

NORTH AMERICA

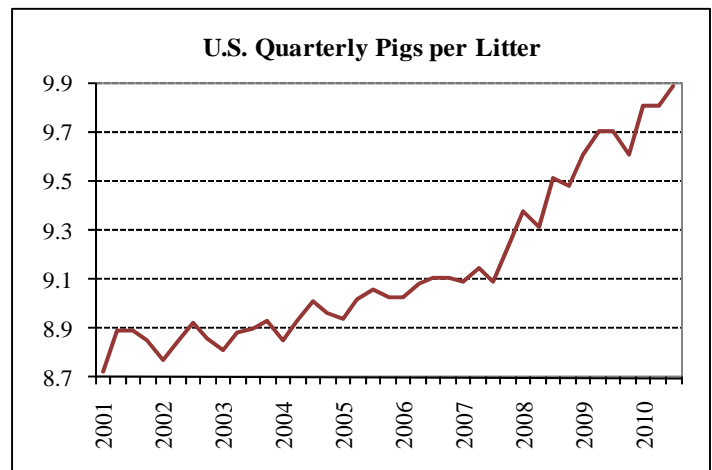
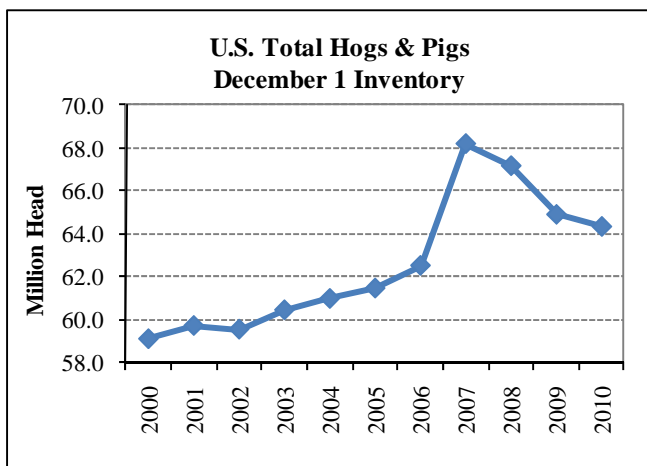
U.S. Quarterly Hogs & Pigs Inventory
As of December 1, 2010

Class (1,000 head)	1-Dec-10	1-Sep-10	1-Dec-09
All Hogs & Pigs	64,325	65,311	64,887
Breeding	5,778	5,770	5,850
Market	58,547	59,541	59,037
Market Hogs & Pigs			
Under 50 lbs	18,564	19,538	18,705
50-119 lbs	16,519	16,810	16,782
120-179 lbs	12,208	12,674	12,299
180 lbs & Over	11,256	10,520	11,252

Source: USDA National Agricultural Statistics Service

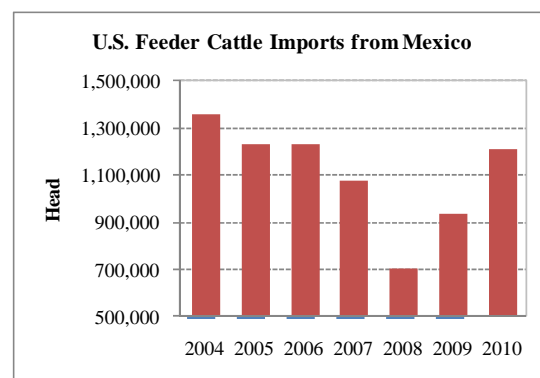
On December 27, the USDA National Agricultural Statistics Service (NASS) released its *Quarterly Hogs and Pigs* report. According to the data, on December 1, 2010, the U.S. inventory of all hogs and pigs totaled 64.33 million head. This was 1.5 percent less than the previous quarter and was nearly 1.0 percent less than a year ago. The breeding herd totaled 5.78 million head, which was nearly unchanged from the previous quarter but was down 1.2 percent from a year ago. The number of market hogs and pigs fell 1.7 percent from the previous quarter to 58.55 million head. Also, this was down almost 1.0 percent from last year. More specifically, market hogs and pigs weighing less than 50 pounds equaled 18.56 million head, which was down 5.0 percent from the previous quarter and was down

nearly 1.0 percent from a year ago. The number of market hogs and pigs weighing 50 to 119 pounds was 1.7 percent less than the previous quarter and was 1.6 percent less than a year ago, amounting to 16.52 million head. Market hogs and pigs weighing 120 to 179 pounds totaled 12.21 million head. This was 3.7 percent lower than the previous quarter and was a little lower than a year ago. Market hogs and pigs weighing more than 180 pounds totaled 11.26 million head, which was 7.0 percent more than the previous quarter but was unchanged from last year. During the September to November timeframe, sows farrowed totaled 2.85 million head, which was down 2.3 percent from a year ago. This accounted for 49.3 percent of the total breeding herd. During the same time frame, the pig crop equaled 28.15 million head, which was nearly unchanged from a year ago. Pigs per litter numbered 9.89 head, up from 9.70 a year ago. This set a new record high. Iowa remained the largest hog producing state with 18.90 million head. This was a little less than last year and accounted for 29.4 percent of the total inventory. North Carolina had the second largest hog inventory with 8.80 million head. This was 8.3 percent less than a year ago and represented 13.7 percent of the total U.S. herd. The total number of hogs under contract owned by operations with over 5,000 head accounted for 45.0 percent of the total U.S. hog inventory, up from 44.0 percent last year. The entire report is available on the NASS website at <http://www.nass.usda.gov/>.



NORTH AMERICA (CONTINUED)

According to recent data from the USDA Livestock and Grain Market News (LGMN), during 2010, the U.S. imported 1,213,371 head of feeder cattle from Mexico. This was 30.0 percent greater than 2009 and was 72.6 percent greater than 2008. Cattle imports from Mexico were particularly strong into the fall, following seasonal trends of imports typically peaking in November. This year, the peaks were historically high with one week even reaching nearly 65,000 head. According to the USDA Economic Research Service (ERS), U.S. feeder cattle prices remained well above the exchange rate adjusted Mexican feeder price equivalent, as they did for most of the year. USDA ERS expects cattle imports to increase during 2011 as the result of an expected smaller North American cattle inventory. To obtain the import report, visit the LGMN website at <http://www.ams.usda.gov/LSMarketNews>.

**PACIFIC RIM****South Korea Red Meat Imports****Beef Imports for November 2010**

(Metric Tons)	Nov 2010	YTD 2010	YTD 2009	Percent Change
U.S.	8,035	75,202	52,832	42.3%
Australia	13,076	125,161	116,469	7.5%
New Zealand	1,633	32,018	29,739	7.7%
Total Beef	23,109	235,620	201,015	17.2%

Pork Imports for November 2010

(Metric Tons)	Nov 2010	YTD 2010	YTD 2009	Percent Change
U.S.	4,699	67,935	80,577	-15.7%
Canada	4,417	49,719	52,820	-5.9%
Chile	3,323	39,837	39,691	0.4%
Denmark	845	8,149	8,752	-6.9%
Spain	1,483	16,804	17,904	-6.1%
France	1,095	12,721	13,245	-4.0%
Total Pork	23,561	262,259	267,877	-2.1%

Source: Korea International Trade Association

The Korea International Trade Association (KITA) recently issued November 2010 beef and pork import data for South Korea. According to the statistics, during November, South Korea imported 23,109 MT of beef. This was nearly unchanged from the previous month but was 19.1 percent more than November 2009. Specifically, imports of frozen product equaled 19,593 MT, which comprised 84.8 percent of the total. Imports of fresh, chilled product equaled 3,516 MT. During November, South Korea's beef imports from Australia rose 4.8 percent over October and 19.5 percent over November 2009 to 13,076 MT. Year-to-date beef imports from Australia reached 125,161 MT, 7.5 percent greater than last year. Australia was the leading provider of beef to South Korea with 53.1 percent of the total imports. South Korea's beef imports from the U.S. during November equaled 8,035 MT. This was a little higher than the previous month and was 25.6 percent higher than November 2009. Total year-to-date beef imports from the U.S. were 42.3 percent more than a year ago, amounting to 75,202 MT. During November, South Korea imported 1,633 MT of beef from New Zealand. This was down 21.6 percent from the previous month and was down 11.8 percent from November 2009. Year-to-date beef imports from New Zealand totaled 32,018 MT, which was up 7.7 percent over last year. Overall, South Korea's total year-to-date beef imports equaled 235,620 MT, 17.2 percent above the corresponding period a year ago. In the meantime, South Korea's pork imports during November totaled 23,561 MT. This was 4.1 percent lower than the previous month but was 1.0 percent higher than November 2009. During November, South Korea imported 4,699 MT of pork, which was 14.7 percent less than the previous month and was 32.3 percent less than November 2009. Additionally, this was the lowest single month volume since September 2005. Year-to-date pork imports from the U.S. totaled 67,935 MT, 15.7 percent below a year ago. The U.S. was the main supplier of pork to South Korea with 25.9 percent of the total imports. South Korea's pork imports from Canada during November equaled 4,417 MT, which was up 2.3 percent over the previous month but was down 15.2 percent from November 2009. Year-to-date pork imports from Canada were 5.9 percent lower than last year, amounting to 49,719 MT. During November, South Korea imported 3,323 MT of pork from Chile. Although this was 23.0 percent lower than October, it was 8.0 percent higher than November 2009. Total year-to-date pork imports from Chile were nearly unchanged from a year ago, amounting to 39,837 MT. Overall, South Korea's total year-to-date pork imports equaled 262,259 MT, which was 2.1 percent less than the same period a year ago. To obtain further data on South Korea's trade, visit the KITA website at <http://www.kita.org/>.

PACIFIC RIM (CONTINUED)

Recently Japan's Agriculture and Livestock Industries Corporation (ALIC) published Japan's national cattle inventories. According to the data, as of February 2010, the total number of Japan's beef cattle farms equaled 74.40 million head. This was down 3.8 percent from 2009. The number of farms in Japan continues to decline due mostly to the aging farm population and industry consolidation. Total beef cattle were 1.1 percent less than 2009, amounting to 2.89 million head due to a reduction in the number of farm households. In 2010, beef breed cattle totaled 1.92 million head, which was 1.9 percent more than 2009. Of the beef breed, 1.23 million head were cows and heifers, which was 1.6 percent higher than 2009. Steers totaled 690,000 head, 2.4 percent more than 2009. Japan's total dairy herd in 2010 equaled 968,000 head, which was down 6.3 percent from 2009.

Japan's National Cattle Inventory
As of February 2010

(1,000 Head)	2010	2009
Total Beef Cattle Farms	74,400	77,300
Total Beef Cattle	2,892	2,923
Total Beef Breed	1,924	1,889
Total Dairy Breed	968	1,033

Source: Agriculture & Livestock Industries Corporation

OCEANIA

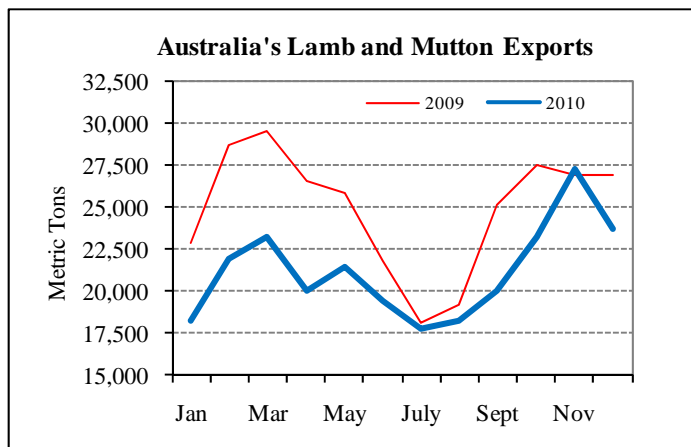
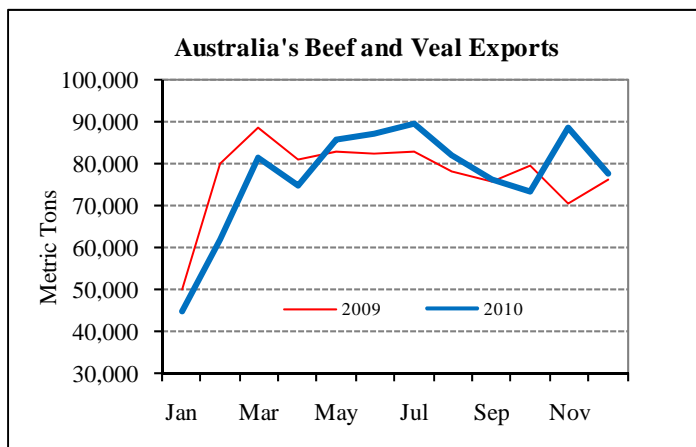
Australia Beef & Veal Exports for December 2010

(Metric Tons)	Dec 2010	YTD 2010	YTD 2009	YTD Change
U.S.	8,843	185,034	251,480	-26.4%
Japan	29,171	356,211	356,567	-0.1%
S. Korea	12,097	124,160	115,481	7.5%
Indonesia	3,412	48,436	51,815	-6.5%
All Others	23,877	208,989	151,934	37.6%
Total Beef	77,400	922,830	927,277	-0.5%

Source: Department of Agriculture, Fisheries, and Forestry

Recently, Australia's Department of Agriculture, Fisheries and Forestry (DAFF) published Australia's red meat export data for December 2010 and for the year-end. According to the numbers, during December, Australia's beef and veal exports totaled 88,554 MT. Although this was down 12.6 percent from the previous month, it was up 1.4 percent over December 2009. More specifically, exports of frozen beef equaled 54,854 MT, which accounted for 70.9 percent of the total. Exports of fresh, chilled beef equaled 22,546 MT. During 2010, Australia exports of frozen beef totaled 665,361 MT, while exports of fresh, chilled beef totaled

257,469 MT. During December, Australia's beef exports to Japan fell 19.1 percent from November to 29,171 MT. However, this was 1.2 percent higher than December 2009. During 2010, Australia's total beef exports to Japan equaled 356,211 MT, which was nearly unchanged from 2009. Japan was the largest market for Australia's beef exports during 2010 with 38.6 percent of the total. Australia's beef exports to the U.S. during December equaled 8,843 MT. This was 4.6 percent less than the previous month and was 40.4 percent less than December 2009. Beef exports to the U.S. during 2010 were 26.4 percent below 2009, totaling 185,034 MT. During December, Australia exported 12,097 MT of beef to South Korea, which was unchanged from the previous month but was 1.8 percent lower than December 2009. Total beef exports to South Korea during 2010 were 7.5 percent more than 2009, equaling 124,160 MT. During 2010, Australia's beef exports to Russia reached 56,664 MT, nearly four times more than 2009. Overall, during 2010, Australia's total beef and veal exports equaled 922,830 MT, a little less than 2009.



OCEANIA (CONTINUED)

During December, Australia's lamb exports fell 16.3 percent from the previous month to 14,083 MT. However, this was up 6.3 percent over December 2009. Australia's lamb exports to the Middle East during December equaled 3,256 MT, which was 27.7 percent lower than the previous month but was 10.6 percent higher than December 2009. During 2010, total lamb exports to the Middle East reached 36,520 MT, 1.8 percent more than 2009. The Middle East was Australia's leading destination for lamb exports with 23.5 percent, overtaking the U.S. During December, Australia exported 2,913 MT of lamb to the U.S. This was down 15.6 percent from November and was down 3.2 percent from December 2009. Lamb exports to the U.S. during 2010 totaled 34,098 MT, which was 11.0 percent below 2009. Lamb exports to China during December fell 15.3 percent from the previous month to 1,922 MT. However, this was 116.4 percent greater than December 2009. Australia's lamb exports to China during 2010 totaled 15,717 MT, which was 13.4 percent more than 2009. Overall, during 2010, Australia's lamb exports equaled 155,495 MT, 5.8 percent less than 2009. Meanwhile, during December, Australia's mutton exports fell 8.1 percent from November and 29.6 percent from December 2009 to 99,053 MT. Mutton exports to the Middle East during December totaled 3,894 MT. This was nearly unchanged from the previous month but was 24.7 percent lower than December 2009. During 2010, Australia's total mutton exports to the Middle East were 17.4 percent below 2009, amounting to 42,858 MT. The Middle East was Australia's main buyer of mutton with 43.3 percent of the total exports. During December, Australia exported 1,298 MT of mutton to the U.S. This was down 16.1 percent from the previous month and was down 26.0 percent from December 2009. Mutton exports to the U.S. during 2010 totaled 8,748 MT, which was 19.0 percent less than 2009. During 2010, Australia exported 6,981 MT of mutton to Malaysia, which was 1.3 percent lower than 2009. Overall, during 2010, Australia's total mutton exports equaled 99,053 MT, which was 26.1 percent below 2009. Additional data on Australia's export market is available on the DAFF website at <http://www.daff.gov.au/>.

Australia Lamb & Mutton Exports for December 2010

(Metric Tons)	Dec 2010	YTD 2010	YTD 2009	YTD Change
<i>Lamb Exports</i>				
U.S.	2,913	34,098	38,328	-11.0%
Middle East	3,256	36,520	35,871	1.8%
E.U.	1,230	11,943	13,722	-13.0%
Hong Kong	628	8,074	10,395	-22.3%
China	1,922	15,717	13,863	13.4%
All Others	4,134	49,143	52,859	-7.0%
Total Lamb	14,083	155,495	165,038	-5.8%
<i>Mutton Exports</i>				
Middle East	3,894	42,858	51,894	-17.4%
U.S.	1,298	8,748	10,800	-19.0%
Malaysia	472	6,981	7,073	-1.3%
China	767	6,721	8,509	-21.0%
All Others	3,158	33,745	55,703	-39.4%
Total Mutton	9,589	99,053	133,979	-26.1%

Source: Department of Agriculture, Fisheries, and Forestry

TRADE AND PRODUCTION STATISTICS

U.S. Actual Slaughter under Federal Inspection

(# Head)	W/E		YTD	YTD	Percent Change
	12/25/10	12/18/10	2010	2009	
Cattle	544,941	659,759	33,077,775	32,108,439	3.0%
Calves	15,782	17,310	847,877	908,802	-6.7%
Hogs	1,851,130	2,344,363	107,126,286	110,283,480	-2.9%
Sheep	39,775	47,039	2,221,299	2,275,467	-2.4%
Goats	14,080	11,760	598,038	646,830	-7.5%

Source: USDA National Agricultural Statistics Service

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

U.S. Red Meat Production

(Million lbs)	W/E		YTD	YTD	Percent Change
	12/25/10	12/18/10	2010	2009	
Beef	426.4	514.1	25,464	25,087	1.5%
Calf & Veal	2.4	2.7	128	132	-2.7%
Pork	382.1	485.3	21,821	22,353	-2.4%
Lamb/Mutton	2.7	3.3	152	159	-4.4%

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	YTD	Percent Change
	12/25/10	12/18/10	2010	2009	
Sltr Cattle	0	0	0	0	---
Sltr Hogs	0	0	0	0	---
Sltr Ewes	1,070	800	79,855	85,300	-6.4%
Sltr Lambs	0	0	0	0	---

Source: USDA AMS Livestock & Grain Market News

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

U.S. Cattle Imports from Mexico

(# Head)	W/E		YTD	YTD	Percent Change
	12/25/10	12/18/10	2010	2009	
Feeder Cattle	16,496	54,157	1,209,554	933,258	29.6%

Source: USDA AMS Livestock & Grain Market News

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

U.S. Prices for Mexico Feeder Cattle Imports

(U.S. \$/cwt, FOB)	W/E		Year
	12/25/10	12/18/10	Ago
<i>Feeder Steers, Medium & Large, 1 & 2</i>			
300-400 lbs	\$124-\$137	\$125-\$137	\$88-\$100
400-500 lbs	\$114-\$127	\$115-\$127	\$80-\$93
500-600 lbs	\$104-\$117	\$105-\$117	\$74-\$85
<i>Feeder Heifers, Medium & Large 1 & 2</i>			
400-500 lbs	No Quote	No Quote	No Quote

Source: USDA AMS Livestock & Grain Market News

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

Canadian Slaughter Cattle Average Prices

(U.S. \$/cwt)	W/E		Year	Percent Change
	12/25/10	12/18/10	Ago	
Alberta Steers	\$95.80	\$93.13	\$74.67	28.3%
Alberta Heifers	\$95.71	\$92.98	\$74.21	29.0%
Alberta Cows	\$56.17	\$56.20	\$35.99	56.1%
Ontario Steers	\$94.21	\$96.55	No Quote	---
Ontario Heifers	\$94.20	\$90.43	No Quote	---
Ontario Cows	\$51.03	\$49.42	No Quote	---

Source: CanFax

http://www.ams.usda.gov/mnreports/WA_LS718.txt

Canadian Feeder Cattle Average Prices

(U.S. \$/cwt)	W/E		Year	Percent Change
	12/25/10	12/18/10	Ago	
<i>Alberta Steers</i>				
500-600	\$129.64	\$131.37	\$100.56	28.9%
600-700	\$119.76	\$120.03	\$93.06	28.7%
700-800	\$114.18	\$113.95	\$89.40	27.7%
<i>Alberta Heifers</i>				
500-600	\$111.13	\$118.15	\$85.94	29.3%
600-700	\$106.24	\$110.22	\$83.78	26.8%
700-800	\$103.20	\$104.43	\$80.38	28.4%
<i>Saskatchewan Steers</i>				
500-600	No Quote	\$129.37	No Quote	---
600-700	No Quote	\$119.96	No Quote	---
700-800	\$108.36	\$114.13	No Quote	---
<i>Saskatchewan Heifers</i>				
500-600	\$115.56	\$116.23	No Quote	---
600-700	\$109.11	\$107.56	No Quote	---
700-800	\$101.67	\$102.75	No Quote	---

Source: CanFax

http://www.ams.usda.gov/mnreports/WA_LS718.txt

Exchange Rates

U.S. \$ Converted to Major Currencies	W/E 12/25/10	W/E 12/18/10	Year Ago
Australian Dollar	1.00	1.01	1.13
Brazilian Real	1.70	1.71	1.80
Canadian Dollar	1.01	1.01	1.05
Euro	0.762	0.755	0.696
Japanese Yen	82.97	83.97	91.50
Mexican Peso	12.37	12.42	12.91
New Zealand Dollar	1.34	1.35	1.42
South Korean Won	1160.8	1155.3	1191.2

Source: OANDA

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

TRADE AND PRODUCTION STATISTICS

U.S. Cold Storage			
(Million Pounds)	Nov-10	Nov-09	Percent Change
Beef	441.0	430.9	2.3%
Pork	469.4	482.8	-2.8%

Source: USDA National Agricultural Statistics Service
<http://www.nass.usda.gov/>

Japanese Monthly Retail Pork Prices			
(U.S. \$/cwt)	Sep-10	Sep-09	Percent Change
<i>Domestic Pork</i>			
Normal Shoulder	\$703.19	\$679.23	3.5%
Normal Loin	\$1,320.49	\$1,239.47	6.5%
Normal Ham	\$858.86	\$798.22	7.6%
Bargain Loin	\$987.69	\$917.21	7.7%
<i>Imported Pork</i>			
Normal Loin	\$864.23	\$788.30	9.6%
Bargain Loin	\$526.05	\$490.83	7.2%

Source: Agriculture & Livestock Industries Corporation
http://www.ams.usda.gov/mnreports/WA_LS683.txt

Japanese Monthly Retail Beef Prices			
(U.S. \$/cwt)	Sep-10	Sep-09	Percent Change
<i>U.S.</i>			
Chuck Roll	No Quote	No Quote	---
Brisket	No Quote	No Quote	---
Sirloin	No Quote	No Quote	---
<i>Australia</i>			
Chuck Roll	\$1,170.19	\$1,100.65	6.3%
Brisket	\$1,315.13	\$1,244.43	5.7%
Sirloin	\$1,739.19	\$1,660.89	4.7%
Round	\$1,052.10	\$872.59	20.6%
<i>Wagyu</i>			
Chuck	\$3,440.80	\$3,301.95	4.2%
Brisket	\$3,687.72	\$3,306.90	11.5%
Sirloin	\$6,296.50	\$6,008.95	4.8%
Round	\$3,403.23	\$3,178.00	7.1%

Source: Agriculture & Livestock Industries Corporation
http://www.ams.usda.gov/mnreports/WA_LS681.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

The USDA Livestock and Grain Market News staff makes every effort to provide factual news as it occurs in the market. As some of the information presented in this publication is contributed from worldwide sources, the accuracy and correctness cannot always be verified.