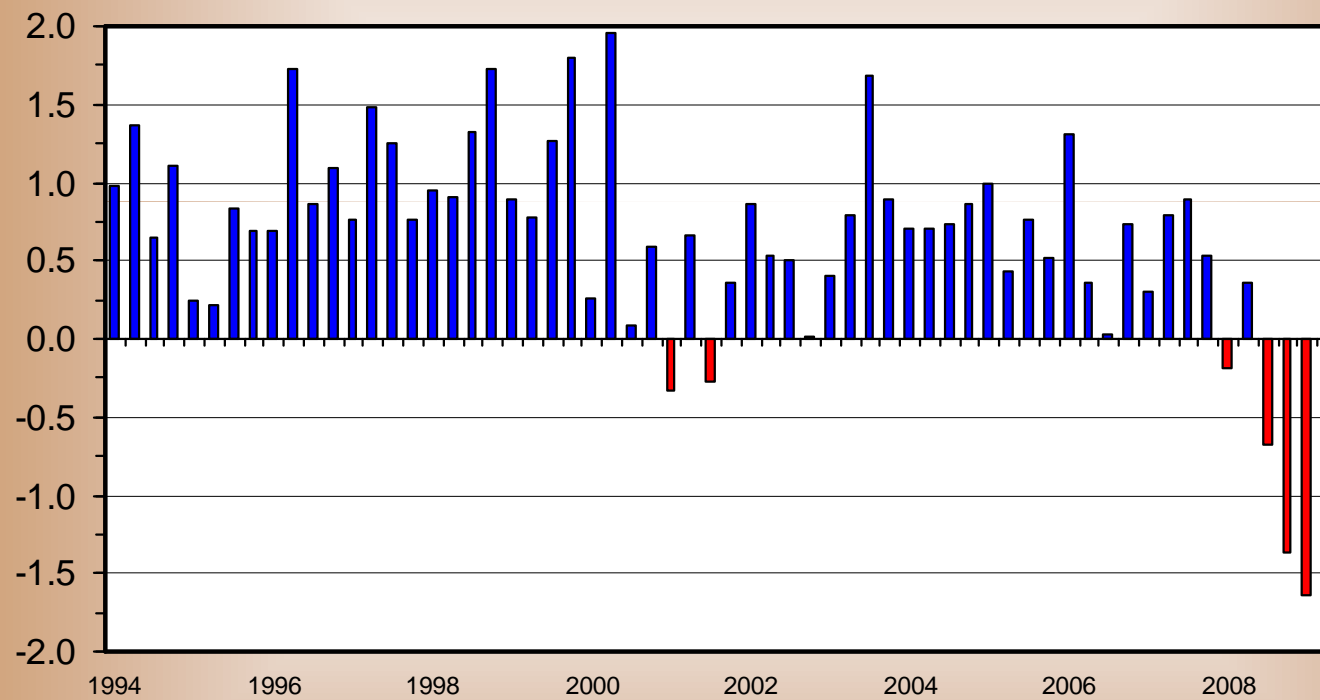


Data Source: USDA-NASS; Compiled and Forecasts by LMIC

QTRLY GROSS DOMESTIC PRODUCT (GDP)

Real Dollar (2000) Change from Previous Quarter, US

Percent Change



Data Source: BLS and Compiled by LMIC

Contractions (Recessions)

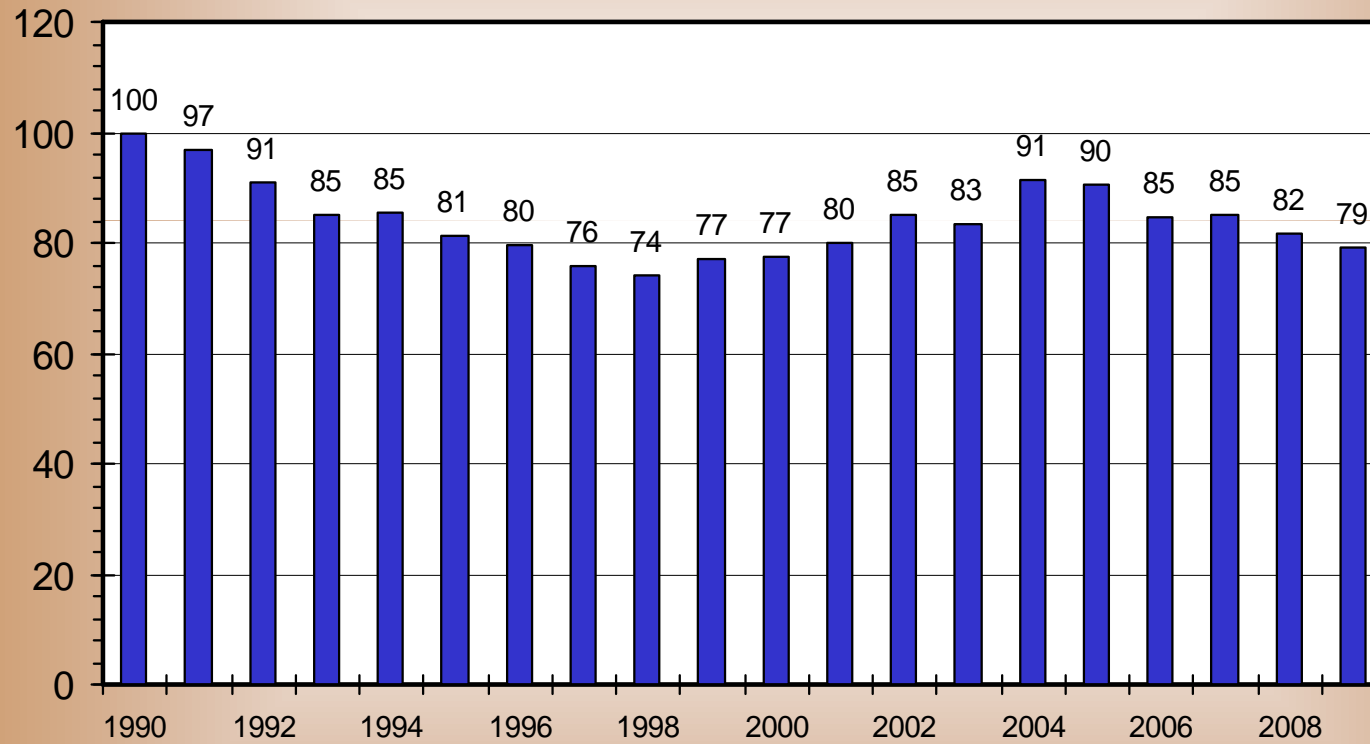
Years		Number of Recessions		Length of Recession	
1900	1914	4	Avg	21	
			Max	24	
			Min	13	
1915	1929	5	Avg	19	
			Max	43	1929
			Min	7	
1930	1944	1	Avg	13	1937
1945	1959	4	Avg	9	
			Max	11	
			Min	8	
1960	1974	3	Avg	12	
			Max	16	1973 Oil
			Min	10	
1975	1989	2	Avg	11	
			Max	16	1981 Oil
			Min	6	1980
1990	2004	2	Avg	8	
			Max	8	
			Min	8	

December 2007

RETAIL ALL FRESH BEEF DEMAND INDEX

Second Quarter, Using CPI 1990=100

Index Value

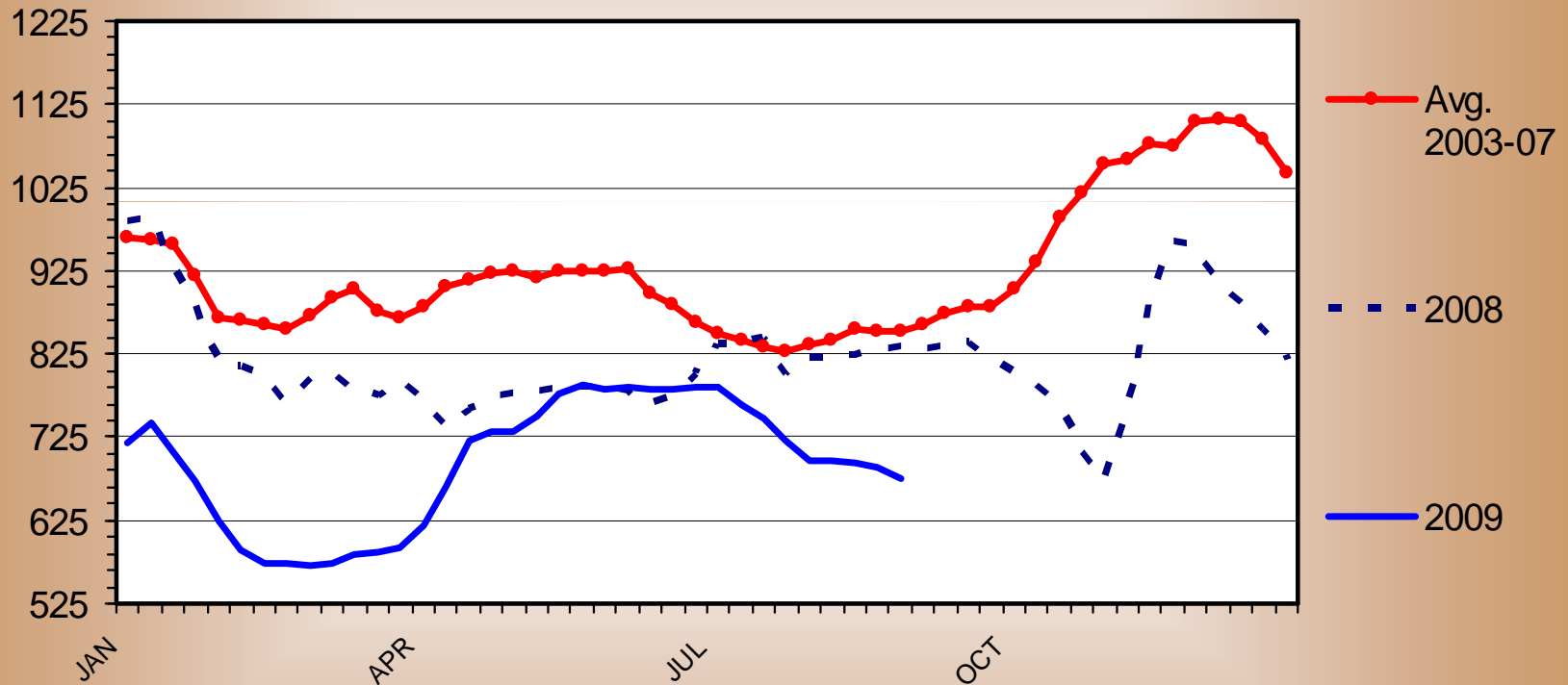


LMIC

WHOLESALE BEEF FULL TENDER PRICES

Musl-On, 5 Pounds and Up, Weekly

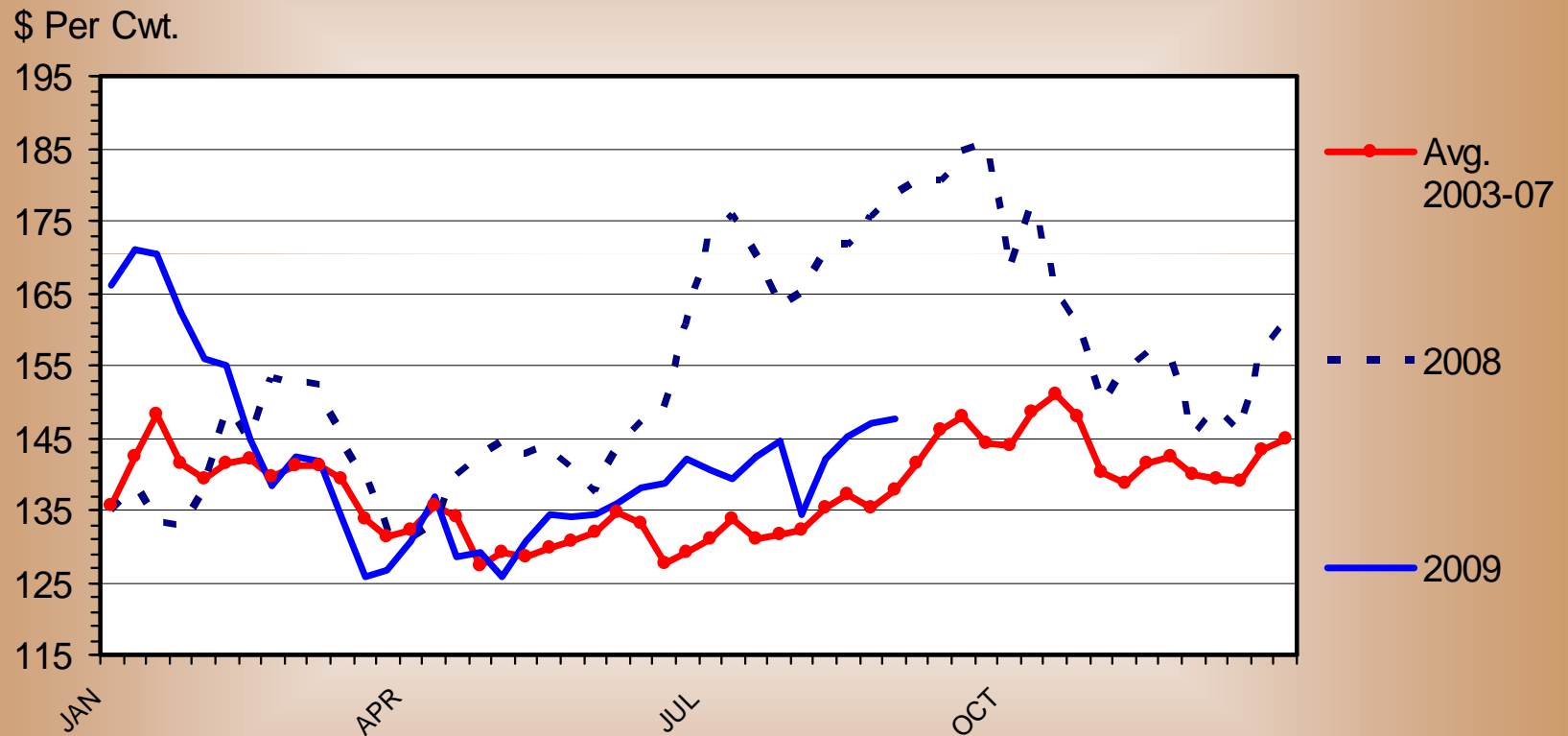
\$ Per Cwt.



Data Source: USDA-AMS and Compiled by LMIC

WHOLESALE BEEF CHUCK PRICES

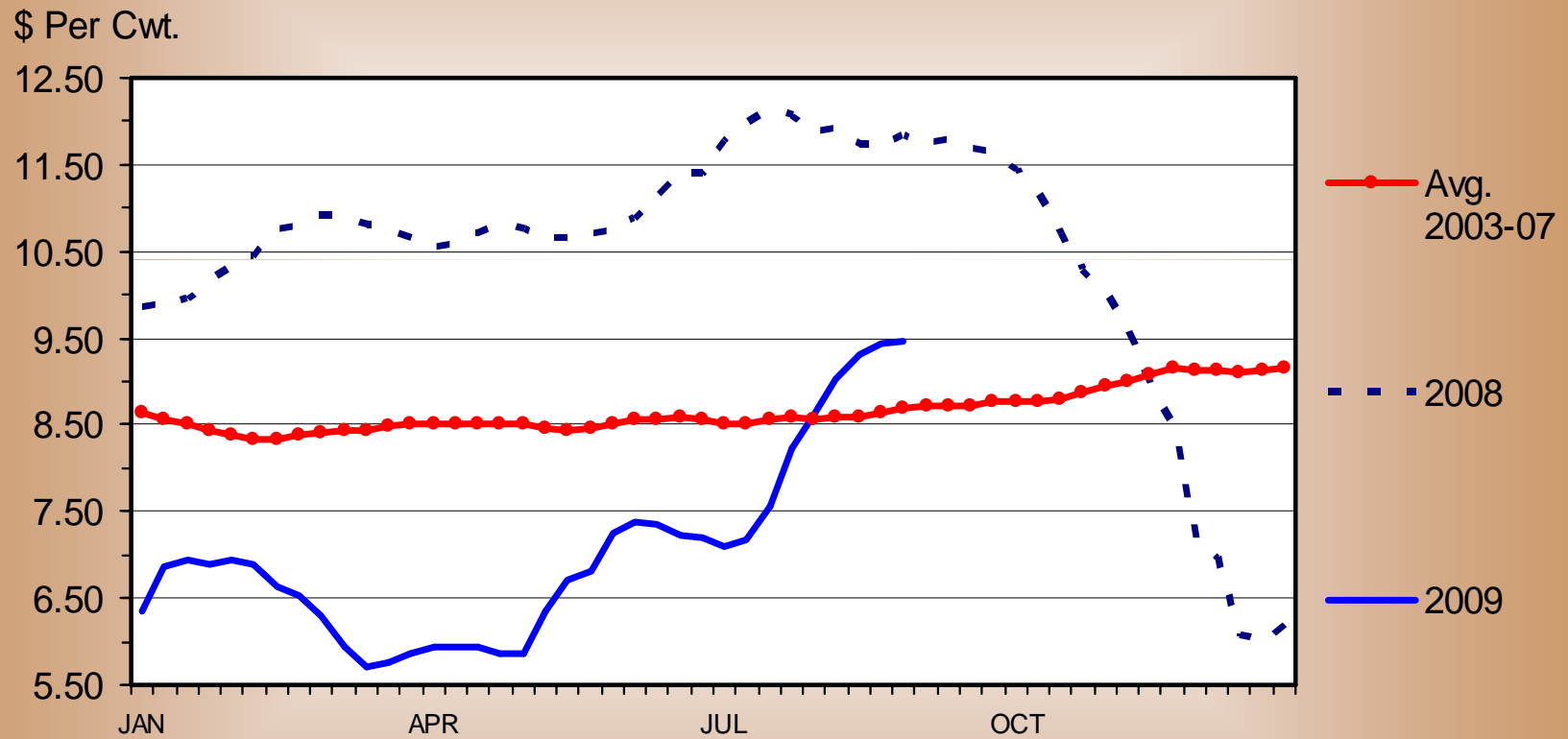
Boneless 2 Piece, Weekly



Data Source: USDA-AMS and Compiled by LMIC

STEER HIDE AND OFFAL VALUE

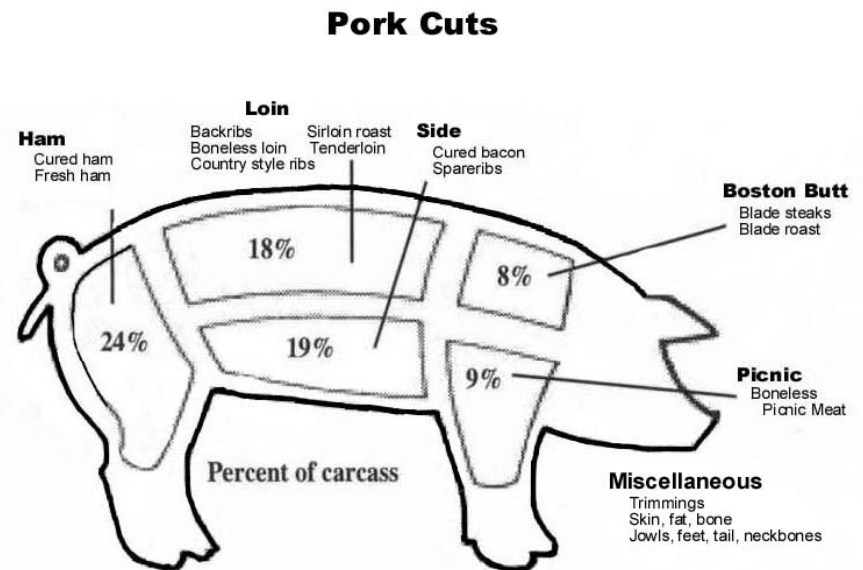
Live Animal Basis, Weekly



Data Source: USDA-AMS and Compiled by LMIC

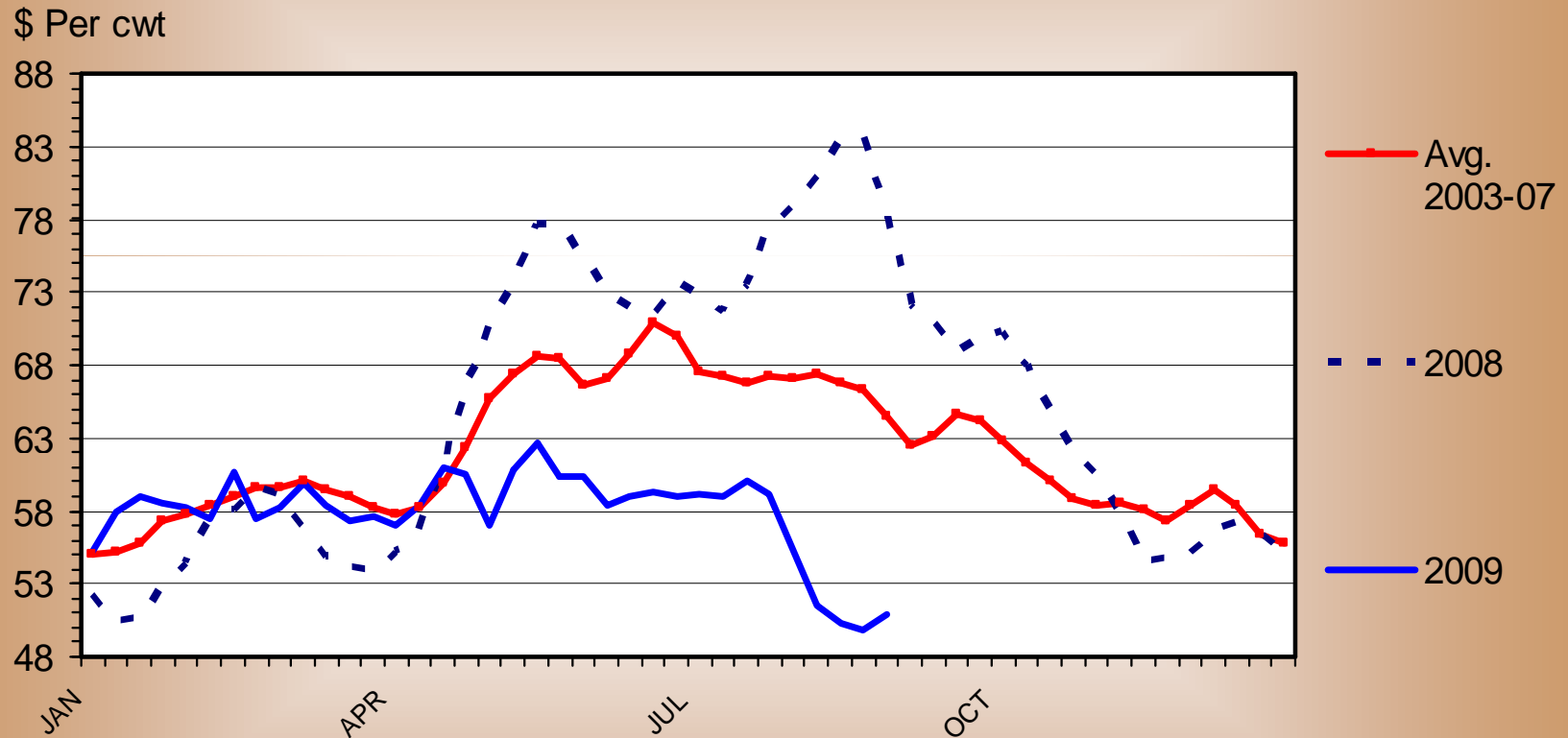


Hogs



BASE SLAUGHTER HOG PRICES

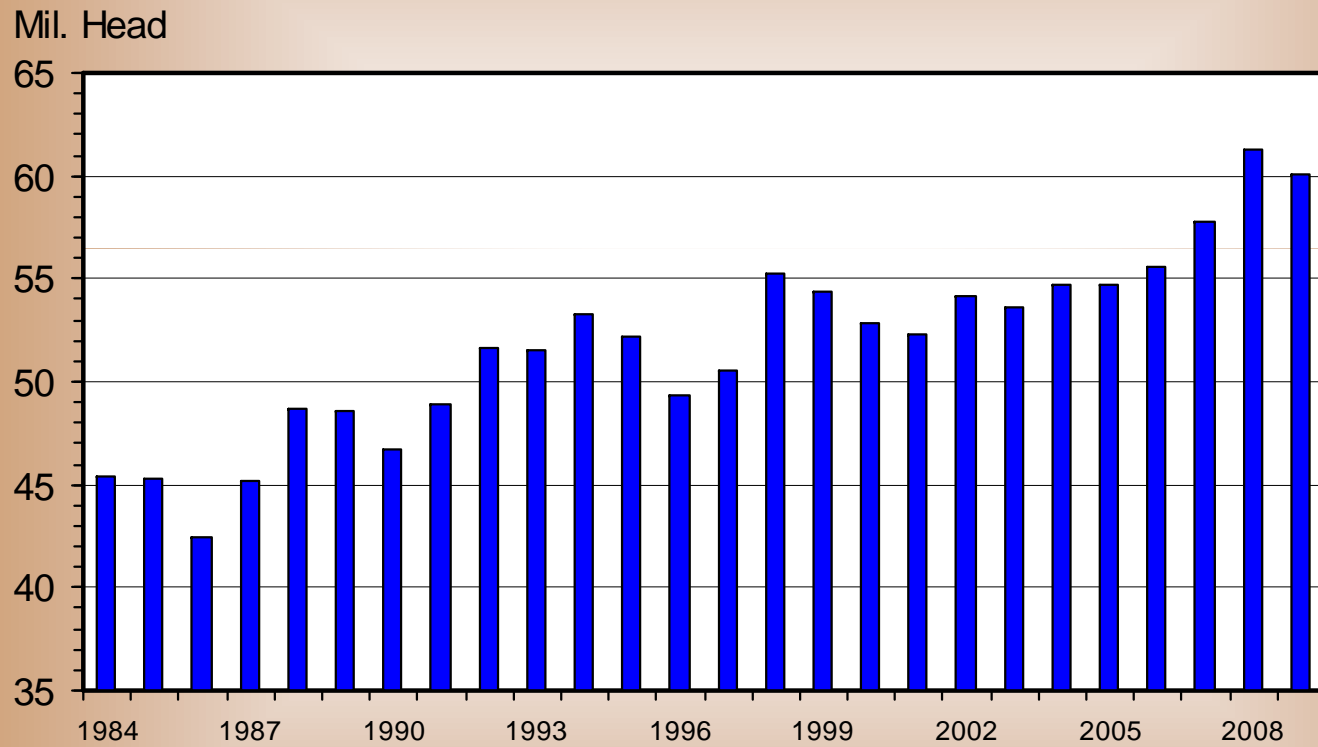
National, Weighted Average Carcass Price, Weekly



Data Source: USDA-AMS and Compiled by LMIC

JUNE 1 MARKET HOGS

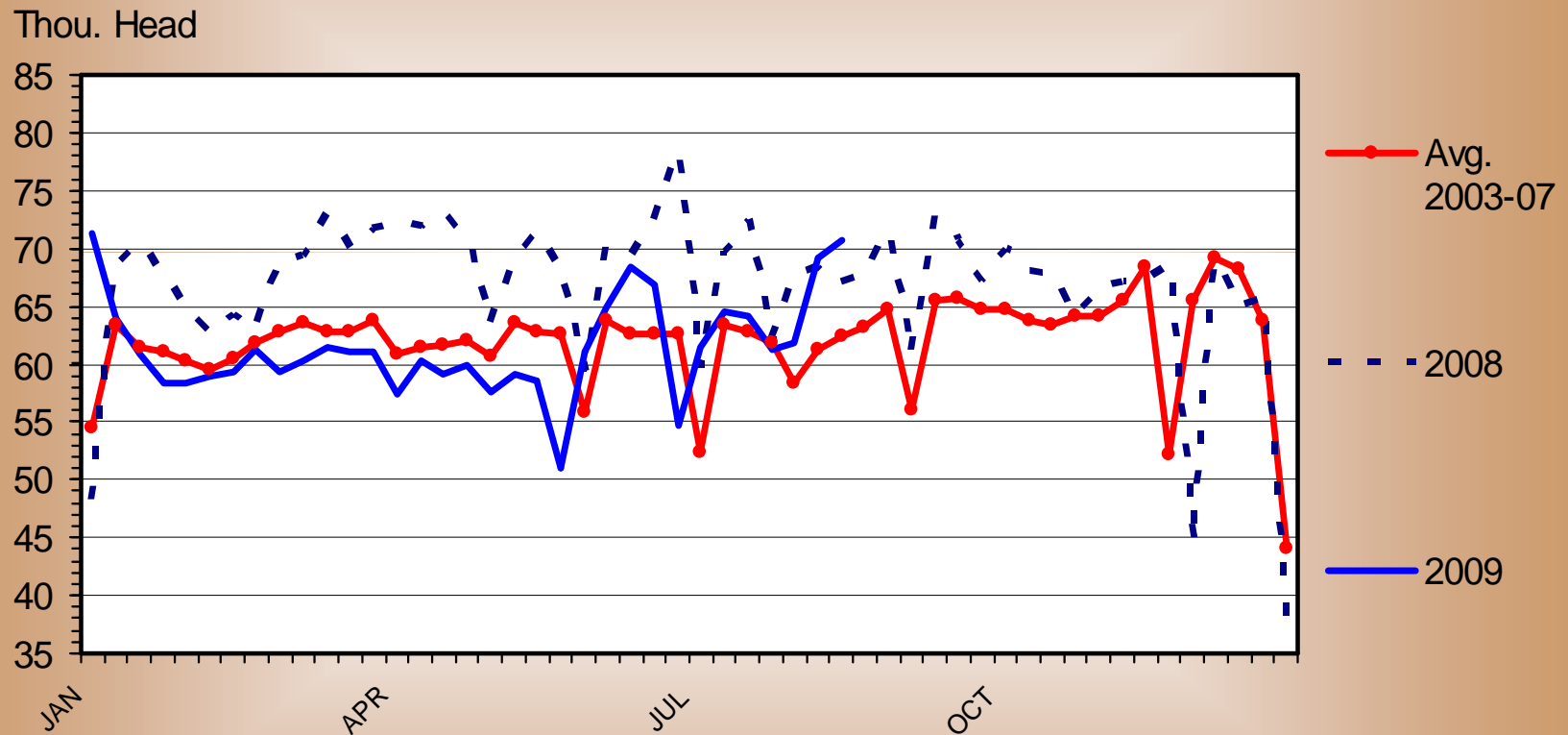
U.S. Inventory



Data Source: USDA-NASS and Compiled by LMIC

SOW SLAUGHTER

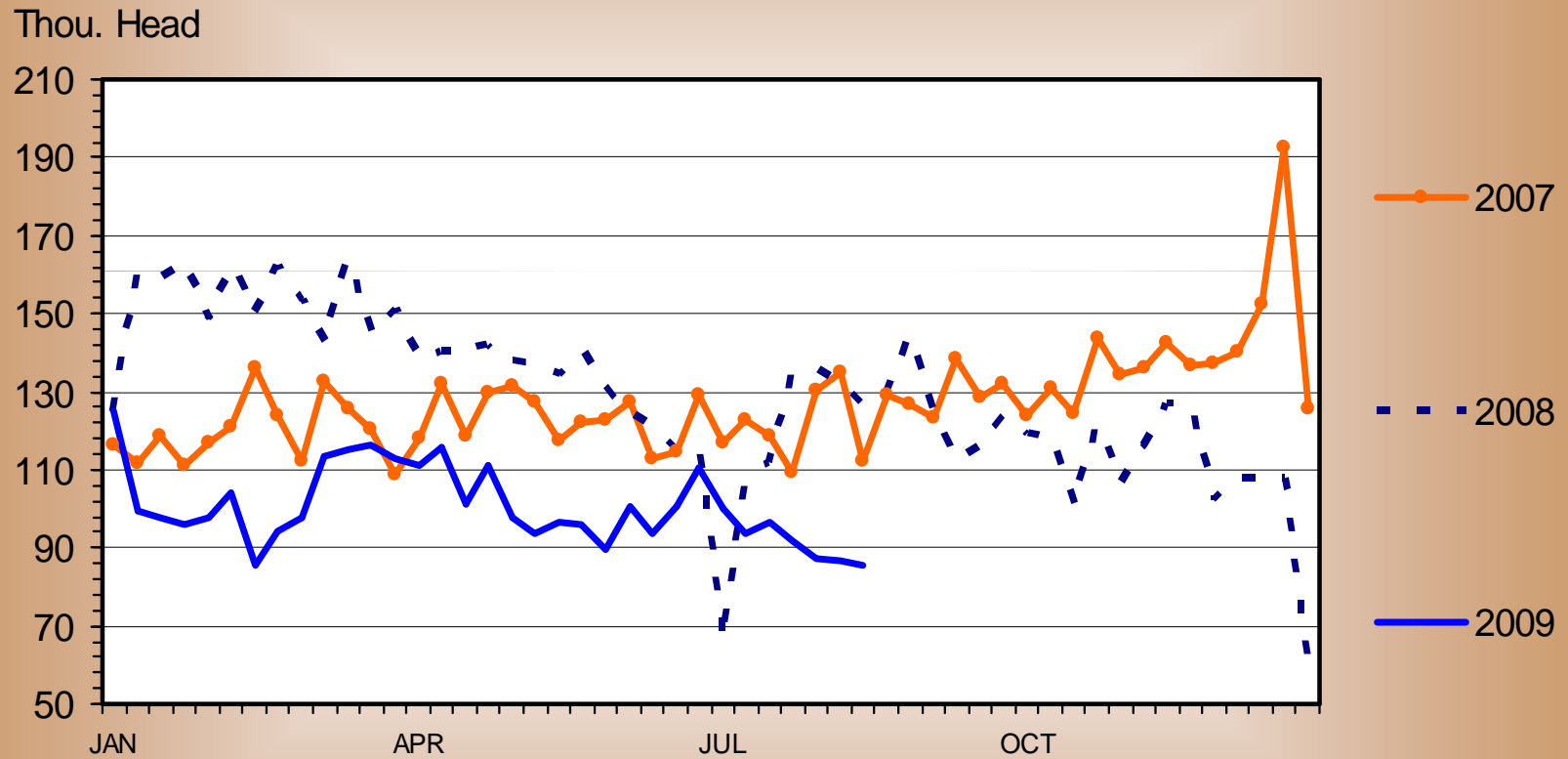
Federally Inspected, Weekly



Data Source: USDA-NASS and Compiled by LMIC

FEEDER PIG IMPORTS FROM CANADA

Weekly

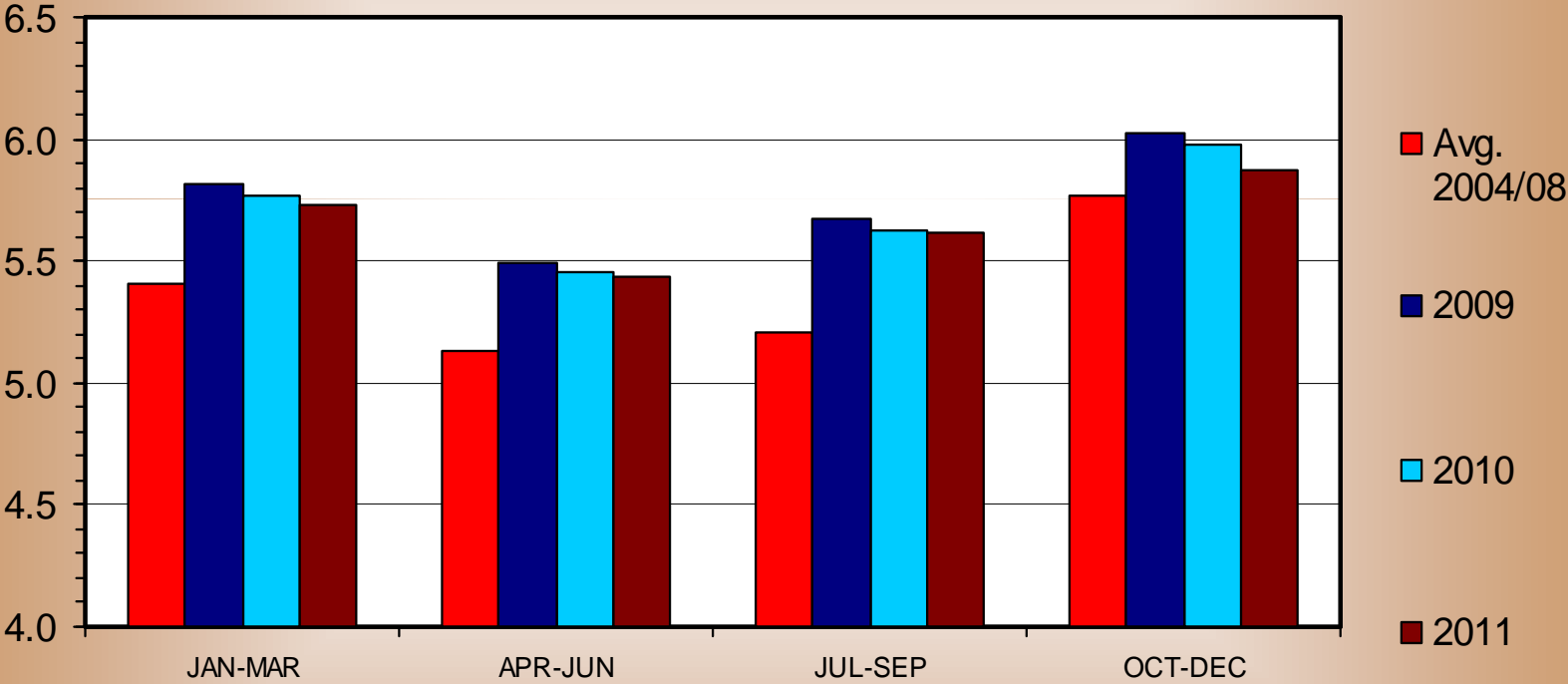


Data Source: USDA-APHIS and AMS; Compiled by LMIC

COMMERCIAL PORK PRODUCTION

Quarterly

Bil. Pounds

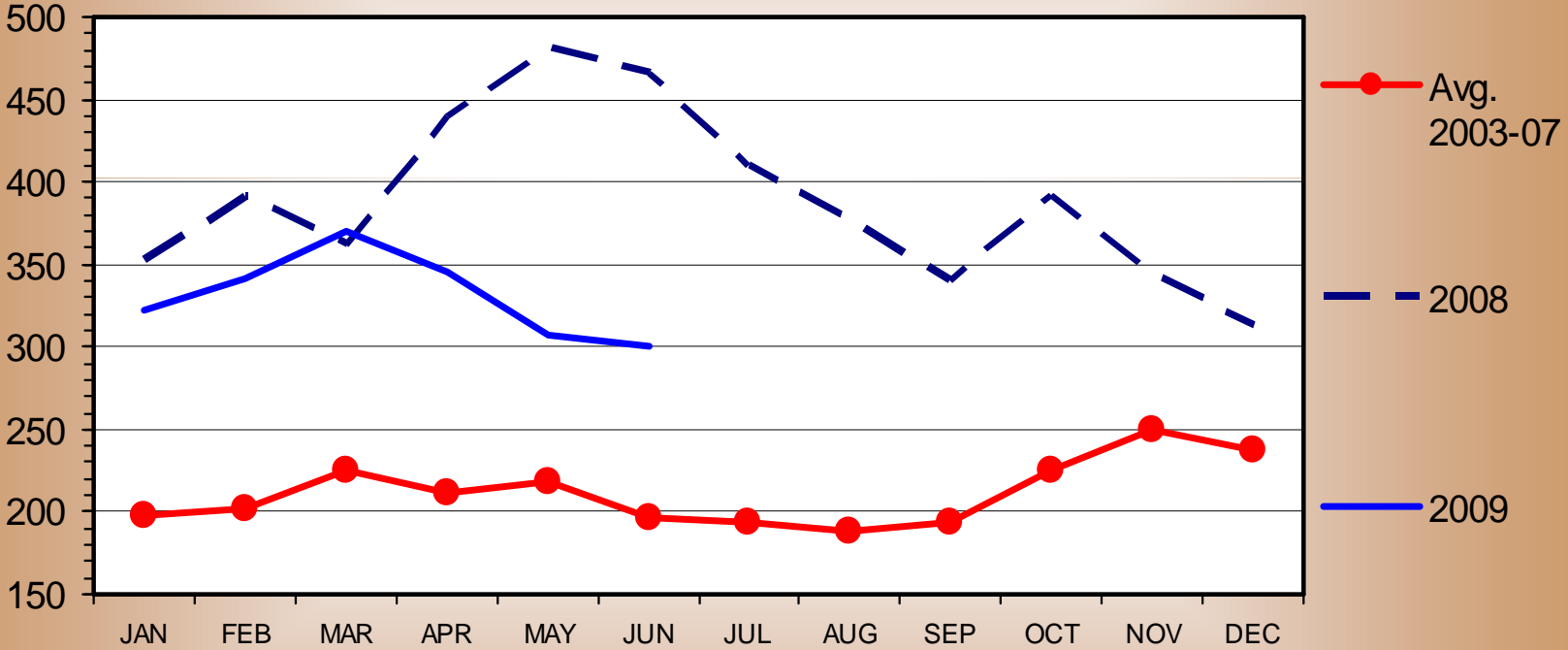


Data Source: USDA-NASS and Forecasts by LMIC

U S PORK EXPORTS

Carcass Weight, Monthly

Mil. Pounds



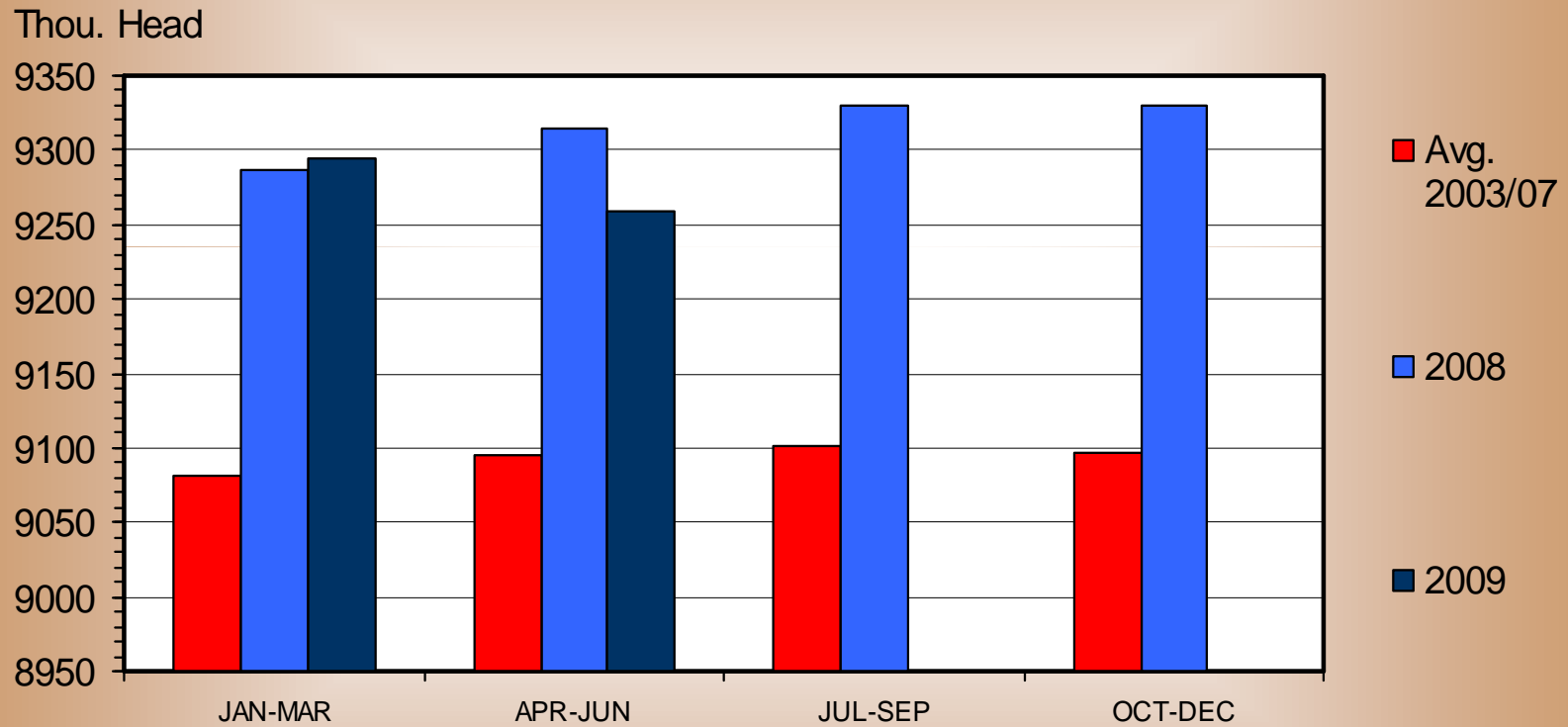
Data Source: USDA-FAS and ERS; Compiled by LMIC

Dairy



DAIRY COW INVENTORY

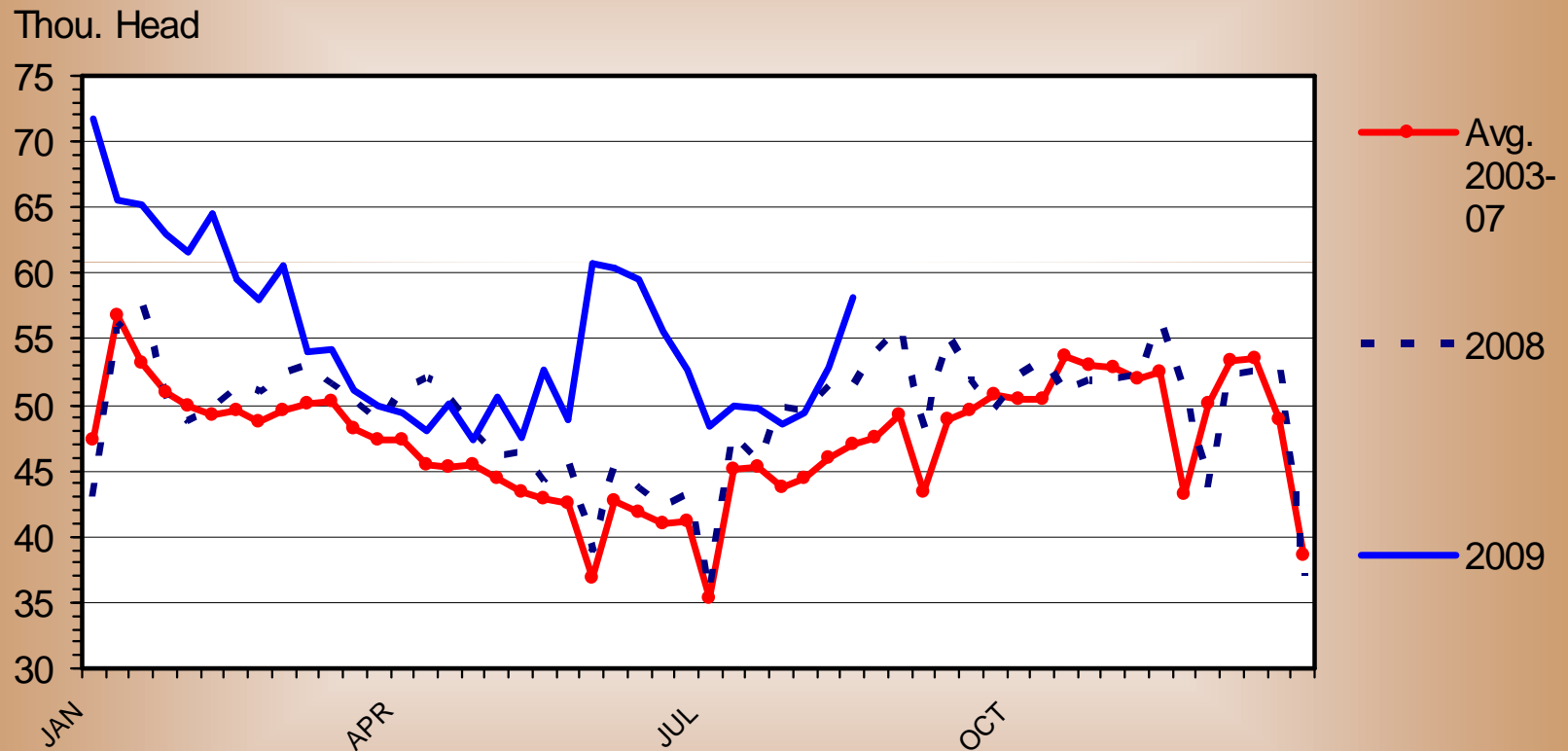
US, Average, Quarterly



Data Source: USDA-NASS and Compiled by LMIC

DAIRY COW SLAUGHTER

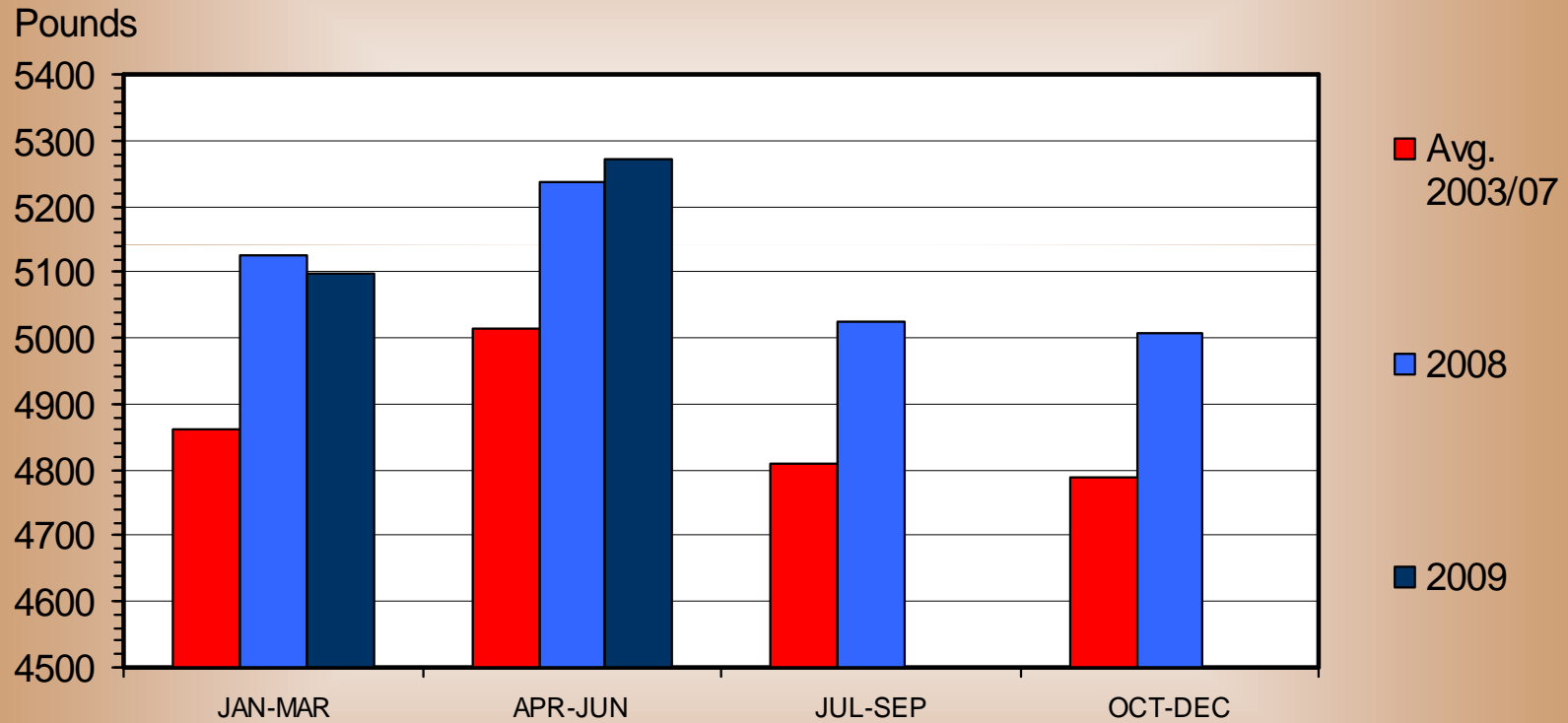
Federally Inspected, Weekly



Data Source: USDA-NASS and Compiled by LMIC

MILK PRODUCED PER COW

US Total, Quarterly

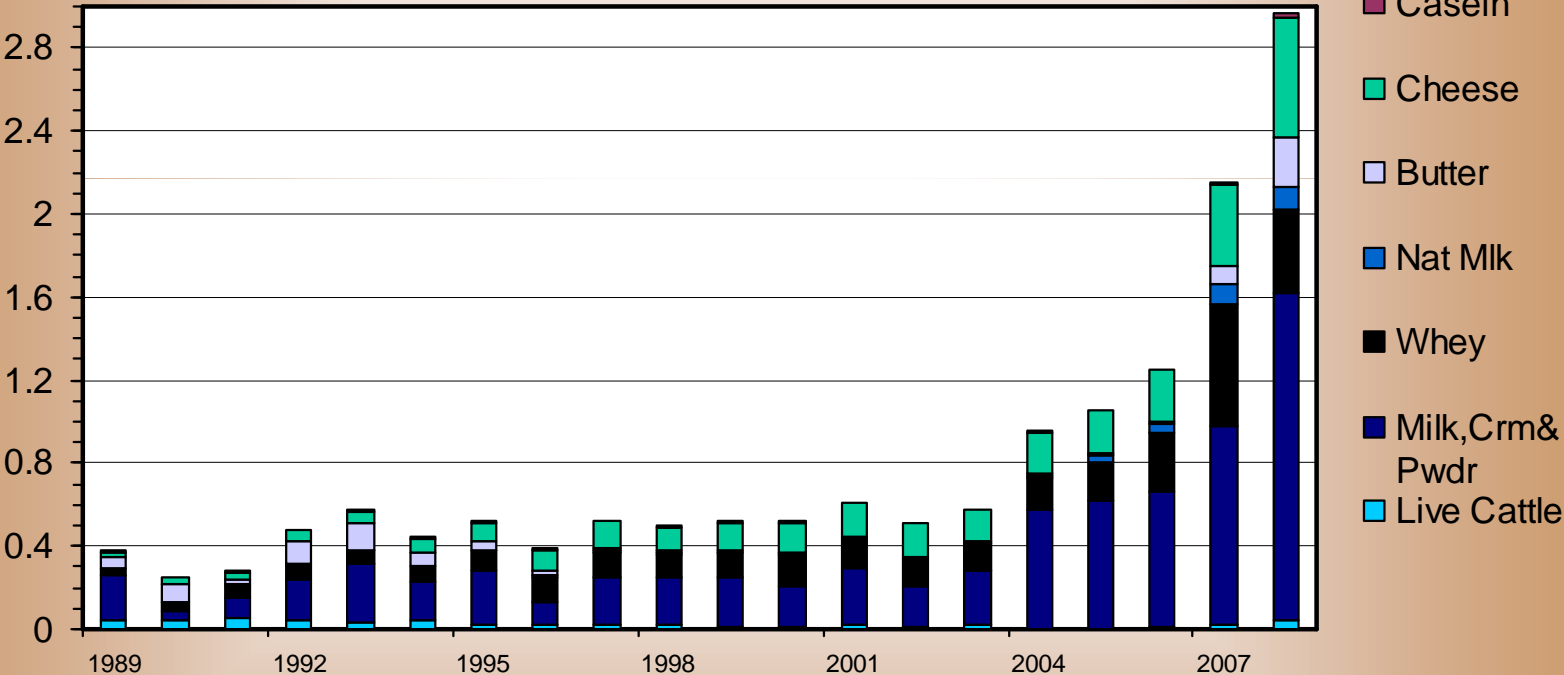


Data Source: USDA-NASS and Compiled by LMIC

U S DAIRY INDUSTRY EXPORT VALUES

Annual

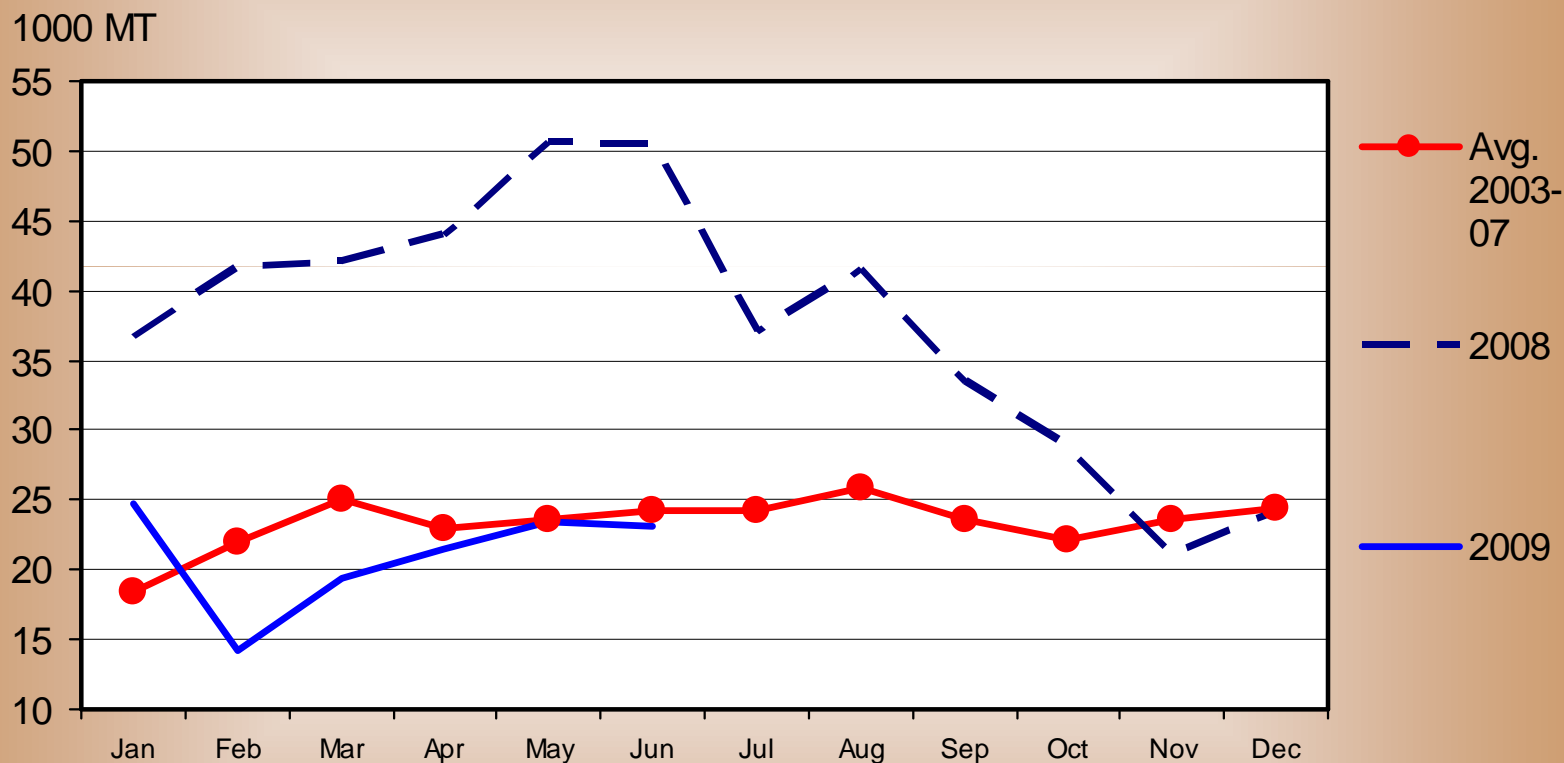
Bil. \$



Data Source: USDA-FAS; Analysis by LMIC

MILK AND CREAM EXPORTS

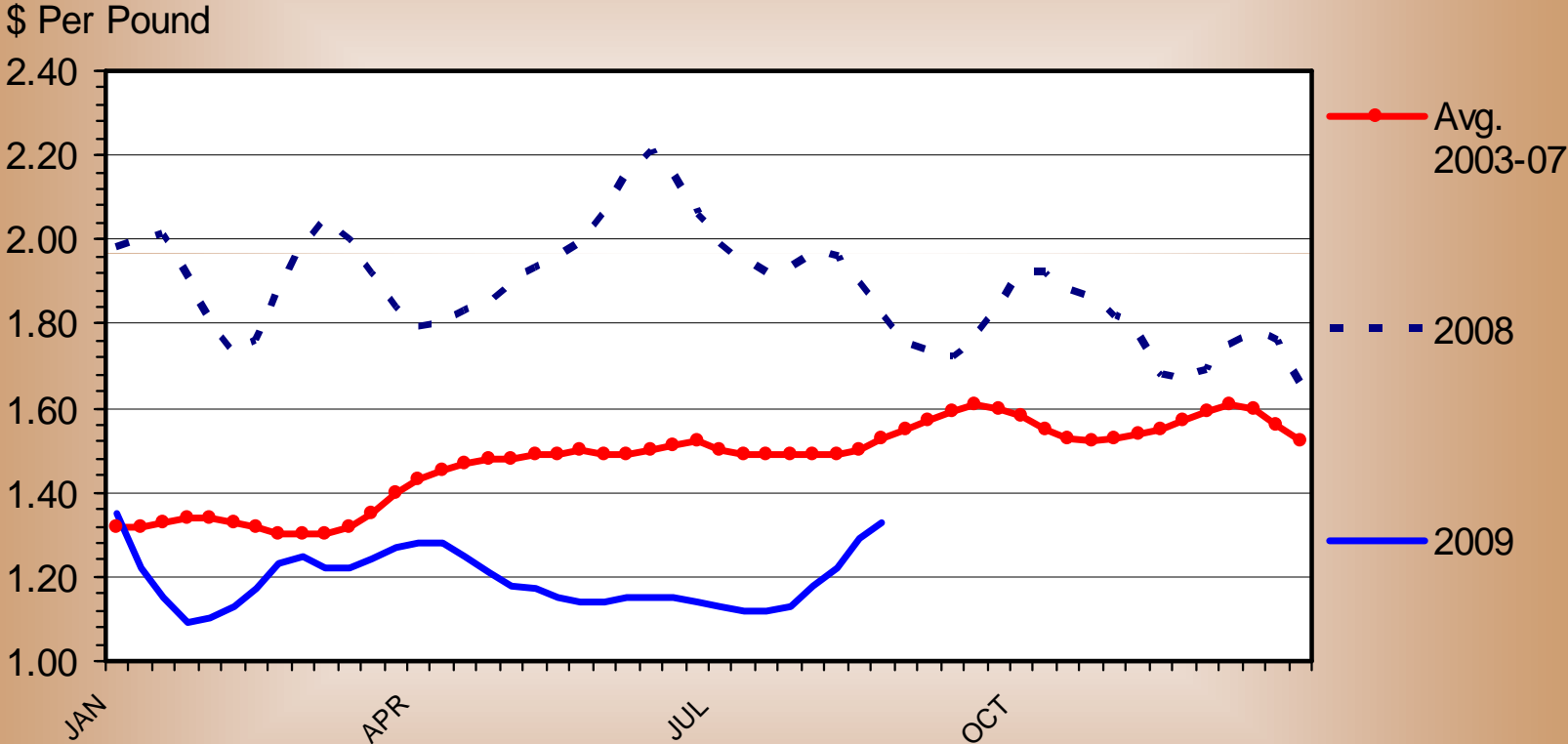
Concentrated or Sweetened, Monthly



Data Source: USDA-FAS Compiled by LMIC

CHEDDAR CHEESE PRICES

40 Pound Block, US, Weekly

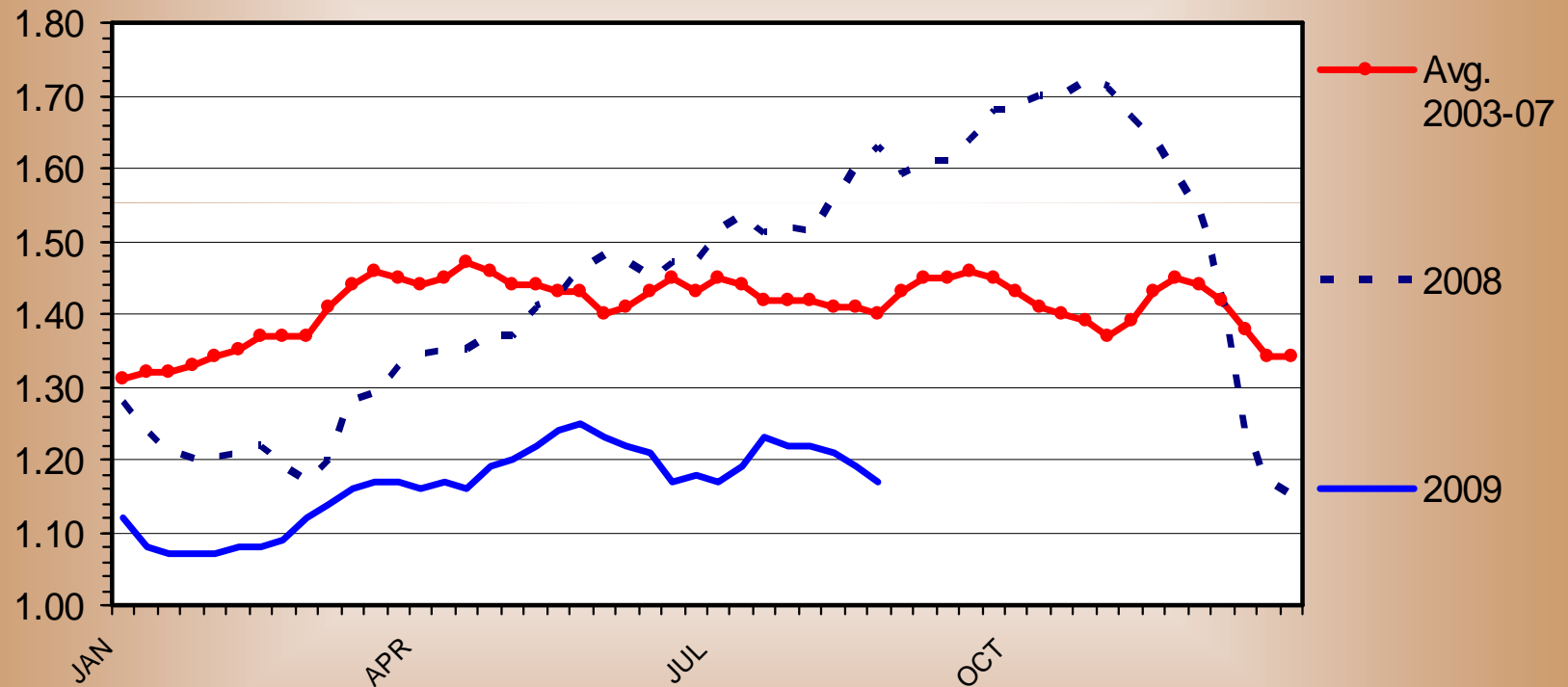


Data Source: USDA-AMS and Compiled by LMIC

BUTTER PRICES

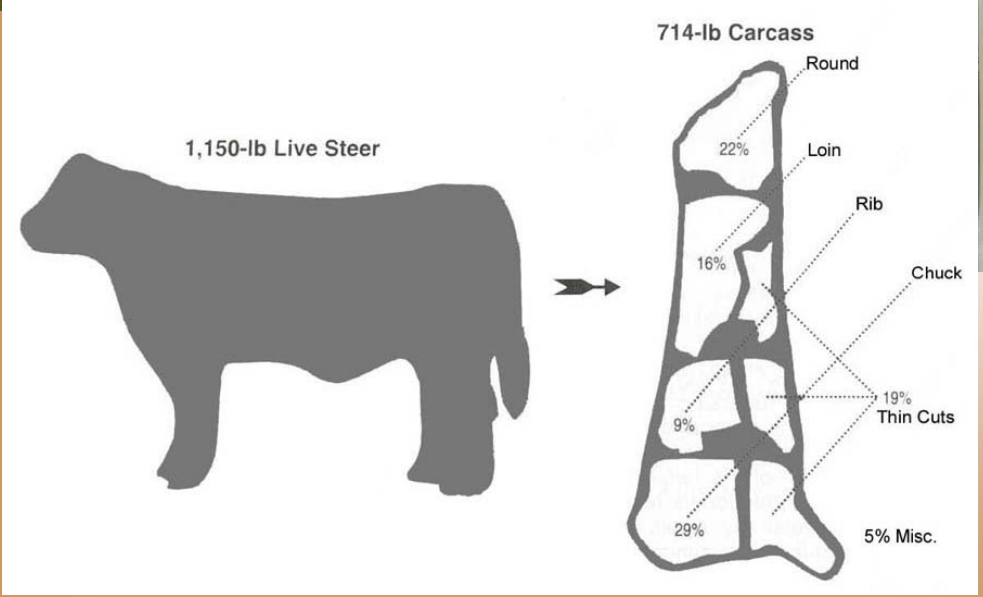
US, Weekly

\$ Per Pound



Data Source: USDA-AMS and Compiled by LMIC

Cattle



맛있고 영양많은 High Quality U.S. BEEF

본갈비살 (Boneless Chuck Short Rib)

본갈비살은 갈비 앞쪽의 중앙에 위치한 부위로서 마블링이 우수하고 고소한 맛을 느낄 수 있는 부위입니다.

로스용으로 드시면 맛있습니다.

미국산 소고기 등급제도

미국산 소고기 등급은 품질등급 (Quality Grade) 과 수율등급 (Yield Grade) 으로 구분됩니다. 품질등급은 근색, 지방도, 소의 연령, 육체, 근육의 탄력도에 의해 5개 등급으로 분류합니다.

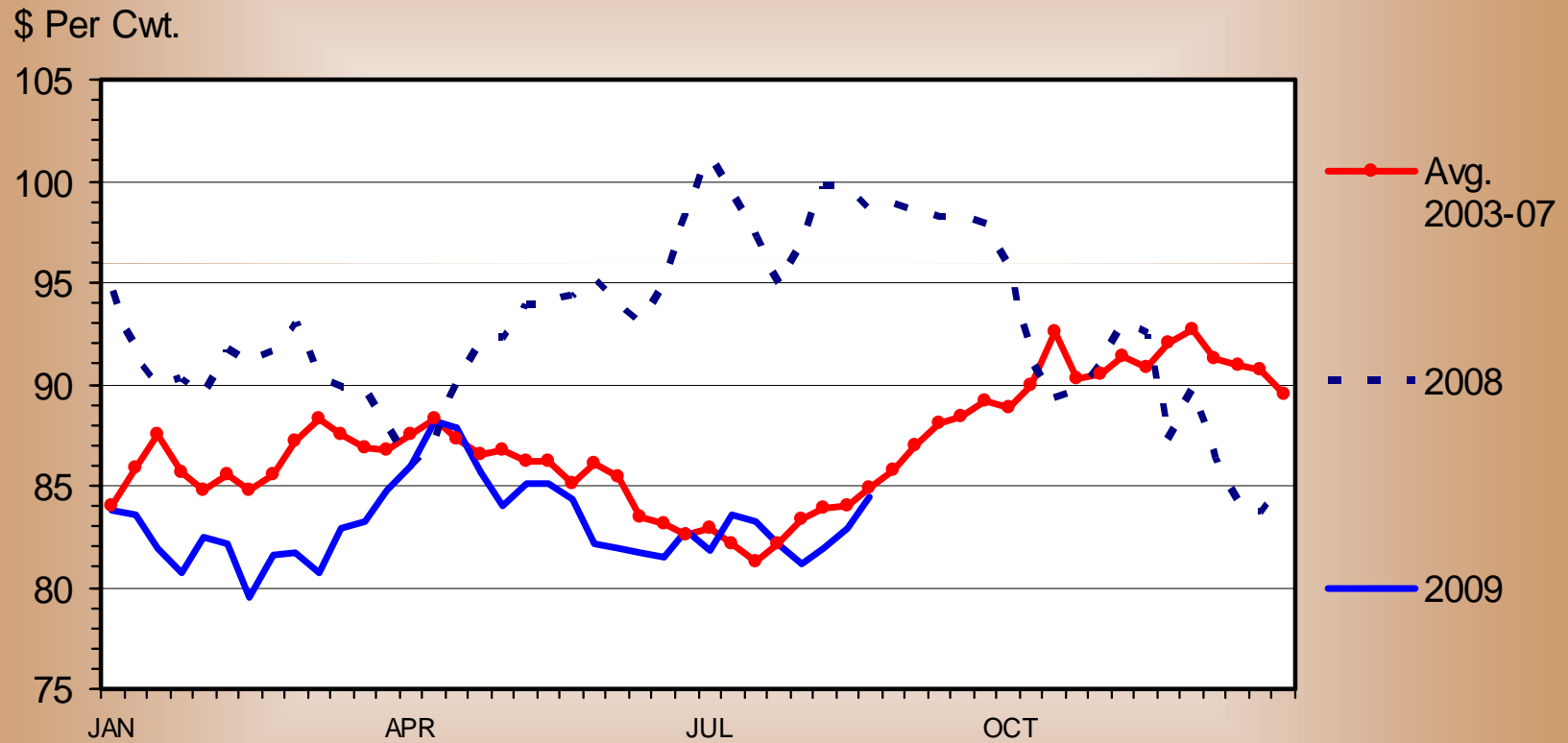
꽃갈비 (Short Rib)

꽃갈비는 갈비중에서 가장 맛있는 6~8번 갈비로서 마블링이 우수하여 갈비의 참맛을 느낄 수 있는 부위입니다.

LA식갈비 및 갈비뼈를 제거한 꽃갈비살 구입용으로 드시면 맛있습니다.

SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly

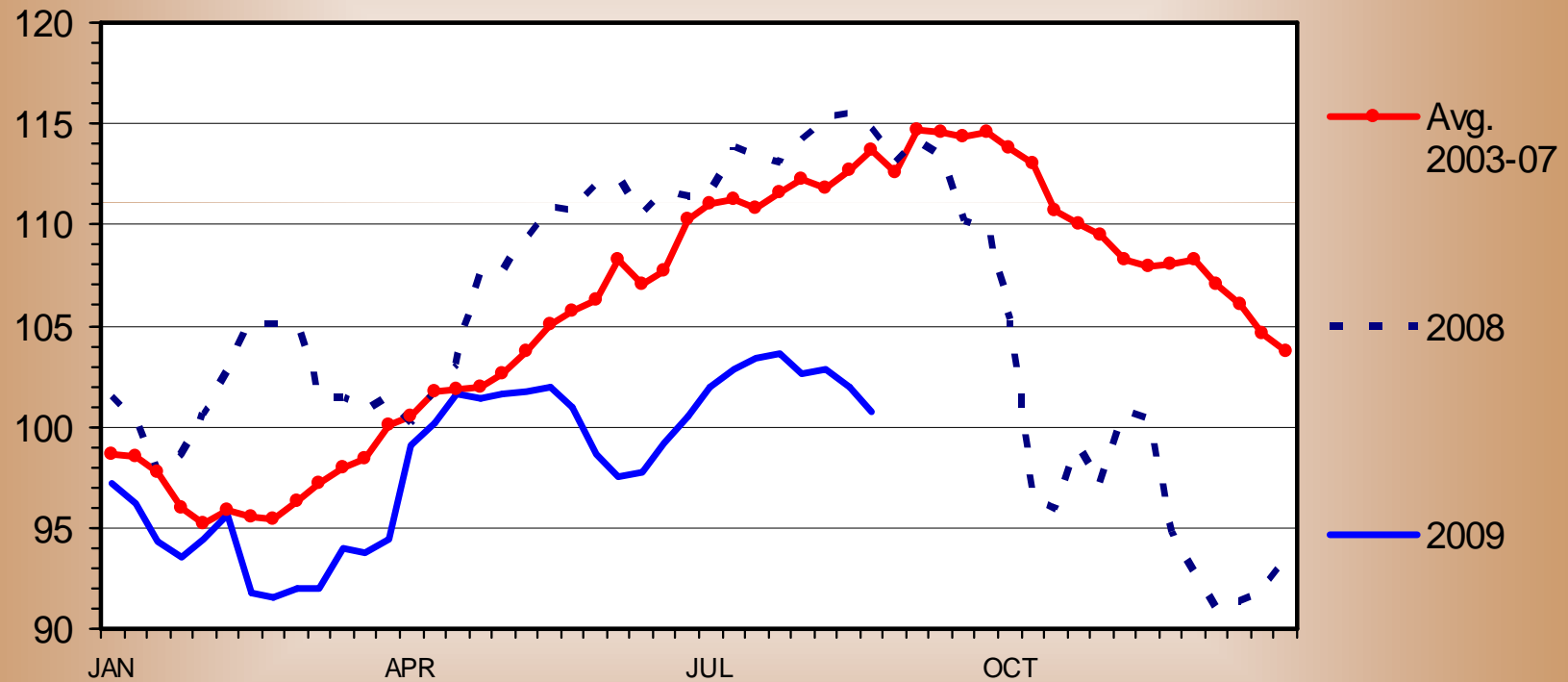


Data Source: USDA-AMS and Compiled by LMIC

MED. & LRG. #1 FEEDER STEER PRICES

700-800 Pounds, Southern Plains, Weekly

\$ Per Cwt.

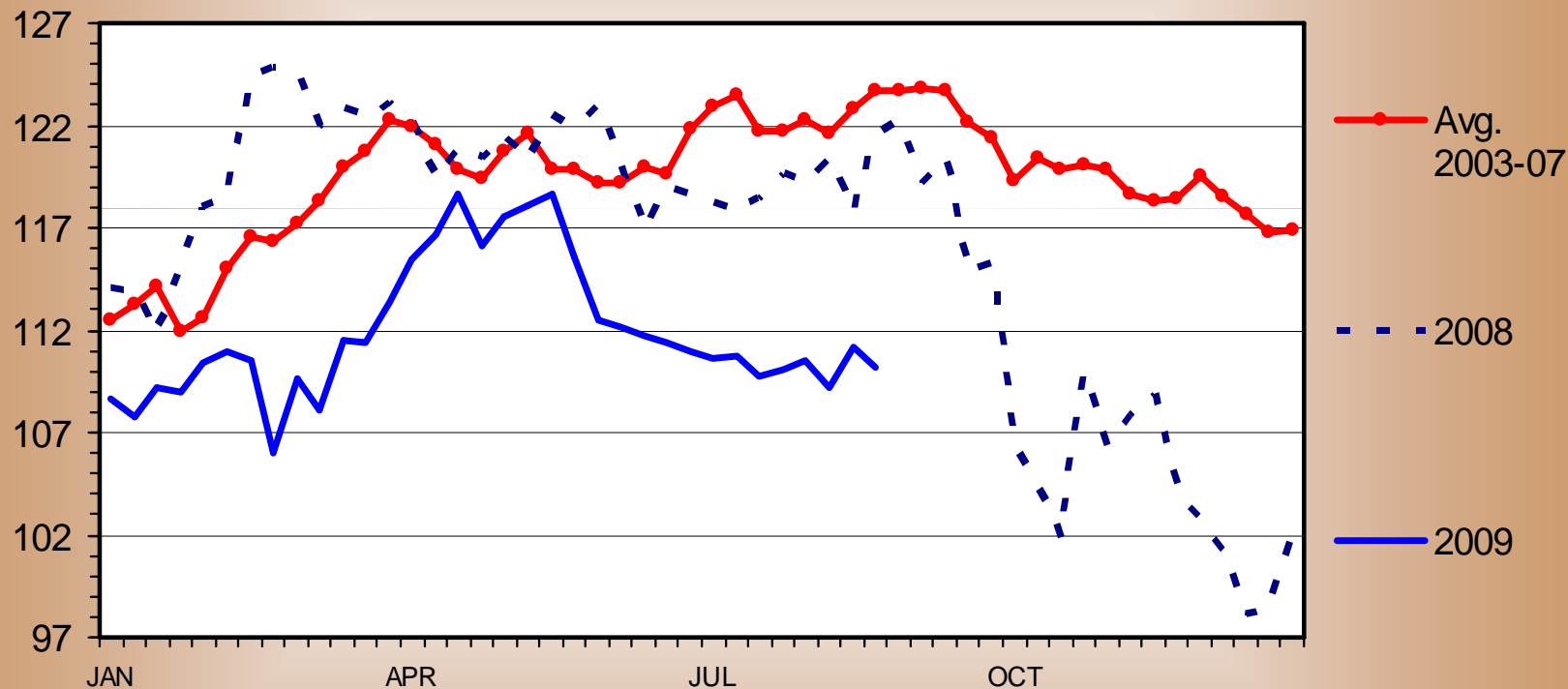


Data Source: USDA-AMS and Compiled by LMIC

MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly

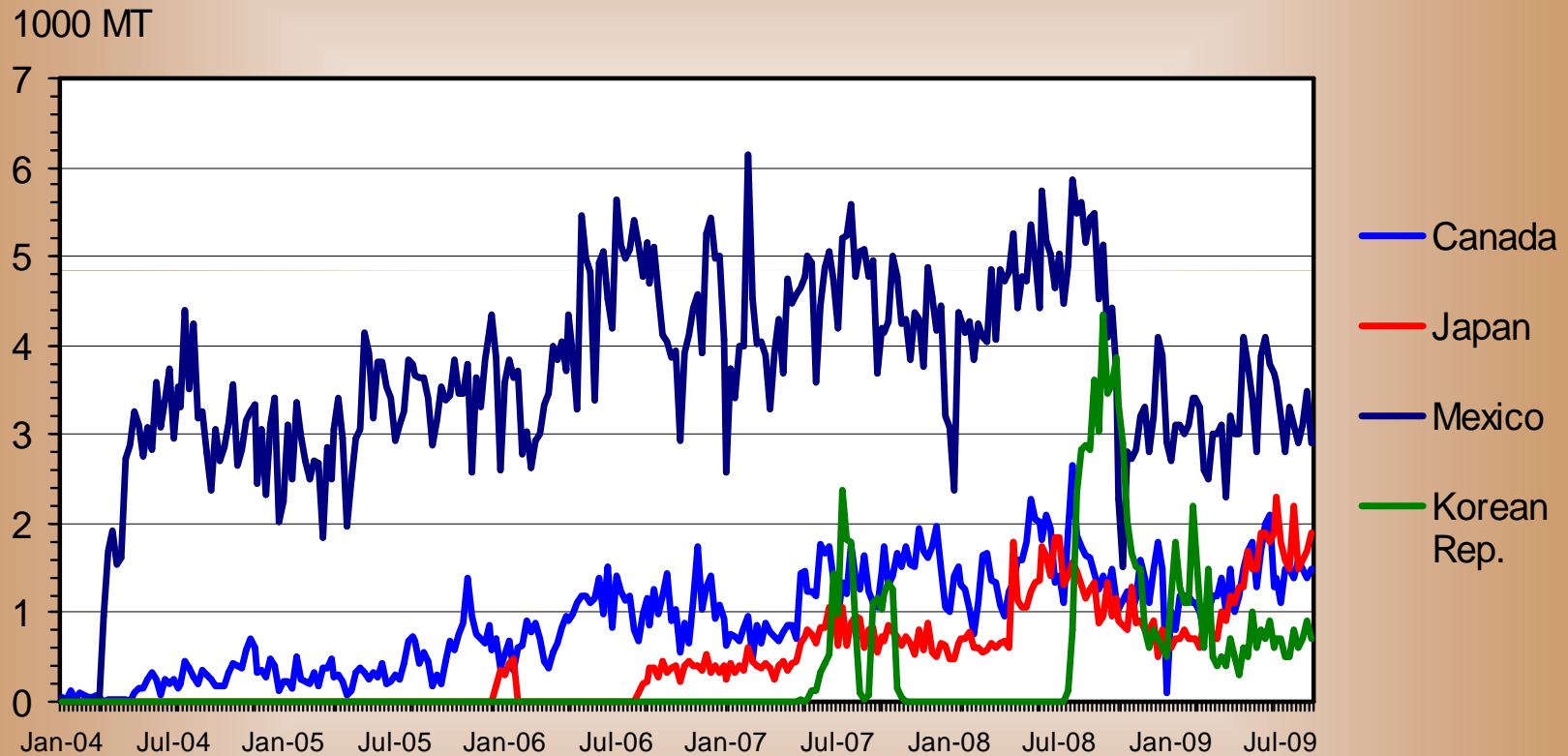
\$ Per Cwt.



Data Source: USDA-AMS and Compiled by LMIC

U.S. EXPORTS OF BEEF MUSCLE CUTS

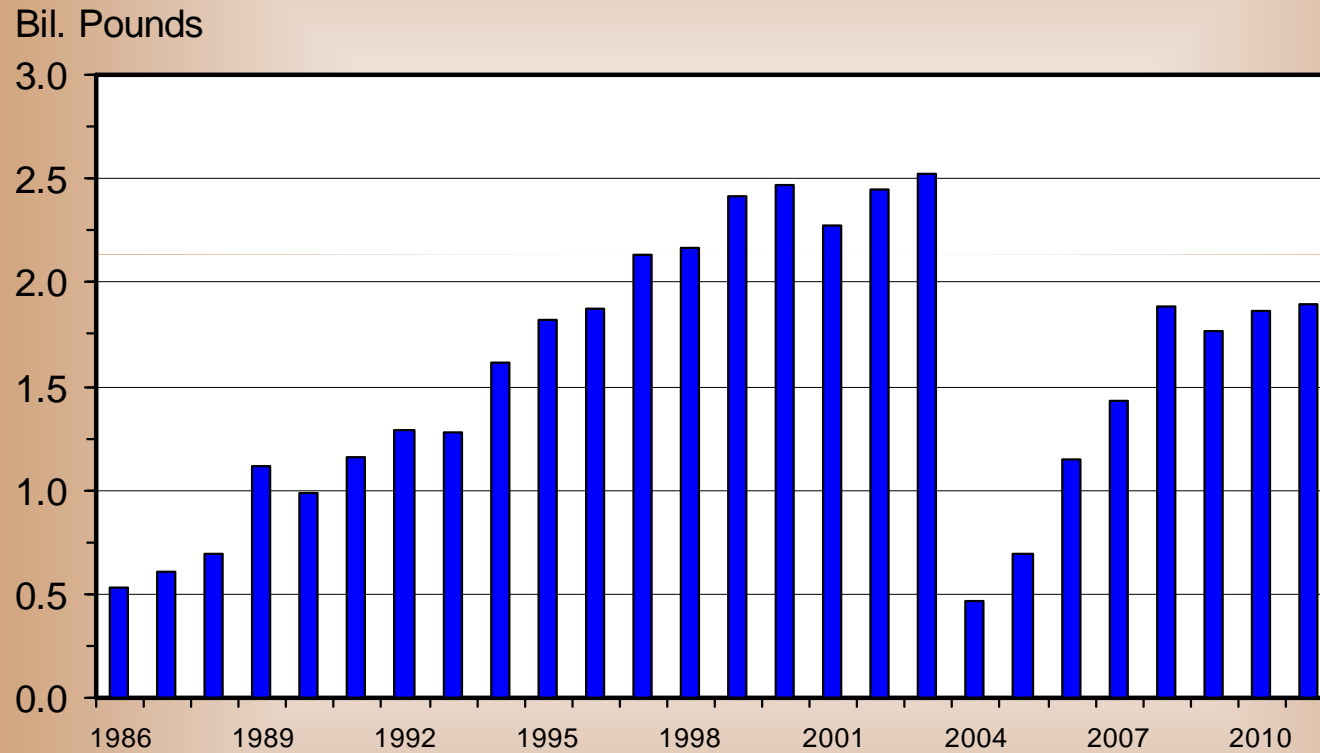
Weekly



Data Source: USDA-FAS and Compiled by LMIC

U S BEEF AND VEAL EXPORTS

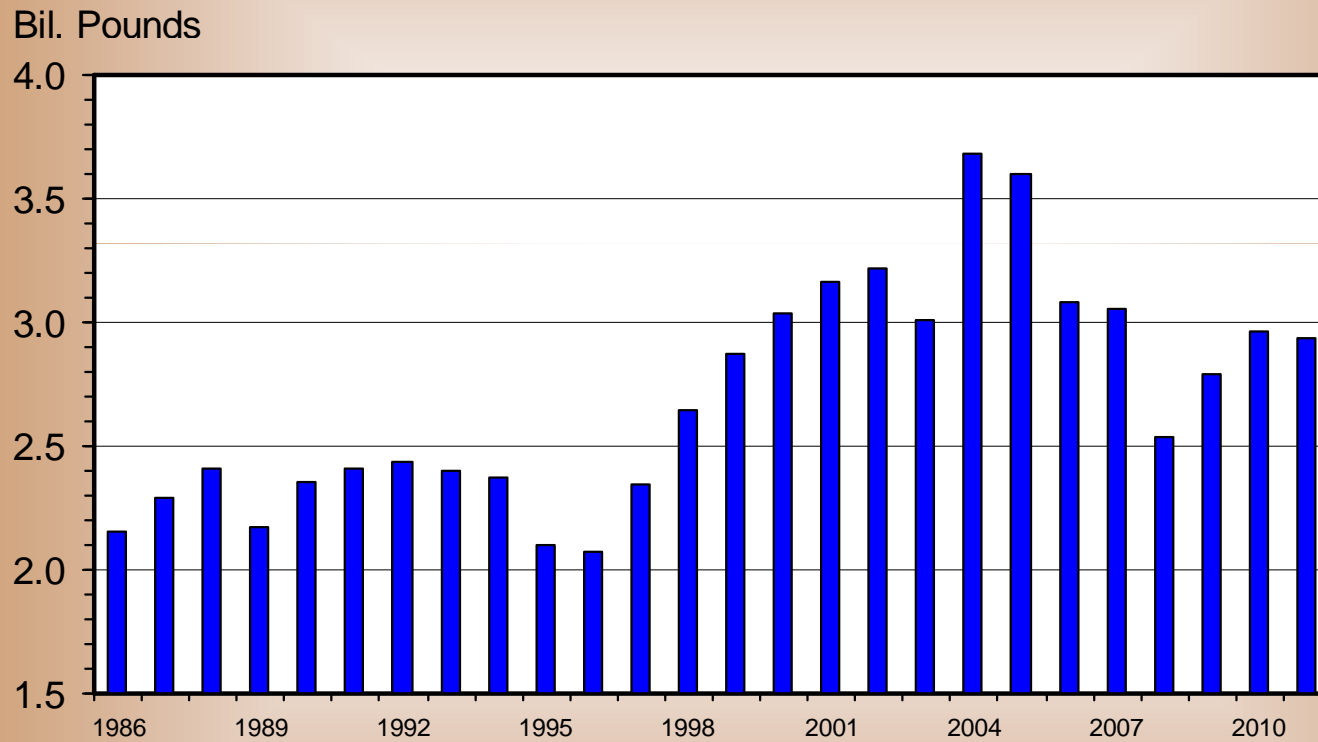
Carcass Weight, Annual



Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

U S BEEF AND VEAL IMPORTS

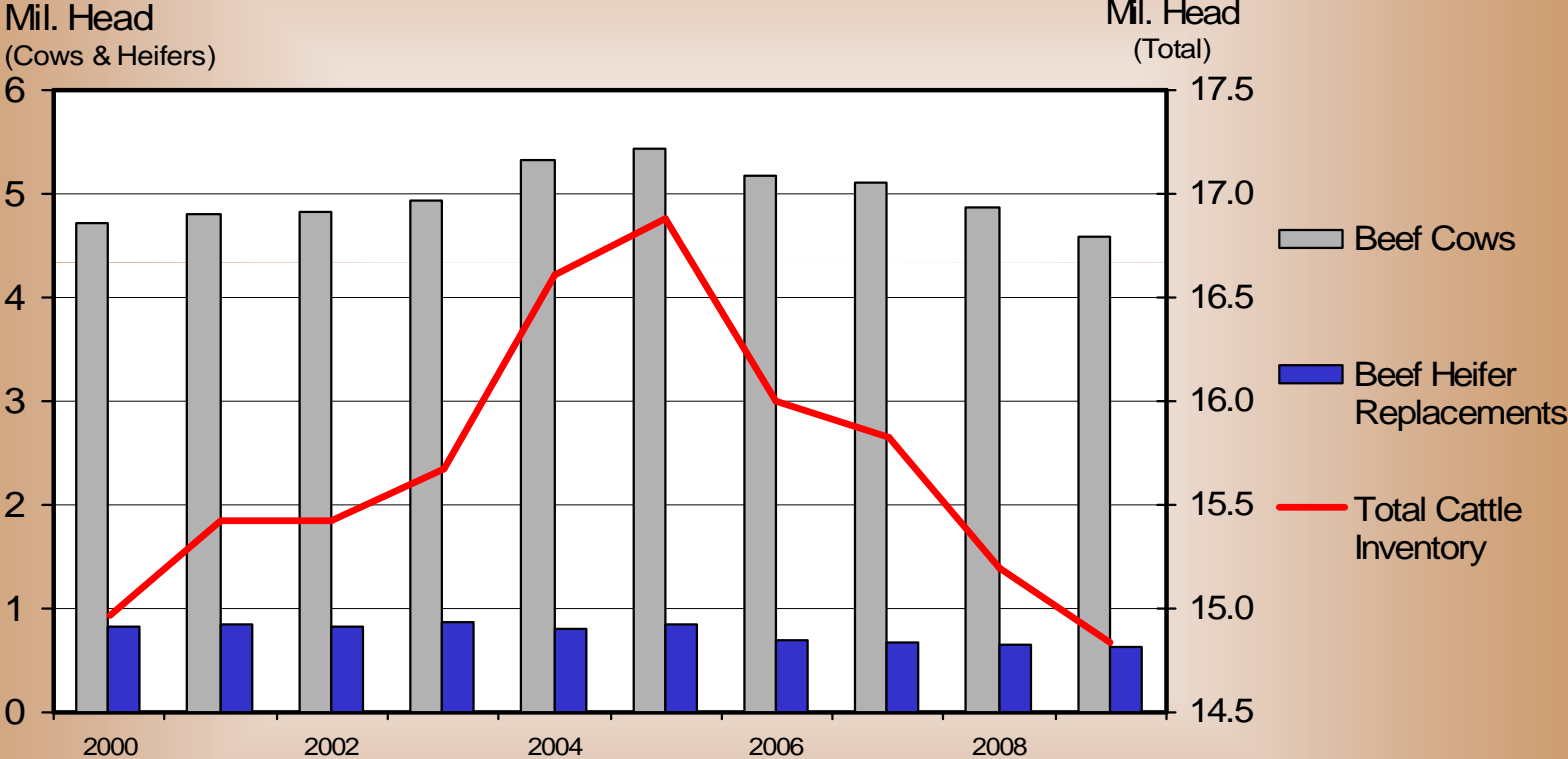
Carcass Weight, Annual



Data Source: USDA-FAS and ERS; Compiled and Forecasts by LMIC

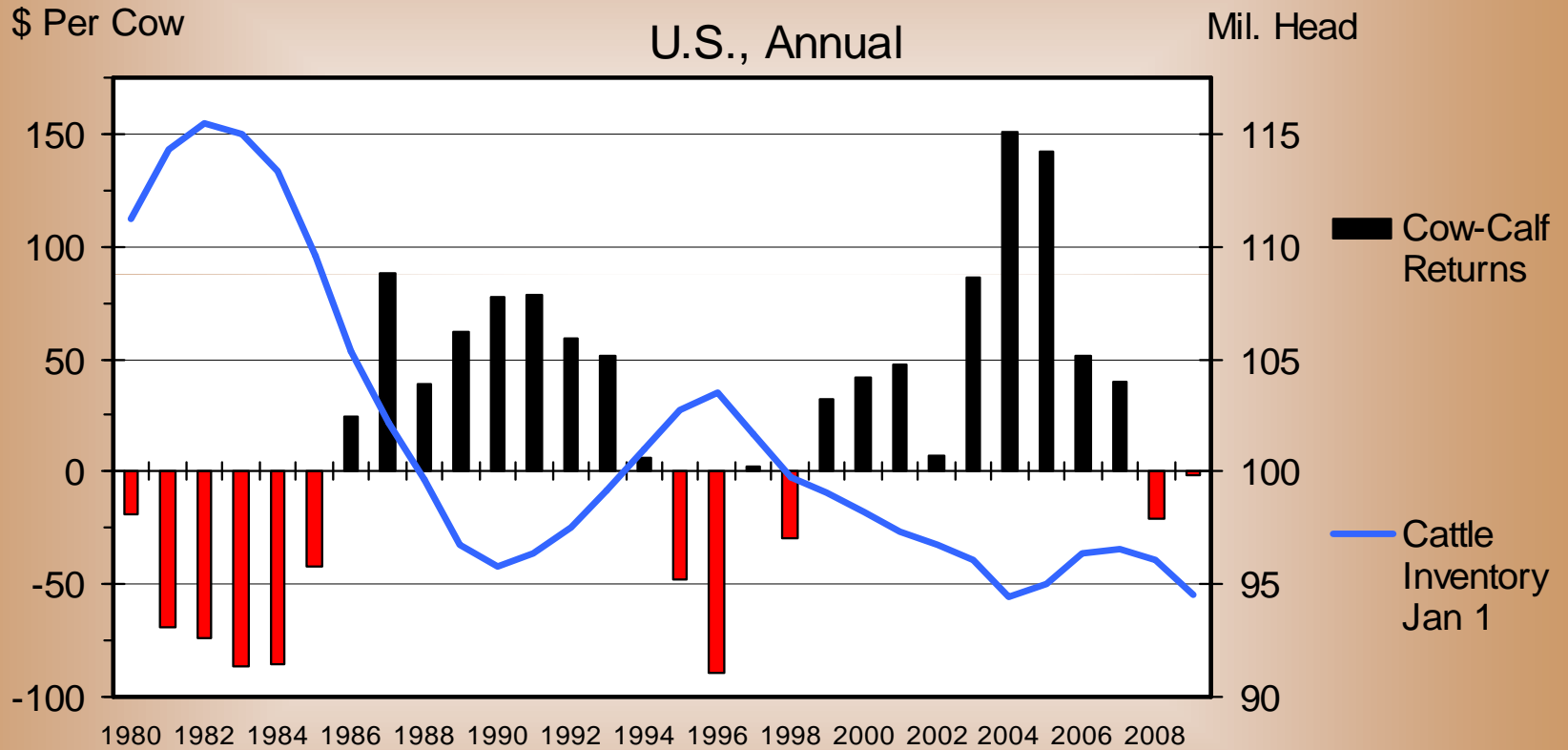
CANADA CATTLE INVENTORY

July 1, Annual



Data Source: Statistics Canada and Compiled by LMIC

COW-CALF RETURNS AND CATTLE INVENTORY

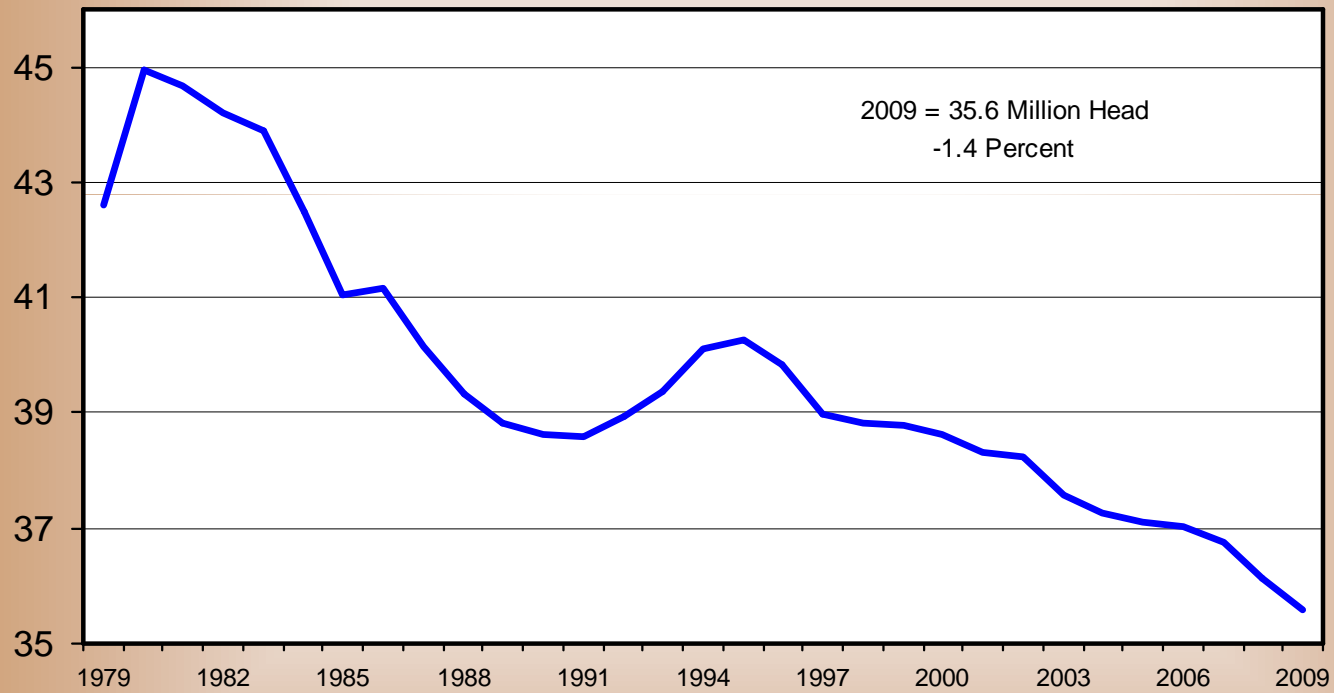


Data Source: LMIC and USDA-NASS (Compiled by LMIC)

CALF CROP

July 1 Estimates, U.S., Annual

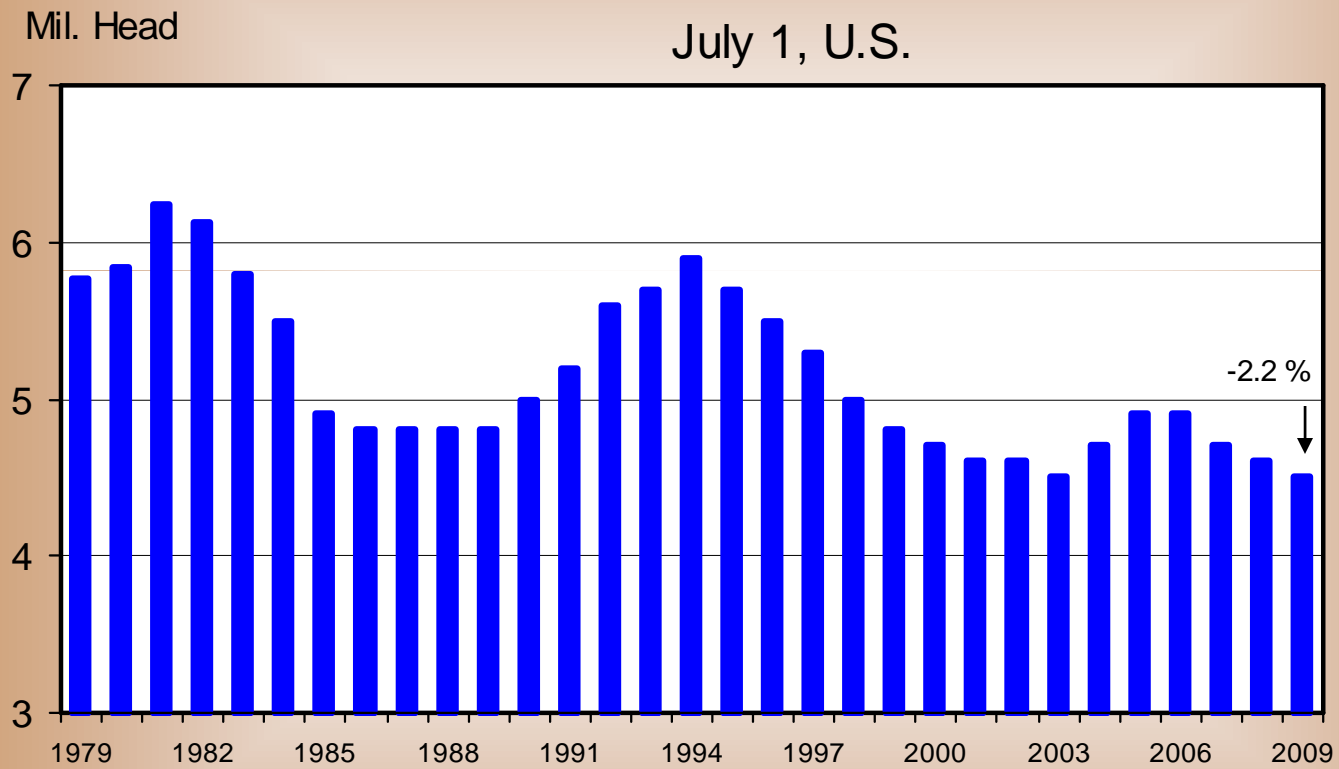
Mil. Head



Data Source: USDA-NASS and Compiled by LMIC

HEIFERS HELD AS BEEF COW REPLACEMENTS

July 1, U.S.

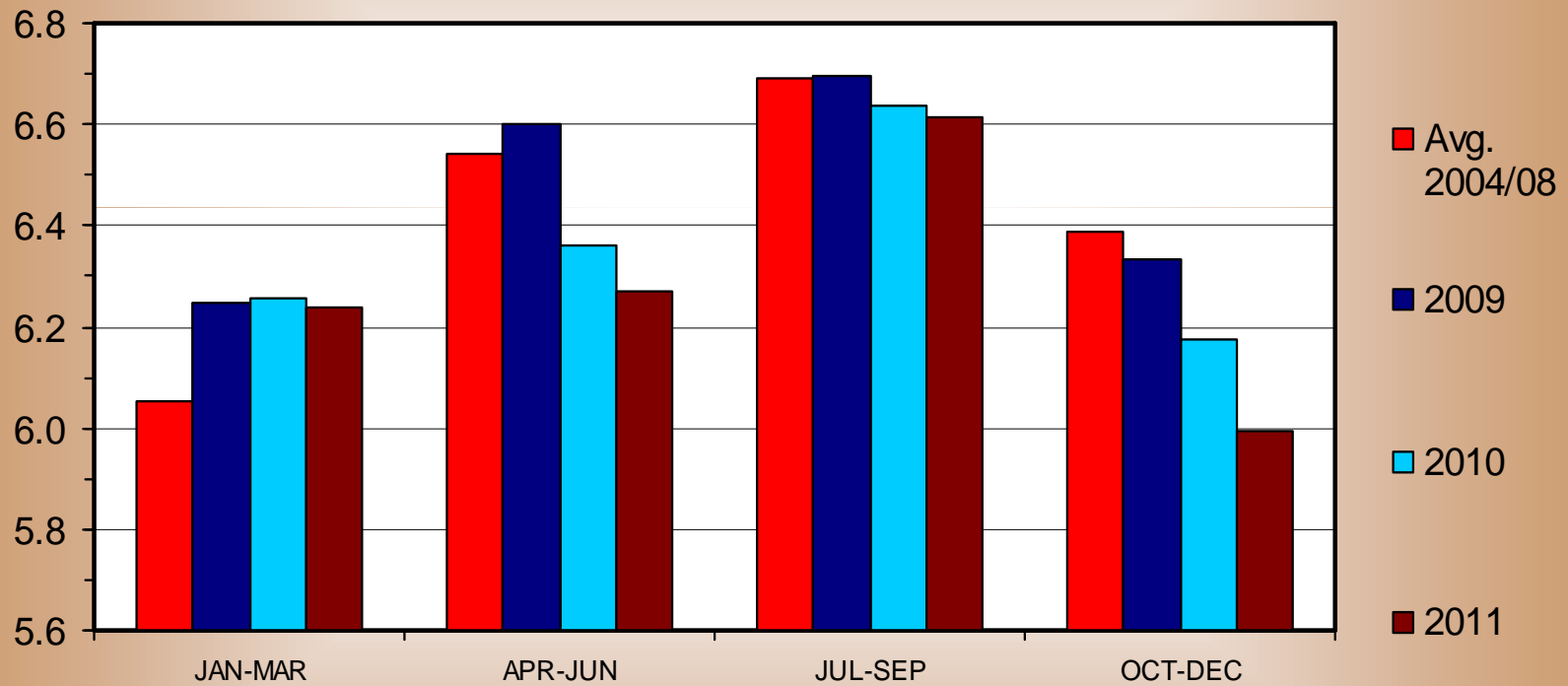


Data Source: USDA-NASS and Compiled by LMIC

COMMERCIAL BEEF PRODUCTION

Quarterly

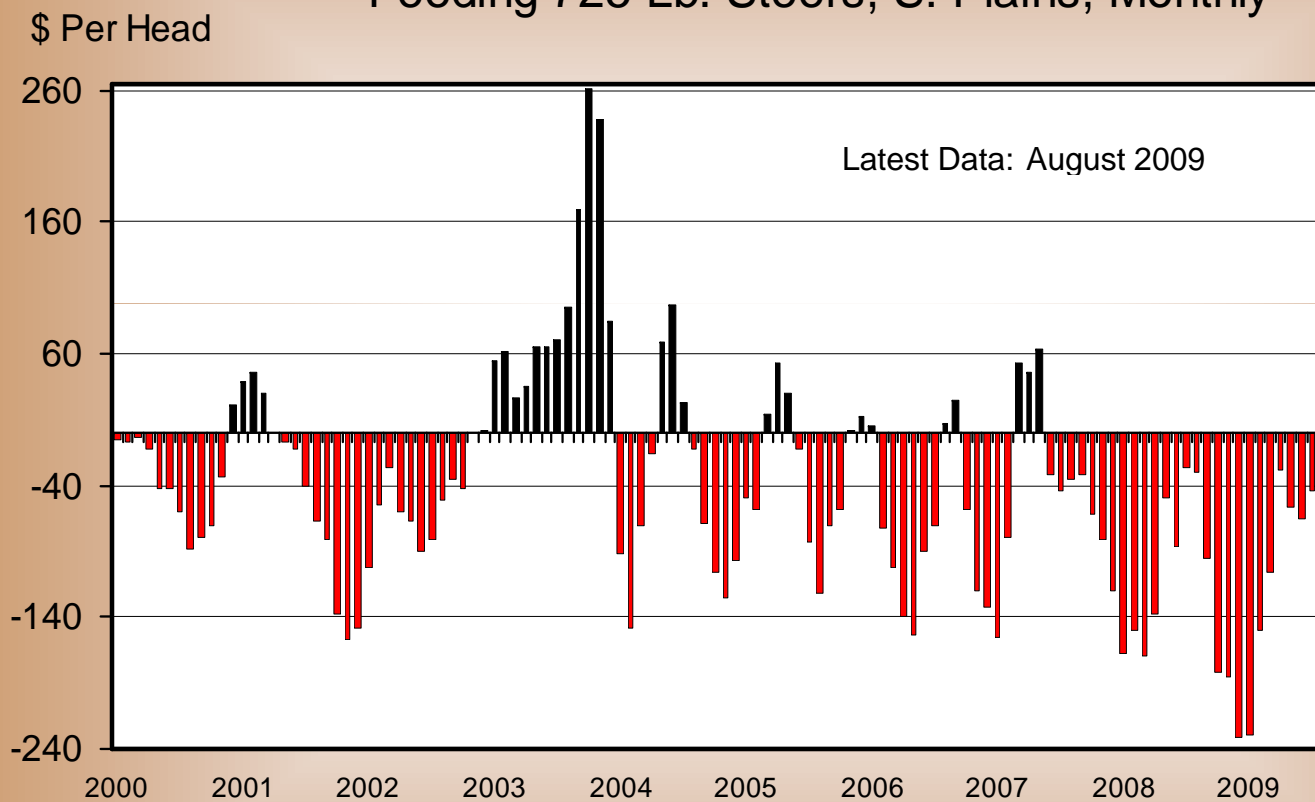
Bil. Pounds



Data Source: USDA-NASS; Compiled and Forecasts by LMIC

AVERAGE RETURNS TO CATTLE FEEDERS

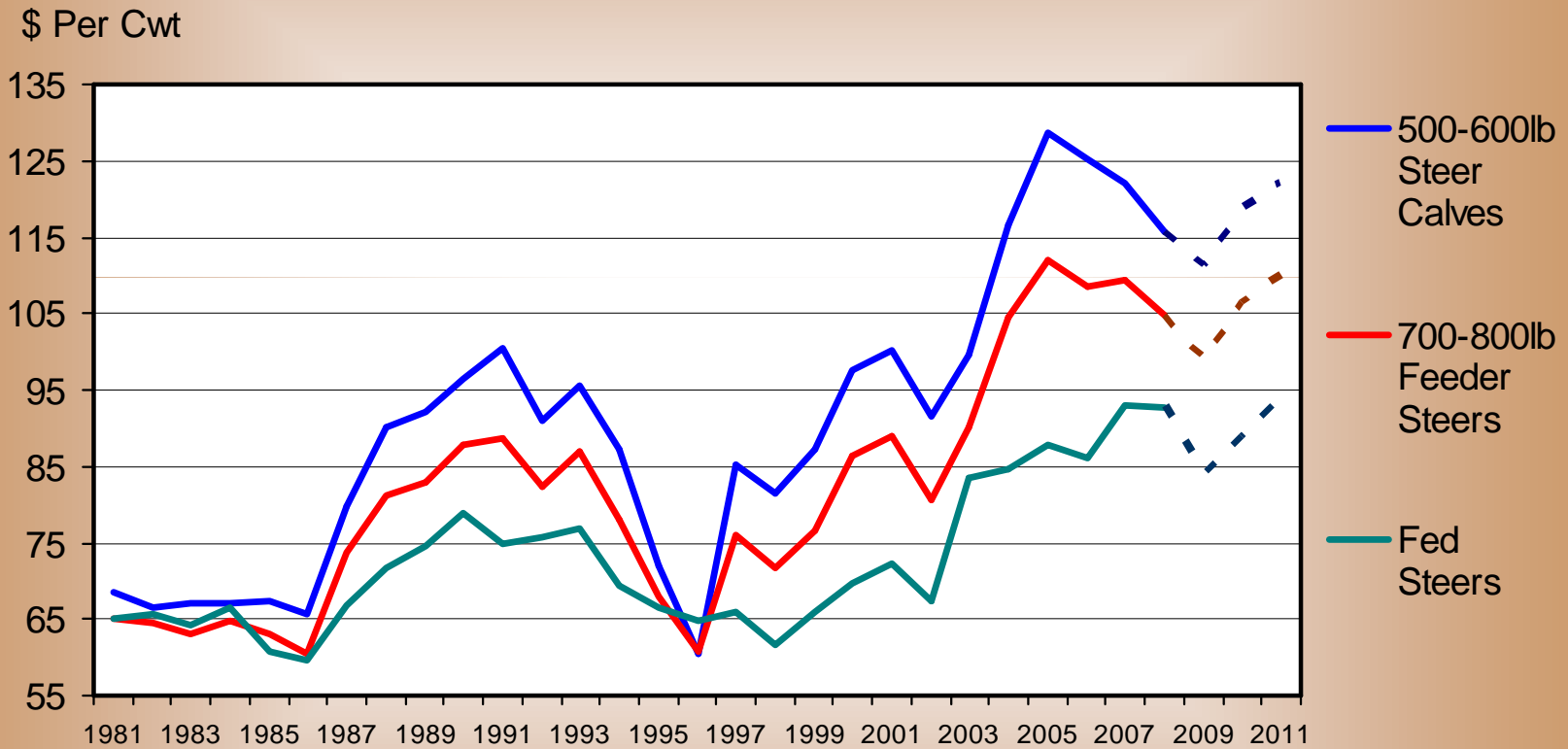
Feeding 725 Lb. Steers, S. Plains, Monthly



LMIC

ANNUAL AVERAGE CATTLE PRICES

Southern Plains



Data Source: USDA-AMS; Compiled and Forecasts by LMIC

Managing In These Cattle Markets

- U.S. and World are In a Major Recession – Demand Issues
- Volatility Will Continue
- Shocks Will Continue (9-11-2001, BSE in late 2003, October 2008 Credit Crisis)
- Grains (Corn) Still A Concern/Factor
- Manage/Evaluate for 3-4 Month Periods, Not Cattle Cycles
- Know Your Cattle
- Near Term, Calf and Yearling Prices to Follow Fed
- Manage and Market Cull Cows for \$
- Begin Planning Now for Higher Prices and Costs in 2010 and 2011

LMIC QUARTERLY HOG FORECASTS

09/04/09

Year Quarter	Comm'l Pork Production (Mil. Lbs.)	% Chg. from Year Ago	Per Capita Consumption (Retail Wt.)	% Chg. from Year Ago	Prices National Wtd Avg Base (\$/Cwt.)	% Chg. from Year Ago
III	5632	7.2	12.0	-2.2	75.59	13.7
IV	6098	-1.1	13.2	-5.2	58.78	7.8
Year 2009	23347	6.4	49.5	-2.7	64.83	3.6
I	5811	-3.5	12.5	-0.3	58.11	5.4
II	5488	-1.9	12.0	3.3	59.45	-14.9
III ^a	5674	0.7	12.5	4.2	54-55	-27.9
IV ^b	6024	-1.2	13.3	0.1	51-54	-10.7
Year 2010	22998	-1.5	50.3	1.8	56-57	-13.1
I	5767	-0.8	12.5	-0.6	56-60	-0.2
II	5454	-0.6	11.6	-3.8	61-65	6.0
III	5628	-0.8	12.0	-4.3	65-69	22.9
IV	5976	-0.8	12.6	-5.1	61-66	21.0
Year	22825	-0.7	48.6	-3.5	61-65	11.5

LMIC QUARTERLY DAIRY FORECASTS

09/04/09

Year Quarter	Average Number Milk Cows	% Chg. from Year Ago	Production Per Cow	% Chg. from Year Ago	Total Milk Production	% Chg. from Year Ago	Class III Price	% Chg. from Year Ago
	(1,000 Head)		(Lbs.)		(Mil. Lbs.)		(\$/Cwt.)	
II	9315	1.58	5236	1.21	48774	2.82	18.40	2.47
III	9330	1.44	5025	0.24	46881	1.67	17.28	-15.40
IV	9330	1.02	5008	0.46	46727	1.49	15.95	-18.23
Year 2009	9315	1.37	20396	0.95	189992	2.34	17.44	-3.35
I	9295	0.10	5096	-0.60	47363	-0.52	10.18	-43.83
II	9259	-0.60	5277	0.78	48860	0.18	10.20	-44.57
III ^b	9120	-2.25	5055	0.60	46102	-1.66	10.85-11.15	-36.34
IV ^c	9035	-3.16	5050	0.84	45627	-2.35	11.50-12.00	-26.33
Year 2010	9177	-1.48	20478	0.40	187951	-1.07	10.50-11.00	-38.35
I	8950	-3.71	5145	0.96	46048	-2.78	11.75-12.50	19.15
II	8915	-3.72	5310	0.63	47339	-3.11	12.00-13.00	22.59
III	8910	-2.30	5100	0.89	45441	-1.43	12.50-13.75	19.32
IV	8915	-1.33	5130	1.58	45734	0.23	12.50-14.00	12.77
Year	8923	-2.78	20685	1.01	184561	-1.80	12.20-13.20	18.14

LMIC QUARTERLY CATTLE FORECASTS

09/04/09

Year Quarter	Per Capita Consumption (Retail Wt.)	% Chg. from Year Ago	Live Sltr. Steer Price 5-Mkt Avg (\$/Cwt.)	% Chg. from Year Ago	Feeder Steer Price Southern Plains (\$/Cwt.)	
					7-800#	5-600#
III	15.8	-4.1	98.52	7.0	113.25	118.89
IV	15.1	-7.3	88.88	-4.1	96.26	104.02
Year 2009	62.8	-3.9	92.78	0.2	104.99	115.81
I	15.3	-1.9	82.18	-9.6	93.86	109.42
II	15.7	-3.9	84.47	-9.0	99.63	115.56
III ^b	15.6	-1.1	82-84	-15.8	100-102	110-112
IV ^c	15.0	-0.3	85-87	-3.2	100-104	108-113
Year 2010	61.6	-1.9	83-85	-9.5	98-100	110-113
I	15.2	-0.5	85-88	5.3	96-101	110-116
II	15.4	-2.0	88-93	7.1	104-110	115-124
III	15.3	-1.9	85-90	5.4	107-114	117-128
IV	14.7	-1.9	89-95	7.0	106-115	114-123
Year	60.6	-1.6	87-91	6.0	103-110	115-122

Livestock Marketing Information Center - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address <http://lmic.info/>

Livestock Marketing Information Center

[Situation & Analysis](#)
[Prices & Production](#)
[Key Graphs](#)
[Quick Market Reports](#)
[Retail Meat Prices](#)
[Members List & Reports](#)
[Members Only](#)
[About LMIC](#)

Welcome to the Livestock Marketing Information Center (LMIC) Website

U.S. ALL HAY STOCKS
May 1 (Beginning of Crop Year)

Millions

100
90
80
70
60
50
40
30
20
10
0
-10
-20

1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002

Livestock Marketing Information Center

Use the tabs at the top of each page or links on the right to navigate the many resources on this site.

[Chart of the Week](#)

Hot Topics

- [Livestock & Meat Marketing Arrangements](#)

Members Only Area

- [Monitor](#)
- [Spreadsheets](#)
- [Graphs](#)
- [Tables](#)
- [Analysis and Comments](#)

Public Areas

- [Recent Price & Production Summary](#)

Current Situation and Analysis

Start | Microsoft PowerPoint - [M...] | Livestock Marketing I... | Internet | 5:17 PM

www.lmic.info

Thank You!