

NORTH AMERICA

On December 30, the USDA National Agricultural Statistics Service (NASS) released its quarterly *Hogs and Pigs* report. According to the numbers, the U.S. inventory of all hogs and pigs equaled 66.71 million head on December 1, 2008. This was down 2.2 percent from the previous quarter and from a year ago. The breeding herd totaled 6.08 million head, which was nearly unchanged from the previous quarter but was 2.4 percent lower than a year ago. The number of market hogs and pigs declined 2.4 percent from the previous quarter, totaling 60.63 million head. Also, this was down 2.1 percent from last year. More specifically, market hogs and pigs weighing less than 60 pounds totaled 21.30 million head, 5.5 percent lower than the previous quarter and a year ago. Market hogs and pigs weighing 60 to 119 pounds fell 2.9 percent from the previous quarter to 15.10 million head. This was slightly less than a year ago. Market hogs and pigs weighing 120 to 179 pounds equaled 12.72 million head, which was down 1.1 percent from the previous quarter but was up a little over last year. Market hogs and pigs weighing more than 180 pounds totaled 11.52 million head, which was 2.8 percent higher than the previous quarter but was a little lower than a year ago. During the September to November timeframe, sows farrowed totaled 2.99 million head, which was down 6.0 percent from a year ago. This comprised 49.2 percent of the total breeding herd. During the same period, the pig crop equaled 28.41 million head, which was 3.7 percent less than last year. Pigs per litter numbered 9.50 head, up from 9.28 a year ago. Iowa was the largest hog producing state with 19.80 million head. This was 2.1 percent more than last year and accounted for 29.7 percent of the total inventory. North Carolina had the second largest hog inventory with 9.60 million head. This was down 5.9 percent from last year and represented 14.4 percent of the total herd. The total number of hogs under contract owned by operations with over 5,000 head accounted for 43.0 percent of the total U.S. hog inventory, compared to 39.0 percent last year. To obtain the complete report, visit the NASS website at <http://www.nass.usda.gov/>.

U.S. Quarterly Hogs & Pigs Inventory
As of December 1, 2008

Class (1,000 head)	1-Dec-08	1-Sep-08	1-Dec-07
All Hogs & Pigs	66,708	68,196	68,177
Breeding	6,081	6,061	6,233
Market	60,627	62,135	61,944
Market Hogs & Pigs			
Under 60 lbs	21,297	22,533	22,545
60-119 lbs	15,096	15,547	15,173
120-179 lbs	12,716	12,855	12,658
180 lbs & Over	11,518	11,201	11,569

Source: USDA National Agricultural Statistics Service

2008 Tariff Rate Quota Status of U.S. Beef Imports
As of December 29, 2008

(Metric Tons)	Annual Quota Level	2008 Imported Quantity	Percent of Quota Filled	2007 Imported Quantity
Argentina	20,000	0	0.0%	0
Australia	378,214	206,297	54.5%	290,292
Canada	No Quota	272,918	----	256,231
Japan	200	118	59.0%	122
Mexico	No Quota	13,610	----	15,224
New Zealand	213,402	165,028	77.3%	164,991
Uruguay	20,000	16,055	80.3%	19,828
Other Countries	64,805	44,042	68.0%	37,413
Total		718,068		784,101

Source: U.S. Customs and Border Protection

16,055 MT. The country filled 80.3 percent of its TRQ, compared to 99.1 percent a year ago. Beef imports from Argentina remain banned in the U.S. due to foot-and-mouth disease (FMD). The weekly report is available at http://www.cbp.gov/xp/cgov/trade/trade_programs/textiles_and_quotas/commodity/.

According to recent data from U.S. Customs and Border Protection (CBP), a division of the Department of Homeland Security, as of December 29, 2008, U.S. beef imports subject to a tariff rate quota (TRQ) equaled 718,068 MT. This was 8.4 percent less than a year ago. Imports of beef from Canada, which do not fall under a TRQ, totaled 272,918 MT. This was 6.5 percent higher than a year ago. Beef imports from Australia were 28.9 percent below the previous year, amounting to 206,297 MT. This filled 54.5 percent of Australia's TRQ, down significantly from 76.8 percent a year ago. Beef imports from New Zealand through December 29 totaled 165,028 MT, nearly unchanged from a year ago. This filled 77.3 percent of the TRQ, which is the same as a year ago. Beef imports from Uruguay were 19.0 percent lower than a year ago, totaling

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Australia Beef & Veal Exports for December 2008

(Metric Tons)	Dec 2008	YTD 2008	YTD 2007	YTD Change
U.S.	25,379	234,779	296,097	-20.7%
Japan	31,634	364,302	377,862	-3.6%
S. Korea	9,412	127,206	148,930	-14.6%
Taiwan	2,776	27,099	29,121	-6.9%
All Others	10,039	204,092	89,409	128.3%
Total Beef	79,240	957,478	941,419	1.7%

Source: Department of Agriculture, Fisheries, and Forestry

258,059 MT in 2008. Australia's beef exports to Japan during December rose 17.6 percent over the previous month and 16.6 percent over December 2007 to 31,634 MT. During 2008, Australia exported 364,302 MT of beef to Japan. This was 3.6 percent below 2007. Nonetheless, Japan was Australia's main beef export market with 38.0 percent of the total. During December, Australia exported 25,379 MT of beef to the U.S. Although, this was down 13.0 percent from the previous month, it was up 44.9 percent over December 2007. Beef exports to the U.S. during 2008 were 20.7 percent less than 2007, amounting to 234,779 MT. Australia's beef exports to South Korea during 2008 totaled 127,206 MT, which was 14.6 percent lower than 2007. Russia was Australia's fourth largest beef export market during 2008 with 72,214 MT, which was more than 14 times the volume from 2007. Overall, during 2008, Australia's total beef and veal exports equaled 957,478 MT, which was 1.7 percent more than 2007.

During December, Australia exported 14,389 MT of lamb. This was 2.7 percent higher than November and was 12.3 percent higher than December 2007. Australia's lamb exports to the U.S. during December fell 8.6 percent from the previous month to 3,547 MT. However, this was up 19.0 percent over December 2007. During 2008, Australia exported 36,855 MT of lamb to the U.S., which was 17.2 percent below 2007. The U.S. was the leading destination for Australia's lamb with 24.3 percent of the total exports. During December, lamb exports to the Middle East totaled 2,214 MT. This was up 3.0 percent over the previous month and was up 19.0 percent over December 2007. Lamb exports to the Middle East during 2008 were 13.9 percent more than 2007, amounting to 25,368 MT. During 2008, Australia's lamb exports to China equaled 14,041 MT, 3.2 percent less than 2007. Overall, Australia's total lamb exports during 2008 equaled 151,608 MT, which was 5.9 percent lower than 2007. In the meantime, Australia's mutton exports during December rose 17.8 percent over the previous month to 15,695 MT. Also, this was 10.1 percent higher than December 2007. Mutton exports to the Middle East during December totaled 3,962 MT. Although this was up 12.7 percent over November, it was down 5.7 percent from December 2007. During 2008, Australia's mutton exports to the Middle East reached 50,493 MT, 4.4 percent greater than 2007. The Middle East was Australia's largest export market for mutton with 32.0 percent of the total. During December, Australia exported 1,435 MT of mutton to the U.S. This was up 30.0 percent over the previous month but was down 14.1 percent from December 2007. During 2008, mutton exports to the U.S. were 22.3 percent below 2007, amounting to 13,413 MT. During 2008, Australia exported 13,679 MT of mutton to South Africa, which was down 8.1 percent from 2007. Overall, Australia's mutton exports during 2008 totaled 157,690 MT, 5.3 percent above 2007. To obtain additional data on Australia's red meat exports, visit the DAFF website at <http://www.daff.gov.au/>.

Australia's Department of Agriculture, Fisheries, and Forestry (DAFF) recently released Australia's red meat export data for December 2008 and for the year-end. According to the numbers, Australia's beef and veal exports during December fell 6.3 percent from November to 79,240 MT. However, this was up 7.4 percent over December 2007. More specifically, frozen beef exports totaled 57,718 MT, which accounted for 72.8 percent of the total. Fresh, chilled beef exports totaled 21,523 MT. During 2008, Australia's exports of frozen beef totaled 699,419 MT, which made up 73.0 percent of the total. Exports of fresh, chilled beef totaled

Australia Lamb & Mutton Exports for December 2008

(Metric Tons)	Dec 2008	YTD 2008	YTD 2007	YTD Change
<i>Lamb Exports</i>				
U.S.	3,547	36,855	44,532	-17.2%
China	1,203	14,041	14,504	-3.2%
New Guinea	1,012	9,759	11,258	-13.3%
E.U.	692	11,602	12,709	-8.7%
Middle East	2,214	25,368	22,277	13.9%
Japan	1,201	9,876	8,516	16.0%
All Others	4,520	44,107	47,241	-6.6%
Total Lamb	14,389	151,608	161,037	-5.9%
<i>Mutton Exports</i>				
Middle East	3,962	50,493	48,375	4.4%
U.S.	1,435	13,413	17,256	-22.3%
Mexico	635	7,611	5,901	29.0%
South Africa	1,214	13,679	14,892	-8.1%
Taiwan	586	7,502	7,681	-2.3%
E.U.	793	7,434	7,000	6.2%
Japan	1,042	7,086	6,984	1.5%
All Others	6,028	50,472	41,645	21.2%
Total Mutton	15,695	157,690	149,734	5.3%

Source: Department of Agriculture, Fisheries, and Forestry

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South Korea Red Meat Imports

Beef Imports for November 2008

(Metric Tons)	Nov 2008	YTD 2008	YTD 2007	Percent Change
U.S.	6,079	27,104	13,839	95.9%
Australia	10,523	124,746	145,530	-14.3%
New Zealand	897	36,235	38,131	-5.0%
Total Beef	17,805	192,191	201,310	-4.5%

Pork Imports for November 2008

(Metric Tons)	Nov 2008	YTD 2008	YTD 2007	Percent Change
U.S.	6,502	91,578	79,495	15.2%
Canada	5,084	53,753	58,422	-8.0%
Chile	0	32,051	40,275	-20.4%
Denmark	971	16,429	18,933	-13.2%
France	1,156	17,838	20,391	-12.5%
Total Pork	20,196	302,620	311,269	-2.8%

Source: Korea International Trade Association

from New Zealand, which was 53.5 percent less than the previous month and was 48.6 percent less than November 2007. Year-to-date beef imports from New Zealand were 5.0 percent below a year ago, amounting to 36,235 MT. Overall, South Korea's total year-to-date beef imports equaled 192,191 MT, 4.5 percent less than the corresponding period a year ago. In the meantime, South Korea's pork imports during November fell 10.2 percent from the previous month and 31.8 percent from November 2007 to 20,196 MT. Additionally, this was the lowest single month volume since July 2005 due mostly to the ban that was put into place on pork imports from Chile as the result of Chile's dioxin levels in pork. During November, South Korea imported 6,502 MT of pork from the U.S. Although this was 7.2 percent more than the previous month, it was 11.2 percent less than November 2007. Year-to-date pork imports from the U.S. reached 91,578 MT, 15.2 percent greater than last year. The U.S. was South Korea's main pork import market with 30.3 percent of the total. Pork imports from Canada during November totaled 5,084 MT, which was down 3.6 percent from the previous month and was down 17.8 percent from November 2007. Total year-to-date pork imports from Canada were 8.0 percent less than a year ago, amounting to 53,753 MT. Chile remains South Korea's second largest pork import market for the year-to-date, despite the ban, with 32,051 MT. Overall, South Korea's total year-to-date pork imports were down 2.8 percent from the same period a year ago, amounting to 302,620 MT. Additional data on South Korea's beef and pork imports is available on the KITA website at <http://www.kita.org/>.

According to a recent report from the USDA Foreign Agricultural Service (FAS), Japan's Tariff and Foreign Exchange Council recommended extending the current beef safeguard calculation for another year. When implemented, the safeguard calculation will be used for Japan's fiscal year (FY) 2009, which is from April 1, 2009 until March 31, 2010. The parliament is expected to approve the recommendation before April. To view the complete report and preliminary calculations, visit the FAS website at <http://www.fas.usda.gov/>.

The Korea International Trade Association (KITA) recently issued South Korea's November 2008 beef and pork import numbers. According to the data, South Korea's beef imports during November fell 10.2 percent from October to 17,805 MT. However, this was up 2.2 percent over November 2007. Specifically, frozen beef imports equaled 15,550 MT, which accounted for 87.3 percent of the total. Fresh, chilled beef imports equaled 2,255 MT. During November, South Korea imported 10,523 MT of beef from Australia. This was 4.7 percent higher than the previous month but was 30.8 percent lower than November 2007. Year-to-date beef imports from Australia were 14.3 percent lower than last year, amounting to 124,746 MT. Australia is South Korea's primary provider of beef with 64.9 percent of the total imports. Imports of beef from the U.S. during November fell 19.4 percent from the previous month to 6,079 MT. However, this was more than 24 times the volume from November 2007. Total year-to-date beef imports from the U.S. equaled 27,104 MT, nearly doubling the volume from a year ago. During November, South Korea imported just 897 MT of beef

TRADE AND PRODUCTION STATISTICS

U.S. Actual Slaughter under Federal Inspection

(# Head)	W/E		YTD 2008	YTD 2007	Percent Change
	12/27/08	12/20/08			
Cattle	449,940	595,786	33,546,138	33,620,364	-0.2%
Calves	14,937	19,916	929,956	741,594	25.4%
Hogs	1,732,323	2,370,785	114,555,313	107,731,692	6.3%
Sheep	35,503	48,480	2,375,281	2,519,275	-5.7%
Goats	14,695	15,734	640,159	636,923	0.5%

Source: USDA National Agricultural Statistics Service

http://www.ams.usda.gov/mnreports/SJ_LS711.txt

Exchange Rates

U.S. \$ Converted to Major Currencies	W/E		Year Ago
	12/27/08	12/20/08	
Australian Dollar	1.46	1.46	1.15
Brazilian Real	2.43	2.40	1.79
Canadian Dollar	1.22	1.22	0.98
Euro	0.712	0.708	0.693
Japanese Yen	90.52	89.30	114.19
Mexican Peso	13.36	13.20	10.84
New Zealand Dollar	1.74	1.73	1.31
South Korean Won	1328.7	1292.7	932.9

Source: OANDA

<http://www.oanda.com/converter/classic>

U.S. Red Meat Production

(Million lbs)	W/E		YTD 2008	YTD 2007	Percent Change
	12/27/08	12/20/08			
Beef	353.0	464.7	25,998	25,992	0.0%
Calf & Veal	2.2	2.8	138	134	3.1%
Pork	349.6	477.8	22,993	21,687	6.0%
Lamb/Mutton	2.4	3.3	165	174	-5.3%

Source: USDA National Agricultural Statistics Service

http://www.ams.usda.gov/mnreports/SJ_LS711.txt

U.S. Livestock Exports to Mexico

(# Head)	W/E		YTD 2008	YTD 2007	Percent Change
	12/27/08	12/20/08			
Sltr Cattle	0	0	0	0	---
Sltr Hogs	0	0	72,985	113,005	-35.4%
Sltr Ewes	0	2,430	105,204	117,230	-10.3%
Sltr Lambs	0	0	0	0	---

Source: USDA AMS Livestock & Grain Market News

http://www.ams.usda.gov/mnreports/AL_LS635.txt

U.S. Prices for Mexico Feeder Cattle Imports

(U.S. \$/cwt, FOB)	W/E		Year Ago
	12/27/08	12/20/08	
<i>Feeder Steers, Medium & Large, 1 & 2</i>			
300-400 lbs	\$75-\$88	\$83-\$95	\$118-\$130
400-500 lbs	\$68-\$80	\$73-\$85	\$107-\$118
500-600 lbs	\$68-\$72	\$73-\$78	\$96-\$108
<i>Feeder Heifers, Medium & Large 1 & 2</i>			
400-500 lbs	No Quote	No Quote	\$95-\$105

Source: USDA AMS Livestock & Grain Market News

http://www.ams.usda.gov/mnreports/AL_LS626.txt

U.S. Livestock Imports from Canada

(# Head)	W/E		YTD 2008	YTD 2007	Percent Change
	12/27/08	12/20/08			
Feeder Cattle	626	3,340	572,164	538,486	6.3%
Sltr Cattle	7,043	11,020	644,224	845,293	-23.8%
Sltr Cows/Bulls	2,090	3,037	199,542	17,792	1021.5%
Feeder Pigs	55,998	107,582	6,689,667	6,592,651	1.5%
Sltr Hogs	8,526	20,774	1,628,221	2,610,280	-37.6%
Sltr Sows/Boars	9,216	16,606	636,625	682,852	-6.8%

Source: USDA Animal and Plant Health Inspection Service

http://www.ams.usda.gov/mnreports/WA_LS637.TXT

U.S. Cattle Imports from Mexico

(# Head)	W/E		YTD 2008	YTD 2007	Percent Change
	12/27/08	12/20/08			
Feeder Cattle	0	47,585	702,873	1,074,261	-34.6%

Source: USDA AMS Livestock & Grain Market News

http://www.ams.usda.gov/mnreports/AL_LS625.txt

ADDITIONAL INFORMATION SOURCES INCLUDE:

- ❖ USDA, AMS, Livestock & Grain Market News Branch
- ❖ USDA, Animal & Plant Health Inspection Service (APHIS)
- ❖ USDA, Economic Research Service (ERS)
- ❖ USDA, Foreign Agricultural Service (FAS)
- ❖ USDA, National Agricultural Statistics Service (NASS)
- ❖ U. S. Meat Export Federation (USMEF)
- ❖ Agriculture and Agri-Food Canada
- ❖ Agriculture, Fisheries, and Forestry - Australia (AFFA)
- ❖ Agriculture and Livestock Industry Corporation (ALIC)
- ❖ CanFax Weekly Summary
- ❖ Korea International Trade Association (KITA)
- ❖ Meat & Livestock Weekly by Meat & Livestock Australia (MLA) and National Livestock Reporting Service
- ❖ News wire services