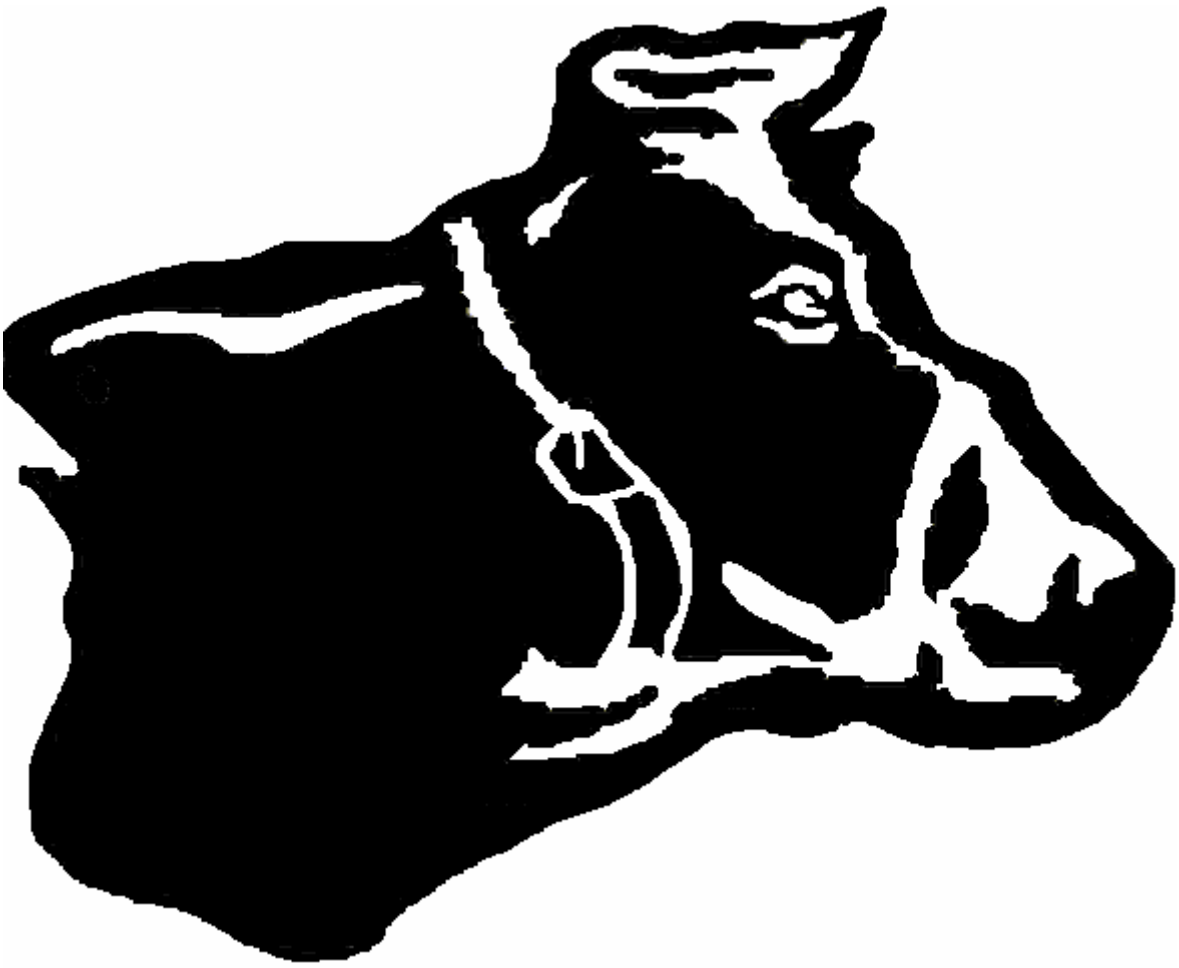
2006

Livestock Trader's ALMANAC



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The Livestock Trader's Almanac is intended to be used as an organizer. It contains a plethora of information presented on a calendar basis to serve as a reminder as well as to guide thoughts to certain subjects through out the year.

Its purpose is to enlighten and make the business of analyzing the livestock markets easier. Even if in your interest in the meat markets you pay little attention to cycles, indicators, seasonality, the relationship of supply to demand, or historical patterns, your success in the livestock futures markets could hinge on your interpretation of one of the studies presented within these pages:

- It keeps you updated on important, potentially price-affecting livestock market reports.
- It highlights important patterns within the development cycle of livestock production, which may have an affect on prices.
- It provides a broad view of the livestock markets, providing both historic pricing information as well as supply and usage statistics.
- It provides a wealth of information in one central location to help you make more informed decisions in today's fast-paced livestock futures markets.

Please read the following disclaimer. Though our intention is to help participants in the futures markets by through development of independent thought based on historical precedent, we do feel it is important point out the limitations of this style of analysis.

Table of Contents

Table of Contents

(1) Live Cattle & Beef

(2) 7-State Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	1996	1997	1998	1999	2000	2001
Cattle On Feed Oct 1st	7,486	8,558	8,376	8,793	9,502	
During October:						
Placed on Feed	2,536	2,454	2,396	2,629	2,387	
Fed Cattle Marketed	1,431	1,545	1,537	2,387	1,647	
Other Disappearance	57	77	45	63	50	
Cattle on Feed Nov 1st	8,534	9,390	9,190	9,789	10,192	

October Number Placed on Feed by Weight Group (in 1,000 head)

	1996	1997	1998	1999	2000	2001
Less Than 600	846	816	776	1027	1066	
600 - 699	724	715	649	802	755	
700 - 799	826	745	686	692	531	
800 Plus	611	620	719	593	477	

(3) COMMENTS: Marketing of Live Cattle for slaughter tends to reach its seasonal low in November ~ Supplies of slaughter weight animals tend to be low as recent surge in placements can create winter holes in slaughter weight animals ~ Cattle on Feed numbers tend to be the second highest of the year, peaking in December ~ Boxed beef prices tend to decline as increased competition from Turkey and Ham due to holidays weighs on beef ~ Extreme early winter can increase other disappearance

Source: USDA Cattle on Feed Report

(1) Title: This is the title of the data presented. Each month data is broken down into three main sections: Live Cattle & Beef, Feeder Cattle & Grains, and Hogs & Pigs.

(2) 7-State Cattle on Feed 1,000 + Capacity: This is the past head counts and weights taken from the previous year's historical Cattle on Feed Reports. The 7 States used in this report are Arizona, California, Colorado, Iowa, Kansas, Nebraska, and Texas.

(3) Comments: These are general observations about the market in question, derived from experience and analysis of the data being presented. The observations and comments are statements of opinion and are tailored for the country as a hole, not to a specific region or operation.

(1)Feeder Cattle & Grains

(4) Cattle Feeder Costs to Live Price Relationship

	1996	1997	1998	1999	2000	2001
Jan Feeders	64.43	66.15	79.93	70.50	85.10	
Dec Corn	270 ¾	271 ½	218 ¾	187 ½	208 ¾	
Apr Live	64.98	72.35	64.83	71.35	75.40	
P&L	$123.51	$197.82	$24.75	$194.70	$115.45	

(5) End of Month Pasture Condition National Average

	VP	P	F	G	EX
2000	14	24	32	27	3
2001					
5- Year Average	10	20	34	33	4

(3) COMMENTS: Most Cattle have moved off of pasture into feedlots during the August through October placement rush ▪ Late spring bred calves tend to be lighter weight ▪ Lower supply and lower weights tend to be supportive of Feeder Steer prices ▪ Grain Harvests tends to create ample grain supplies and low prices which is supportive for feeders

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

(4) Cattle Feeder Costs to Live Cattle Price Relationship: This is a simple study to show how the most variable costs have affected the profitability of feedlot operations. By no means is the above data

meant to be a realist representation of the profit or loss incurred actually feeding cattle. Additional costs, such as loss, veterinary, labor, waste management, and such are ignored as it is believed that these costs are semi stable. Instead this study concentrates simply on how the cost of feeder cattle, as derived by the nearest to expire futures contract, plus the front month corn futures contract equate to live cattle (fed cattle) prices. Since Feeder Cattle usually take 2.2 pounds of feed to gain a pound and Cattle generally gain about 400 pounds on Feed, it is assumed that each Feeder eats roughly 14 bushels of Corn. Since Live Cattle futures call for 40000 lbs, it is assumed that each Feeder contract yields 1.6 Live contracts resulting in the following formula P&L = (1.6 * LC) – (FC) – (C*0.14)

(5) End of Month Pasture Conditions: All data is taken directly from the USDA/NASS weekly crop progress and conditions report. Pasture conditions can have a dramatic effect on placement and disappearance in the Cattle market, as such understanding pasture conditions nationally can help traders make more decisions in the Livestock markets.

Hogs & Pigs

(6) Quarterly Hogs & Pigs Report (in 1,000 head)

	2000	2001	
Sows Farrowing	922		
Pigs Per Liter	8.86		
Pig Crop	8311		
Sows& Gilt Inventory	6055		
Number Bred	1168		

(7) Weekly Slaughter Rate (in 1,000 Head)

	1996	1997	1998	1999	2000	2001
11/3/01	1,845	1,957	2,096	2,093	2,092	
11/10/01	1,840	1,927	2,136	2,114	1,969	
11/17/01	1,770	1,899	2,088	2,043	2,042	
11/24/01	1,898	1,980	2,191	2,031	1,764	

(3) COMMENTS: Hog and Pig slaughter rates tend to peak in October and slow in November ▪ Average weekly slaughter rate in 2000 was 1.97 million head ▪ The slow down in slaughter tends to be supportive for prices as packers must raise bids to attract animals for slaughter ▪ Build ups in supply ahead of the Christmas Holiday season surge in demand is generally supportive of prices, especially in mid to late November

(6) Hogs and Pigs Report: All data presented here is taken from th quarterly Hogs and Pigs report. All data is presented in 1,000 head increments, unless specified otherwise.

(7) Weekly Slaughter Rate: This data is taken from the USDA/AMS Livestock Slaughter under Federal Inspection. The dates in the left hand column represent the current weeks this year for the month being studied.

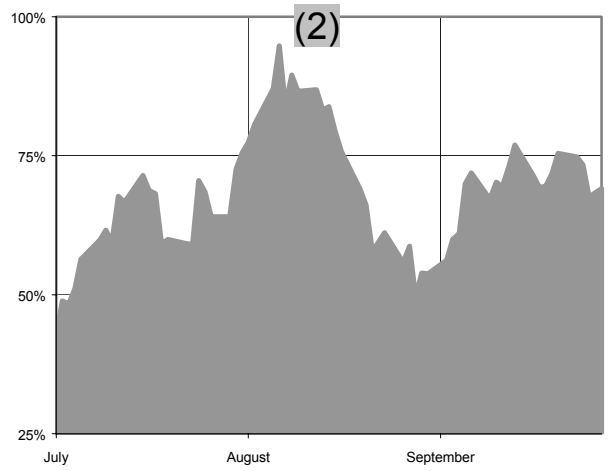
Each of these statistics, plus general commentary are provided each calendar month for specific market segments to help participants make more informed trading decisions. These figures are not intended to be buy or sell recommendations but merely representations for historic reference. The General Comments are statements of opinion and are subjective in nature.

Reading the Technical Overviews

Each calendar month, the 2005 Livestock Trader's Almanac provides readers with a general overview of past market performance in a graphic and tabular format. Each field is numbered and explained briefly as to its meaning and calculation as follows:

(1)*October Live Cattle*

19 Year Seasonal Average



Years 1982 to 2000 settlement values used.

(3) COMMENTS: July strength tends to fizzle in August ▪ 12 higher monthly highs, but only settled the month higher 6 times in last 19 years ▪ Following a weak July, August has NEVER made a higher monthly high ▪ Strong August usually means strong September ▪ Weak August's are reversed in September

19-Year Monthly Performance Summary

(4) # Years Up	8	**(11)** # Higher Highs	12
(5) # Years Dn	11	**(12)** # Lower Lows	5
(6) Total Change	-5.68	**(13)** # Expanded Range	8
(7) Avg Change	-0.30	**(14)** # Narrow Range	11
(8) Avg Gain	2.10		
(9) Avg Loss	-2.05	**(15)** 5 yr high	72.30
(10) Avg Range	3.96	**(16)** 5 yr low	58.15

(1) Commodity: This is the specific commodity and contract month used in all calculations. Data is provided by Gecko Software and no guarantee is being made as to the accuracy of the data provided.

(2) The seasonal chart depicted in this chart represents the composite average behavior of the contract during the month in question, as well as the previous and following month. These charts are based on the last 19 years. For more information on reading and interpreting seasonal charts, see Appendix 4.

(3) Comments: These are general comments derived from the seasonal charts as well as the Monthly Performance Summary (items 4 through 16). These are matters of opinion and should be taken as such and used as a general guide.

(4) # Years Up: This represents the number of years that the specific commodity in question settled the month in question higher (closing above the previous month's settlement) during the coarse of the last 19 years (1983 through 2001). For example, during the month of August, October Live Cattle futures settled the month higher 8 times.

(5) # Years Dn: This represents the number of years that the specific commodity in question settled the month in question lower (closing below the previous month's settlement) during the coarse of the last 19 years (1983 through 2001). For example, during the month of August, October Live Cattle futures settled the month down (dn) 11 times.

(6) Total Change: This number represents the total change over the coarse of the last 19 years on a settlement basis. In the above example, October Live Cattle futures lost a total of –5.675 cents per hundred weight (cwt) over the last 19 years (1983 to 2001.) *Note: throughout this publication, numbers are rounded to the nearest 100ths place, so 0.025 is rounded up to 0.03 and 0.075 is rounded up to 0.08 cwt.*

(7) Avg Change: This is the average (avg) change of the commodity in question during the month in question over the last 19 years. This number is simply the Total Change divided by 19 – the number of observations. In the above example, October Live Cattle futures lost an average of –0.30 cwt during the month of August on a settlement basis during the 1983 to 2001 period.

(8) Avg Gain: This is the average (avg) increase, which occurred during the 19-year period being studied. This represents an average of only those years, as denoted by the # Years up (4), which settled the month in question higher. For example, in the above example, during the 8 years from 1983 to 2001 in which October Live Cattle rallied during the month of August, they settled the month of August an average of 2.10 cwt higher.

(9) Avg Loss: This is the average (avg) break (decrease) which occurred during the 19-year period being studied. This represents an average of only those years, as denoted by the # Years Dn (5), which settled the month in question lower. In the above example, during the 11 years from 1983 to 2001 in which October Live Cattle broke during the month of August, they settled the month of August an average of -2.05 cwt lower.

(10) Avg Range: This represents the average difference between the monthly high and monthly low during the 19 years being studied. The monthly high is defined as the highest daily price during the month in question, and the monthly low is the lowest price during that calendar month. In the above example, from 1983 to 2001, the average monthly range for August basis October Live Cattle futures is 3.96 cwt.

(11) # Higher Highs: The total number of occurrences where the high of the month being studied surpassed the previous monthly high. For example, October Live Cattle futures have surpassed the July high in August 12 times during the 1983 to 2001 period.

(12) # Lower Lows: The total number of occurrences where the low of the month being studied was lower than the low of the previous month. In the above example, October Live Cattle futures have witnessed the August being lower than the July low 5 times during the 1983 to 2001 period.

(13) # Expanded Range: The monthly range is defined as the monthly high minus the monthly low. This figure represents the number of times during the last 19 years where the monthly range of the month being studied was greater than the previous month. For example, during August October Live Cattle futures monthly range has been greater than the range during July 8 times, during the 1983 to 2001 period.

(14) # Narrower Range: The monthly range is defined as the monthly high minus the monthly low. This figure presents the number of times during the last 19 years where the monthly range of the month being studied was less than the previous month. For example, during August October Live Cattle futures monthly range has been less than the range during July 11 times, since 1983 through 2001.

(15) 5 Year High: The highest price achieved during the previous 5 years during the month being studied. Basis the October futures, during the last 5 years during the month of August, the highest price recorded historically has been 72.30 cwt.

(16) 5 Year Low: The lowest price achieved during the previous 5 years during the month being studied. Basis the October futures, during the last 5 years during the month of August, the lowest price recorded historically has been 58.15 cwt.

Each of these statistics, plus general commentary is provided each calendar month for specific contracts to help participants make more informed trading decisions. These figures are not intended to be buy or sell recommendations but merely representations of historic performance. The General Comments are statements of opinion and are subjective in nature.

Reading the Weekly Performance Overviews

Each calendar week, the 2006 Livestock Trader's Almanac provides readers with a general overview of past market performance in a tabular format. Each field is numbered and explained briefly as to its meaning and calculation as follows:

1 December Live Cattle Statistics for Week #44

	2 5 Year	3 10 Year	4 19 Year
5 # Up	3	5	8
6 # Down	2	5	11
7 Total Change	0.63	-0.85	-4.12
8 Avg Change	0.13	-0.08	-0.22
9 Avg Up	0.78	0.57	0.99
10 Avg Dn	-0.86	-0.73	-1.10
11 Avg Range	1.55	1.52	1.81
12 # Higher Highs	3	7	10
13 # Lower Lows	2	6	12

Monday 29

Tuesday 30

1 Contract: This the specific contract and week number used to compute all the statistics presented in fields **5** – **13**. The week number is calculated using the current year and retro fitted using either a 52 or 53 week year.

2 5 Year: This column represents the number of year's statistics – in this case the previous 5 years.

3 10 Year: This column represents the number of year's statistics – in this case the previous 10 years.

4 19 Year: This column represents the number of year's statistics – in this case the previous 19 years.

5 # Up: This represents the number of years where the week in question for the specific contract settled higher than the previous week.

6 # Down: This represents the number of years where the week in question for the specific contract settled lower than the previous week.

7 Total Change: This represents the total change for the specified number of years of the contract in question during the period being studied in cents per hundred weight (cwt).

8 Avg Change: Simply the average change during the period being studied, or the Total Change divided by the number of years observed in cents per hundred weight (cwt).

9 Avg Up: The average of all the years during the testing period (5, 10, or 19 depending upon the column) where the specific contract settled higher than the previous week. Only higher weekly settlements are used and data is presented in cents per hundred weight (cwt).

10 Avg Dn: The average of all the years during the testing period (5, 10, or 19 depending upon the column) where the specific contract settled lower than the previous week. Only lower weekly settlements are used and data is presented in cents per hundred weight (cwt).

11 Avg Range: The average difference between weekly high and weekly low, presented in cents per hundred weight.

12 # Higher Highs: The number of times the specific contract being studied made a higher weekly high, as compared to the previous calendar week, during the observation period.

13 # Lower Lows: The number of times the specific contract being studied made a weekly low lower than the previous calendar week during the appropriate observation period.

The New Year Meat Supply Hole…

The Cattle market tends to rally from the winter lows into the New Year. During the later part of winter and into early spring, the Cattle market deals with a hole in supply. The number of animals at slaughter weight tends to be extremely low, as fall placements are still on feed. Consumer demand tends to be brisk, especially at year-end as parties and restaurant demand associated with the holidays diminishes stocks. Also limiting supply in some years are transportation difficulties, caused by the freezing of inland waterways, severe snowstorms, and other adverse conditions.

Similar factors affect the Lean Hog market. Preparation for the spring farrowing season, strong demand during the holiday season, and low supplies of slaughter weight animals tends to see Pork prices gain in the early spring as well.

The table below shows the gains for the last 19 years from the December monthly lows to the 1st quarter highs (January through March). Obviously, it is impossible to position ones self at the monthly lows or highs, or even asses if the 1st quarter high will be in January, February or March. Though unrealistic, it is instructive to see just how much Cattle and Hog futures have rallied – *on average* - during this period.

	April Live Cattle				April Lean Hogs			
Contract Yr	Dec Low	Jan-Mar High	Change (CWT)	Change (%)	Dec Low	Jan-Mar High	Change (CWT)	Change (%)
2005	83.45	92.25	8.80	10.55	68.70	78.60	9.90	14.41
2004	68.60	83.40	14.80	21.57	53.55	68.15	14.60	27.26
2003	76.60	80.15	3.55	4.63	55.75	60.15	4.40	7.89
2002	70.03	76.53	6.50	9.28	55.10	62.80	7.70	13.97
2001	75.20	81.83	6.63	8.81	55.85	67.68	11.83	21.17
2000	69.90	73.50	3.60	5.15	55.25	64.50	9.25	16.74
1999	59.90	68.95	9.05	15.11	31.75	48.90	17.15	54.02
1998	68.20	69.70	1.50	2.20	56.18	59.40	3.23	5.74
1997	64.00	70.40	6.40	10.00	70.95	77.40	6.45	9.09
1996	66.08	67.00	0.92	1.40	64.78	69.93	5.15	7.95
1995	68.75	75.25	6.50	9.45	47.78	56.30	8.53	17.84
1994	74.53	77.38	2.85	3.82	62.05	70.15	8.10	13.05
1993	73.88	84.30	10.43	14.11	54.93	71.48	16.55	30.13
1992	70.45	79.73	9.27	13.17	50.33	57.98	7.65	15.20
1991	75.65	82.03	6.38	8.43	60.48	74.25	13.78	22.78
1990	73.65	78.35	4.70	6.38	58.98	73.38	14.40	24.42
1989	72.65	78.90	6.25	8.60	57.53	62.70	5.18	9.00
1988	61.50	75.70	14.20	23.09	50.20	63.98	13.78	27.44
1987	55.50	68.35	12.85	23.15	58.30	65.68	7.38	12.65

	April Live Cattle		April Lean Hogs	
	CWT	%	CWT	%
Average	7.11	10.47	9.74	18.46
Minimum	0.92	1.40	3.23	5.74
Maximum	14.80	23.15	17.15	54.02

On average, April Live Cattle futures have rallied +7.10 cwt (10.47%) while April Lean Hogs have posted an average gain during the period of +9.72 cwt (18.46%). In 17 of the last 19 years, April Cattle futures settled the month of February higher than the December lows, while April Hogs have done so 18 times, only finishing February lower than the December lows in 1998.

Keep this in mind as low slaughter rates at year-end weigh on prices. A short-term bottom may be at hand! Of course, each year is different and past performance in no way guarantees future results, but this is definitely food for thought.

February Live Cattle Statistics for Week #1

	5 Year	10 Year	19 Year
# Up	2	5	11
# Down	3	4	7
Total Change	-14.96	-14.01	-11.01
Avg Change	-2.99	-1.40	-0.58
Avg Up	0.96	0.58	0.69
Avg Dn	-5.63	-4.23	-2.66
Avg Range	3.86	2.44	1.89
# Higher Highs	4	7	13
# Lower Lows	3	4	6

March Feeder Cattle Statistics for Week #1

	5 Year	10 Year	19 Year
# Up	2	4	8
# Down	3	6	11
Total Change	-3.41	-5.05	-6.48
Avg Change	-0.68	-0.51	-0.34
Avg Up	0.76	0.74	0.71
Avg Dn	-1.64	-1.34	-1.11
Avg Range	2.03	1.81	1.61
# Higher Highs	3	6	10
# Lower Lows	3	5	9

February Lean Hogs Statistics for Week #1

	5 Year	10 Year	19 Year
# Up	3	6	10
# Down	2	4	9
Total Change	3.90	3.22	3.83
Avg Change	0.78	0.32	0.20
Avg Up	1.74	1.48	1.32
Avg Dn	-0.66	-1.41	-1.04
Avg Range	2.65	2.52	2.08
# Higher Highs	4	7	10
# Lower Lows	0	2	9

Monday 2

New Year's Holiday

Tuesday 3

Weather Crop Summary

Wednesday 4

Thursday 5

Friday 6

Saturday 7

Sunday 8

Past performance is not necessarily indicative of future results. Data compliments of Gecko Software, Inc. No guarantee is made as to accuracy or completeness of data. See Risk Disclaimer at front of document for further details regarding risk. For an explanation of tables and figures see calculations section at the front of the almanac.

January 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Dec 1st	11,891	9,395	11,330	11,335	11,334	
During December:						
Placed on Feed	1,578	1,380	1,748	1,748	1,834	
Fed Cattle Marketed	1,811	1,801	1,740	1,740	1,777	
Other Dissappearance	93	99	90	90	92	
Cattle on Feed Jan 1st	11,572	10,593	11,565	11,253	11,299	

December Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600	499	381	433	367	380	
600 - 699	716	614	587	466	458	
700 - 799	664	734	706	576	628	
800 Plus	384	437	409	342	419	

COMMENTS: Marketing tends to pick up in January ▪ Boxed Beef prices tend towards strength in the first half of the month ▪ Cattle on Feed numbers tend to decrease from December's large population ▪ Placements tend to pick up, but typically can't keep pace with marketings ▪ Placement weights tend to increase slightly in January ▪ Look for disruptions in the supply chain, caused by holidays as well as weather ▪ Prices are typically strong as demand is strong and supply is limited during the winter

Source: USDA Cattle on Feed Report

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	**2006**
Mar Feeders	84.975	84.325	79.75	83.675	100.525	
Mar Corn	220.5	220.5	241.5	248.75	203.75	
Jun Live	71.575	70.725	72.175	70.6	82.625	
P&L	$(1.33)	$(2.03)	$1.92	$(5.54)	$3.15	

COMMENTS: Ample grain supplies and limited available supplies tend to be supportive of prices ▪ Typically increasing placement numbers from the slow December pace tends to be supportive of prices ▪ Cash Feeder prices have risen in 6 of the last 6 years during January ▪ New Year tax selling tends to weigh on grain prices… "February Break"

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

Hogs & Pigs

Weekly Slaughter Rate (in million pounds)

	2001	2002	2003	2004	2005	2006
Week 1	336.6	310.8	345.7	361.1	358.2	
Week 2	375.1	394.2	385.5	404.2	400.8	
Week 3	379.0	391.1	395.2	422.6	410.8	
Week 4	377.0	376.1	379.7	408.7	402.7	

Slaughter rate computed from Average Dressed Weight multiplied by the number of head slaughtered.

COMMENTS: Plant closures and lack of movement in December can create tightness in supply in January ▪ Transportation difficulties can exasperate the situation ▪ Slaughter rates tend to spike higher in the second week of January as everyone returns to business as usual ▪ Average 5 year weekly slaughter rate in January was 1.90 million head ▪ Year end supply tightness tends to be fleeting, especially in back months

Source: Monthly Hogs & Pigs Report and USDA/AMS Daily Hog Slaughter Report

February Live Cattle Statistics for Week #2

	5 Year	10 Year	19 Year
# Up	2	4	10
# Down	3	5	8
Total Change	1.15	3.28	11.15
Avg Change	0.23	0.33	0.59
Avg Up	1.61	1.59	1.67
Avg Dn	-0.69	-0.62	-0.69
Avg Range	2.26	1.96	2.04
# Higher Highs	1	3	12
# Lower Lows	2	6	11

March Feeder Cattle Statistics for Week #2

	5 Year	10 Year	19 Year
# Up	2	4	9
# Down	3	6	10
Total Change	-1.32	-1.15	5.58
Avg Change	-0.26	-0.11	0.29
Avg Up	1.75	1.41	1.68
Avg Dn	-1.61	-1.13	-0.96
Avg Range	2.78	2.35	2.16
# Higher Highs	2	6	12
# Lower Lows	3	6	10

February Lean Hogs Statistics for Week #2

	5 Year	10 Year	19 Year
# Up	1	3	8
# Down	4	7	11
Total Change	-5.18	-1.60	5.57
Avg Change	-1.04	-0.16	0.29
Avg Up	0.60	1.89	1.96
Avg Dn	-1.44	-1.04	-0.92
Avg Range	2.40	2.68	2.44
# Higher Highs	3	4	12
# Lower Lows	3	7	9

Monday 9

Tuesday 10

Weather Crop Summary

Wednesday 11

Thursday 12

Cotton Ginnings
Crop Production & Annual
WASDE & Annual
Grain Stocks
Rice Stocks
Winter Wheat Seedings

Friday 13

Saturday 14

Sunday 15

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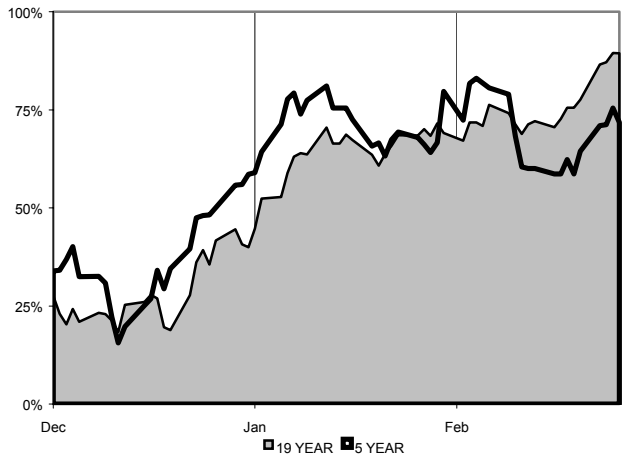
January 2006 Technical Overview

February Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

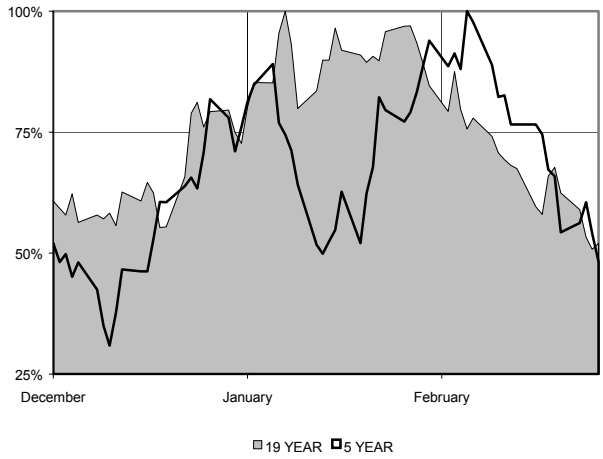
COMMENTS: Strongest month on record with a total gain of 31.62 cwt ~ 3rd most volatile month on record ~ fewer lower monthly lows than any other month and more higher highs~ Best January's follow strong ~ April Cattle have rallied in January 16 out of the last 19 years, with 11 of 12 December rallies continued into January and 5 of 7 declines reversed

19 Year Monthly Performance Summary

# Years Up	14	**# Higher Highs**	16
# Years Dn	5	**# Lower Lows**	2
Total Change	31.62	**# Expanded Range**	10
Avg Change	1.67	**# Narrow Range**	9
Avg Gain	2.62		
Avg Loss	-1.00	**5 Yr High**	92.75
Avg Range	4.50	**5 Yr Low**	69.70

March Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

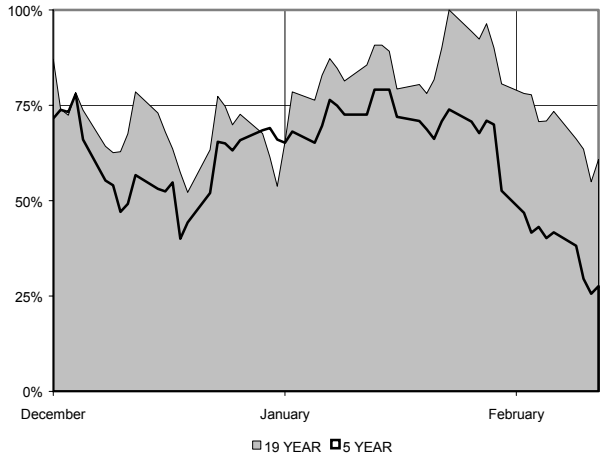
COMMENTS: 2nd strongest month on record gaining a total of +20.77 cwt ~ With 13 years seeing higher monthly highs, expect prices to penetrate December monthly high in January ~ Best January's have followed weak Decembers ~ February tends to reverse Januarys strength ~ Weak January's have continued lower in February 6 of the last 8 times

19 Year Monthly Performance Summary

# Years Up	11	**# Higher Highs**	13
# Years Dn	8	**# Lower Lows**	5
Total Change	20.77	**# Expanded Range**	9
Avg Change	1.10	**# Narrow Range**	10
Avg Gain	3.15		
Avg Loss	-1.72	**5 Yr High**	103.25
Avg Range	4.52	**5 Yr Low**	77.85

February Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: Best January's follow weak Decembers ~ Worst January's have followed strong Decembers ~ When strong January is very strong (4.25 cwt avg gain vs –2.25 avg drop) ~ 8 out of 12 January rallies have been reversed in February ~ Though only 4 of 7 January declines have been reversed in February, February strength is more common after weak Januarys

19 Year Monthly Performance Summary

# Years Up	10	**# Higher Highs**	8
# Years Dn	8	**# Lower Lows**	9
Total Change	24.67	**# Expanded Range**	9
Avg Change	1.30	**# Narrow Range**	10
Avg Gain	4.25		
Avg Loss	-2.25	**5 Yr High**	77.35
Avg Range	5.67	**5 Yr Low**	48.85

February Live Cattle Statistics for Week #3

	5 Year	10 Year	19 Year
# Up	3	5	12
# Down	2	5	7
Total Change	5.68	3.28	13.36
Avg Change	1.14	0.33	0.70
Avg Up	2.29	1.63	1.68
Avg Dn	-0.59	-0.97	-0.97
Avg Range	2.66	2.21	2.18
# Higher Highs	3	6	14
# Lower Lows	2	6	10

March Feeder Cattle Statistics for Week #3

	5 Year	10 Year	19 Year
# Up	3	7	12
# Down	2	3	6
Total Change	1.32	5.82	8.89
Avg Change	0.26	0.58	0.47
Avg Up	0.95	1.06	1.05
Avg Dn	-0.77	-0.53	-0.62
Avg Range	1.72	1.75	1.79
# Higher Highs	1	2	8
# Lower Lows	2	4	7

February Lean Hogs Statistics for Week #3

	5 Year	10 Year	19 Year
# Up	5	7	14
# Down	0	3	5
Total Change	3.53	3.68	7.78
Avg Change	0.71	0.37	0.41
Avg Up	0.71	1.03	1.01
Avg Dn	#DIV/0!	-1.18	-1.26
Avg Range	2.36	2.62	2.29
# Higher Highs	2	6	12
# Lower Lows	3	6	10

Monday 16

Martin Luther King, Jr. Day

Tuesday 17

Wednesday 18

Weather Crop Summary

Thursday 19

Friday 20

Livestock Slaughter
Cattle on Feed

Saturday 21

Sunday 22

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January Monthly Spread Trading Opportunity

Slower slaughter rates during the holidays and plant closures during December can create tightness in January. Movement also tends to be slow, as inland waterways are frozen. This creates a situation where nearby contracts tend to gain on deferred's in the Livestock Markets (bull spreads).

- Long April 2006 Live Cattle, Short June 2006 Live Cattle
- Enter on roughly the 1st trading day of January, Exit on roughly the 11th to last trading day of January

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
1/2/1991	1.68	1/17/1991	2.05	0.38	2.20	0.53	1.68	0.00
1/2/1992	4.63	1/17/1992	4.38	-0.25	4.95	0.33	4.35	-0.27
1/4/1993	3.73	1/15/1993	5.08	1.35	5.08	1.35	3.53	-0.20
1/3/1994	1.65	1/17/1994	2.18	0.53	2.33	0.68	1.30	-0.35
1/3/1995	5.93	1/17/1995	6.70	0.77	6.70	0.77	5.88	-0.05
1/2/1996	3.95	1/17/1996	3.98	0.02	4.03	0.08	3.53	-0.43
1/2/1997	2.43	1/17/1997	2.63	0.20	3.05	0.63	2.43	0.00
1/2/1998	0.25	1/15/1998	-0.63	-0.88	0.25	0.00	-0.95	-1.20
1/4/1999	0.05	1/14/1999	0.95	0.90	1.13	1.08	0.05	0.00
1/3/2000	2.08	1/14/2000	2.40	0.33	2.58	0.50	1.78	-0.30
1/2/2001	4.23	1/17/2001	5.95	1.73	5.98	1.75	4.00	-0.23
1/2/2002	3.48	1/16/2002	3.93	0.45	4.18	0.70	3.40	-0.07
1/2/2003	6.53	1/16/2003	7.48	0.95	8.15	1.63	6.53	0.00
1/2/2004	2.75	1/15/2004	3.95	1.20	3.95	1.20	2.38	-0.38
1/3/2005	5.68	1/18/2005	6.25	0.57	6.68	1.00	5.68	0.00

# Observations	15	**Total P&L**	8.25	**Worst P&L**	-0.88
# Up	13	**Average P&L**	0.55	**Average Draw**	-0.23
# Down	2	**Average Gain**	0.72	**Worst Draw**	-1.20
% Up	87%	**Average Loss**	-0.56	**Worst Draw on Gain**	-0.43

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

February Live Cattle Statistics for Week #4

	5 Year	10 Year	19 Year
# Up	4	5	9
# Down	1	5	10
Total Change	6.27	2.84	4.54
Avg Change	1.25	0.28	0.24
Avg Up	2.08	1.73	1.46
Avg Dn	-2.05	-1.17	-0.85
Avg Range	2.95	2.30	1.97
# Higher Highs	4	5	12
# Lower Lows	1	4	7

March Feeder Cattle Statistics for Week #4

	5 Year	10 Year	19 Year
# Up	2	5	13
# Down	3	5	6
Total Change	1.09	1.19	6.84
Avg Change	0.22	0.12	0.36
Avg Up	0.75	0.63	0.72
Avg Dn	-0.14	-0.39	-0.42
Avg Range	1.53	1.51	1.49
# Higher Highs	1	5	12
# Lower Lows	4	5	7

February Lean Hogs Statistics for Week #4

	5 Year	10 Year	19 Year
# Up	3	7	12
# Down	2	3	7
Total Change	-1.28	7.75	10.10
Avg Change	-0.26	0.77	0.53
Avg Up	0.25	1.41	1.20
Avg Dn	-1.01	-0.70	-0.61
Avg Range	2.68	2.74	2.30
# Higher Highs	3	6	12
# Lower Lows	4	6	9

Monday 23

Cold Storage

Tuesday 24

Weather Crop Summary

Wednesday 25

Cotton Ginnings

Thursday 26

Friday 27

Dairy Products Prices
Cattle Inventory

Saturday 28

Sunday 29

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Cattle Futures Seasonality

The following table details 11 *HYPOTHETICAL* seasonal tendencies to help guide cattle traders in making their decisions throughout the year. Each of these tendencies has historically been at least 80% accurate and has displayed a good risk to reward profile in the past.

Contract	Position	Entry Date	Exit Date	# Win	# Loss	Avg Trade	Avg Loss
February '06 Live Cattle	LC2006G	Long	01/02	01/16	13	2	$ 627.07
March '06 Feeder Cattle	FC2006H	Short	01/10	02/07	12	3	$ 573.83
June '06 Live Cattle	LC2006M	Short	03/10	04/21	12	3	$ 679.07
August '06 Feeder Cattle	FC2006Q	Long	03/17	04/05	12	3	$ 403.00
August '06 Feeder Cattle	FC2006Q	Long	05/22	07/11	12	3	$ 1,468.67
August '06 Feeder Cattle	FC2006Q	Long	06/01	07/11	12	3	$ 980.50
August '06 Live Cattle	LC2006Q	Short	06/09	06/26	12	3	$ 357.07
October Feeder Cattle	FC2006V	Long	08/25	09/13	12	3	$ 724.17
October '06 Live Cattle	LC2006V	Long	09/01	09/18	12	3	$ 516.27
December '06 Live Cattle	LC2006Z	Long	11/07	11/21	13	2	$ 228.00
February '07 Live Cattle	LC2007G	Long	12/28	01/17	12	3	$ 556.67

Though at first glance these tendencies may appear to be wonderful, traders should take the time to realize that they are based on “normal market conditions” and therefore past performance may not be duplicated in the current year. As such, the ideas are presented above should be used as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade with genuine risk capital only. See the disclaimer and warning below.

April Live Cattle Statistics for Week #5

	5 Year	10 Year	19 Year
# Up	2	4	9
# Down	3	6	10
Total Change	-3.63	-6.43	-4.08
Avg Change	-0.73	-0.64	-0.21
Avg Up	0.56	0.51	0.87
Avg Dn	-1.59	-1.41	-1.19
Avg Range	2.08	1.81	1.67
# Higher Highs	3	5	8
# Lower Lows	3	7	11

March Feeder Cattle Statistics for Week #5

	5 Year	10 Year	19 Year
# Up	3	4	9
# Down	2	6	10
Total Change	-4.10	-7.83	-4.97
Avg Change	-0.82	-0.78	-0.26
Avg Up	0.41	0.60	1.03
Avg Dn	-2.67	-1.70	-1.42
Avg Range	2.27	1.96	1.81
# Higher Highs	4	5	12
# Lower Lows	2	6	10

April Lean Hogs Statistics for Week #5

	5 Year	10 Year	19 Year
# Up	3	4	7
# Down	2	6	12
Total Change	-0.62	-5.62	-5.12
Avg Change	-0.12	-0.56	-0.27
Avg Up	1.25	1.00	1.17
Avg Dn	-2.19	-1.60	-1.11
Avg Range	2.77	2.53	2.07
# Higher Highs	2	5	11
# Lower Lows	2	3	6

Monday 30

Tuesday 31

Weather Crop Summary
Agricultural Prices
Capacity of Refrigerated Warehouses

Wednesday 1

Thursday 2

Friday 3

Saturday 4

Sunday 5

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Pork Futures Seasonality

The following table details 12 *HYPOTHETICAL* seasonal tendencies to help guide Pork traders in making their decisions throughout the year. Each of these tendencies has historically been at least 80% accurate and has displayed a good risk to reward profile in the past.

Contract	Position	Entry Date	Exit Date	# Win	# Loss	Avg Trade	Avg Loss
April '06 Lean Hogs	LH2006J	Long	01/02	01/16	12	3	$ 441.73
May '06 Pork Bellies	PB2006K	Long	01/16	03/24	12	3	$ 2,106.40
April '06 Lean Hogs	LH2006J	Short	02/07	02/21	12	3	$ 345.47
May '06 Pork Bellies	PB2006K	Long	02/15	03/28	12	3	$ 2,196.53
July '06 Lean Hogs	LH2006N	Long	03/30	05/01	12	3	$ 799.60
July '06 Pork Bellies	PB2006N	Short	04/28	06/14	12	3	$ 2,463.73
July '06 Pork Bellies	PB2006N	Short	05/08	06/12	12	3	$ 2,035.47
July '06 Lean Hogs	LH2006N	Short	05/11	05/29	12	3	$ 960.67
October '06 Lean Hogs	LH2006V	Short	07/06	07/21	12	3	$ 611.73
February '07 Pork Bellies	PB2007G	Long	07/11	08/04	12	3	$ 975.73
October '06 Lean Hogs	LH2006V	Long	09/01	09/21	12	3	$ 1,068.40
December '06 Lean Hogs	LH2006Z	Short	10/12	10/26	12	3	$ 748.40

Though at first glance these tendencies may appear to be wonderful, traders should take the time to realize that they are based on “normal market conditions” and therefore past performance may not be duplicated in the current year. As such, the ideas are presented above should be used as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade with genuine risk capital only. See the disclaimer and warning below.

April Live Cattle Statistics for Week #6

	5 Year	10 Year	19 Year
# Up	3	7	12
# Down	2	3	7
Total Change	0.68	3.90	8.33
Avg Change	0.14	0.39	0.44
Avg Up	0.65	0.98	1.25
Avg Dn	-0.64	-0.99	-0.95
Avg Range	1.80	1.82	1.91
# Higher Highs	3	6	14
# Lower Lows	2	5	9

March Feeder Cattle Statistics for Week #6

	5 Year	10 Year	19 Year
# Up	2	4	8
# Down	3	6	11
Total Change	0.52	-2.18	-3.05
Avg Change	0.10	-0.22	-0.16
Avg Up	1.11	1.21	1.17
Avg Dn	-0.57	-1.17	-1.13
Avg Range	2.29	2.08	2.06
# Higher Highs	2	4	7
# Lower Lows	3	6	11

April Lean Hogs Statistics for Week #6

	5 Year	10 Year	19 Year
# Up	1	4	8
# Down	4	6	11
Total Change	-3.80	2.20	2.82
Avg Change	-0.76	0.22	0.15
Avg Up	1.65	2.59	1.98
Avg Dn	-1.36	-1.36	-1.18
Avg Range	2.69	2.87	2.43
# Higher Highs	3	6	12
# Lower Lows	3	5	9

Monday 6

Tuesday 7

Weather Crop Summary

Wednesday 8

Thursday 9

Crop Production
WASDE
Cotton Ginnings

Friday 10

Saturday 11

Sunday 12

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February 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Feb 1st	11,798	11,572	10,593	11,565	11,299	
During February:						
Placed on Feed	2,263	1,902	2,135	1,751	1,885	
Fed Cattle Marketed	2,042	1,792	1,970	1,782	1,776	
Other Dissappearance	78	74	75	94	74	
Cattle on Feed Mar 1st	9,951	10,683	11,128	11,128	11,334	

January Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	**2006**
Less Than 600	87.6	81.475	76.15	86.5	99.15	
600 - 699	214.5	251.5	220.25	205.5	205.5	
700 - 799	73.95	69.625	70.4	72.925	82.35	
800 Plus	$0.69	$(5.29)	$5.66	$1.41	$3.84	

COMMENTS: 3rd lowest marketing of the year ▪ Slow placement rates in the late summer tend to see low supplies at the beginning of the year ▪ Transportation problems can aggravate the situation, causing beef to land locked in the mid West while demand grows on the coasts ▪ Placements slow down in February from January's pace ▪ February historically is the 2nd slowest placement month on the year ▪ Generally animal slaughter weights pick up during February ▪ Disappearance can be a factor

Source: USDA Cattle on Feed Report

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	2006
Mar Feeders	87.6	81.47	86.03			
Mar Corn	214 ½	200 ½	209			
Aug Live	72.98	69.55	70.28			
P&L	$63.36	$78.54	$46.42			

COMMENTS: 2nd lowest Placement month of the year historically (June lowest) ▪ Grain prices tend to break in February and Live Cattle prices increase, so available supply is usually well bid ▪ Cash Feeders have increased in February 10 of the last 11 years ▪ Transportation difficulties can make supply of feeders and placement even more difficult, supporting prices

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

Hogs & Pigs

Weekly Slaughter Rate (in million pounds)

	2001	2002	2003	2004	2005	2006
Week 5	367.9	366.4	379.0	381.2	403.8	
Week 6	352.3	364.4	377.0	386.9	398.3	
Week 7	381.2	370.8	380.4	394.7	408.2	
Week 8	366.5	368.5	373.1	383.8	418.6	

Slaughter rate computed from Average Dressed Weight multiplied by the number of head slaughtered.

COMMENTS: The first quarter of the year typically sees fewer animals retained for breeding ▪ Even though populations tend to be diminished, more sows are brought to market ▪ late winter tends to be the lowest farrowing period ▪ Slaughter rates tend to increase slightly from the December/January pace ▪ Average 5 year weekly slaughter in February was 1.89 million head ▪ Price tend to decline as demand tends to decline with cold weather

Source: Monthly Hogs & Pigs Report and USDA/AMS Daily Hog Slaughter Report

April Live Cattle Statistics for Week #7

	5 Year	10 Year	19 Year
# Up	2	4	10
# Down	3	6	9
Total Change	-0.60	-0.05	3.22
Avg Change	-0.12	-0.01	0.17
Avg Up	0.94	1.14	1.03
Avg Dn	-0.83	-0.77	-0.78
Avg Range	1.93	1.73	1.72
# Higher Highs	4	8	15
# Lower Lows	1	2	5

March Feeder Cattle Statistics for Week #7

	5 Year	10 Year	19 Year
# Up	1	3	9
# Down	4	7	10
Total Change	-1.15	0.42	2.55
Avg Change	-0.23	0.04	0.13
Avg Up	1.40	1.78	1.23
Avg Dn	-0.64	-0.70	-0.85
Avg Range	1.43	1.68	1.68
# Higher Highs	3	6	10
# Lower Lows	3	6	9

April Lean Hogs Statistics for Week #7

	5 Year	10 Year	19 Year
# Up	2	2	4
# Down	3	8	15
Total Change	-1.00	-6.58	-10.95
Avg Change	-0.20	-0.66	-0.58
Avg Up	2.21	2.21	1.77
Avg Dn	-1.81	-1.38	-1.20
Avg Range	3.12	2.78	2.34
# Higher Highs	2	4	8
# Lower Lows	4	7	13

Monday 13

Tuesday 14

Valentine's Day
Weather Crop Summary

Wednesday 15

Crop Values

Thursday 16

Friday 17

Saturday 18

Sunday 19

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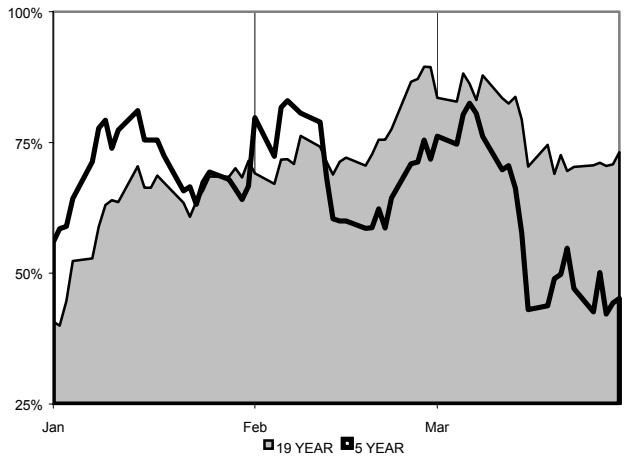
February 2006 Technical Overview

April Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

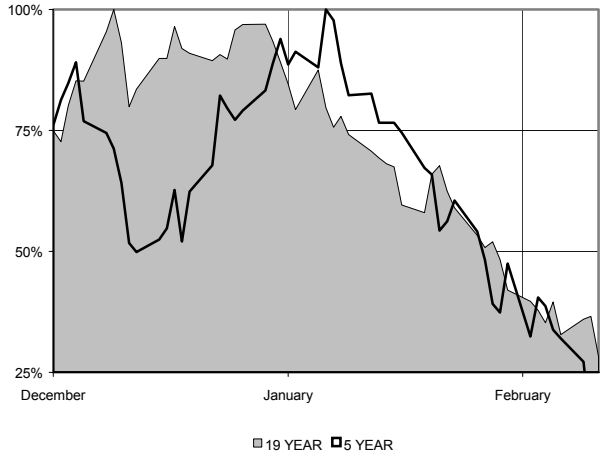
COMMENTS: February usually marks the winter high in prices, as prices tend to reverse in March in all but the strongest years ~ 11 out of the 16 strong February's have followed strong January's but only half of the February rallies have continued in March and half of the declines have continued as well ~ 3rd most volatile month, as volatility tends to decline

19 Year Monthly Performance Summary

# Years Up	13	**# Higher Highs**	11
# Years Dn	6	**# Lower Lows**	9
Total Change	16.02	**# Expanded Range**	12
Avg Change	0.85	**# Narrow Range**	7
Avg Gain	2.18		
Avg Loss	-2.05	**5 Yr High**	89.62
Avg Range	4.10	**5 Yr Low**	71.35

March Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

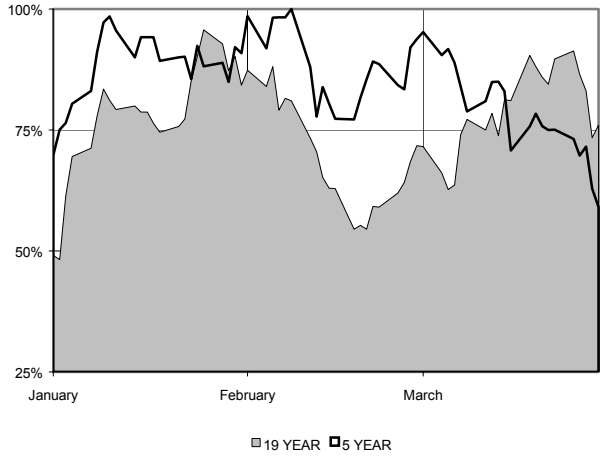
COMMENTS: 2nd Worst month on record with a total loss of –7.45 cwt ~ Worst February's follow down January's (6 of 8 lower with an average –1.10 cwt decline) ~ February is the 3rd least volatile month on record

19 Year Monthly Performance Summary

# Years Up	8	**# Higher Highs**	8
# Years Dn	11	**# Lower Lows**	8
Total Change	-7.45	**# Expanded Range**	8
Avg Change	-0.40	**# Narrow Range**	11
Avg Gain	1.65		
Avg Loss	-1.87	**5 Yr High**	101.30
Avg Range	3.72	**5 Yr Low**	73.95

April Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: 2nd least volatile month with an average monthly range of 5.30 cwt and the 4th weakest month ~ Worst Februarys follow January strength… look to sell above January high early in month ~ 6 of the 8 February rallies have continued into March with an average gain of +1.87 cwt on a monthly settlement basis

19 Year Monthly Performance Summary

# Years Up	8	**# Higher Highs**	12
# Years Dn	11	**# Lower Lows**	9
Total Change	-0.02	**# Expanded Range**	10
Avg Change	0.00	**# Narrow Range**	9
Avg Gain	2.92		
Avg Loss	-2.12	**5 Yr High**	75.85
Avg Range	5.30	**5 Yr Low**	51.50

April Live Cattle Statistics for Week #8

	5 Year	10 Year	19 Year
# Up	1	4	10
# Down	4	6	9
Total Change	-5.07	-5.94	-2.42
Avg Change	-1.01	-0.59	-0.13
Avg Up	0.20	0.85	1.02
Avg Dn	-1.32	-1.56	-1.40
Avg Range	1.87	1.87	1.77
# Higher Highs	2	5	11
# Lower Lows	3	5	9

March Feeder Cattle Statistics for Week #8

	5 Year	10 Year	19 Year
# Up	1	4	9
# Down	4	6	10
Total Change	-4.44	-4.67	-6.74
Avg Change	-0.89	-0.47	-0.36
Avg Up	0.18	0.60	0.66
Avg Dn	-1.16	-1.18	-1.27
Avg Range	1.73	1.58	1.59
# Higher Highs	1	4	8
# Lower Lows	5	7	12

April Lean Hogs Statistics for Week #8

	5 Year	10 Year	19 Year
# Up	5	5	8
# Down	0	5	11
Total Change	4.80	-0.97	-1.72
Avg Change	0.96	-0.10	-0.09
Avg Up	0.96	0.96	0.86
Avg Dn	#DIV/0!	-1.16	-0.78
Avg Range	2.25	2.25	1.89
# Higher Highs	2	2	5
# Lower Lows	1	6	13

Monday 20

Presidents' Day

Tuesday 21

Cold Storage & Annual

Wednesday 22

Weather Crop Summary

Thursday 23

Monthly Agnews

Friday 24

Livestock Slaughter
Cattle on Feed
Price Reactions After USDA
Livestock Reports

Saturday 25

Sunday 26

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February Monthly Spread Trading Opportunity

Low end of year and New Year demand tends to cause supply buildups in the interior of the country. Couple transportation difficulties as well as producers making room for spring farrowing and one can begin to get an idea why bear spreads work in this environment.

- Long June 2006 Lean Hogs, Short April 2006 Lean Hogs
- Enter on roughly the 1st trading day of February, Exit on roughly the 9th trading day of March

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
2/1/1991	3.98	3/13/1991	4.35	0.38	5.50	1.53	3.98	0.00
2/3/1992	4.00	3/12/1992	5.78	1.78	5.78	1.78	3.60	-0.40
2/1/1993	4.65	3/11/1993	5.10	0.45	5.90	1.25	4.65	0.00
2/1/1994	4.35	3/11/1994	6.73	2.38	6.73	2.38	4.20	-0.15
2/1/1995	5.70	3/13/1995	6.85	1.15	6.85	1.15	5.38	-0.33
2/1/1996	5.60	3/13/1996	4.68	-0.93	5.75	0.15	4.08	-1.53
2/3/1997	5.25	3/13/1997	7.35	2.10	7.35	2.10	4.85	-0.40
2/2/1998	7.18	3/12/1998	7.78	0.60	9.25	2.08	7.18	0.00
2/1/1999	10.93	3/11/1999	12.30	1.38	12.53	1.60	8.98	-1.95
2/1/2000	7.48	3/13/2000	9.28	1.80	9.75	2.28	7.48	0.00
2/1/2001	6.08	3/13/2001	6.08	0.00	7.03	0.95	3.58	-2.50
2/1/2002	5.60	3/13/2002	8.65	3.05	8.75	3.15	5.48	-0.13
2/3/2003	7.50	3/13/2003	10.03	2.53	10.30	2.80	7.50	0.00
2/2/2004	4.85	3/11/2004	6.18	1.33	6.35	1.50	4.15	-0.70
2/1/2005	2.85	3/11/2005	8.38	5.53	8.38	5.53	2.85	0.00

# Observations	15	**Total P&L**	23.50	**Worst P&L**	-0.93
# Up	13	**Average P&L**	1.57	**Average Draw**	-0.54
# Down	2	**Average Gain**	1.88	**Worst Draw**	-2.50
% Up	87%	**Average Loss**	-0.46	**Worst Draw on Gain**	-1.95

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

April Live Cattle Statistics for Week #9

	5 Year	10 Year	19 Year
# Up	4	6	12
# Down	1	4	7
Total Change	5.30	4.32	8.52
Avg Change	1.06	0.43	0.45
Avg Up	1.61	1.32	1.11
Avg Dn	-1.15	-0.90	-0.69
Avg Range	2.53	2.29	1.95
# Higher Highs	2	6	12
# Lower Lows	4	7	10

March Feeder Cattle Statistics for Week #9

	5 Year	10 Year	19 Year
# Up	1	4	9
# Down	4	6	10
Total Change	-4.44	-4.67	-6.74
Avg Change	-0.89	-0.47	-0.36
Avg Up	0.18	0.60	0.66
Avg Dn	-1.16	-1.18	-1.27
Avg Range	1.73	1.58	1.59
# Higher Highs	1	4	8
# Lower Lows	5	7	12

April Lean Hogs Statistics for Week #9

	5 Year	10 Year	19 Year
# Up	4	7	14
# Down	1	3	5
Total Change	2.75	-0.16	6.64
Avg Change	0.55	-0.02	0.35
Avg Up	1.34	1.21	1.18
Avg Dn	-2.63	-2.88	-1.97
Avg Range	2.91	2.83	2.27
# Higher Highs	4	7	12
# Lower Lows	2	5	8

Monday 27

Chickens and Eggs Annual

Tuesday 28

Poultry Slaughter Annual
Weather Crop Summary
Agricultural Prices

Wednesday 1

Thursday 2

Friday 3

Livestock Slaughter Annual

Saturday 4

Sunday 5

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March 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Feb 1st	11,941	9,951	10,683	11,128	11,339	
During February:						
Placed on Feed	1,580	1,538	1,657	1,610	1,523	
Fed Cattle Marketed	1,745	1,532	1,725	1,692	1,634	
Other Dissappearance	81	52	71	69	76	
Cattle on Feed Mar 1st	9,905	10,521	10,977	10,977	11,152	

February Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600	330	314	275	347	277	
600 - 699	416	372	389	346	308	
700 - 799	618	702	742	641	526	
800 Plus	488	565	631	470	41	

Source: USDA Cattle on Feed reports

COMMENTS: March is a time of calving and as such, placements increase as cow/calf operations make room for new additions ▪ Boxed beef prices tend to continue higher in the beginning of the month as supply tightness carries over from February ▪ However, as transportation route free up, Boxed Beef prices tend to decline in the later half of the month ▪ On average, March Placements have increased by 151 thousand head over the February pace in the last 5 years ▪ Watch for tops in prices

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	**2006**
Apr Feeders	86.95	78.75	78.15	89.5	107.675	
May Corn	214.5	200.5	231.75	296.25	214.5	
Aug Live	71.95	65.5	67.5	75.1	83.825	
P&L	$(1.86)	$(2.02)	$(2.60)	$(10.82)	$(3.58)	

COMMENTS: Transportation routes tend to free up causing Cattle placement to increase ▪ To make room for breeding and calving, winter supply is usually dumped on the market, pressuring prices ▪ Increased supply tends to pressure futures prices during March ▪ Grain prices tend to increase as worries over planting increase ▪ Risk of Cattle loss increases as well

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

Hogs & Pigs

March 1st Hogs and Pigs Report - 50 States (in 1,000 head)

Inventory:	2001	2002	2003	2004	2005	2006
All Hogs and Pigs	57,524	58,698	58,107	59,525	59.899	
Kept for Breeding	6,232	6,236	5,956	5,942	5.941	
For Market	51,292	52,461	52,151	53,582	53,957	
Sows Farrowing:						
Dec - May	5,619	5,728	5,655	5,666	5,721	
June - Aug	2,878	2,896	2,906	2,851	2,880	
Sept - Nov	2,846	2,833	2,841	2,852		
Dec - Feb	2,748	2,832	5,746	2,814		
Weight Categories						
Under 60 lbs	18,737	19,381	19,110	19,824	19,817	
60 - 119 lbs	12,417	12,731	12,655	12,975	13,087	
120 - 179 lbs	10,805	11,172	10,944	11,206	11,430	
180 + lbs	9,334	9,377	9,522	9,579	9,624	

Source: USDA/NASS September Hogs and Pigs Report

COMMENTS: March through May tends to mark the height of sows farrowing ▪ Producer attention is often focused on breeding and supply can be tight ▪ Slaughter rates tend to be steady with the previous month ▪ The March Hog and Pigs report tends to show the lowest population of the year ▪ Animals retained for Breeding tends to be the highest as a percentage of total population for the year ▪ Slaughter mix is full of heavier weight animals as efforts go toward breeding ▪ Shortages and increasing demand support prices

April Live Cattle Statistics for Week #10

	5 Year	10 Year	19 Year
# Up	3	5	11
# Down	2	5	8
Total Change	5.40	5.70	7.05
Avg Change	1.08	0.57	0.37
Avg Up	2.17	1.67	1.32
Avg Dn	-0.55	-0.53	-0.93
Avg Range	3.18	2.32	2.09
# Higher Highs	4	6	14
# Lower Lows	1	4	6

April Feeder Cattle Statistics for Week #10

	5 Year	10 Year	19 Year
# Up	3	5	9
# Down	2	5	10
Total Change	0.23	-2.35	-3.70
Avg Change	0.05	-0.23	-0.19
Avg Up	0.83	0.82	1.16
Avg Dn	-1.12	-1.29	-1.42
Avg Range	1.91	1.91	1.98
# Higher Highs	3	4	8
# Lower Lows	3	6	11

April Lean Hogs Statistics for Week #10

	5 Year	10 Year	19 Year
# Up	2	4	11
# Down	3	6	8
Total Change	-0.13	-2.53	5.43
Avg Change	-0.03	-0.25	0.29
Avg Up	1.25	1.33	1.49
Avg Dn	-0.88	-1.30	-1.37
Avg Range	2.71	2.60	2.39
# Higher Highs	3	5	12
# Lower Lows	1	4	6

Monday 6

Tuesday 7

Weather Crop Summary

Wednesday 8

Thursday 9

Friday 10

Crop Production
WASDE

Saturday 11

Sunday 12

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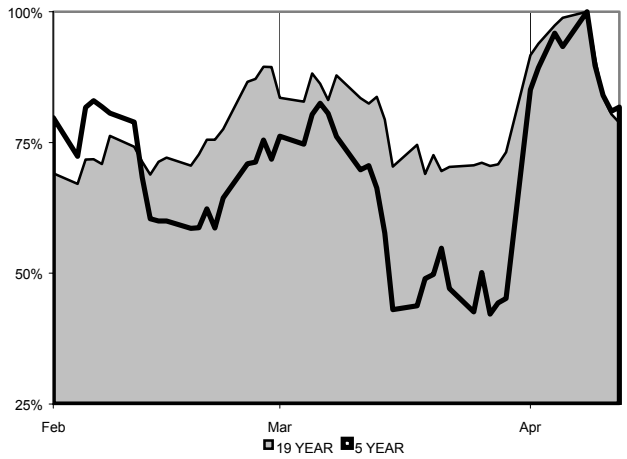
March 2006 Technical Overview

April Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

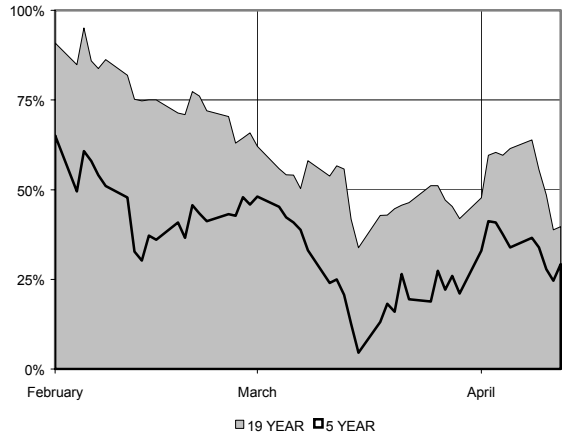
COMMENTS: Best March's tend to follow down February's ~ Following an upFebruary, March has posted a total loss of –0.87 cwt, though batting average of the drop is only 50/50 ~ Strong March's tend to continue in April with 7 of 9 advances in March by June cattle having continued in April, all making higher monthly highs

19 Year Monthly Performance Summary

# Years Up	10	**# Higher Highs**	13
# Years Dn	9	**# Lower Lows**	4
Total Change	1.90	**# Expanded Range**	8
Avg Change	0.10	**# Narrow Range**	11
Avg Gain	2.07		
Avg Loss	-2.10	**5 Yr High**	92.25
Avg Range	4.27	**5 Yr Low**	69.55

April Feeder Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

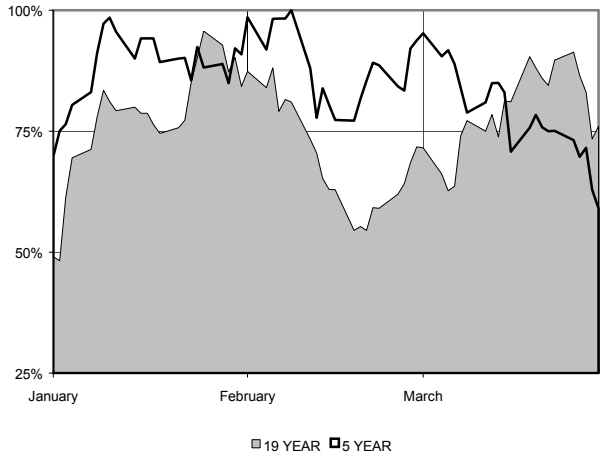
COMMENTS: Expect February weakness to be reversed into March (8 out of 11) ~ 3 up and 5 down March's following a strong February ~ April has continued March's direction 13 out of the last 19 years ~ Bullish trends in March have a very strong tendency to be continued in April (8 out of 10) ~ March lows hold in bull trends, March highs hold in bear trends threw April (15 out of 19)

19 Year Monthly Performance Summary

# Years Up	10	**# Higher Highs**	9
# Years Dn	9	**# Lower Lows**	9
Total Change	9.25	**# Expanded Range**	11
Avg Change	0.50	**# Narrow Range**	7
Avg Gain	2.67		
Avg Loss	-1.92	**5 Yr High**	108.10
Avg Range	4.15	**5 Yr Low**	74.05

April Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: Best March's have followed strong Februarys ~ Strong March's have seen higher highs in April 10 of 12 times basis June Hogs, and 7 of 12 have finished the month of April higher (average gain 1.87 cwt) ~ Weak March's tend to continue into April (4 of 7) with 6 of 7 times seeing lower monthly lows basis June hogs

19 Year Monthly Performance Summary

# Years Up	11	**# Higher Highs**	11
# Years Dn	8	**# Lower Lows**	10
Total Change	10.85	**# Expanded Range**	12
Avg Change	0.57	**# Narrow Range**	7
Avg Gain	3.95		
Avg Loss	-4.07	**5 Yr High**	76.60
Avg Range	6.40	**5 Yr Low**	49.42

April Live Cattle Statistics for Week #11

	5 Year	10 Year	19 Year
# Up	3	5	9
# Down	2	5	10
Total Change	-1.10	1.08	3.78
Avg Change	-0.22	0.11	0.20
Avg Up	1.03	1.35	1.37
Avg Dn	-2.10	-1.13	-0.86
Avg Range	3.08	2.50	2.09
# Higher Highs	4	8	14
# Lower Lows	2	4	6

April Feeder Cattle Statistics for Week #11

	5 Year	10 Year	19 Year
# Up	1	4	8
# Down	4	6	11
Total Change	-3.30	-1.88	-3.90
Avg Change	-0.66	-0.19	-0.21
Avg Up	1.33	0.79	0.75
Avg Dn	-1.16	-0.84	-0.90
Avg Range	2.19	1.87	1.83
# Higher Highs	2	4	9
# Lower Lows	3	4	8

April Lean Hogs Statistics for Week #11

	5 Year	10 Year	19 Year
# Up	2	5	10
# Down	3	5	9
Total Change	-0.12	2.93	4.18
Avg Change	-0.02	0.29	0.22
Avg Up	3.45	2.17	1.63
Avg Dn	-2.34	-1.58	-1.35
Avg Range	3.69	2.81	2.32
# Higher Highs	3	5	10
# Lower Lows	3	5	6

Monday 13

Tuesday 14

Weather Crop Summary

Wednesday 15

Thursday 16

Friday 17

St. Patrick's Day

Saturday 18

Sunday 19

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March Monthly Spread Trading Opportunity

Consumptions tends to wane in the spring time. Couple this with cow/calf operators getting rid of winter pastured animals in preparation for spring calving, and supply typically increases during this weak demand period. Also transportation congestion is usually resolved.

- Long August 2006 Live Cattle, Short June 2006 Live Cattle
- Enter on roughly the 8th trading day of March, Exit on roughly the 9th trading day of May

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
3/12/1991	-2.28	5/13/1991	-1.98	0.30	-1.05	1.23	-2.93	-0.65
3/11/1992	-4.05	5/13/1992	-2.85	1.20	-2.83	1.23	-5.05	-1.00
3/10/1993	-4.03	5/14/1993	-2.83	1.20	-2.45	1.58	-4.08	-0.05
3/10/1994	-1.63	5/12/1994	-0.68	0.95	-0.38	1.25	-2.03	-0.40
3/10/1995	-2.95	5/11/1995	-0.20	2.75	-0.20	2.75	-2.95	0.00
3/12/1996	-0.70	5/13/1996	2.15	2.85	3.00	3.70	-1.40	-0.70
3/12/1997	-1.40	5/14/1997	-0.05	1.35	0.48	1.88	-1.40	0.00
3/12/1998	0.90	5/13/1998	1.33	0.43	1.55	0.65	0.18	-0.73
3/11/1999	-2.15	5/13/1999	0.28	2.43	0.45	2.60	-2.15	0.00
3/10/2000	0.45	5/11/2000	0.70	0.25	0.93	0.48	-0.08	-0.53
3/12/2001	-1.15	5/11/2001	0.55	1.70	0.55	1.70	-1.15	0.00
3/12/2002	-0.73	5/13/2002	0.95	1.68	0.95	1.68	-0.73	0.00
3/12/2003	-2.75	5/13/2003	-4.48	-1.73	-1.98	0.78	-4.63	-1.88
3/10/2004	-1.63	5/13/2004	2.15	3.78	2.45	4.08	-2.25	-0.63
3/10/2005	-3.28	5/12/2005	-0.25	3.03	0.75	4.03	-3.28	0.00

# Observations	15	**Total P&L**	22.15	**Worst P&L**	-1.73
# Up	14	**Average P&L**	1.48	**Average Draw**	-0.44
# Down	1	**Average Gain**	1.71	**Worst Draw**	-1.88
% Up	93%	**Average Loss**	-1.73	**Worst Draw on Gain**	-1.00

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

April Live Cattle Statistics for Week #12

	5 Year	10 Year	19 Year
# Up	2	3	6
# Down	3	7	12
Total Change	-6.23	-7.80	-7.10
Avg Change	-1.25	-0.78	-0.37
Avg Up	0.19	0.41	0.93
Avg Dn	-2.20	-1.29	-1.06
Avg Range	2.85	2.07	1.90
# Higher Highs	2	4	9
# Lower Lows	3	5	10

April Feeder Cattle Statistics for Week #12

	5 Year	10 Year	19 Year
# Up	2	4	8
# Down	3	6	11
Total Change	-3.06	-4.86	-1.44
Avg Change	-0.61	-0.49	-0.08
Avg Up	0.44	0.57	0.94
Avg Dn	-1.32	-1.19	-0.81
Avg Range	1.51	1.52	1.55
# Higher Highs	1	4	6
# Lower Lows	3	5	12

April Lean Hogs Statistics for Week #12

	5 Year	10 Year	19 Year
# Up	1	6	13
# Down	4	4	6
Total Change	-6.82	0.70	7.85
Avg Change	-1.37	0.07	0.41
Avg Up	2.00	1.59	1.42
Avg Dn	-2.21	-2.21	-1.77
Avg Range	3.25	3.01	2.48
# Higher Highs	2	6	11
# Lower Lows	3	5	9

Monday 20

Vernal Equinox

Tuesday 21

Weather Crop Summary

Wednesday 22

Cotton Ginnings
Cold Storage

Thursday 23

Friday 24

Livestock Slaughter
Cattle on Feed
Chickens and Eggs
Monthly Agnews

Saturday 25

Sunday 26

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The Spring Break in Cattle…

The period from the end of October through February is the strongest period on record for Live Cattle futures as often we see a hole in supply. In the last 19 years, June Live Cattle have posted gains during this period in 15 of the last 19 years. During the same period, June Live Cattle prices have displayed weakness in 12 of the last 19 years from February through May, as the placed cattle begin to make it into the pipeline.

The worst spring breaks have occurred following weakness in February. From 1985 through 2004, June Live Cattle futures have declined in February a total of 8 times. Following these 8 weak Februarys, June Live Cattle have continued lower through May 6 times losing an average of –2.35 cwt in the ensuing three months, while the average break in the spring was a paltry –0.65 cwt following strong Februarys. The worst spring breaks have occurred when the Winter Rally (October to February) has failed to appear as well… once again showing the trend can be your friend.

June Live Cattle Futures Performance from February to May

Year	Jan	Feb	Change	May	Feb - May Change	Mar-May High	Mar-May Low
2005	82.63	82.35	-0.27	85.43	3.08	87.70	81.60
2004	70.60	72.93	2.33	87.68	14.75	88.00	71.50
2003	72.18	70.40	-1.77	75.58	5.18	76.90	67.90
2002	70.73	69.63	-1.10	60.48	-9.15	70.75	59.33
2001	71.58	73.95	2.38	74.63	0.67	74.85	71.65
2000	69.90	68.65	-1.25	67.78	-0.88	69.30	66.85
1999	64.20	65.60	1.40	64.25	-1.35	65.85	60.63
1998	68.65	66.58	-2.08	64.55	-2.03	69.48	64.03
1997	64.98	65.50	0.53	65.13	-0.38	65.55	63.00
1996	61.55	63.18	1.63	61.68	-1.50	63.05	54.00
1995	67.53	67.40	-0.13	61.03	-6.38	67.40	58.65
1994	74.53	74.98	0.45	66.28	-8.70	74.93	62.30
1993	72.53	74.33	1.80	75.33	1.00	76.98	74.05
1992	72.45	73.78	1.33	71.93	-1.85	74.63	71.55
1991	74.85	77.03	2.18	75.73	-1.30	77.28	74.25
1990	71.80	70.95	-0.85	74.00	3.05	73.13	70.90
1989	75.40	75.05	-0.35	68.90	-6.15	75.08	68.50
1988	66.85	68.40	1.55	72.15	3.75	72.38	67.38
1987	61.03	62.40	1.38	67.68	5.28	67.18	59.80

Hypothetical Performance Summary

All Years			
Average	-0.15	2.49	-3.96
Min	-9.15	-0.13	-12.68
Max	14.75	15.08	-0.05
Following Down Februarys			
Average	**-1.66**	**-2.34**	**-4.16**
Min	**-9.15**	**-6.50**	**-10.30**
Max	**5.18**	**0.00**	**-0.05**

Though the largest spring rally – in 1990 – occurred following a weak February so did the largest spring rally – 1987. Traders should also note that in only 3 of the 8 down February years was the February high violated to the upside in March through May – 1990,1998, and 2003. Though history does not have to repeat itself, traders should look at getting short on February rallies for the coming "Spring Break" and be especially aggressive following a weak Winter – after all "**The Trend Is Your Friend***… until it bends or ends!*"

June Live Cattle Statistics for Week #13

	5 Year	10 Year	19 Year
# Up	3	6	11
# Down	2	4	8
Total Change	0.50	-0.60	-0.38
Avg Change	0.10	-0.06	-0.02
Avg Up	0.82	0.63	0.56
Avg Dn	-0.99	-1.10	-0.81
Avg Range	1.95	1.78	1.61
# Higher Highs	1	2	7
# Lower Lows	3	7	11

April Feeder Cattle Statistics for Week #13

	5 Year	10 Year	19 Year
# Up	4	6	13
# Down	1	4	6
Total Change	2.87	-2.19	-0.66
Avg Change	0.57	-0.22	-0.03
Avg Up	0.79	0.60	0.56
Avg Dn	-0.30	-1.45	-1.33
Avg Range	1.57	1.78	1.59
# Higher Highs	4	5	10
# Lower Lows	3	7	9

June Lean Hogs Statistics for Week #13

	5 Year	10 Year	19 Year
# Up	1	4	6
# Down	4	6	13
Total Change	-2.97	-1.49	-5.62
Avg Change	-0.59	-0.15	-0.30
Avg Up	2.00	1.14	1.17
Avg Dn	-1.24	-1.01	-0.97
Avg Range	2.92	2.40	2.15
# Higher Highs	1	5	9
# Lower Lows	3	4	8

Monday 27

Tuesday 28

Weather Crop Summary

Wednesday 29

Thursday 30

Agricultural Prices

Friday 31

Grain Stocks
Poultry Slaughter
Prospective Plantings
Rice Stocks
Quarterly Hogs and Pigs

Saturday 1

Sunday 2

Daylight Saving Time begins

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April 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Mar 1st	11,695	9,905	10,521	10,977	11,152	
During March:						
Placed on Feed	1,852	1,654	2,042	1,804	1,760	
Fed Cattle Marketed	1,926	1,565	1,803	1,966	1,973	
Other Dissappearance	98	60	62	67	69	
Cattle on Feed Apr 1st	11,577	10,703	10,748	10,748	10,870	

March Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600	334	210	296	316	299	
600 - 699	384	255	324	302	320	
700 - 799	494	512	613	567	614	
800 Plus	339	476	637	418	527	

COMMENTS: The culmination of transportation problems, slow placements and low marketings tends to see Boxed Beef prices top out in April through June ▪ Slow December placements tend to see low marketings in April ▪ February through April tend to see the largest percentage of the Cattle on Feed being on feed over 90 days, meaning supply is just around the corner ▪ April and May tend to see highest Disappearance of any month, but some of it is due to Cattle moving from feed to pasture

Source: USDA Cattle on Feed Report

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	2006
May Feeders	87.65	75.9	79.78	98.3	108.675	
May Corn	218.75	247.25	206	217.25	236.5	
Oct Live	71.775	63.775	68.15	82.85	86	
P&L	$(3.43)	$(8.47)	$0.42	$3.85	$(4.19)	

COMMENTS: Grain prices tend to be rising in the spring as worries about over planting boost grain prices ▪ Rising grain prices tend to weigh on feeders, especially if Live Cattle prices are soft ▪ Placements tend to increase slightly, but lots still tend to be full of September placed cattle, so demand for Feeders can be soft ▪ Cash prices took a powerful hit last April, be warned

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

Hogs & Pigs

Weekly Slaughter Rate (in million pounds)

	2001	2002	2003	2004	2005	2006
Week 13	367.0	371.0	382.3	384.2	393.6	
Week 14	371.3	372.2	376.8	388.0	399.0	
Week 15	368.4	381.9	380.4	394.6	401.3	
Week 16	352.6	375.0	373.5	395.7	404.0	

Slaughter rate computed from Average Dressed Weight multiplied by the number of head slaughtered.

COMMENTS: Producer attention tends to focus on farrowing and not marketing ▪ Strong retail demand for Easter Hams tends to support prices ▪ Slaughter rates begin to decline as the supply of slaughter weight animals tends to be very tight ▪ The 5 year average weekly slaughter rate dipped to 1.86 million head ▪ Supply problems can be amplified by closures of plants and transportation difficulties due to flooding

Source: Monthly Hogs & Pigs Report and USDA/AMS Daily Hog Slaughter Report

June Live Cattle Statistics for Week #14

	5 Year	10 Year	19 Year
# Up	4	7	11
# Down	1	3	8
Total Change	2.53	5.15	3.55
Avg Change	0.51	0.52	0.19
Avg Up	1.01	1.03	0.92
Avg Dn	-1.50	-0.68	-0.82
Avg Range	2.21	2.11	1.94
# Higher Highs	5	9	14
# Lower Lows	1	4	10

April Feeder Cattle Statistics for Week #14

	5 Year	10 Year	19 Year
# Up	3	6	11
# Down	2	4	8
Total Change	-0.42	2.95	2.03
Avg Change	-0.08	0.30	0.11
Avg Up	0.78	1.13	1.07
Avg Dn	-1.38	-0.96	-1.22
Avg Range	1.64	1.82	1.81
# Higher Highs	4	6	11
# Lower Lows	1	4	8

June Lean Hogs Statistics for Week #14

	5 Year	10 Year	19 Year
# Up	3	6	9
# Down	2	4	10
Total Change	1.10	3.82	0.17
Avg Change	0.22	0.38	0.01
Avg Up	2.06	1.96	1.81
Avg Dn	-2.54	-1.98	-1.62
Avg Range	3.64	3.13	2.71
# Higher Highs	3	7	11
# Lower Lows	1	3	9

Monday 3

Crop Progress

Tuesday 4

Weather Crop Summary

Wednesday 5

Thursday 6

Friday 7

Saturday 8

Sunday 9

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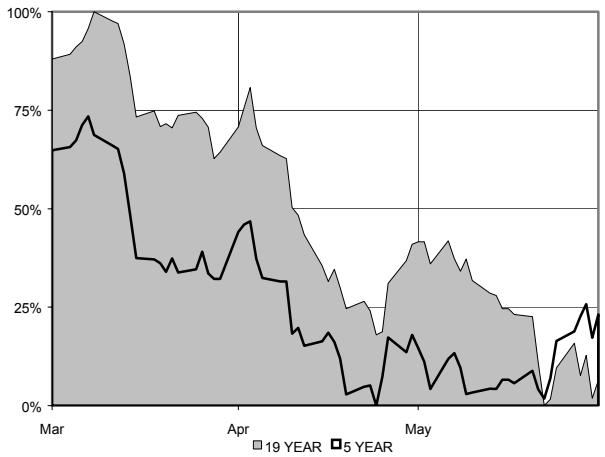
April 2006 Technical Overview

June Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

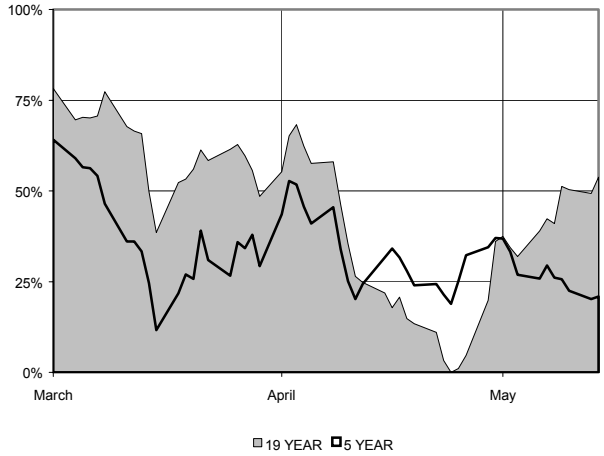
COMMENTS: Least volatile month on record with an average range 2.82 cwt ~ 4th worst month on record with a total decline of –0.92 cwt ~ Best April's follow strong March's, with 8 of 9 higher highs occurring and finishing the month higher on a settlement basis 7 of 9 times ~ April trends are very random with 5 of 10 rallies continuing and 5 of 9 breaks continuing.

19 Year Monthly Performance Summary

# Years Up	10	**# Higher Highs**	9
# Years Dn	9	**# Lower Lows**	10
Total Change	-0.92	**# Expanded Range**	12
Avg Change	-0.05	**# Narrow Range**	7
Avg Gain	1.57		
Avg Loss	-1.85	**5 Yr High**	87.35
Avg Range	2.82	**5 Yr Low**	59.32

May Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

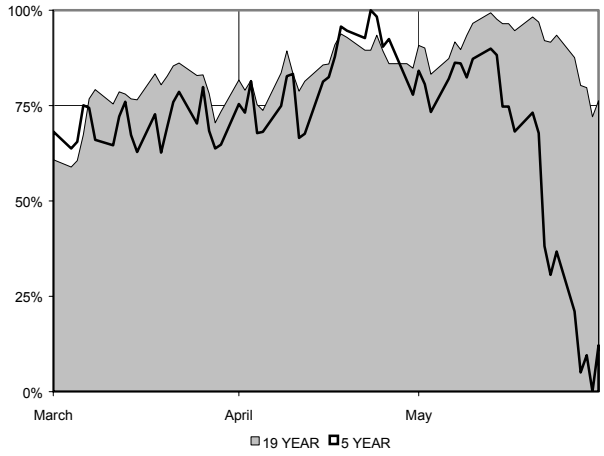
COMMENTS: 2nd most volatile month on record with an average range of +/-4.67 cwt ~ Best April's have followed strong March's (average gain 1.75 cwt) ~ Following weak a March expect weakness to continue (average loss –1.32 cwt) ~ Best May's have come out of the ashes of down February through April as market can get ahead of itself

19 Year Monthly Performance Summary

# Years Up	13	**# Higher Highs**	10
# Years Dn	6	**# Lower Lows**	6
Total Change	17.02	**# Expanded Range**	7
Avg Change	0.90	**# Narrow Range**	12
Avg Gain	2.62		
Avg Loss	-2.87	**5 Yr High**	108.95
Avg Range	4.67	**5 Yr Low**	69.85

June Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: April tends to follow March's performance ~ 7 of 12 strong March's have continued in April accounting for 10 of the 11 higher monthly highs ~ 4 of 7 March declines have continued in April accounting for 6 of the 6 monthly lower lows ~ April weakness is usually reversed in May after making a lower first (6 of 8)

19 Year Monthly Performance Summary

# Years Up	10	**# Higher Highs**	11
# Years Dn	9	**# Lower Lows**	6
Total Change	20.30	**# Expanded Range**	10
Avg Change	1.07	**# Narrow Range**	9
Avg Gain	4.30		
Avg Loss	-2.52	**5 Yr High**	81.55
Avg Range	6.40	**5 Yr Low**	50.25

June Live Cattle Statistics for Week #15

	5 Year	10 Year	19 Year
# Up	1	5	10
# Down	4	5	9
Total Change	-5.51	-5.38	-4.16
Avg Change	-1.10	-0.54	-0.22
Avg Up	0.95	0.66	0.72
Avg Dn	-1.61	-1.73	-1.26
Avg Range	2.55	2.30	2.05
# Higher Highs	1	4	8
# Lower Lows	4	7	11

May Feeder Cattle Statistics for Week #15

	5 Year	10 Year	19 Year
# Up	2	6	9
# Down	3	4	10
Total Change	-3.12	-1.55	-5.32
Avg Change	-0.62	-0.15	-0.28
Avg Up	0.50	0.93	1.04
Avg Dn	-1.37	-1.79	-1.47
Avg Range	1.95	2.16	2.13
# Higher Highs	1	5	8
# Lower Lows	3	4	9

June Lean Hogs Statistics for Week #15

	5 Year	10 Year	19 Year
# Up	3	8	14
# Down	2	2	5
Total Change	-3.50	1.65	5.43
Avg Change	-0.70	0.17	0.29
Avg Up	1.20	1.09	1.18
Avg Dn	-3.55	-3.55	-2.22
Avg Range	3.84	3.11	2.51
# Higher Highs	2	7	11
# Lower Lows	2	2	6

Monday 10

Crop Production
WASDE
Crop Progress

Tuesday 11

Weather Crop Summary

Wednesday 12

Passover begins at sundown

Thursday 13

Friday 14

Good Friday

Saturday 15

Sunday 16

Easter Sunday

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April Monthly Spread Trading Opportunity

Winter On-Feed supplies are looming over the market. This coupled with the freeing up of the transportation system tends to weigh heavily on Cattle prices, especially the front month futures. In this environment, short nearby and long deferred contract strategies (bear spreads) tend to work well.

- Long December 2006 Live Cattle, Short June 20064 Live Cattle
- Enter on roughly the 5th trading day of April, Exit on roughly the 3rd trading day of May

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
4/5/1991	-0.93	5/3/1991	0.45	1.38	0.90	1.83	-0.93	0.00
4/7/1992	-4.53	5/5/1992	-4.38	0.15	-3.30	1.23	-4.78	-0.25
4/7/1993	-2.13	5/5/1993	-2.08	0.05	-1.03	1.10	-2.68	-0.55
4/8/1994	-0.65	5/4/1994	2.55	3.20	2.55	3.20	-0.65	0.00
4/7/1995	0.48	5/3/1995	1.45	0.98	1.73	1.25	-0.03	-0.50
4/8/1996	-0.08	5/3/1996	0.83	0.90	4.85	4.93	-0.08	0.00
4/7/1997	6.23	5/5/1997	5.23	-1.00	6.45	0.23	4.53	-1.70
4/7/1998	2.18	5/5/1998	1.43	-0.75	2.45	0.28	0.93	-1.25
4/8/1999	2.78	5/5/1999	2.95	0.18	3.08	0.30	1.90	-0.88
4/7/2000	4.75	5/3/2000	4.80	0.05	4.88	0.13	3.93	-0.83
4/6/2001	1.65	5/3/2001	2.98	1.33	2.98	1.33	1.65	0.00
4/5/2002	4.75	5/3/2002	5.23	0.48	5.85	1.10	4.33	-0.43
4/7/2003	0.05	5/5/2003	0.28	0.23	0.85	0.80	-0.45	-0.50
4/7/2004	1.98	5/5/2004	-1.85	-3.83	4.28	2.30	-1.85	-3.83
4/6/2001	1.65	5/3/2001	2.98	1.33	2.98	1.33	1.65	0.00

# Observations	15	**Total P&L**	4.65	**Worst P&L**	-3.83
# Up	12	**Average P&L**	0.31	**Average Draw**	-0.71
# Down	3	**Average Gain**	0.85	**Worst Draw**	-3.83
% Up	80%	**Average Loss**	-1.86	**Worst Draw on Gain**	-0.88

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

May Live Cattle Statistics for Week #16

	5 Year	10 Year	19 Year
# Up	2	3	3
# Down	3	7	16
Total Change	-0.69	-4.09	-12.90
Avg Change	-0.14	-0.41	-0.68
Avg Up	0.79	0.61	0.61
Avg Dn	-0.76	-0.85	-0.92
Avg Range	2.32	2.02	1.93
# Higher Highs	1	3	4
# Lower Lows	2	4	12

May Feeder Cattle Statistics for Week #16

	5 Year	10 Year	19 Year
# Up	4	4	5
# Down	1	6	14
Total Change	0.54	-3.43	-12.28
Avg Change	0.11	-0.34	-0.65
Avg Up	0.69	0.69	0.60
Avg Dn	-2.23	-1.03	-1.09
Avg Range	1.85	1.90	1.92
# Higher Highs	3	4	8
# Lower Lows	2	4	12

May Lean Hogs Statistics for Week #16

	5 Year	10 Year	19 Year
# Up	4	7	13
# Down	1	3	6
Total Change	3.02	8.20	9.70
Avg Change	0.60	0.82	0.51
Avg Up	1.84	1.84	1.36
Avg Dn	-4.35	-1.55	-1.33
Avg Range	3.74	3.14	2.51
# Higher Highs	4	9	14
# Lower Lows	2	2	5

Monday 17

Crop Progress

Tuesday 18

Weather Crop Summary

Wednesday 19

Thursday 20

Friday 21

Livestock Slaughter
Cattle on Feed
Chickens and Eggs
Cold Storage

Saturday 22

Sunday 23

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Summer Hog Slaughter…

Summer is not a pretty time for Hog prices. In 12 of the last 19 years, October Hogs have declined from April through August as slaughter rates tend to increase from their July trough to the October peak. Usually going into the tale end of the Hog slaughter decline, prices rally – in 14 of the last 19 years, October Hogs have increased from February through April. However, when this rally doesn't appear the "summer slaughter" is worse than usual.

Since 1987, October Hogs have declined on average of –2.50 cwt from April through August. In most years the decline is slow and very steady. However, when the February to April period is weak, that weakness is amplified from May through August.

October Hog Summer Behavior

Year	Feb Settle	Apr Settle	Feb to Apr Change	Aug Settle	Apr to Aug Change	May to Aug High	May to Aug Low
2005	62.73	64.38	1.65	63.70	-0.67	65.08	53.60
2004	52.75	60.23	7.48	65.98	5.75	71.00	59.98
2003	51.85	53.70	1.85	54.78	1.08	59.60	50.75
2002	52.23	43.05	-9.18	30.88	-12.18	44.10	29.78
2001	52.45	54.20	1.75	58.25	4.05	62.40	50.80
2000	57.50	62.03	4.53	52.93	-9.10	61.98	51.23
1999	55.10	56.80	1.70	45.80	-11.00	56.95	38.80
1998	55.18	54.05	-1.13	37.28	-16.78	54.75	37.28
1997	67.20	75.90	8.70	70.45	-5.45	76.60	68.90
1996	61.93	65.23	3.30	70.83	5.60	77.35	63.45
1995	55.15	55.15	0.00	60.33	5.18	61.90	53.18
1994	65.93	59.45	-6.47	52.13	-7.33	60.80	51.90
1993	56.65	57.45	0.80	63.75	6.30	64.08	54.08
1992	54.63	55.00	0.38	54.13	-0.88	55.40	50.80
1991	64.38	66.35	1.97	59.70	-6.65	66.55	56.83
1990	63.45	71.58	8.13	65.28	-6.30	75.28	64.35
1989	58.98	58.13	-0.85	54.70	-3.43	60.55	52.10
1988	56.63	58.65	2.03	52.10	-6.55	62.70	51.98
1987	51.70	56.95	5.25	68.05	11.10	69.68	56.55

Hypothetical Performance Summary

All Years			
Average	-2.49	4.13	-6.94
Min	-16.78	-0.05	-18.00
Max	11.10	12.73	-0.25
Following Down Feb to April			
Average	-9.93	1.38	-10.91
Min	-16.78	0.70	-16.78
Max	-3.43	2.43	-6.03

Of course the past is not a perfect guide to the future, but the worst declines during the May to August period have followed weakness in the February to April period. On average following a weak February to April period, October Hogs have declined an average of –9.92 cwt from the April settle to the August settle, while following strength from February to April, October Hogs have only declined by –0.66 cwt.

However, February to April weakness is extremely rare – only 4 of the last 19 years - but traders should watch for such weakness as the summer dull drums in the Hog market aren't so dull following such price behavior

June Live Cattle Statistics for Week #17

	5 Year	10 Year	19 Year
# Up	5	6	13
# Down	0	4	6
Total Change	5.75	0.35	4.30
Avg Change	1.15	0.03	0.23
Avg Up	1.15	0.99	0.87
Avg Dn	#DIV/0!	-1.39	-1.17
Avg Range	2.34	2.28	1.97
# Higher Highs	2	4	6
# Lower Lows	2	7	15

May Feeder Cattle Statistics for Week #17

	5 Year	10 Year	19 Year
# Up	3	5	8
# Down	2	5	10
Total Change	0.08	-4.10	-5.17
Avg Change	0.02	-0.41	-0.27
Avg Up	0.54	0.88	0.89
Avg Dn	-0.77	-1.71	-1.23
Avg Range	1.81	2.22	1.93
# Higher Highs	2	3	6
# Lower Lows	3	7	13

June Lean Hogs Statistics for Week #17

	5 Year	10 Year	19 Year
# Up	2	5	10
# Down	3	5	9
Total Change	-5.75	-3.93	-1.85
Avg Change	-1.15	-0.39	-0.10
Avg Up	1.86	1.68	1.40
Avg Dn	-3.16	-2.46	-1.76
Avg Range	3.58	3.26	2.56
# Higher Highs	2	7	13
# Lower Lows	4	5	9

Monday 24

Crop Progress

Tuesday 25

Weather Crop Summary
Monthly Agnews

Wednesday 26

Thursday 27

Dairy Products Annual
Meat Animals - PDI
Poultry – Production and Value

Friday 28

Poultry Slaughter
Agricultural Prices

Saturday 29

Sunday 30

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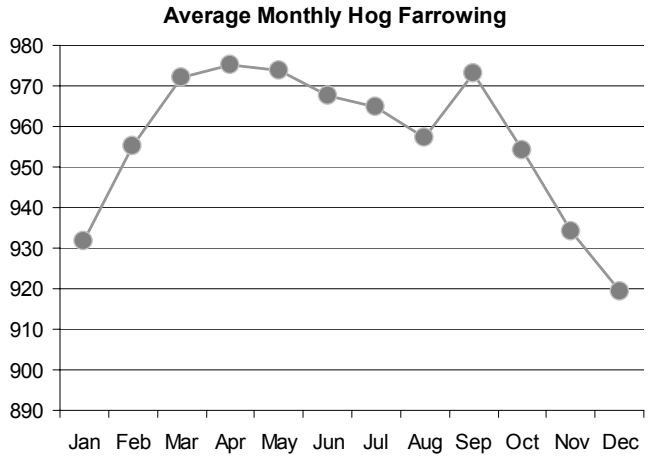
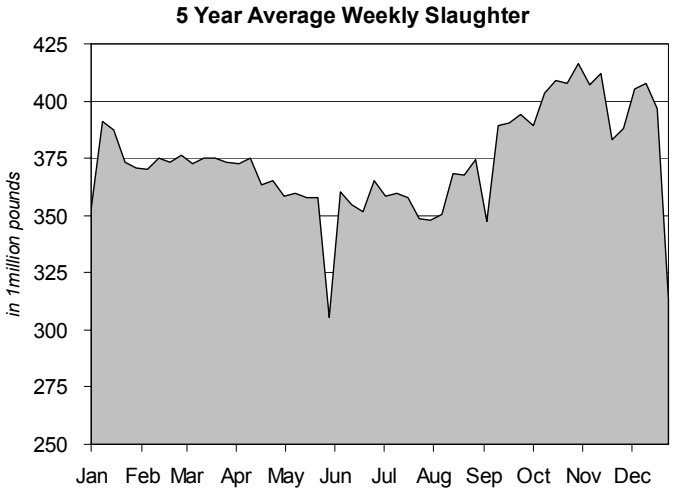
Seasonal Nature of Hog Farrowing

Though Hog production has moved off the farm and into large, indoor, factory style production facilities in the last 5 years, the nature of Hog breeding has not changed all that much surprisingly. The most active time of the year for birthing (farrowing) is in the spring, with April commanding the highest spot, followed by May, June, and March. Hence, it is no wonder that everyone has heard of a Spring Pig!



The pattern of farrowings has a lot to do with the available supply of slaughter weight hogs at specific times of the year. Slaughter rates tend to increase from July through to the end of the year – with a sharp spike downward during the Holidays as slaughter plants shut for the Holidays.

With this normal increase in supply, is it any wonder that the period from October to December is the weakest period for Hog futures. Based on the same general conclusions, the slowest time of the year for farrowings is October through January, with December marking the usual year low in Farrowings. Thus, it is not surprising that September is the strongest month on record for Hog prices, with a total gain of +43.80 cwt in the last 19 years basis the October futures.



The most consistently strong three month period is the March through May period, which coincides with the typical lows in slaughter patterns.

The pattern of slaughter is logically tied to the pattern of breeding and farrowing as breeding and farrowing lay the ground work for making slaughter ready Hogs. With the indoor facilities, Hogs can go from the birth to slaughter in as little roughly 40 weeks, thus making Spring Pigs into Christmas Hams.

Traders should watch roughly 9 months out after farrowing numbers. When farrowings are low, supply 9 months out can be tight, as the available supply of slaughter weight animals may be lacking and thus slaughter numbers could suffer. However, when farrowings are high, prices can come under pressure 9 months out as supplies can be plentiful and slaughter rates may increase.

Of course, slaughter rates alone do not make up the price of Hog futures, as the consumer is the ultimate price setter. However, given the fickle nature of consumer tastes, the supply side of the market is much easier to predict, especially when Hog market participants remember farrowing patterns from the previous 9 months, as these will effect slaughter patterns which have a strong influence on price. Traders should pay particular attention to the February through April farrowings, as these will have a strong impact on prices in September through December, as well as the October through December farrowing period, as this will greatly effect August through October period, which is typically a time of great volatility.

June Live Cattle Statistics for Week #18

	5 Year	10 Year	19 Year
# Up	2	7	12
# Down	3	3	7
Total Change	2.78	10.38	12.03
Avg Change	0.56	1.04	0.63
Avg Up	2.31	1.75	1.34
Avg Dn	-0.62	-0.62	-0.59
Avg Range	2.81	2.54	2.18
# Higher Highs	4	9	16
# Lower Lows	1	2	5

August Feeder Cattle Statistics for Week #18

	5 Year	10 Year	19 Year
# Up	4	8	14
# Down	1	2	5
Total Change	2.09	8.42	10.04
Avg Change	0.42	0.84	0.53
Avg Up	0.72	1.28	1.10
Avg Dn	-0.80	-0.91	-1.09
Avg Range	1.52	1.71	1.77
# Higher Highs	3	7	14
# Lower Lows	2	3	5

June Lean Hogs Statistics for Week #18

	5 Year	10 Year	19 Year
# Up	4	7	12
# Down	1	3	7
Total Change	3.28	8.55	8.25
Avg Change	0.66	0.86	0.43
Avg Up	1.27	1.55	1.12
Avg Dn	-1.80	-0.76	-0.74
Avg Range	3.32	2.80	2.30
# Higher Highs	2	5	10
# Lower Lows	3	4	8

Monday 1

Crop Progress

Tuesday 2

Weather Crop Summary

Wednesday 3

Thursday 4

Friday 5

Cattle Death Loss

Saturday 6

Sunday 7

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May 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Apr 1st	11,523	11,577	10,703	10,748	10,870	
During Apr:						
Placed on Feed	1,551	1,453	1,870	1,603	1,660	
Fed Cattle Marketed	1,815	1,996	1,985	1,894	1,801	
Other Dissappearance	89	83	63	97	90	
Cattle on Feed May 1st	10,951	10,530	10,360	10,360	10,639	

April Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600	334	210	296	315	340	
600 - 699	384	255	324	304	225	
700 - 799	494	512	613	225	500	
800 Plus	339	476	637	415	595	

COMMENTS: Largest month for Disappearance, as higher than normal amounts of Cattle move from yards to pasture ▪ Expect the seasonal high in Boxed Beef prices in May ▪ Cattle on Feed numbers decline as marketings move faster than new Placements ▪ Average Placements for the last 5 years were 110% of the previous year ▪ Expect Boxed Beef prices to fall dramatically, pressuring Cattle prices ▪ Marketings have averaged 101.0% of the previous year in the last 5 years

Source: USDA Cattle on Feed Report

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	2006
Aug Feeders	91.925	74.47	85.3	107.2	112.675	
Jul Corn	209	206	238.25	276.25	197	
Oct Live	76.05	64.4	70.6	87.725	86.45	
P&L	$0.50	$(0.27)	$(5.69)	$(5.51)	$(1.93)	

End of Month Pasture Condition National Average

	VP	P	F	G	EX
2004	5	11	28	44	12
2005	5	11	28	44	12
5- Year Average	6	13	29	42	10

COMMENTS: Declining Live Cattle prices and higher grain prices tend to pressure Feeder prices in May ▪ Yards are still full of heavy weight cattle, which tends to lower the demand for feeders ▪ Lower profitability due to Live Cattle and Feed costs moving adversely tends to pressure prices ▪ Cash prices have declined in May in every year in the last decade

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

Hogs & Pigs

Weekly Slaughter Rate (in million pounds)

	2001	2002	2003	2004	2005	2006
Week 17	360.8	383.0	371.9	390.4	399.8	
Week 18	347.3	373.2	359.9	382.3	389.5	
Week 19	351.2	370.5	370.0	366.8	375.3	
Week 20	343.4	371.8	361.4	366.7	369.1	

Slaughter rate computed from Average Dressed Weight multiplied by the number of head slaughtered.

COMMENTS: Hog slaughter tends to drop precipitously in May ▪ Average weekly slaughter rate in May is 1.82 million head ▪ Watch for slaughter rates to pick back up near the end of the month and pick-up through much of June ▪ Early year production is beginning to hit the market, and prices tend to reflect the future onslaught of supply which is just around the corner ▪ Some years attractive prices in May and June bring breeding into the slaughter mix as well

Source: Monthly Hogs & Pigs Report and USDA/AMS Daily Hog Slaughter Report

June Live Cattle Statistics for Week #19

	5 Year	10 Year	19 Year
# Up	2	3	7
# Down	2	6	11
Total Change	3.65	-0.95	-2.07
Avg Change	0.73	-0.09	-0.11
Avg Up	2.45	1.84	1.66
Avg Dn	-0.63	-1.08	-1.25
Avg Range	2.75	2.31	2.16
# Higher Highs	3	5	11
# Lower Lows	2	5	8

August Feeder Cattle Statistics for Week #19

	5 Year	10 Year	19 Year
# Up	2	3	10
# Down	3	7	9
Total Change	-3.54	-8.42	0.71
Avg Change	-0.71	-0.84	0.04
Avg Up	0.20	0.38	1.13
Avg Dn	-1.31	-1.37	-1.18
Avg Range	2.08	2.12	2.02
# Higher Highs	1	3	9
# Lower Lows	4	7	10

June Lean Hogs Statistics for Week #19

	5 Year	10 Year	19 Year
# Up	4	7	12
# Down	1	3	7
Total Change	2.17	5.10	5.95
Avg Change	0.43	0.51	0.31
Avg Up	0.87	1.24	1.25
Avg Dn	-1.30	-1.19	-1.29
Avg Range	2.13	2.42	2.35
# Higher Highs	2	6	12
# Lower Lows	0	2	6

Monday 8

Crop Progress

Tuesday 9

Weather Crop Summary

Wednesday 10

Thursday 11

Friday 12

Cotton Ginnings Annual
Crop Production
WASDE

Saturday 13

Sunday 14

Mother's Day

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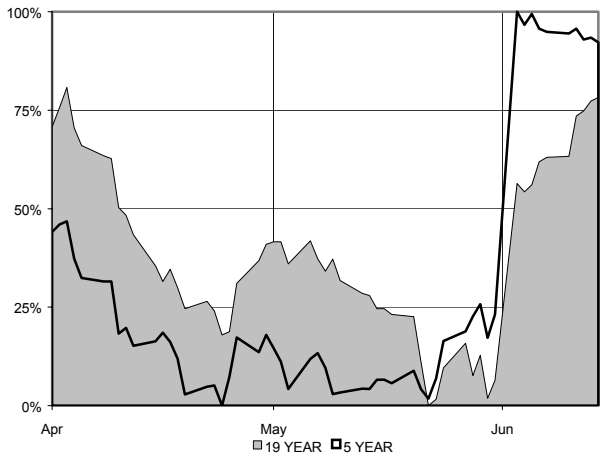
May 2006 Technical Overview

June Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

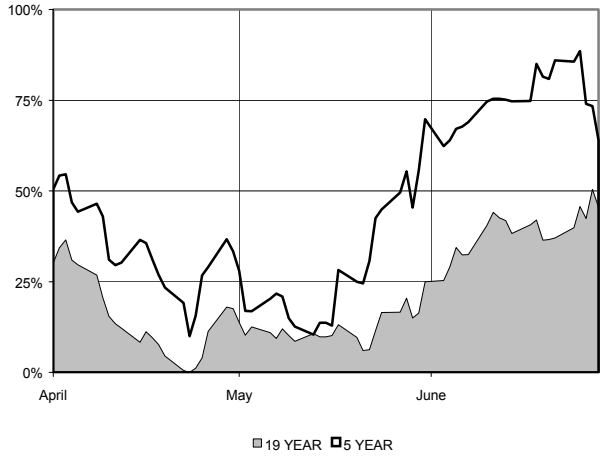
COMMENTS: 4th worst month on record, with a total decline of –2.45 cwt ~ 3rd least volatile month with an average range of 3.05 cwt ~ April bears continue into May (6 of 10) ~ May rallies are often reversed in June (5 of 7), though higher monthly highs in June are usually made first ~ May breaks may be reversed in June (6 of 11) with the best June's following weak May's

19 Year Monthly Performance Summary

# Years Up	9	**# Higher Highs**	9
# Years Dn	10	**# Lower Lows**	8
Total Change	0.47	**# Expanded Range**	11
Avg Change	0.02	**# Narrow Range**	8
Avg Gain	2.52		
Avg Loss	-2.25	**5 Yr High**	88.00
Avg Range	3.05	**5 Yr Low**	59.35

August Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

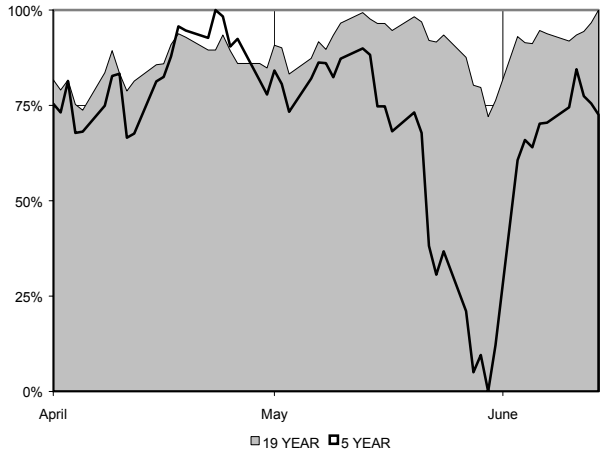
COMMENTS: Watch for a bottom May, especially following a weak April ~ 7 of the last 9 weak Aprils have been reversed in May ~ Volatility begins to increase ~ Most higher highs in May follow April strength, while most lower lows follow weak April ~ Down April and Down May usually spells good buying opportunities

19 Year Monthly Performance Summary

# Years Up	11	**# Higher Highs**	11
# Years Dn	8	**# Lower Lows**	8
Total Change	9.92	**# Expanded Range**	11
Avg Change	0.52	**# Narrow Range**	8
Avg Gain	2.65		
Avg Loss	-2.40	**5 Yr High**	113.50
Avg Range	4.50	**5 Yr Low**	73.80

June Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: Best May's have followed weak Aprils (6 of 9) ~ However, be warned 6 of the 9 weak Aprils have first made lower lows in May before rallying ~ May strength tends to be continued in June, with 6 of 8 occurrences making higher monthly highs in June and 8 out of 11 weak Mays have seen lower monthly lows in June

19 Year Monthly Performance Summary

# Years Up	11	**# Higher Highs**	11
# Years Dn	8	**# Lower Lows**	10
Total Change	-7.80	**# Expanded Range**	8
Avg Change	-0.40	**# Narrow Range**	11
Avg Gain	2.80		
Avg Loss	-4.82	**5 Yr High**	77.92
Avg Range	6.22	**5 Yr Low**	45.65

June Live Cattle Statistics for Week #20

	5 Year	10 Year	19 Year
# Up	2	3	6
# Down	3	7	13
Total Change	-0.10	-2.15	-7.47
Avg Change	-0.02	-0.21	-0.39
Avg Up	2.08	1.55	1.00
Avg Dn	-1.42	-0.97	-1.04
Avg Range	2.85	2.20	1.99
# Higher Highs	2	3	7
# Lower Lows	2	6	12

August Feeder Cattle Statistics for Week #20

	5 Year	10 Year	19 Year
# Up	2	3	9
# Down	3	7	10
Total Change	0.04	-2.23	-3.33
Avg Change	0.01	-0.22	-0.18
Avg Up	1.68	1.32	0.91
Avg Dn	-1.10	-0.88	-1.15
Avg Range	2.29	2.17	2.00
# Higher Highs	1	2	10
# Lower Lows	4	6	8

June Lean Hogs Statistics for Week #20

	5 Year	10 Year	19 Year
# Up	1	3	9
# Down	4	7	10
Total Change	-3.25	-6.30	-0.03
Avg Change	-0.65	-0.63	0.00
Avg Up	1.45	1.92	1.56
Avg Dn	-1.18	-1.72	-1.41
Avg Range	3.03	3.01	2.50
# Higher Highs	4	8	12
# Lower Lows	2	4	6

Monday 15

Crop Progress

Tuesday 16

Weather Crop Summary

Wednesday 17

Agricultural Chemical Usage – Field Crops

Thursday 18

Friday 19

Livestock Slaughter
Cattle on Feed
Cold Storage
Farm Labor

Saturday 20

Sunday 21

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May Monthly Spread Trading Opportunity

Hog populations tend to be increasing, while consumption tends to slow, thus weighing on June hogs. July Hogs tend to find support from increasing demand as barbequing increases into the summer months.

- Long August 2006 Lean Hogs, Short July 2006 Lean Hogs
- Enter on roughly the 9th trading day of May, Exit on roughly the 5th trading day of June

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
5/13/1991	-3.48	6/7/1991	-3.23	0.25	-2.85	0.63	-3.68	-0.20
5/13/1992	-2.30	6/5/1992	-2.35	-0.05	-1.93	0.38	-2.65	-0.35
5/13/1993	-2.18	6/7/1993	-1.78	0.40	-1.78	0.40	-2.25	-0.07
5/12/1994	-1.45	6/7/1994	-0.45	1.00	-0.45	1.00	-1.85	-0.40
5/11/1995	-0.08	6/7/1995	0.08	0.15	0.20	0.28	-0.38	-0.30
5/13/1996	-4.83	6/7/1996	-2.80	2.03	-2.80	2.03	-5.03	-0.20
5/13/1997	-2.75	6/6/1997	-1.78	0.98	-1.33	1.43	-2.75	0.00
5/13/1998	-3.33	6/5/1998	-2.68	0.65	-2.65	0.68	-3.65	-0.33
5/13/1999	-1.15	6/7/1999	1.43	2.58	1.43	2.58	-1.15	0.00
5/11/2000	-3.48	6/7/2000	-0.63	2.85	-0.63	2.85	-3.48	0.00
5/11/2001	-4.05	6/7/2001	-2.80	1.25	-2.28	1.78	-4.05	0.00
5/13/2002	-2.45	6/7/2002	-1.03	1.43	-0.35	2.10	-2.45	0.00
5/13/2003	-0.80	6/6/2003	1.13	1.93	1.30	2.10	-0.80	0.00
5/7/2004	-2.98	6/7/2004	-0.28	2.70	-0.28	2.70	-2.98	0.00
5/11/2001	-4.05	6/7/2001	-2.80	1.25	-2.28	1.78	-4.05	0.00

# Observations	15	**Total P&L**	19.38	**Worst P&L**	-0.05
# Up	14	**Average P&L**	1.29	**Average Draw**	-0.12
# Down	1	**Average Gain**	1.39	**Worst Draw**	-0.40
% Up	93%	**Average Loss**	-0.05	**Worst Draw on Gain**	-0.40

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

June Live Cattle Statistics for Week #21

	5 Year	10 Year	19 Year
# Up	4	7	10
# Down	1	3	9
Total Change	4.02	6.00	2.42
Avg Change	0.80	0.60	0.13
Avg Up	1.42	1.26	1.21
Avg Dn	-1.65	-0.94	-1.08
Avg Range	2.52	2.06	2.01
# Higher Highs	2	3	7
# Lower Lows	2	5	12

August Feeder Cattle Statistics for Week #21

	5 Year	10 Year	19 Year
# Up	5	8	12
# Down	0	2	7
Total Change	4.71	5.21	3.46
Avg Change	0.94	0.52	0.18
Avg Up	0.94	1.29	1.08
Avg Dn	#DIV/0!	-2.54	-1.35
Avg Range	1.80	2.11	1.95
# Higher Highs	3	5	9
# Lower Lows	1	3	9

June Lean Hogs Statistics for Week #21

	5 Year	10 Year	19 Year
# Up	1	1	7
# Down	4	9	12
Total Change	-8.53	-19.65	-14.88
Avg Change	-1.71	-1.97	-0.78
Avg Up	1.43	1.43	1.13
Avg Dn	-2.49	-2.34	-1.90
Avg Range	3.50	3.29	2.68
# Higher Highs	0	2	9
# Lower Lows	4	8	12

Monday 22

Crop Progress

Tuesday 23

Weather Crop Summary

Wednesday 24

Thursday 25

Monthly Agnews

Friday 26

Saturday 27

Sunday 28

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Summer Feeder Hole…

During the early part of summer, the Cow/Calf operators definitely have the upper hand. Pasture conditions are typically good, and as such they can withhold supply from the feedlots if they are not bidding aggressively for supply.

This scenario is evident from the fact that August Feeders have rallied in 16 of the last 19 years from 1987 from May through July – with most years the trend continuing into expiration of the August contract.

August Feeder Cattle Summer Performance

Year	May Settle	June Settle	July Settle	May to July Change	May to July Low	May to July High
2005	112.68	109.43	109.23	-3.25	-3.45	113.93
2004	107.20	109.40	114.65	7.45	97.80	116.10
2003	85.30	86.70	90.35	5.05	81.70	91.30
2002	74.48	75.50	76.98	2.50	73.80	79.90
2001	91.93	91.23	88.73	-3.20	87.40	92.75
2000	84.78	86.45	86.10	1.32	83.25	88.40
1999	75.53	74.55	76.88	1.35	71.65	78.78
1998	74.55	71.78	67.28	-7.27	67.15	79.75
1997	78.33	80.88	81.63	3.30	75.65	83.40
1996	58.25	60.08	61.78	3.53	52.75	62.95
1995	64.95	66.35	67.43	2.47	63.55	68.10
1994	73.95	74.68	78.63	4.68	71.10	80.20
1993	85.35	87.85	87.95	2.60	84.55	88.65
1992	75.25	79.48	84.25	9.00	74.70	84.25
1991	88.78	88.48	87.58	-1.20	85.80	90.15
1990	83.65	84.03	89.83	6.18	82.15	89.85
1989	76.45	80.88	83.50	7.05	76.08	84.35
1988	76.35	73.98	79.45	3.10	69.15	79.90
1987	67.98	70.93	72.50	4.53	66.70	72.90

Hypothetical Performance

Average	2.59	-9.17	4.73
Min	-7.27	-116.13	0.83
Max	9.00	-0.38	9.00

On average from the end of May through the end of July, August Feeders have gained 2.57 cwt. In all but 3 years, August Feeders managed to rally at least 3.00 cwt above their May settlement price in June or July. The average rally during this period from the May settlement to the June/July highs is 4.27 cwt, while the average break – from the May settle to the June/July lows – has historically been –- 3.72 cwt.

Of course, most years do not go straight up and all years haven't rallied. In 1985, Feeders dropped from 68.07 to 58.30 during the early part of summer before rallying back in the later part of July to finish the month at 61.30, down –6.77 cwt.

History does not have to repeat itself, but as traders we should be on the lookout for the February through May downtrend, which typical ends in the later part of May and for prices to regroup as cow/calf operators gain the upper hand in their marketing and have the ability – for a brief period of time – to be price setters not price takers.

August Live Cattle Statistics for Week #22

	5 Year	10 Year	19 Year
# Up	2	3	7
# Down	3	7	12
Total Change	0.93	0.10	0.18
Avg Change	0.19	0.01	0.01
Avg Up	1.91	1.68	1.14
Avg Dn	-0.96	-0.70	-0.65
Avg Range	2.55	1.91	1.71
# Higher Highs	4	6	10
# Lower Lows	2	5	9

August Feeder Cattle Statistics for Week #22

	5 Year	10 Year	19 Year
# Up	3	5	8
# Down	2	5	11
Total Change	-0.81	-1.34	-3.34
Avg Change	-0.16	-0.13	-0.18
Avg Up	0.55	0.96	0.84
Avg Dn	-1.23	-1.23	-0.92
Avg Range	1.81	2.10	1.86
# Higher Highs	5	6	10
# Lower Lows	2	4	8

June Lean Hogs Statistics for Week #22

	5 Year	10 Year	19 Year
# Up	3	3	4
# Down	2	7	15
Total Change	2.65	-2.40	-8.27
Avg Change	0.53	-0.24	-0.44
Avg Up	1.43	1.43	1.34
Avg Dn	-0.82	-0.96	-0.91
Avg Range	2.03	2.40	2.18
# Higher Highs	3	3	7
# Lower Lows	2	7	12

Monday 29

Memorial Day

Tuesday 30

Crop Progress

Wednesday 31

Poultry Slaughter
Weather Crop Summary
Agricultural Prices

Thursday 1

Friday 2

Saturday 3

Sunday 4

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June 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed May 1st	11,170	10,951	10,530	10,360	10,639	
During May:						
Placed on Feed	2,367	1,990	2,297	2,367	2,223	
Fed Cattle Marketed	2,196	1,864	2,228	2,023	1,997	
Other Dissappearance	101	66	65	79	96	
Cattle on Feed Jun 1st	9,449	10,534	10,625	10,625	10,769	

May Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600	494	350	408	495	435	
600 - 699	509	445	366	490	390	
700 - 799	799	760	747	772	663	
800 Plus	565	712	776	610	732	

Source: USDA Cattle on Feed reports

COMMENTS: Declining profit margins due to traditionally lower Boxed Beef prices and higher grain prices tends to pressure prices ▪ Lowest placement month of the year traditionally ▪ Expect Boxed Beef prices to reach their seasonal bottom in June or July ▪ Placements have averaged 104% of the previous year in the last 5 years ▪ Marketing begins to turn stronger in June ▪ June, July and August are the three strongest marketing months historically ▪ June marketings have averaged 100.5% of the previous year in the last 5 years

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	2006
Aug Feeders	91.225	75.5	86.7	109.4	109.425	
Jul Corn	205.5	247.5	247.25	202.5	196.25	
Dec Live	75.05	65.475	70.925	86.3	82.55	
P&L	$0.09	$(5.39)	$(7.84)	$0.33	$(4.82)	

End of Month Pasture Condition National Average

	VP	P	F	G	EX
2004	3	9	28	48	12
2005	3	9	28	48	12
5- Year Average	7	13	28	42	11

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

COMMENTS: During the spring and summer, cow/calf operations have more flexibility to with hold supply if prices are deemed unfavorable ▪ This flexibility tends to be supportive of prices as supply tends to be very limited ▪ With the heavy placements of spring near ready for market, feed lot demand begins to perk up ▪ Feeder demand increases especially when grains are falling

Hogs & Pigs

June 1st Hogs and Pigs Report - 50 States (in 1,000 head)

Inventory:	2001	2002	2003	2004	2005	2006
All Hogs and Pigs	58,603	60,188	58,736	60,083	59.899	
Kept for Breeding	6,186	6,209	5,940	5,913	5,941	
For Market	52,417	53,978	52,796	54,169	53,957	
Sows Farrowing:						
Dec - May1/	5,619	5,765	5,589	5,671	5,721	
June - Aug	2,878	2,930	2,827	2,905	2,902	
Sept - Nov	2,889	2,915	2,794	2,888	2,880	
Dec - Feb	2,748	2,832	5,621	5,793	5,783	
Weight Categories						
Under 60 lbs	19,923	20,131	19,617	20,308	19,817	
60 - 119 lbs	12,992	13,468	13,113	13,251	13,137	
120 - 179 lbs	10,536	10,959	10,697	11,077	11,360	
180 + lbs	8,967	9,420	9,369	9,535	9,644	

Source: USDA/NASS September Hogs and Pigs Report

COMMENTS: June Hogs and Pigs report traditionally shows the 2nd highest population of the year, behind September ▪ Second and third quarter retention for breeding tends to be a bit higher ▪ slaughter rates tend to pick up in June ▪ Early spring pigs may begin to be seen at slaughter, especially when prices are attractive or feed costs are high ▪ Though spring/summer feeding tends to take a little longer, supplies begin to build and slaughter rates should start to increase, often seeing short term price highs

August Live Cattle Statistics for Week #23

	5 Year	10 Year	19 Year
# Up	2	5	12
# Down	3	5	7
Total Change	-1.73	-0.36	2.65
Avg Change	-0.35	-0.04	0.14
Avg Up	0.86	0.92	0.97
Avg Dn	-1.15	-0.99	-1.28
Avg Range	2.39	1.98	1.91
# Higher Highs	2	6	13
# Lower Lows	3	6	11

August Feeder Cattle Statistics for Week #23

	5 Year	10 Year	19 Year
# Up	3	5	12
# Down	2	5	7
Total Change	1.44	-1.18	4.97
Avg Change	0.29	-0.12	0.26
Avg Up	0.83	0.96	0.98
Avg Dn	-0.53	-1.19	-0.97
Avg Range	1.59	1.80	1.81
# Higher Highs	2	3	8
# Lower Lows	1	4	8

July Lean Hogs Statistics for Week #23

	5 Year	10 Year	19 Year
# Up	3	8	12
# Down	2	2	7
Total Change	0.75	6.62	7.78
Avg Change	0.15	0.66	0.41
Avg Up	1.57	1.32	1.22
Avg Dn	-1.97	-1.97	-0.98
Avg Range	3.35	2.90	2.47
# Higher Highs	4	8	12
# Lower Lows	2	2	9

Monday 5

Crop Progress

Tuesday 6

Weather Crop Summary

Wednesday 7

Thursday 8

Friday 9

Crop Production
WASDE

Saturday 10

Sunday 11

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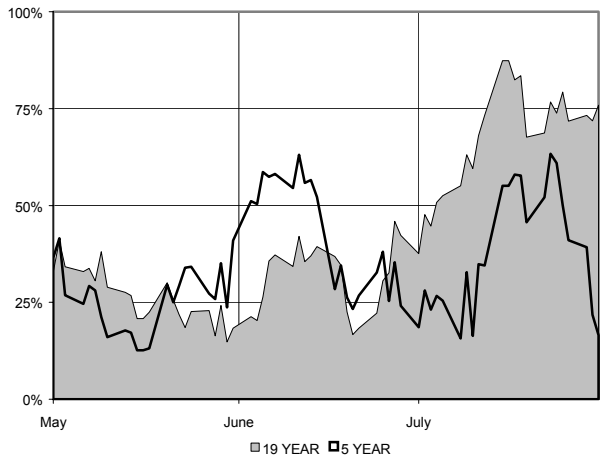
June 2006 Technical Overview

August Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

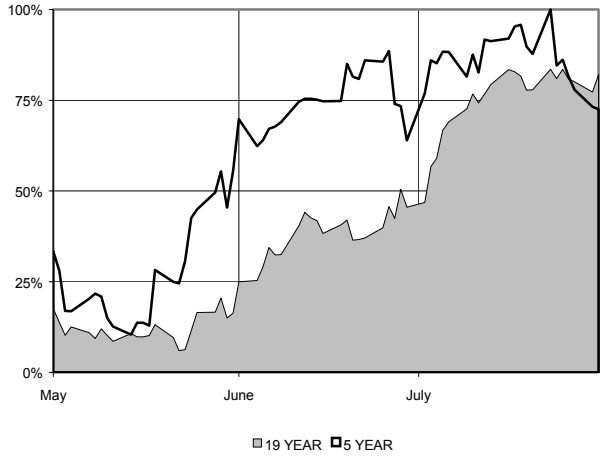
COMMENTS: Worst June's have usually followed strong Mays ~ Best Junes have usually followed weak Mays ~ 11 of last 19 Junes have reversed Mays trend, often violently ~ July strength has followed a strong June in 6 of the last 8 occurrences ~ 6 of the last 10 weak June's have been reversed in July, though on 8 occasions lower monthly lows were made first

19 Year Monthly Performance Summary

# Years Up	8	**# Higher Highs**	12
# Years Dn	11	**# Lower Lows**	9
Total Change	-1.70	**# Expanded Range**	9
Avg Change	-0.10	**# Narrow Range**	8
Avg Gain	1.97		
Avg Loss	-1.60	**5 Yr High**	89.00
Avg Range	2.75	**5 Yr Low**	63.55

August Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

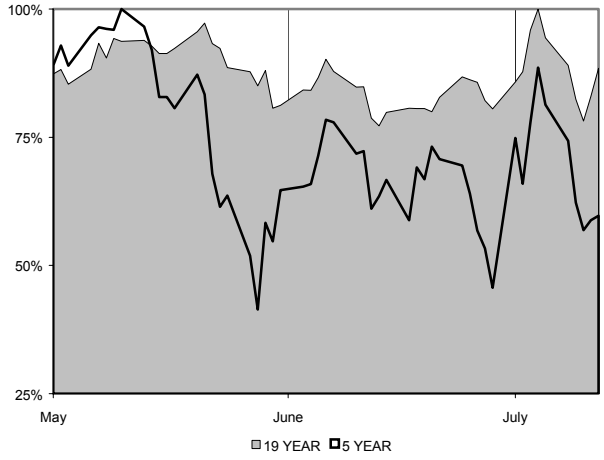
COMMENTS: 4th strongest month on record ~ Total gains of 16.90 cwt on a monthly basis ~ 6 of last 8 weak May's have been reversed in June ~ 12 of 13 strong June's have continued higher in July gaining a total of +32.37 cwt (average +2.50 cwt) ~ 4 out of the 6 rare June declines have continued lower into July (average –0.05 cwt)

19 Year Monthly Performance Summary

# Years Up	13	**# Higher Highs**	13
# Years Dn	6	**# Lower Lows**	4
Total Change	16.90	**# Expanded Range**	9
Avg Change	0.90	**# Narrow Range**	10
Avg Gain	2.10		
Avg Loss	-1.72	**5 Yr High**	114.25
Avg Range	4.50	**5 Yr Low**	74.47

July Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: 2nd most volatile month on record with an average monthly range of 6.52 cwt basis the July futures ~ Best Junes have followed strong Mays and worst have followed weak Mays ~ Basis the August Hogs, weakness in June has been reversed 7 of 11 times, only after making lower lows 7 times, for an average July gain of 1.12 cwt

19 Year Monthly Performance Summary

# Years Up	9	**# Higher Highs**	9
# Years Dn	10	**# Lower Lows**	12
Total Change	-11.65	**# Expanded Range**	10
Avg Change	-0.60	**# Narrow Range**	9
Avg Gain	3.50		
Avg Loss	-4.32	**5 Yr High**	79.20
Avg Range	6.52	**5 Yr Low**	46.25

August Live Cattle Statistics for Week #24

	5 Year	10 Year	19 Year
# Up	2	7	12
# Down	3	3	6
Total Change	-3.30	0.03	4.50
Avg Change	-0.66	0.00	0.24
Avg Up	0.78	0.70	0.94
Avg Dn	-1.62	-1.62	-1.13
Avg Range	2.39	1.91	1.83
# Higher Highs	2	5	11
# Lower Lows	4	5	8

August Feeder Cattle Statistics for Week #24

	5 Year	10 Year	19 Year
# Up	4	9	15
# Down	1	1	4
Total Change	3.16	10.97	14.64
Avg Change	0.63	1.10	0.77
Avg Up	0.92	1.27	1.14
Avg Dn	-0.50	-0.50	-0.61
Avg Range	1.44	1.90	1.79
# Higher Highs	3	7	12
# Lower Lows	1	4	7

July Lean Hogs Statistics for Week #24

	5 Year	10 Year	19 Year
# Up	3	4	8
# Down	2	6	11
Total Change	-1.18	-5.27	-9.97
Avg Change	-0.23	-0.53	-0.52
Avg Up	0.61	0.50	0.68
Avg Dn	-1.50	-1.21	-1.40
Avg Range	2.49	2.64	2.43
# Higher Highs	2	5	9
# Lower Lows	2	5	10

Monday 12

Crop Progress

Tuesday 13

Weather Crop Summary

Wednesday 14

Thursday 15

Friday 16

Saturday 17

Sunday 18

Father's Day

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June Monthly Spread Trading Opportunity

Processing margins tend to wane in this period as consumers do not seem anxious to pay up for beef. This weakness – especially in Boxed Beef prices – tends to weigh on near by contracts relative to deferred contracts, especially as slaughter rates begin increasing.

- Long October 2006 Live Cattle, Short August 2006 Live Cattle
- Enter on roughly the 9th trading day of June, Exit on roughly the 5th trading day of July

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
6/13/1991	1.80	7/8/1991	2.15	0.35	2.75	0.95	1.80	0.00
6/11/1992	-0.38	7/8/1992	0.10	0.48	0.43	0.80	-0.38	0.00
6/11/1993	-0.05	7/8/1993	0.35	0.40	0.58	0.63	-0.08	-0.03
6/13/1994	3.13	7/8/1994	3.55	0.43	4.43	1.30	3.13	0.00
6/13/1995	0.68	7/10/1995	1.05	0.38	1.38	0.70	0.60	-0.08
6/13/1996	1.30	7/8/1996	2.20	0.90	2.40	1.10	0.88	-0.43
6/12/1997	3.48	7/8/1997	3.95	0.48	3.95	0.48	2.65	-0.83
6/11/1998	-0.58	7/8/1998	0.55	1.13	0.55	1.13	-0.83	-0.25
6/11/1999	1.28	7/8/1999	1.50	0.23	1.60	0.33	0.75	-0.53
6/13/2000	1.98	7/10/2000	2.60	0.63	2.60	0.63	1.98	0.00
6/13/2001	1.45	7/9/2001	1.70	0.25	1.70	0.25	0.48	-0.98
6/13/2002	1.95	7/8/2002	2.40	0.45	2.40	0.45	1.58	-0.38
6/12/2003	1.40	7/8/2003	0.83	-0.58	1.48	0.08	0.83	-0.58
6/14/2004	0.75	7/8/2004	1.95	1.20	1.95	1.20	-0.33	-1.08
6/13/2005	2.43	7/8/2005	3.80	1.38	3.80	1.38	2.15	-0.28

# Observations	15	**Total P&L**	8.08	**Worst P&L**	-0.58
# Up	14	**Average P&L**	0.54	**Average Draw**	-0.36
# Down	1	**Average Gain**	0.62	**Worst Draw**	-1.08
% Up	93%	**Average Loss**	-0.58	**Worst Draw on Gain**	-1.08

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

August Live Cattle Statistics for Week #25

	5 Year	10 Year	19 Year
# Up	3	3	6
# Down	2	7	13
Total Change	1.88	-3.02	-10.27
Avg Change	0.38	-0.30	-0.54
Avg Up	1.44	1.44	1.01
Avg Dn	-1.21	-1.05	-1.26
Avg Range	2.06	1.92	1.94
# Higher Highs	3	5	10
# Lower Lows	3	6	12

August Feeder Cattle Statistics for Week #25

	5 Year	10 Year	19 Year
# Up	4	4	9
# Down	1	6	10
Total Change	3.17	-6.98	-8.40
Avg Change	0.63	-0.70	-0.44
Avg Up	1.00	1.00	1.13
Avg Dn	-0.83	-1.83	-1.85
Avg Range	1.61	2.37	2.32
# Higher Highs	5	8	14
# Lower Lows	0	3	7

July Lean Hogs Statistics for Week #25

	5 Year	10 Year	19 Year
# Up	3	5	13
# Down	2	5	6
Total Change	0.37	-3.85	0.57
Avg Change	0.07	-0.39	0.03
Avg Up	1.46	1.28	1.03
Avg Dn	-2.00	-2.05	-2.13
Avg Range	2.56	2.95	2.45
# Higher Highs	3	4	10
# Lower Lows	2	5	9

Monday 19

Crop Progress

Tuesday 20

Weather Crop Summary

Wednesday 21

Summer Solstice

Thursday 22

Cold Storage
Monthly Agnews

Friday 23

Livestock Slaughter
Cattle on Feed
Chickens and Eggs

Saturday 24

Sunday 25

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Understanding The Cattle On Feed Report

On the third Friday of each month, the United States Department of Agricultural/ National Agricultural Statistics Service (USDA/NASS) release a report which highlights the current situation in the cattle industry, known as the Cattle On Feed Report.

The report highlights the total number of cattle and calves on feed, placements, marketings, and other disappearance; by class and feedlot capacity for selected states; number of feedlots and fed cattle marketings by size groups for selected states. The Cattle on Feed report is a simple accounting of cattle going into feedlots and cattle leaving feedlots. However, many of the terms used are somewhat confusing to those of us not raised in the business.

The term "***On Feed***" refers to the number of cattle and calves being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better at slaughter. Each month you have two On Feed numbers presented, the previous month's On Feed number and the current month's On Feed statistic, July and August respectively in the example to the right.

Figure 1: USDA/NASS Cattle on Feed Report

Cattle on Feed: Number on Feed, Placements, Marketings, and Other Disappearance
1,000 + Head Capacity

7 States, August 1, 1999-2001

	1999	2000	2001	% of 1999	% of 2000
	--In 1,000 Head --				
On Feed Jul 1:	8,183	8,969	9,466	116	106
Placed on Feed During Jul:	1,565	1,664	1,730	111	104
Fed Cattle Marketed During Jul:	1,816	1,784	1,758	97	99
Other Disappearance During Jul:	43	37	51	119	138
On Feed Aug 1:	7,889	8,812	9,387	119	107

The 7 States include AZ, CA, CO, IA, KS, NE, & TX.

In order to obtain a count of the new Cattle On Feed number, one must be aware of the number of cattle and calves ***Placed On Feed*** during the previous month. Known as placements, these are new animals entering the feedlot. Placements are indicative of future supply as well as the demand for feeder cattle.

The number of animals leaving the feedlots for slaughter is accounted for in the **Fed Cattle Marketed** during the month. Known in shorthand as marketings, this indicates the supply of Live Cattle ready for slaughter. Because beef is a perishable item, marketings are also indicative of demand, as all slaughtered animals will eventually be consumed.

Other Disappearance refers to death loss, movement from feedlots to pasture, and shipments to other feedlots for further feeding. Though a small percentage is moved out due to these reasons, disappearance is often unaccounted for, and can sway supply and demand balances.

The final Cattle On Feed estimate is made by adding the number of placements to the number of Cattle On Feed in the previous month and subtracting Marketings and Other Disappearance.

Current Cattle on Feed = Previous Cattle on Feed + Placements – Marketings – Disappearance

Cattle statistics are usually disseminated in both absolute number of head, as well as a percentage of the previous years monthly statistic. For example, on August 1st, 2001 the USDA/NASS estimated that 9.387 million head of cattle were on feed, or 107% of the August 1st, 2000 figure. Because cattle feeding is extremely seasonal and cyclical in nature, it makes sense that these statistics are presented in percentage of the previous year's terms, as this gives a better feel for increases or decreases than absolute numbers.

The Cattle On Feed report also gives a break down of the weight of animals placed on feed. Each month, the Livestock Trader's Almanac provides you with a historical reference for the Cattle On Feed Report in the Fundamental Overview section, so you can make more realistic and informed decisions regarding the information presented.

August Live Cattle Statistics for Week #26

	5 Year	10 Year	19 Year
# Up	3	5	9
# Down	2	5	10
Total Change	2.57	1.92	1.52
Avg Change	0.51	0.19	0.08
Avg Up	0.92	0.86	0.81
Avg Dn	-0.09	-0.48	-0.58
Avg Range	2.02	1.72	1.71
# Higher Highs	3	3	6
# Lower Lows	0	5	11

August Feeder Cattle Statistics for Week #26

	5 Year	10 Year	19 Year
# Up	2	6	12
# Down	3	4	7
Total Change	-2.19	2.24	4.11
Avg Change	-0.44	0.22	0.22
Avg Up	0.29	1.04	0.90
Avg Dn	-0.92	-1.00	-0.95
Avg Range	1.43	1.81	1.77
# Higher Highs	2	3	8
# Lower Lows	3	6	11

July Lean Hogs Statistics for Week #26

	5 Year	10 Year	19 Year
# Up	2	5	9
# Down	3	5	10
Total Change	1.08	2.90	0.55
Avg Change	0.22	0.29	0.03
Avg Up	1.61	1.48	1.38
Avg Dn	-0.72	-0.90	-1.19
Avg Range	2.16	2.24	2.18
# Higher Highs	3	5	12
# Lower Lows	2	3	6

Monday 26

Crop Progress

Tuesday 27

Weather Crop Summary

Wednesday 28

Thursday 29

Agricultural Prices

Friday 30

Grain Acreage
Grain Stocks
Poultry Slaughter
Quarterly Hogs and Pigs

Saturday 1

Sunday 2

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July 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Jun 1st	11,245	9,449	10,534	10,625	10,392	
During Jun:						
Placed on Feed	1,965	1,422	1,682	1,639	1,678	
Fed Cattle Marketed	2,122	1,773	2,222	2,077	1,918	
Other Dissappearance	77	42	61	70	60	
Cattle on Feed Jul 1st	9,056	9,923	10,117	10,117	10,092	

June Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600	419	341	372	460	412	
600 - 699	442	356	358	356	347	
700 - 799	631	513	480	448	480	
800 Plus	475	434	462	375	535	

COMMENTS: Marketing tends to continue to increase ▪ July is the 2nd strongest marketing month of the year, behind August ▪ Winter placements are usually finished by June through August and the spring placements are also ▪ Placements increase as Grain prices usually tumble ▪ Expect seasonal lows in Boxed Beef prices to be made during July ▪ Total Cattle on Feed tends to drop from previous levels in July and continues to go lower in August as marketing is more aggressive than placing

Source: USDA Cattle on Feed Report

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	2006
Aug Feeders	88.725	76.97	90.35	114.65	109.225	
Sep Corn	231.75	209	235.75	246	204.75	
Dec Live	73.9	67.75	77.7	88.75	83.4	
P&L	$(2.93)	$2.17	$0.97	$(7.09)	$(4.45)	

End of Month Pasture Condition National Average

	VP	P	F	G	EX
2004	7	15	32	38	8
2005	7	15	32	38	8
5- Year Average	11	18	32	33	6

COMMENTS: With pasture conditions excellent and spring calves not ready for placement, Feeder prices tend toward strength ▪ Early calving can see an increase in placements, which tend to have bottomed in June and peak in August ▪ Low grain prices are typically offset greatly by low Cattle prices ▪ Demand for Feeders tends to be price supportive

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

Hogs & Pigs

Weekly Slaughter Rate (in million pounds)

	2001	2002	2003	2004	2005	2006
Week 26	332.1	359.4	353.1	368.1	375.7	
Week 27	278.2	285.1	290.6	355.7	372.2	
Week 28	339.6	344.6	352.5	317.8	320.5	
Week 29	334.7	351.6	359.1	373.0	368.3	

Slaughter rate computed from Average Dressed Weight multiplied by the number of head slaughtered.

COMMENTS: Slaughter rates tend to bottom in June and/or July ▪ Increasing demand for luncheon meats, bacon and barbeque cuts during the summer tends to support prices ▪ Producers can be very flexible in marketing spring pig crops, holding back supply for further weight gain when prices are weak ▪ Usually lighter weight animals are slaughtered as producers can with hold supply when faced with unattractive pricing

Source: Monthly Hogs & Pigs Report and USDA/AMS Daily Hog Slaughter Report

August Live Cattle Statistics for Week #27

	5 Year	10 Year	19 Year
# Up	2	4	12
# Down	3	6	7
Total Change	-3.50	-3.66	2.72
Avg Change	-0.70	-0.37	0.14
Avg Up	0.75	0.77	0.80
Avg Dn	-1.67	-1.12	-0.97
Avg Range	2.29	1.88	1.76
# Higher Highs	3	5	11
# Lower Lows	3	6	9

August Feeder Cattle Statistics for Week #27

	5 Year	10 Year	19 Year
# Up	3	8	15
# Down	2	2	4
Total Change	1.07	7.80	12.87
Avg Change	0.21	0.78	0.68
Avg Up	0.82	1.15	1.00
Avg Dn	-0.69	-0.69	-0.55
Avg Range	1.81	2.00	2.01
# Higher Highs	3	7	14
# Lower Lows	3	3	7

August Lean Hogs Statistics for Week #27

	5 Year	10 Year	19 Year
# Up	4	6	9
# Down	1	4	10
Total Change	8.38	4.03	2.48
Avg Change	1.68	0.40	0.13
Avg Up	2.33	2.69	2.33
Avg Dn	-0.93	-3.03	-1.85
Avg Range	3.15	3.31	2.75
# Higher Highs	5	7	13
# Lower Lows	1	3	9

Monday 3

Crop Progress

Tuesday 4

Independence Day

Wednesday 5

Weather Crop Summary

Thursday 6

Friday 7

Saturday 8

Sunday 9

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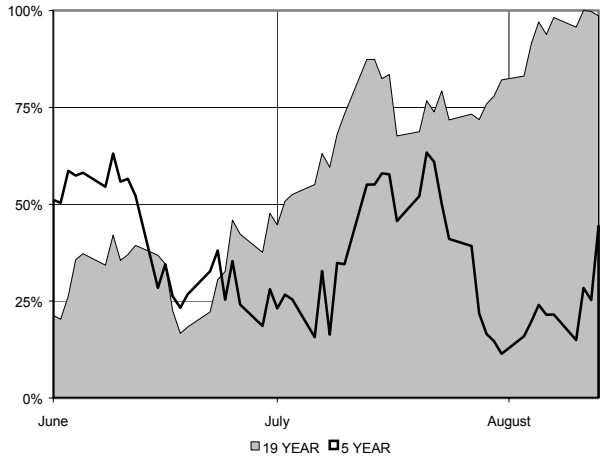
July 2006 Technical Overview

August Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

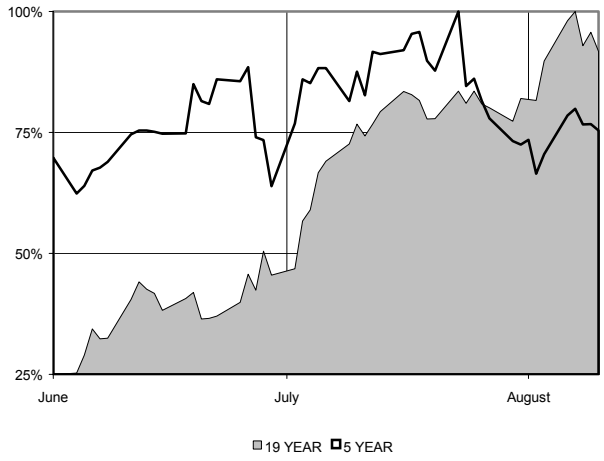
COMMENTS: Best July's have followed strong Junes (6 of 8 basis October futures) ~ 15.05 cwt of the total 23.97 cwt July gain has occurred following a strong June ~ Weak Junes have led to lackluster July's ~ Weak July's have tended to continue into August (4 of 4) ~ Following a weak July, August has never made a higher monthly high basis the October futures

19 Year Monthly Performance Summary

# Years Up	12	**# Higher Highs**	10
# Years Dn	6	**# Lower Lows**	10
Total Change	23.97	**# Expanded Range**	13
Avg Change	1.25	**# Narrow Range**	5
Avg Gain	2.90		
Avg Loss	-1.82	**5 Yr High**	84.95
Avg Range	3.85	**5 Yr Low**	65.00

August Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

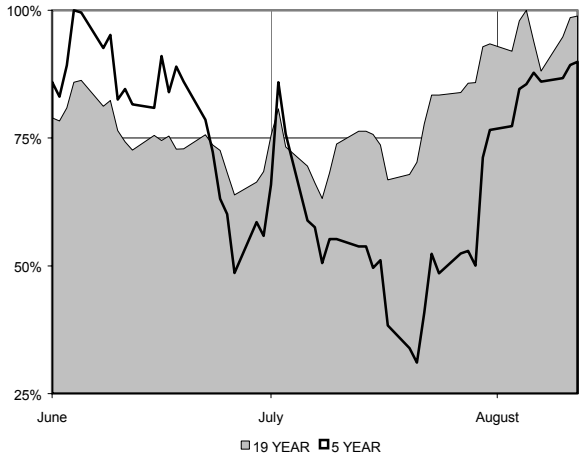
COMMENTS: Strongest month on record and most volatile ~ July tends to continue in Junes direction (14 of last 19 years, with 12 of 13 rallies and 2 of 6 declines continued) ~ In a bull market expect higher highs in July (12 of 14) ~ More higher monthly highs than any other month (15 of 19) ~ Following the rare weak July, prices usually rally!

19 Year Monthly Performance Summary

# Years Up	14	**# Higher Highs**	15
# Years Dn	5	**# Lower Lows**	5
Total Change	32.07	**# Expanded Range**	9
Avg Change	1.70	**# Narrow Range**	10
Avg Gain	2.90		
Avg Loss	-1.70	**5 Yr High**	116.10
Avg Range	4.82	**5 Yr Low**	75.40

August Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: 2nd strongest month on record with a total gain +24.67 cwt basis the August futures ~ Best July's have followed weak Junes, accounting for 21.40 cwt of the total gain ~ July strength has been reversed in August 7 of 11 times basis the October futures, though August has seen higher monthly highs in August following strength 8 of 11 times

19 Year Monthly Performance Summary

# Years Up	12	**# Higher Highs**	9
# Years Dn	7	**# Lower Lows**	9
Total Change	24.67	**# Expanded Range**	8
Avg Change	1.30	**# Narrow Range**	11
Avg Gain	3.77		
Avg Loss	-2.95	**5 Yr High**	78.35
Avg Range	5.87	**5 Yr Low**	47.60

August Live Cattle Statistics for Week #28

	5 Year	10 Year	19 Year
# Up	4	8	14
# Down	1	2	5
Total Change	2.85	5.03	11.23
Avg Change	0.57	0.50	0.59
Avg Up	0.97	0.92	1.09
Avg Dn	-1.03	-1.18	-0.81
Avg Range	2.89	2.35	2.10
# Higher Highs	3	7	15
# Lower Lows	3	5	7

August Feeder Cattle Statistics for Week #28

	5 Year	10 Year	19 Year
# Up	4	7	12
# Down	1	3	7
Total Change	5.09	5.79	11.92
Avg Change	1.02	0.58	0.63
Avg Up	1.42	1.24	1.40
Avg Dn	-0.60	-0.95	-0.70
Avg Range	2.25	2.28	2.15
# Higher Highs	4	8	14
# Lower Lows	2	4	6

August Lean Hogs Statistics for Week #28

	5 Year	10 Year	19 Year
# Up	1	4	6
# Down	3	5	12
Total Change	-5.02	-4.38	-11.35
Avg Change	-1.01	-0.44	-0.60
Avg Up	0.78	1.16	1.04
Avg Dn	-1.93	-1.81	-1.46
Avg Range	3.01	3.19	2.53
# Higher Highs	2	3	5
# Lower Lows	2	5	12

Monday 10

Crop Progress

Tuesday 11

Weather Crop Summary

Wednesday 12

Crop Production
WASDE

Thursday 13

Friday 14

Saturday 15

Sunday 16

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July Monthly Spread Trading Opportunity

Low slaughter rates and increasing demand from backyard barbeques tends to support the support prices of near term contracts relative to back month futures. Hog producers who had early farrowings tend to be very savvy in marketing, only marketing lighter weight animals if prices are advantageous.

- Long August 2006 Lean Hogs, Short October 2006 Lean Hogs
- Enter on roughly the 2nd trading day of July, Exit on roughly the last trading day of July

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
7/2/1991	5.85	7/31/1991	8.18	2.33	8.73	2.88	5.73	-0.13
7/2/1992	4.95	7/31/1992	5.15	0.20	5.15	0.20	4.15	-0.80
7/2/1993	4.50	7/30/1993	3.20	-1.30	4.50	0.00	2.73	-1.78
7/5/1994	2.90	7/29/1994	4.05	1.15	4.48	1.58	2.60	-0.30
7/5/1995	3.48	7/31/1995	4.03	0.55	4.78	1.30	3.43	-0.05
7/2/1996	3.18	7/31/1996	5.10	1.93	6.15	2.98	2.83	-0.35
7/2/1997	7.55	7/31/1997	6.78	-0.78	7.95	0.40	6.38	-1.18
7/2/1998	4.70	7/31/1998	6.53	1.83	6.53	1.83	4.08	-0.63
7/2/1999	2.40	7/30/1999	4.93	2.53	6.53	4.13	1.98	-0.43
7/5/2000	9.60	7/31/2000	9.80	0.20	10.70	1.10	8.13	-1.48
7/3/2001	9.25	7/31/2001	10.55	1.30	10.78	1.53	8.95	-0.30
7/2/2002	8.00	7/31/2002	10.08	2.08	10.08	2.08	7.53	-0.48
7/2/2003	7.13	7/30/2003	7.38	0.25	7.78	0.65	5.33	-1.80
7/2/2004	9.78	7/30/2004	8.53	-1.25	10.10	0.33	7.53	-2.25
7/5/2005	8.25	7/29/2005	10.35	2.10	10.88	2.63	7.13	-1.13

# Observations	15	**Total P&L**	13.10	**Worst P&L**	-1.30
# Up	12	**Average P&L**	0.87	**Average Draw**	-0.87
# Down	3	**Average Gain**	1.37	**Worst Draw**	-2.25
% Up	80%	**Average Loss**	-1.11	**Worst Draw on Gain**	-1.80

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

August Live Cattle Statistics for Week #29

	5 Year	10 Year	19 Year
# Up	2	6	10
# Down	3	4	9
Total Change	1.70	2.53	2.10
Avg Change	0.34	0.25	0.11
Avg Up	1.96	0.97	1.26
Avg Dn	-0.74	-0.82	-1.17
Avg Range	1.92	1.71	2.00
# Higher Highs	3	6	12
# Lower Lows	2	3	7

August Feeder Cattle Statistics for Week #29

	5 Year	10 Year	19 Year
# Up	2	5	10
# Down	3	5	9
Total Change	0.38	3.11	4.01
Avg Change	0.08	0.31	0.21
Avg Up	0.67	1.23	1.17
Avg Dn	-0.32	-0.60	-0.86
Avg Range	1.50	1.92	1.95
# Higher Highs	3	7	12
# Lower Lows	0	1	5

August Lean Hogs Statistics for Week #29

	5 Year	10 Year	19 Year
# Up	0	3	8
# Down	5	7	11
Total Change	-7.56	-9.40	-7.73
Avg Change	-1.51	-0.94	-0.41
Avg Up	#DIV/0!	0.66	0.88
Avg Dn	-1.51	-1.63	-1.34
Avg Range	3.35	3.11	2.53
# Higher Highs	1	3	6
# Lower Lows	3	5	11

Monday 17

Crop Progress

Tuesday 18

Weather Crop Summary

Wednesday 19

Thursday 20

Friday 21

Livestock Slaughter
Agricultural Prices Annual
Cattle
Cattle on Feed
Chickens and Eggs
Cold Storage

Saturday 22

Sunday 23

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Limit Moves and Livestock Futures

A limit move is defined as the maximum advance or decline – from the previous days settlement price – permitted for a contract in one trading session by the rules of the exchange. It is an artificial circuit breaker put on trading, to avoid excess volatility.

The market technician and analyst, Robert Howe, observed in 1977 that "*a price at the limit of a tradable daily range, once reached, becomes an objective which the market will again test and ultimately exceed*." In other words, Howe's Limit Rule says that limit prices will be tested – possibly only briefly – and typically sooner rather than later.

Based on the strong historical tendency for limit moves to be exceeded within several days of their occurrence, the following trading rules were developed by Robert Howe and Moore Research Center (www.mrci.com)

If a market trades limit up, shorter term traders should look to:

1. Buy into any price retracements - intraday or in the immediately following trading days.
2. Traders already long may be encouraged to hold their positions or even add to them.
3. Prospective sellers should be discouraged from immediately establishing bearish positions until after the limit up price is exceeded – by at least 1 tick.

If a market trades limit down, shorter term traders should look to:

1. Sell into any price increases - intraday or in the immediately following trading days.
2. Traders already short may be encouraged to hold their positions or even add to them.
3. Prospective buyers should be discouraged from immediately establishing bullish positions until after the limit down price is exceeded – by at least 1 tick.

In observing all the limit moves in the last five years, Howe's Limit Rule has proved historically (hypothetically) to be extremely accurate. For example, of the 33 occurrences where prices traded to the limit up value in Live Cattle in the last decade – basis the closest to delivery contract not in its delivery month – all saw the limit price of that exceeded within 5 trading days and 25 of the 32 limit down prices were exceeded within 5 trading days.

Using these observations surrounding limit moves, traders should expect the market short term to move in the direction of the limit move. Corrections against this shorter-term trend should be minor until the limit price is exceeded - by at least 1 tick (0.025 cwt).

Limit moves tend to be the most powerful and most indicative of the long term trend in prices when they occur unexpectedly (*none news/report driven*) and in the opposite direction of the prevailing trend or following a period of non- volatile price congestion - *channel break-outs for the technically driven trader*.

Limit moves after a prolonged trend can sometimes be an indication of exhaustion with in the move. The violation of a limit price by a small amount, with in a prolonged trend, may foreshadow a failure within this price move indicating that a change in the longer term price direction is imminent. A limit move after a strong trend, which fails to be exceeded – *known as a "hanging limit"* – may also indicate that the trend is more apt to reverse (price exhaustion).

For more information on Howe's Limit Rule, please contact Moore Research Center:

Moore Research Center, Inc.
85180 Lorane Hwy
Eugene, OR 97405
800-927-7259
www.mrci.com
Link to Moore Research Center's Howe's Limit rule article: www.mrci.com/howe.asp

October Live Cattle Statistics for Week #30

	5 Year	10 Year	19 Year
# Up	3	4	10
# Down	2	6	8
Total Change	4.65	3.80	7.00
Avg Change	0.93	0.38	0.37
Avg Up	1.99	1.85	1.21
Avg Dn	-0.66	-0.60	-0.63
Avg Range	2.50	2.08	1.77
# Higher Highs	3	6	11
# Lower Lows	3	7	10

August Feeder Cattle Statistics for Week #30

	5 Year	10 Year	19 Year
# Up	1	4	10
# Down	4	6	9
Total Change	-2.28	-2.71	-1.66
Avg Change	-0.46	-0.27	-0.09
Avg Up	0.60	0.27	0.70
Avg Dn	-0.72	-0.63	-0.96
Avg Range	1.72	1.86	1.88
# Higher Highs	2	4	8
# Lower Lows	3	6	11

August Lean Hogs Statistics for Week #30

	5 Year	10 Year	19 Year
# Up	4	7	15
# Down	1	3	4
Total Change	3.45	5.08	14.71
Avg Change	0.69	0.51	0.77
Avg Up	1.71	1.66	1.48
Avg Dn	-3.38	-2.18	-1.88
Avg Range	3.00	3.26	2.66
# Higher Highs	2	5	12
# Lower Lows	3	6	7

Monday 24

Crop Progress

Tuesday 25

Weather Crop Summary
Monthly Agnews

Wednesday 26

Thursday 27

Friday 28

Saturday 29

Sunday 30

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Fade the Opening Gap

On the trading floor, "locals" or "Merc Jerks" are taught very early on to go in the opposite direction of the opening, or to "fade an opening gap." Because floor traders are generally buyers to the public sellers and sellers to the public buying, positioning in the opposite direction of an opening gap comes as second nature, as gap up openings are caused by a predominance of buyers while a gap down opening is caused by a predominance of sellers.

Usually gaps on the opening are in reaction to some sort of overnight news development, and the ensuing herd reaction to it. As another old adage says …***"Buy the Rumor, Sell the Fact!"***

The tendency for opening Gaps to be filled is largely dependent upon the size of the gap. Obviously, the smaller the gap, the more likely it will be filled. But, interestingly, the larger the gap, the more persistent the tendency for the days session to move in the opposite direction.

The following table shows all of opening gaps for Live Cattle and Lean Hog futures in the last 5 years, broken down by above average Gap Types (Up or Down) during a recent 5 year period.

	Live Cattle			Lean Hogs		
	Total	**+0.30 Gap**	**-0.20 Gap**	**Total**	**+0.30 Gap**	**-0.30 Gap**
# Occurrences	290	43	47	328	43	26
# Filled	216	15	29	226	15	15
# UnFilled	74	28	18	102	28	11
% Filled	74%	35%	62%	69%	35%	58%
Avg Fade	0.10	0.17	0.20	-0.03	0.17	0.28
# Fade	154	19	28	154	21	10
% Fade	53%	44%	60%	47%	49%	38%

Opening Up Gap is defined as a open above the previous sessions high, while a down opening gap is defined as an opening below the previous days low. # Filled is defined as an up gap trading below the previous sessions High, while Filled for a down occurs when high for the current session is greater than the previous sessions low. Fade refers to the direction the market moves against the opening gap, with an up gap fade being the Open – Close, and a down gap fade being the Close – Open.
Date compliments of Gecko Software (http://www.trytnt.com/), day session only data used, covering December 1998 through November 2003, using the April, August and December contracts.

The "edge" in fading an opening gap can be seen directly in the percentages of opening gaps which are Filled. 216 of the 290 Live Cattle opening Gaps were filled or 74%, while 226 of the 328 opening gaps in the Hog market were filled or 69%. As the gaps get larger, the number filled drops off substantially, however the persistency of the trend during the session to move in the opposite direction – The "Fade" – becomes substantially stronger.

For example, in the Cattle market during the period studied, the average up gap was +0.30 cwt, and the average down opening gap was –0.20 cwt. Of the 90 total opening gaps which were at least average in magnitude, only 44 were filled by the end of the session (49%). However, following these larger than average gaps, the 47 times (52%) the market settled in the opposite direction as the gap – close below the open for an up gap and close above the open for a down gap. The average amount of movement +/-0.17 cwt.

Using these observations, traders may wish to take a lesson from the locals and look to "Fade" the opening gap in the Livestock markets. Long traders may wish to look at taking profits on a sharply higher open, while short traders may wish not to exit market on open following an up gap. Following a down gap, short traders may wish look at covering on the open, while long traders may wish to take a wait and see attitude, figuring the gap will most likely be filled and they may see movement in their favor.

October Live Cattle Statistics for Week #31

	5 Year	10 Year	19 Year
# Up	1	3	8
# Down	4	7	11
Total Change	-0.82	-2.07	2.25
Avg Change	-0.16	-0.21	0.12
Avg Up	1.95	1.57	1.50
Avg Dn	-0.69	-0.97	-0.89
Avg Range	2.35	2.04	1.95
# Higher Highs	3	5	12
# Lower Lows	2	6	9

August Feeder Cattle Statistics for Week #31

	5 Year	10 Year	19 Year
# Up	3	5	11
# Down	2	5	8
Total Change	-0.58	-2.70	4.95
Avg Change	-0.12	-0.27	0.26
Avg Up	0.49	0.84	1.55
Avg Dn	-1.03	-1.38	-1.51
Avg Range	1.57	1.83	2.22
# Higher Highs	3	5	13
# Lower Lows	1	4	6

October Lean Hogs Statistics for Week #31

	5 Year	10 Year	19 Year
# Up	3	6	10
# Down	2	4	9
Total Change	4.43	6.65	5.98
Avg Change	0.89	0.67	0.31
Avg Up	2.47	1.92	1.69
Avg Dn	-1.49	-1.21	-1.21
Avg Range	3.18	2.67	2.42
# Higher Highs	3	5	12
# Lower Lows	2	2	6

Monday 31

Poultry Slaughter
Agricultural Prices
Crop Progress

Tuesday 1

Weather Crop Summary

Wednesday 2

Thursday 3

Farm Production Expenditures

Friday 4

Saturday 5

Sunday 6

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August 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Jul 1st	11,011	9,056	9,923	10,117	10,392	
During July:						
Placed on Feed	1,986	1,619	1,992	1,720	1,678	
Fed Cattle Marketed	2,047	1,889	2,270	1,926	1,918	
Other Disappearance	59	36	60	58	60	
Cattle on Feed Aug 1st	8,750	9,585	9,853	9,853	10,092	

July Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600 lbs.	469	369	421	440	400	
600 – 699 lbs.	444	365	414	325	338	
700 – 799 lbs.	606	591	593	499	465	
800 Plus lbs.	467	515	564	456	475	

Source: USDA Cattle on Feed Report

COMMENTS: In the last 19 years, August has been the highest marketing month ▪ In the last decade, marketing has reached its height in June, making August the 3rd largest marketing month ▪ Cattle on Feed numbers tend to bottom in August as spring Cattle begin being placed ▪ Increased slaughter rates and slower consumption tend pressure boxed beef prices ▪ Choice 650-750 lbs Boxed beef has declined 4 of the last 5 years during August

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

Futures Prices	2001	2002	2003	2004	2005	2006
Sep Feeders	90.475	79.975	92.2	108.425	109.475	
Sep Corn	219	259.5	233.25	227.75	201.5	
Feb Live	73.15	67.2	82.85	87.45	82.25	
P&L	$(4.09)	$(8.79)	$7.71	$(0.39)	$(6.09)	

End of Month Pasture Condition National Average

	VP	P	F	G	EX
2004	19	23	29	23	6
2005	19	23	29	23	6
5- Year Average	18	23	30	25	4

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

COMMENTS: August tends to see the start of the placement rush, which in years of plenty tend to pressure prices ▪ Higher numbers of Cattle ready to go on feed tends to pressure prices ▪ Grain prices have tended to bottom in August ▪ August Crop report tends to under estimate supply, setting up for a harvest rally ▪ Watch for extremely high temperatures which can slow weight gains.

Hogs & Pigs

Weekly Slaughter Rate (in million pounds)

	2001	2002	2003	2004	2005	2006
Week 30	334.9	349.4	354.3	368.3	368.0	-
Week 31	338.2	350.6	353.3	370.2	363.4	-
Week 32	331.8	348.6	353.4	363.4	358.3	-
Week 33	347.5	365.3	381.5	379.5	374.6	-
Week 34	345.8	379.9	366.0	396.8	386.9	

Slaughter rate computed from Average Dressed Weight multiplied by the number of head slaughtered.

Source: Monthly Hogs & Pigs Report and USDA/AMS Daily Hog Slaughter Report

COMMENTS: Slaughter rates tend to increase during August ▪ the 5 year average weekly slaughter rate was 1.84 million head a week in August ▪ Excessive summer heat can slow pork movement and decrease slaughter numbers ▪ Look for Pork Cut-out prices to start to dip after August as more supply and increased competition from beef weighs on cash prices ▪ Prices do tend to get a boost from end of summer travel… ham & cold cuts.

October Live Cattle Statistics for Week #32

	5 Year	10 Year	19 Year
# Up	3	7	15
# Down	2	3	4
Total Change	-0.23	4.12	12.18
Avg Change	-0.05	0.41	0.64
Avg Up	0.80	1.02	1.19
Avg Dn	-1.31	-1.00	-1.42
Avg Range	2.30	2.13	2.28
# Higher Highs	3	7	14
# Lower Lows	3	5	9

August Feeder Cattle Statistics for Week #32

	5 Year	10 Year	19 Year
# Up	3	6	14
# Down	2	4	5
Total Change	2.31	7.54	15.26
Avg Change	0.46	0.75	0.80
Avg Up	1.15	1.69	1.39
Avg Dn	-0.58	-0.66	-0.84
Avg Range	1.56	2.06	2.10
# Higher Highs	2	6	13
# Lower Lows	4	6	8

October Lean Hogs Statistics for Week #32

	5 Year	10 Year	19 Year
# Up	4	7	11
# Down	1	3	8
Total Change	3.50	5.03	4.50
Avg Change	0.70	0.50	0.24
Avg Up	1.61	1.81	1.56
Avg Dn	-2.93	-2.56	-1.58
Avg Range	2.57	2.89	2.43
# Higher Highs	3	7	11
# Lower Lows	2	5	9

Monday 7

Crop Progress

Tuesday 8

Weather Crop Summary

Wednesday 9

Thursday 10

Friday 11

Cotton Ginnings
Crop Production
WASDE

Saturday 12

Sunday 13

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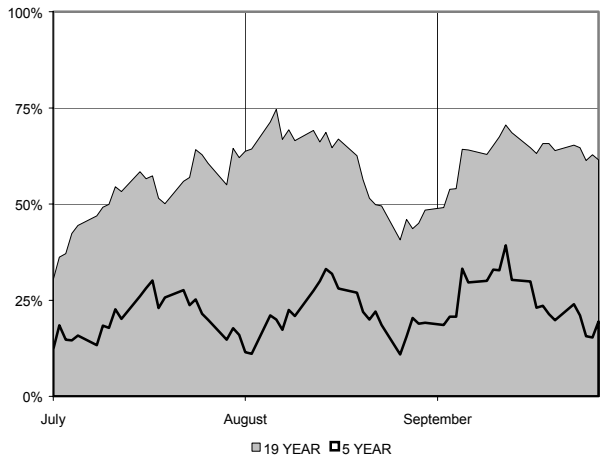
August 2006 Technical Overview

October Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

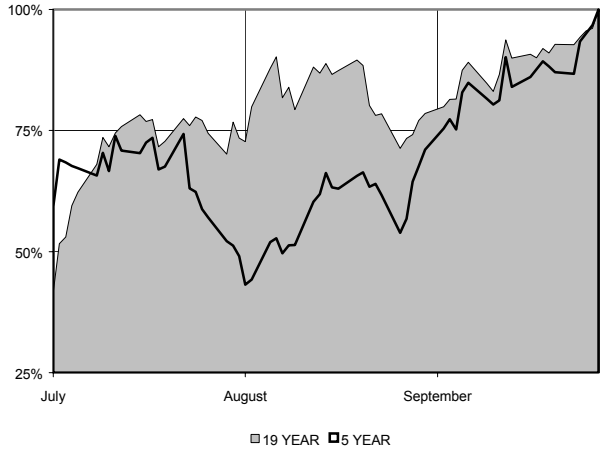
COMMENTS: Weak July's account for almost all of Augusts lackluster performance ~ Following a strong July, expect higher highs in August (11 of 15) but these rallies tend to fizzle ~ Expect bear markets to continue from previous month ~ 9 of the last 13 weak Augusts have been reversed in September, but the 4 which didn't were real price killers (see '01 and '84)

19 Year Monthly Performance Summary

# Years Up	6	**# Higher Highs**	11
# Years Dn	13	**# Lower Lows**	7
Total Change	-6.70	**# Expanded Range**	11
Avg Change	-0.35	**# Narrow Range**	8
Avg Gain	2.85		
Avg Loss	-1.82	**5 Yr High**	90.05
Avg Range	3.87	**5 Yr Low**	66.65

September Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

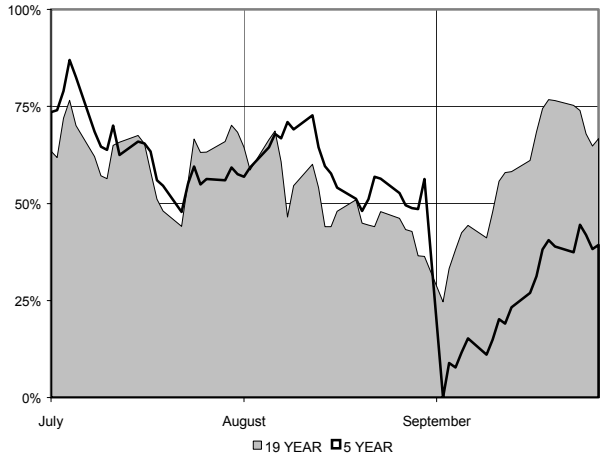
COMMENTS: Best Augusts follow strong Julys ~ Expect July strength to continue beyond the month high, but then watch for rally to fizzle ~ 12 of the last 14 strong July's have seen higher highs in August ~ Only 9 of the 14 strong July's have continued higher in August ~ Best Septembers have followed weak Augusts (7 of 8)

19 Year Monthly Performance Summary

# Years Up	11	**# Higher Highs**	14
# Years Dn	8	**# Lower Lows**	7
Total Change	11.77	**# Expanded Range**	10
Avg Change	0.62	**# Narrow Range**	9
Avg Gain	2.40		
Avg Loss	-1.85	**5 Yr High**	116.40
Avg Range	4.31	**5 Yr Low**	75.02

October Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: Weakest month on record with a total loss of –27.72 cwt basis the October futures ~ Worst August's have followed strong July's ~ August weakness has been reversed in September 9 of 11 times for an average gain in September of 3.97 cwt basis the October futures on a monthly settlement basis in September

19 Year Monthly Performance Summary

# Years Up	8	**# Higher Highs**	11
# Years Dn	11	**# Lower Lows**	10
Total Change	-27.72	**# Expanded Range**	13
Avg Change	-1.45	**# Narrow Range**	6
Avg Gain	2.57		
Avg Loss	-4.40	**5 Yr High**	71.00
Avg Range	6.27	**5 Yr Low**	29.77

October Live Cattle Statistics for Week #33

	5 Year	10 Year	19 Year
# Up	3	6	8
# Down	2	4	11
Total Change	4.55	5.45	0.85
Avg Change	0.91	0.55	0.04
Avg Up	2.18	1.62	1.48
Avg Dn	-1.00	-1.06	-1.00
Avg Range	2.42	2.16	2.06
# Higher Highs	3	6	11
# Lower Lows	1	3	5

September Feeder Cattle Statistics for Week #33

	5 Year	10 Year	19 Year
# Up	4	5	9
# Down	1	5	10
Total Change	4.64	-0.16	1.10
Avg Change	0.93	-0.02	0.06
Avg Up	1.27	1.15	1.15
Avg Dn	-0.43	-1.18	-0.93
Avg Range	1.75	2.03	1.98
# Higher Highs	4	5	11
# Lower Lows	0	3	3

October Lean Hogs Statistics for Week #33

	5 Year	10 Year	19 Year
# Up	1	1	5
# Down	4	9	14
Total Change	-6.05	-10.06	-11.43
Avg Change	-1.21	-1.01	-0.60
Avg Up	1.70	1.70	1.24
Avg Dn	-1.94	-1.31	-1.26
Avg Range	3.06	2.89	2.46
# Higher Highs	3	5	9
# Lower Lows	4	7	11

Monday 14

Crop Progress

Tuesday 15

Weather Crop Summary

Wednesday 16

Thursday 17

Friday 18

Cattle on Feed
Farm Labor

Saturday 19

Sunday 20

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August Monthly Spread Trading Opportunity

Strong demand has traditionally fueled bull spreads in the Live Cattle market during the later part of summer (long nearby and short deferred contracts). Low placements and low numbers of Cattle on Feed have supported bull spreads as well.

- Long December 2006 Live Cattle, Short June 2007 Live Cattle
- Enter on roughly the last trading day of August, Exit on roughly the 9th trading day of September

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
8/30/1991	2.30	9/13/1991	3.43	1.13	3.70	1.40	2.30	0.00
8/31/1992	2.90	9/14/1992	3.08	0.18	3.53	0.63	2.90	0.00
8/31/1993	2.08	9/14/1993	2.18	0.10	2.45	0.38	2.05	-0.02
8/31/1994	2.03	9/14/1994	2.85	0.83	2.98	0.95	2.03	0.00
8/31/1995	3.85	9/14/1995	4.45	0.60	4.65	0.80	3.85	0.00
8/30/1996	3.13	9/13/1996	3.90	0.78	3.90	0.78	2.63	-0.50
8/29/1997	-1.65	9/12/1997	-1.30	0.35	-1.20	0.45	-1.75	-0.10
8/31/1998	-1.30	9/14/1998	1.20	2.50	1.38	2.68	-1.33	-0.03
8/31/1999	0.60	9/14/1999	1.43	0.83	1.43	0.83	0.10	-0.50
8/31/2000	-1.40	9/14/2000	-0.63	0.78	-0.63	0.78	-1.60	-0.20
8/31/2001	0.28	9/18/2001	0.18	-0.10	0.60	0.33	0.05	-0.23
8/30/2002	2.43	9/13/2002	3.25	0.83	3.30	0.88	2.43	0.00
8/29/2003	8.40	9/12/2003	10.80	2.40	10.85	2.45	8.40	0.00
8/31/2004	4.80	9/14/2004	5.63	0.82	5.63	0.82	4.38	-0.43
8/31/2005	4.15	9/14/2005	5.10	0.95	5.13	0.98	3.50	-0.65

# Observations	15	**Total P&L**	12.95	**Worst P&L**	-0.10
# Up	14	**Average P&L**	0.86	**Average Draw**	-0.18
# Down	1	**Average Gain**	0.93	**Worst Draw**	-0.65
% Up	93%	**Average Loss**	-0.10	**Worst Draw on Gain**	-0.65

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October Live Cattle Statistics for Week #34

	5 Year	10 Year	19 Year
# Up	2	3	6
# Down	3	7	13
Total Change	-3.06	-5.63	-8.38
Avg Change	-0.61	-0.56	-0.44
Avg Up	1.64	1.27	0.91
Avg Dn	-2.11	-1.35	-1.07
Avg Range	2.72	2.03	1.89
# Higher Highs	2	6	8
# Lower Lows	4	5	12

September Feeder Cattle Statistics for Week #34

	5 Year	10 Year	19 Year
# Up	2	2	6
# Down	3	8	13
Total Change	1.81	-1.62	-3.05
Avg Change	0.36	-0.16	-0.16
Avg Up	1.62	1.62	1.01
Avg Dn	-0.47	-0.61	-0.70
Avg Range	1.53	1.64	1.70
# Higher Highs	3	4	7
# Lower Lows	1	4	9

October Lean Hogs Statistics for Week #34

	5 Year	10 Year	19 Year
# Up	2	2	8
# Down	3	7	10
Total Change	-1.22	-7.87	-3.90
Avg Change	-0.24	-0.79	-0.21
Avg Up	2.53	2.53	1.50
Avg Dn	-2.09	-1.85	-1.59
Avg Range	3.17	3.07	2.49
# Higher Highs	2	2	7
# Lower Lows	3	8	11

Monday 21

Crop Progress

Tuesday 22

Weather Crop Summary
Chickens and Eggs
Cold Storage

Wednesday 23

Thursday 24

Monthly Agnews

Friday 25

Livestock Slaughter

Saturday 26

Sunday 27

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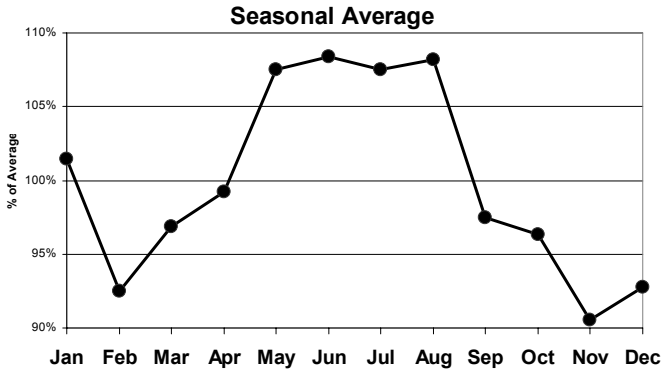
Seasonality of Cattle Marketing

Cattle marketing is extremely seasonal and cyclical in nature. Not only is the supply of slaughter weight animals dependent upon the placement cycle, marketing can be greatly effected by other factors, such as consumer tastes, processing margins from packers and a whole slew of other variables.



The law of supply and demand dictates that prices will rise when supply diminishes faster than demand or demand outstrips supply. It is often though that because beef is a non-storable commodity (only able to be stored temporarily), that marketing is synonymous with demand. However, this may not be the case fully. However, examining this assumption against the typical price behavior of Cattle futures leads to a different conclusion.

Cattle marketing in the last 19 years have tended to peak from June through August, running up strongly in the later part of spring and early summer. The price of the Slaughter Steers (choice 2-4, Texas, 1100-1300 lbs) has historically been weak during this period of rising demand. Perhaps this is accounted for by the supply of beef outstripping demand.

Cattle marketing have tended to diminish in the fall and early winter (September through December); however, slaughter steer prices (choice 2-4, Texas, 1100-1300 lbs) tend to gain strongly in the later part of the year, as marketing diminish.

This apparent lack of correlation between marketing and prices is easily understood, if one takes a look at the beef marketing practices. Typically, slaughterhouses tend to gear up production when demand is strong. They adjust to increasing demand with increased slaughtering, as ideally this leaves the slaughterhouses with the lowest risk of having to discount large inventories, and allows them to maintain the largest profit margins. By keeping the supply of beef behind the demand curve and fulfilling current demand only, slaughterhouses are able to minimize their own risk, and manage the onslaught of supply during the late spring and summer months.

Traditionally, the largest demand for beef, except for brief holiday demand for specific higher end cuts, is during the summer. With America on vacations, the amount of fast food (hamburgers) consumption is large, as well as demand from backyard barbeques. This allows the slaughterhouses to absorb the increase in slaughter ready animals with minimal lowering of bids. However, this same tactic tends to work to their detriment during times of slow demand. During these periods, they tend to run at lower capacities, and large orders or sudden surges in demand require them to go to the market for large supplies of animals at once. During the winter and early spring, when the supply of slaughter ready animals is low, packers must raise their bids to encourage feedlots to take animals off of feed to meet their demand. Also, since the packers are not prepared for these sudden surges, they tend to bid more aggressively to obtain supply.

By understanding the natural supply and demand cycle for beef, the astute marketer or speculator can be better prepared sudden shifts in supply and demand dynamics in the marketplace and the resulting effect on prices.

October Live Cattle Statistics for Week #35

	5 Year	10 Year	19 Year
# Up	3	7	10
# Down	2	3	8
Total Change	-0.09	4.91	0.46
Avg Change	-0.02	0.49	0.02
Avg Up	1.12	1.28	1.13
Avg Dn	-1.73	-1.34	-1.36
Avg Range	1.91	2.04	2.03
# Higher Highs	2	6	9
# Lower Lows	3	7	15

September Feeder Cattle Statistics for Week #35

	5 Year	10 Year	19 Year
# Up	4	6	10
# Down	1	4	9
Total Change	2.50	-1.53	-2.40
Avg Change	0.50	-0.15	-0.13
Avg Up	0.96	0.86	0.87
Avg Dn	-1.33	-1.67	-1.23
Avg Range	1.62	1.79	1.70
# Higher Highs	3	4	6
# Lower Lows	3	8	12

October Lean Hogs Statistics for Week #35

	5 Year	10 Year	19 Year
# Up	2	3	6
# Down	3	7	13
Total Change	-1.60	-6.55	-5.79
Avg Change	-0.32	-0.65	-0.31
Avg Up	2.55	1.81	1.33
Avg Dn	-2.23	-1.71	-1.06
Avg Range	3.23	2.95	2.27
# Higher Highs	2	4	9
# Lower Lows	3	6	8

Monday 28

Crop Progress

Tuesday 29

Weather Crop Summary

Wednesday 30

Rice Stocks

Thursday 31

Poultry Slaughter
Agricultural Prices

Friday 1

Saturday 2

Sunday 3

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September 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Aug 1st	10,891	8,750	9,585	9,853	10,092	
During August:						
Placed on Feed	2,204	1,936	2,374	2,099	1,993	
Fed Cattle Marketed	2,186	2,135	2,075	1,923	2,032	
Other Disappearance	54	43	60	56	53	
Cattle on Feed Sep 1st	8,845	9,829	9,973	9,973	10,000	

August Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600	510	525	592	506	418	
600 - 699	472	483	529	413	385	
700 - 799	667	625	659	565	540	
800 Plus	555	585	594	615	650	

Source: USDA Cattle on Feed reports

COMMENTS: Cattle placements should continue to be run high as they are moved off of pasture and into lots ▪ slowdown in slaughter rates tends to be supportive of boxed beef prices ▪ 688 thousand head slaughtered on average weekly in the last 5 years during September ▪ Boxed Beef Choice 600-750 lbs have average 106.20 in last 5 years ▪ The low number of cattle on feed reported as of September 1st tends to be supportive of prices ▪ Excessive heat and slower than average weight gains tend to see margin increase in Disappearance

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	2006
Oct Feeders	85.125	80.575	96.6	109.5	114.95	
Dec Corn	203.25	202.5	236.5	320	213	
Feb Live	66.225	67.4	87.6	87.275	90	
P&L	$(7.62)	$(1.08)	$10.45	$(14.66)	$(0.77)	

End of Month Pasture Condition National Average

	VP	P	F	G	EX
2004	14	22	29	29	6
2005	14	22	29	29	6
5- Year Average	16	22	30	27	4

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

COMMENTS: Large amount of Cattle going off of pasture and into feedlots tends to pressure prices of Feeders ▪ Frequently sharp breaks in grain prices encourage short term buying in September, but rallies are fleeting ▪ Pasture conditions tend to deteriorate, increasing pressure to move feeders ▪ Feeder Steer prices tend to drop in September

Hogs & Pigs

September 1st Hogs and Pigs Report - 50 States (in 1,000 head)

Inventory:	2001	2002	2003	2004	2005	2006
All Hogs and Pigs	59,777	60,220	59,623	61,384	59,699	
Kept for Breeding	6,158	6,054	5,882	5,983	5,941	
For Market	53,619	54,165	53,741	55,400	53,757	
Sows Farrowing:						
Dec - May	5,619	5,770	5,589	5,684	5,705	
June - Aug	2,878	2,834	2,825	2,888	2,898	
Sept - Nov	2,889	2,818	5,628	2,865	2,888	
Dec - Feb	2,748	2,837	2,767	2,827	2,875	
Weight Categories						
Under 60 lbs	19,911	19,684	20,368	20,540	19,667	
60 - 119 lbs	13,438	13,409	13,729	13,644	13,087	
120 - 179 lbs	10,854	11,146	11,334	11,236	11,360	
180 + lbs	9,417	9,926	9,510	9,982	9,644	

Source: USDA/NASS September Hogs and Pigs Report

COMMENTS: September All Hogs and Pig inventory tends to be the largest of the year ▪ Since peaking in 1994 at 6.22 million head, Hog Inventories have dropped consistently, especially in the last 4 years ▪ September through November farrowing tend to be the 2nd lowest, behind the December through May period ▪ Marketing tends to be concentrated in heavier animals in Summer than spring ▪ Slower slaughter rates tend to be supportive of Hog prices as slaughter rates tend to peak in October/November

October Live Cattle Statistics for Week #36

	5 Year	10 Year	19 Year
# Up	2	3	10
# Down	3	7	9
Total Change	-0.03	-3.13	7.50
Avg Change	-0.01	-0.31	0.39
Avg Up	1.25	1.02	1.66
Avg Dn	-0.84	-0.88	-1.01
Avg Range	2.32	1.89	2.16
# Higher Highs	4	7	15
# Lower Lows	4	6	10

October Feeder Cattle Statistics for Week #36

	5 Year	10 Year	19 Year
# Up	3	7	13
# Down	2	3	6
Total Change	0.62	1.68	5.63
Avg Change	0.12	0.17	0.30
Avg Up	0.54	0.81	1.03
Avg Dn	-0.50	-1.34	-1.29
Avg Range	1.50	1.72	1.80
# Higher Highs	3	4	9
# Lower Lows	2	6	9

December Lean Hogs Statistics for Week #36

	5 Year	10 Year	19 Year
# Up	4	7	12
# Down	1	3	7
Total Change	4.13	4.35	3.98
Avg Change	0.83	0.44	0.21
Avg Up	1.68	1.32	1.17
Avg Dn	-2.58	-1.63	-1.44
Avg Range	3.55	3.07	2.52
# Higher Highs	5	6	11
# Lower Lows	1	4	10

Monday 4

Labor Day

Tuesday 5

Crop Progress

Wednesday 6

Weather Crop Summary

Thursday 7

Friday 8

Saturday 9

Sunday 10

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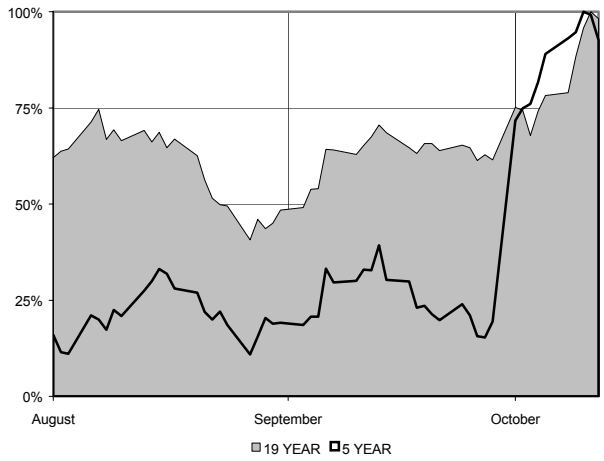
September 2006 Technical Overview

October Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

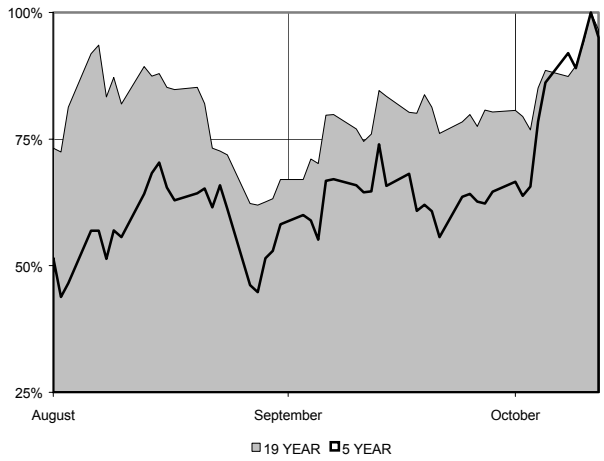
COMMENTS: Best Septembers have followed strong performances in the later half of August ~ Strong Septembers have continued higher into October 9 of 12 times gaining a total of 11.72 cwt in October basis December futures~ 4 of the last 7 September declines have reversed in October, especially if both August and September were down

19 Year Monthly Performance Summary

# Years Up	14	**# Higher Highs**	10
# Years Dn	5	**# Lower Lows**	7
Total Change	16.92	**# Expanded Range**	10
Avg Change	0.90	**# Narrow Range**	9
Avg Gain	2.15		
Avg Loss	-2.62	**5 Yr High**	88.95
Avg Range	3.37	**5 Yr Low**	66.15

October Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

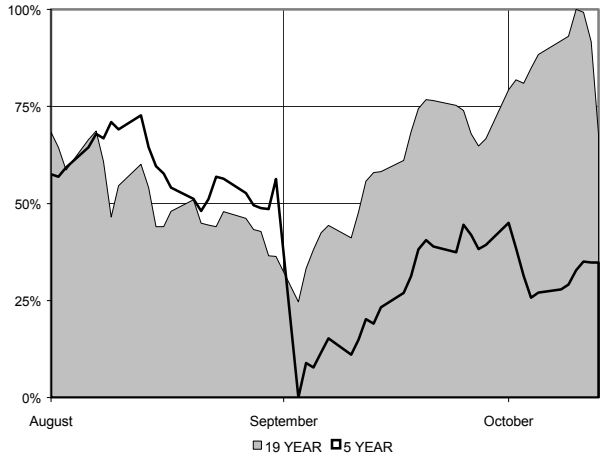
COMMENTS: Best Septembers have followed weak Augusts ~ Weak August's have finished higher in September 7 of 8 times ~ Strong Septembers usually precede strong Octobers (10 of 14) ~ September follow through tends to be weak though, but the September low has held in October 13 of the 14 bullish years

19 Year Monthly Performance Summary

# Years Up	14	**# Higher Highs**	11
# Years Dn	4	**# Lower Lows**	8
Total Change	18.82	**# Expanded Range**	8
Avg Change	1.00	**# Narrow Range**	11
Avg Gain	1.97		
Avg Loss	-2.20	**5 Yr High**	115.80
Avg Range	4.20	**5 Yr Low**	78.10

October Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: Strongest month on record basis the October futures with a total gain +57.07 cwt ~ 2nd most volatile month on record with an average range of 6.75 cwt ~ Best Septembers have followed weak Augusts ~ Following August strength, expect higher highs in September (8 of 8) ~ 11 of 14 September rallies have reversed in October basis December futures

19 Year Monthly Performance Summary

# Years Up	15	**# Higher Highs**	13
# Years Dn	4	**# Lower Lows**	7
Total Change	57.07	**# Expanded Range**	11
Avg Change	3.00	**# Narrow Range**	8
Avg Gain	4.42		
Avg Loss	-2.35	**5 Yr High**	77.85
Avg Range	6.75	**5 Yr Low**	29.40

October Live Cattle Statistics for Week #37

	5 Year	10 Year	19 Year
# Up	3	7	11
# Down	2	3	8
Total Change	5.67	11.00	8.05
Avg Change	1.13	1.10	0.42
Avg Up	2.68	1.95	1.53
Avg Dn	-1.18	-0.89	-1.10
Avg Range	2.73	2.23	1.88
# Higher Highs	3	6	11
# Lower Lows	2	4	6

October Feeder Cattle Statistics for Week #37

	5 Year	10 Year	19 Year
# Up	4	8	11
# Down	1	2	8
Total Change	2.94	8.34	5.34
Avg Change	0.59	0.83	0.28
Avg Up	0.85	1.21	1.09
Avg Dn	-0.48	-0.65	-0.83
Avg Range	1.87	1.84	1.82
# Higher Highs	4	7	11
# Lower Lows	2	2	6

December Lean Hogs Statistics for Week #37

	5 Year	10 Year	19 Year
# Up	5	8	13
# Down	0	2	6
Total Change	8.96	10.94	12.19
Avg Change	1.79	1.09	0.64
Avg Up	1.79	1.70	1.44
Avg Dn	#DIV/0!	-1.33	-1.10
Avg Range	2.81	2.73	2.23
# Higher Highs	2	5	10
# Lower Lows	1	3	7

Monday 11

Always Remember
Crop Progress

Tuesday 12

Cotton Ginnings
Crop Production
WASDE
Weather Crop Summary

Wednesday 13

Thursday 14

Friday 15

Saturday 16

Sunday 17

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September Monthly Spread Trading Opportunity

Winter tends to be a very bullish time of year for Cattle, as slaughter rates slow and demand tends to pick up. Often the December contract tends to experience holes in available supply, and as such tends to gain on the deferred, summer slaughter months.

- Long December 2006 Live Cattle, Short June 2007 Live Cattle
- Enter on roughly the first trading day of September, Exit on roughly the 1st trading day of October

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
9/3/1991	0.15	10/1/1991	1.18	1.03	1.53	1.38	-0.05	-0.20
9/1/1992	-0.98	10/1/1992	-0.90	0.08	-0.38	0.60	-1.45	-0.48
9/1/1993	0.58	10/1/1993	-0.28	-0.85	1.40	0.83	-0.38	-0.95
9/1/1994	-0.93	10/3/1994	-0.10	0.83	0.03	0.95	-1.25	-0.33
9/1/1995	-0.03	10/2/1995	0.10	0.13	0.60	0.63	-0.25	-0.23
9/3/1996	-1.15	10/1/1996	0.55	1.70	0.80	1.95	-1.30	-0.15
9/2/1997	2.78	9/30/1997	4.38	1.60	4.43	1.65	2.78	0.00
9/1/1998	-0.28	10/1/1998	3.03	3.30	3.03	3.30	-0.45	-0.18
9/1/1999	2.95	10/1/1999	2.58	-0.38	2.95	0.00	0.85	-2.10
9/1/2000	2.70	10/2/2000	5.20	2.50	5.20	2.50	2.50	-0.20
9/4/2001	3.53	10/1/2001	3.78	0.25	4.83	1.30	3.53	0.00
9/3/2002	-4.28	10/1/2002	0.93	5.20	0.93	5.20	-4.28	0.00
9/2/2003	0.83	10/1/2003	0.85	0.03	2.38	1.55	0.58	-0.25
9/1/2004	4.53	10/1/2004	5.10	0.58	5.95	1.43	3.65	-0.88
9/1/2005	3.65	10/3/2005	5.55	1.90	5.88	2.23	3.50	-0.15

# Observations	15	**Total P&L**	17.88	**Worst P&L**	-0.85
# Up	13	**Average P&L**	1.19	**Average Draw**	-0.41
# Down	2	**Average Gain**	1.47	**Worst Draw**	-2.10
% Up	87%	**Average Loss**	-0.61	**Worst Draw on Gain**	-0.88

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October Live Cattle Statistics for Week #38

	5 Year	10 Year	19 Year
# Up	3	5	11
# Down	2	4	7
Total Change	-2.08	-2.40	-0.92
Avg Change	-0.42	-0.24	-0.05
Avg Up	0.59	0.69	0.69
Avg Dn	-1.93	-1.46	-1.21
Avg Range	2.44	2.00	1.76
# Higher Highs	4	9	12
# Lower Lows	2	4	9

October Feeder Cattle Statistics for Week #38

	5 Year	10 Year	19 Year
# Up	3	4	10
# Down	2	6	9
Total Change	-1.94	-4.49	2.44
Avg Change	-0.39	-0.45	0.13
Avg Up	0.83	1.30	1.36
Avg Dn	-2.22	-1.61	-1.24
Avg Range	2.37	2.22	2.12
# Higher Highs	4	8	13
# Lower Lows	1	3	7

October Lean Hogs Statistics for Week #38

	5 Year	10 Year	19 Year
# Up	2	6	13
# Down	3	4	6
Total Change	1.73	5.23	10.28
Avg Change	0.35	0.52	0.54
Avg Up	3.73	2.01	1.50
Avg Dn	-1.91	-1.71	-1.53
Avg Range	3.44	3.21	2.54
# Higher Highs	4	8	14
# Lower Lows	2	3	7

Monday 18

Crop Progress

Tuesday 19

Weather Crop Summary

Wednesday 20

Thursday 21

Cold Storage

Friday 22

Livestock Slaughter
Cattle on Feed
Chickens and Eggs

Saturday 23

Autumnal Equinox

Sunday 24

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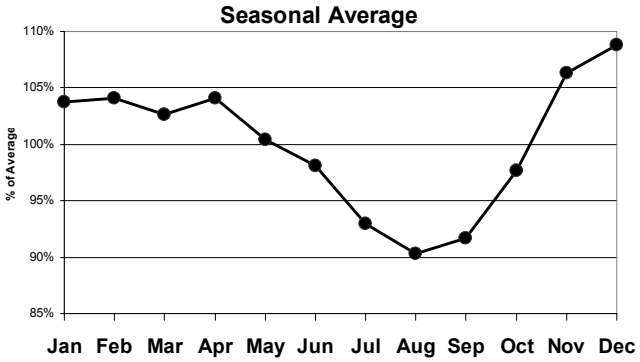
Seasonal Nature of Cattle On Feed

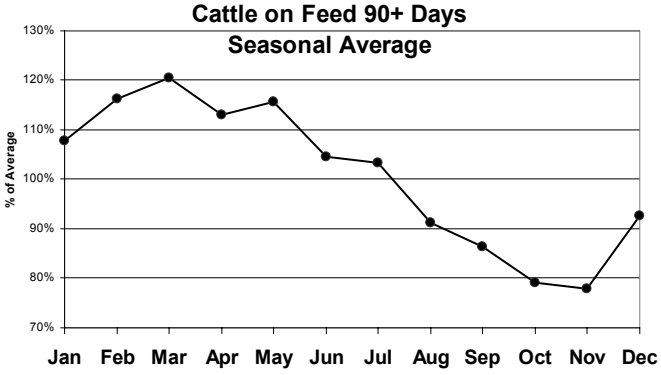
Unlike Hogs, which have moved production to indoor facilities, Cattle production from breeding to feeding is still done outdoors. As such, Cattle production is dependent upon the climate and the forces of nature. As such, Cattle On Feed numbers tend to be very seasonal in nature.

The bulk of Cattle are born in the spring, when pasture conditions are lush and weather is hospitable for calves. The spring born calves are typically placed on feed before winter sets in, as winter pasturing is difficult and usually involves adding feed to pasturing, a proposition many cow/calf operations do not wish to undertake.



The Cattle placed on feed in the fall are usually being marketed in the late winter/early spring. Hence, the number of cattle on feed tends to peak in December, and reach its trough in August.

In the last 19 years, the number of Cattle on Feed has traditionally varied by 21% throughout the year. Typically, the August/September lows, when pasture conditions are favorable and spring calves are not yet ready for placement, the number of Cattle on Feed tends to drop by –10% below the yearly average.



The number of Cattle on Feed is a miss leading statistic, as cattle on feed covers a wide variety of animals, some just starting out and others ready to be sold for slaughter (marketed) very soon. One way of looking at the supply of cattle ready for marketing is to look at the Cattle on Feed 90+ days. On average, the number of cattle on feed but close to marketing peaks in March/April, which coincides with the increase in marketings seen from March through August. This large supply of cattle ready for slaughter tends to weigh on prices, causing futures to dip in April and May – traditionally the two worst months for cattle futures prices.

Cattle on feed 90+ days tends to bottom at the end of the year, as lots are full of the spring calf placements. This lack of supply of slaughter ready animals tends to be supportive of prices, counter acting worries about the large absolute numbers on feed currently – given the fall/early winter placement rush. It is the lack of supply of slaughter ready animals which probably accounts for the strength in the futures from November through February – the top four performing months for live cattle futures prices historically.

By understanding not only how and when cattle are placed but also what the composition of the cattle on feed is, the speculator/hedger in the live cattle futures market is better prepared to anticipate changes in pricing. Obviously, this only takes into account half of the equation – the supply side – but by understanding not only how many cattle are on feed, and the size relative to normal distributions, but how long they have been on feed can give the astute trader a leg up in anticipating price direction.

October Live Cattle Statistics for Week #39

	5 Year	10 Year	19 Year
# Up	2	4	8
# Down	3	6	11
Total Change	-0.18	-1.96	-1.38
Avg Change	-0.04	-0.20	-0.07
Avg Up	2.46	1.71	1.32
Avg Dn	-1.70	-1.47	-1.08
Avg Range	3.01	2.38	1.96
# Higher Highs	2	3	7
# Lower Lows	4	8	15

October Feeder Cattle Statistics for Week #39

	5 Year	10 Year	19 Year
# Up	3	5	7
# Down	2	5	12
Total Change	2.48	0.05	-3.10
Avg Change	0.50	0.01	-0.16
Avg Up	1.38	1.09	1.09
Avg Dn	-0.82	-1.08	-0.89
Avg Range	2.15	1.98	1.77
# Higher Highs	3	3	6
# Lower Lows	3	8	12

October Lean Hogs Statistics for Week #39

	5 Year	10 Year	19 Year
# Up	3	7	13
# Down	2	3	6
Total Change	5.40	10.71	14.91
Avg Change	1.08	1.07	0.78
Avg Up	2.78	2.00	1.54
Avg Dn	-1.46	-1.11	-0.85
Avg Range	3.12	2.56	2.12
# Higher Highs	3	6	13
# Lower Lows	2	3	6

Monday 25

Cotton Ginnings
Crop Progress

Tuesday 26

Weather Crop Summary
Monthly Agnews

Wednesday 27

Thursday 28

Agricultural Prices

Friday 29

Grain Stocks
Poultry Slaughter
Small Grains Summary
Quarterly Hogs and Pigs

Saturday 30

Sunday 1

Yom Kippur begins at sundown

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October 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Sep 1st	10,855	8,845	9,829	9,973	10,000	
During September:						
Placed on Feed	2,136	2,188	2,474	2,385	2,355	
Fed Cattle Marketed	1,820	1,848	2,032	1,800	1,816	
Other Disappearance	40	53	63	61	57	
Cattle on Feed Oct 1st	9,088	10,213	10,497	10,497	10,482	

September Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600	528	614	698	628	565	
600 - 699	447	487	545	475	505	
700 - 799	559	582	610	557	550	
800 Plus	602	505	621	725	732	

COMMENTS: Placements tend to peak out in October ▪ Expect October placements to be roughly 190 thousand head above the September number ▪ Mild fall weather following cooler summers can see slower placements ▪ Marketing slows during October, reaching seasonal low in November ▪ Look for Boxed Beef prices to top out for the 4th quarter in the 2nd or 3rd week of month ▪ Low numbers of Cattle on Feed ready for slaughter usually equates to strong Live pricing during 4th quarter

Source: USDA Cattle on Feed Report

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	2006
Nov Feeders	86.55	82.05	101.3	109.2	115.85	
Dec Corn	192.75	214	244.25	304	222	
Apr Live	69.975	72.15	82.075	88.9	94.35	
P&L	$(1.57)	$3.43	$(4.17)	$(9.52)	$4.03	

End of Month Pasture Condition National Average

	VP	P	F	G	EX
2004	15	22	29	28	6
2005	15	22	29	28	6
5- Year Average	16	23	31	26	4

COMMENTS: October usually marks the height of Placements and low prices for feeder weight steers ▪ extremely weak Live pricing can be more detrimental than grain ▪ Watch for early frosts to damage pastures forcing movement onto feed ▪ heavy snow or in climate weather can cause transportation difficulties which can be supportive for prices

Source: Futures data compliments of www.GECKOSOFTWARE.com. Pasture Conditions from USDA/NASS Crop Progress Reports

Hogs & Pigs

Weekly Slaughter Rate (in million pounds)

	2001	2002	2003	2004	2005	2006
Week 40	383.3	387.3	406.2	409.2	414.0	
Week 41	400.0	395.9	412.6	399.1	413.8	
Week 42	412.7	396.6	424.1	431.4	426.2	
Week 43	406.2	406.0	419.1	436.0	440.5	

Slaughter rate computed from Average Dressed Weight multiplied by the number of head slaughtered.

COMMENTS: October is the traditionally the heaviest slaughter month of the year ▪ Average weekly slaughter rate in the last 5 years has been 2.0 million head in October ▪ Heavy slaughter rates tend to weigh on prices ▪ Packers tend to lower their bids due to the robust slaughter rate ▪ 4th quarter typically sees the heaviest slaughter of the year ▪ 2001 Average weekly slaughter rate was 2.02 million head

Source: Monthly Hogs & Pigs Report and USDA/AMS Daily Hog Slaughter Report

December Live Cattle Statistics for Week #40

	5 Year	10 Year	19 Year
# Up	5	6	11
# Down	0	4	8
Total Change	10.32	7.82	7.42
Avg Change	2.06	0.78	0.39
Avg Up	2.06	1.92	1.45
Avg Dn	#DIV/0!	-0.93	-1.07
Avg Range	3.09	2.46	2.16
# Higher Highs	4	6	12
# Lower Lows	2	6	9

October Feeder Cattle Statistics for Week #40

	5 Year	10 Year	19 Year
# Up	4	5	10
# Down	1	5	9
Total Change	10.17	7.01	10.47
Avg Change	2.03	0.70	0.55
Avg Up	2.74	2.27	1.99
Avg Dn	-0.78	-0.87	-1.05
Avg Range	2.97	2.32	2.23
# Higher Highs	4	6	10
# Lower Lows	2	4	8

December Lean Hogs Statistics for Week #40

	5 Year	10 Year	19 Year
# Up	3	6	11
# Down	2	4	8
Total Change	-2.13	0.79	3.54
Avg Change	-0.43	0.08	0.19
Avg Up	0.52	1.13	1.14
Avg Dn	-1.84	-1.50	-1.13
Avg Range	2.64	2.49	2.16
# Higher Highs	3	7	12
# Lower Lows	3	5	9

Monday 2

Crop Progress

Tuesday 3

Weather Crop Summary

Wednesday 4

Agricultural Chemical Usage – Restricted Use Summary

Thursday 5

Friday 6

Saturday 7

Sunday 8

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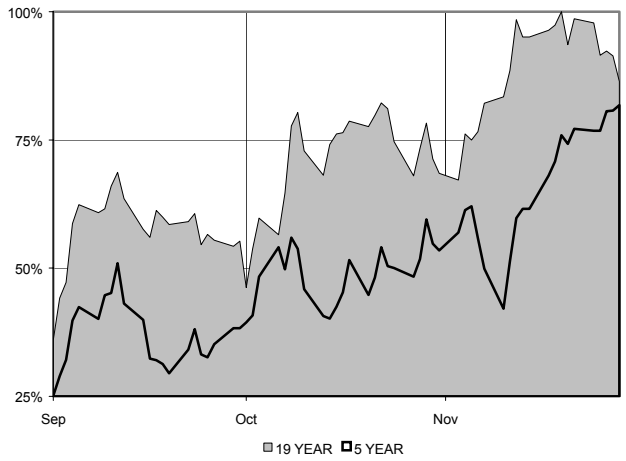
October 2006 Technical Overview

December Live Cattle Futures

19 year Seasonal Average



Years 1985 to 2004 settlement values used.

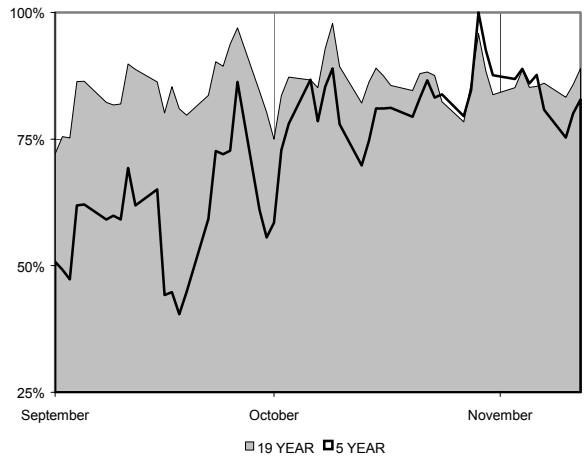
COMMENTS: Best batting average of any month with 13 of the last 19 years seeing an advance ~ Best Octobers have followed strong Septembers ~ Expect the October high to be violated in November ~ Rare weak Octobers have been reversed in November 5 of the last 6 occasions with only '94 continuing lower in November

19 Year Monthly Performance Summary

# Years Up	13	**# Higher Highs**	12
# Years Dn	6	**# Lower Lows**	9
Total Change	10.70	**# Expanded Range**	11
Avg Change	0.57	**# Narrow Range**	8
Avg Gain	1.77		
Avg Loss	-2.07	**5 Yr High**	95.25
Avg Range	4.20	**5 Yr Low**	65.92

November Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

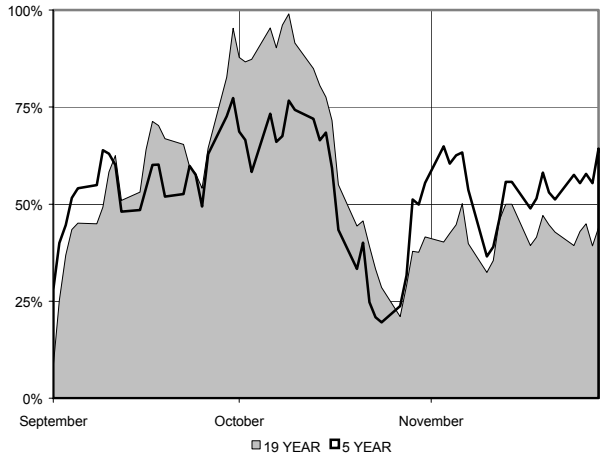
COMMENTS: Least volatile month on record, with an average range of only 4.02 cwt ~ Best October's usually follow September strength (10 of 14) ~ All higher monthly highs have followed strong September's ~ October weakness has been reversed in November (7 of the last 10 times), while rallies usually do not continue (4 of 9 times).

19 Year Monthly Performance Summary

# Years Up	9	**# Higher Highs**	10
# Years Dn	10	**# Lower Lows**	11
Total Change	2.65	**# Expanded Range**	12
Avg Change	0.15	**# Narrow Range**	7
Avg Gain	1.80		
Avg Loss	-1.35	**5 Yr High**	110.25
Avg Range	4.10	**5 Yr Low**	77.80

December Lean Hogs

19 year Seasonal Average



Years 1985 to 2004 settlement values used.

COMMENTS: 2nd worst month on record – behind August – with a total loss of –25.62 cwt basis the December futures ~ Worst October's have followed September strength (11 of 14 reversals) while September weakness tends to be continued ~ Rare strong Octobers tend to be continued (2 of 3) ~ October weakness usually slows or is reversed in November

19 Year Monthly Performance Summary

# Years Up	3	**# Higher Highs**	11
# Years Dn	15	**# Lower Lows**	9
Total Change	-25.62	**# Expanded Range**	9
Avg Change	-1.35	**# Narrow Range**	10
Avg Gain	2.60		
Avg Loss	-2.22	**5 Yr High**	69.25
Avg Range	6.10	**5 Yr Low**	38.32

December Live Cattle Statistics for Week #41

	5 Year	10 Year	19 Year
# Up	3	6	11
# Down	2	4	8
Total Change	3.41	5.55	4.20
Avg Change	0.68	0.56	0.22
Avg Up	2.42	1.76	1.16
Avg Dn	-1.93	-1.24	-1.06
Avg Range	2.94	2.37	2.01
# Higher Highs	4	6	9
# Lower Lows	0	3	9

November Feeder Cattle Statistics for Week #41

	5 Year	10 Year	19 Year
# Up	1	3	6
# Down	4	7	13
Total Change	-4.55	-2.93	-4.18
Avg Change	-0.91	-0.29	-0.22
Avg Up	0.02	1.24	1.13
Avg Dn	-1.14	-0.95	-0.84
Avg Range	2.60	2.40	2.11
# Higher Highs	4	5	7
# Lower Lows	1	5	10

December Lean Hogs Statistics for Week #41

	5 Year	10 Year	19 Year
# Up	3	4	8
# Down	2	6	11
Total Change	0.54	-5.42	-3.79
Avg Change	0.11	-0.54	-0.20
Avg Up	2.18	2.22	1.73
Avg Dn	-3.00	-2.38	-1.60
Avg Range	3.97	3.47	2.59
# Higher Highs	3	5	10
# Lower Lows	2	6	10

Monday 9

Tuesday 10

Crop Progress

Wednesday 11

Weather Crop Summary

Thursday 12

Cotton Ginnings
Crop Production
WASDE

Friday 13

Saturday 14

Sunday 15

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October Monthly Spread Trading Opportunity

October is traditionally the heaviest slaughter month of the year. The influx of Hogs being brought to slaughter tends to weigh on prices, as demand begins to fall. October tends to be a good month to establish bear spreads (long deferred contracts, short nearby futures).

- Long July 2007 Lean Hogs, Short April 2007 Lean Hogs
- Enter on roughly the 6th trading day of October; exit on roughly the 2nd to last trading day of October

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
10/7/1991	4.78	10/30/1991	5.28	0.50	5.40	0.63	4.60	-0.18
10/8/1992	4.53	10/29/1992	4.38	-0.15	4.65	0.13	3.93	-0.60
10/8/1993	3.10	10/28/1993	3.38	0.28	3.38	0.28	3.05	-0.05
9/9/1994	5.10	9/29/1994	5.08	-0.03	5.28	0.18	4.98	-0.13
10/9/1995	3.88	10/30/1995	4.43	0.55	5.00	1.13	3.88	0.00
10/8/1996	1.00	10/30/1996	2.45	1.45	3.25	2.25	1.00	0.00
10/8/1997	4.60	10/30/1997	5.83	1.23	6.13	1.53	4.33	-0.28
10/8/1998	7.93	10/29/1998	9.05	1.13	9.05	1.13	7.58	-0.35
10/8/1999	6.20	10/28/1999	7.18	0.98	7.18	0.98	5.85	-0.35
10/9/2000	4.70	10/30/2000	5.45	0.75	5.53	0.83	4.68	-0.03
10/8/2001	4.85	10/30/2001	7.13	2.28	7.73	2.88	4.85	0.00
10/8/2002	8.15	10/30/2002	6.48	-1.68	8.18	0.03	6.48	-1.68
10/8/2003	2.25	10/30/2003	2.35	0.10	2.50	0.25	0.25	-2.00
10/8/2004	0.08	10/28/2004	0.95	0.88	2.05	1.98	0.08	0.00
10/10/2005	-0.70	10/28/2005	0.58	1.28	1.05	1.75	-0.83	-0.13

# Observations	15	**Total P&L**	9.53	**Worst P&L**	-1.68
# Up	12	**Average P&L**	0.64	**Average Draw**	-0.38
# Down	3	**Average Gain**	0.95	**Worst Draw**	-2.00
% Up	80%	**Average Loss**	-0.62	**Worst Draw on Gain**	-2.00

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

December Live Cattle Statistics for Week #42

	5 Year	10 Year	19 Year
# Up	2	3	12
# Down	3	7	7
Total Change	-1.42	-3.10	4.51
Avg Change	-0.28	-0.31	0.24
Avg Up	1.24	0.97	0.88
Avg Dn	-1.30	-0.86	-0.86
Avg Range	3.00	2.24	1.97
# Higher Highs	4	7	13
# Lower Lows	2	5	9

November Feeder Cattle Statistics for Week #42

	5 Year	10 Year	19 Year
# Up	2	5	11
# Down	3	5	8
Total Change	-2.26	-1.73	0.52
Avg Change	-0.45	-0.17	0.03
Avg Up	0.77	0.57	0.68
Avg Dn	-1.26	-0.92	-0.86
Avg Range	2.55	2.08	1.87
# Higher Highs	1	4	8
# Lower Lows	3	5	10

December Lean Hogs Statistics for Week #42

	5 Year	10 Year	19 Year
# Up	2	5	9
# Down	3	5	10
Total Change	-3.83	-2.60	-4.45
Avg Change	-0.77	-0.26	-0.23
Avg Up	0.71	0.92	1.03
Avg Dn	-1.75	-1.44	-1.37
Avg Range	3.05	2.88	2.43
# Higher Highs	1	4	8
# Lower Lows	3	6	12

Monday 16

Crop Progress

Tuesday 17

Weather Crop Summary

Wednesday 18

Thursday 19

Friday 20

Livestock Slaughter
Cattle on Feed
Cold Storage

Saturday 21

Sunday 22

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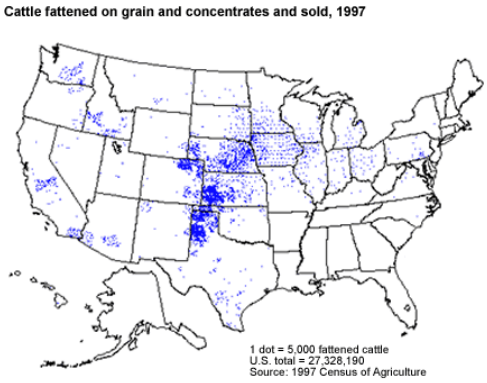
Seasonality of Cattle Placements

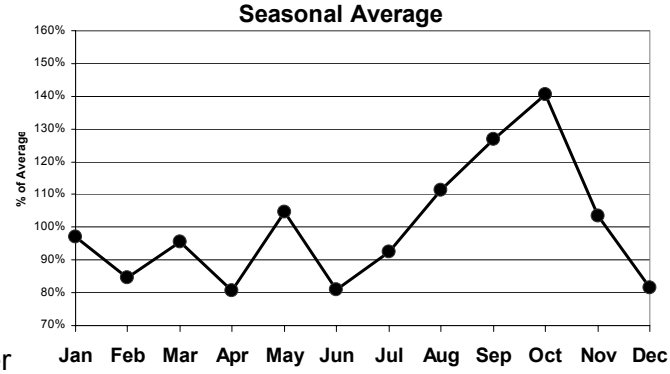
Cattle placement is a tricky business. Everything from grain prices to transportation costs and availability, as well as weather can effect a decision to place or not.

Cow/calf operations and stocker operations must decide to place cattle on feed when it is most economical for them. However, they are running against the clock, as a small window of opportunity exists for them, in which their cattle weigh between 600 and 800 pounds. They must also be able to transport their cattle on pasture to a feedlot, which at times can be difficult.



Pasture conditions can also wreak havoc on the early part of the production cycle. For example, during droughts when pasture conditions are extremely poor, cow/calf and stocker operations are forced to sell their cattle early, or feed them grain. Typically, most small to medium sized cow/calf and stocker operations are not prepared to feed grain rations, and as such would rather sell their production early and avoid the extra expense and risk associated with grain feeding.

Besides weather, transportation, and pasture conditions, cattle placements are also effected greatly by demand for feeder cattle from feedlots. Space as well profitability are the key determining factors in feedlot demand for feeders. Obviously, during times of high profitability, feedlots wish to maximize production, and their appetite for feeder cattle is large. However, they have capacity issues, and strive to spread production out throughout the year. Ideally, the demand for feeder cattle is best when grain prices are low and live cattle prices are high. Droughts and other natural calamities, which can cause increased placements, also lower the profitability of feedlots, creating periods where feeder cattle prices suffer not only from excess supply but poor demand as well as rising grain prices lower profitability in cattle feeding.



Historically, placements tend to be the lowest in June/July when cow/calf and stocker operations can run their cattle on pasture. Pasture is the least expensive form of weight gain for cattle, and as such when possible cattle are typically held at pasture as long as possible. This limited supply tends to support feeder cattle futures prices in June and July, the two strongest months historically.

However, as pasture conditions deteriorate and winter approaches, the number of cattle being placed on feed tends to increase dramatically. Cow/calf and stocker operations try to lower their herd counts dramatically by the first heavy snow fall and the on set of winter in October/November. This mass rush to place cattle tends to be a drag of feeder cattle futures prices, as historically October and November have traditionally been the two worst months on record.

Understanding when and why cow/calf and stocker operations place cattle on feed can help speculators and hedgers to anticipate increases and decreases in the supply of feeder cattle. During the spring through fall, we present pasture conditions and historical grain prices – rough profitability measures for feedlots – so users of the Livestock Almanac can better anticipate prices reactions to changing conditions in the Feeder Cattle market.

December Live Cattle Statistics for Week #43

	5 Year	10 Year	19 Year
# Up	3	7	11
# Down	2	3	8
Total Change	-0.38	1.25	-2.87
Avg Change	-0.08	0.13	-0.15
Avg Up	0.17	0.38	0.44
Avg Dn	-0.45	-0.46	-0.96
Avg Range	2.76	2.19	2.04
# Higher Highs	2	5	11
# Lower Lows	3	6	9

November Feeder Cattle Statistics for Week #43

	5 Year	10 Year	19 Year
# Up	3	6	8
# Down	2	4	11
Total Change	3.72	4.85	-3.45
Avg Change	0.74	0.48	-0.18
Avg Up	1.45	1.18	1.10
Avg Dn	-0.31	-0.56	-1.11
Avg Range	2.17	1.94	2.02
# Higher Highs	2	5	8
# Lower Lows	2	4	9

December Lean Hogs Statistics for Week #43

	5 Year	10 Year	19 Year
# Up	1	3	5
# Down	4	7	14
Total Change	-8.12	-8.60	-14.13
Avg Change	-1.63	-0.86	-0.74
Avg Up	2.58	2.28	1.43
Avg Dn	-2.68	-2.20	-1.52
Avg Range	3.95	3.24	2.54
# Higher Highs	2	4	5
# Lower Lows	3	7	13

Monday 23

Chickens and Eggs
Crop Progress

Tuesday 24

Weather Crop Summary
Monthly Agnews

Wednesday 25

Cotton Ginnings

Thursday 26

Friday 27

Rice Stocks

Saturday 28

Sunday 29

Daylight Saving Time ends

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October Weakness and Feeders

In the later part of summer and fall, cow/calf operations rush to place their feeders before winter sets in. This placement rush tends to push Feeder Cattle prices lower after peaking in August. The deluge of supply tends to slow as October approaches, with the final placements.

Since 1987, January Feeder Cattle futures have declined in October 10 times. Following these weak Octobers, January Feeder have finished the month of November higher on a settlement basis 7 times, gaining an average of +0.775 cwt.

	September Close	October Close	October Change	November Close	November Change		November High	November Low
2005	*106.38*	*105.53*	*-0.85*	*103.95*	*-1.58*	*Down*	*105.85*	*99.40*
2004	90.95	94.80	3.85	99.38	4.58		99.50	93.60
2003	79.23	81.83	2.60	84.65	2.83		85.23	81.75
2002	*85.13*	*84.50*	*-0.63*	*84.53*	*0.03*	*Down*	*85.60*	*78.15*
2001	88.23	89.38	1.15	88.88	-0.50		89.85	87.70
2000	*82.48*	*82.38*	*-0.10*	*85.10*	*2.72*	*Down*	*85.85*	*81.70*
1999	70.50	74.35	3.85	70.50	-3.85		74.80	69.28
1998	*79.68*	*78.40*	*-1.27*	*79.93*	*1.52*	*Down*	*80.75*	*77.70*
1997	*65.65*	*65.10*	*-0.55*	*66.15*	*1.05*	*Down*	*69.10*	*64.73*
1996	63.90	64.63	0.73	64.43	-0.20		65.25	63.80
1995	72.70	75.43	2.72	72.83	-2.60		75.60	72.15
1994	84.58	84.65	0.08	81.28	-3.38		84.85	81.00
1993	*81.55*	*80.85*	*-0.70*	*83.90*	*3.05*	*Down*	*84.15*	*80.60*
1992	*85.58*	*83.93*	*-1.65*	*82.40*	*-1.52*	*Down*	*84.45*	*81.25*
1991	84.85	85.95	1.10	87.60	1.65		88.25	85.13
1990	*82.48*	*82.13*	*-0.35*	*82.63*	*0.50*	*Down*	*83.70*	*81.53*
1989	*84.03*	*82.95*	*-1.08*	*82.43*	*-0.53*	*Down*	*83.83*	*81.25*
1988	*78.45*	*72.15*	*-6.30*	*74.75*	*2.60*	*Down*	*76.40*	*70.15*
1987	62.00	62.05	0.05	63.60	1.55		64.25	61.75

Data compliments of www.geckosoftware.com
Past performance is not necessarily indicative of future results.

This cycle makes sense from the standpoint of placements. Many cow/calf operations are either not equipped or prepared to winter feed their livestock, hence they must place their cattle before winter sets in, and pasture conditions will sustain their herd. During this placement rush, feedlots have the upper hand, knowing that cow/calf operations are under the gun to place, and therefore they do not bid as aggressively for the feeders.

However, by the end of October, the cow/calf operations, which have not yet placed their cattle, may be holding out for higher prices. They will either fatten the cattle themselves, or winter graze the animals. Thus the supply of feeders tends to dry up, limiting the supply and forcing feedlots who want to expand their runs to bid aggressively for them. Thus, Feeder Cattle prices have often rallied into New Year on this game of “chicken.”

Of course, this pattern is not infallible. For example, last year January ’05 Feeder Cattle declined -0.85 cwt in October, then continued from 105.52 down to 99.40, before rallying back to post a loss of -1.57 cwt for November.

Using this historical anomaly as a guide, participants in the Feeder market should be on the look-out for at least temporary low in November in Bear markets and a gain in November in Bull markets.

December Live Cattle Statistics for Week #44

	5 Year	10 Year	19 Year
# Up	3	6	8
# Down	2	4	11
Total Change	-1.45	-0.83	-7.80
Avg Change	-0.29	-0.08	-0.41
Avg Up	0.83	0.81	0.67
Avg Dn	-1.98	-1.42	-1.19
Avg Range	2.85	2.20	1.92
# Higher Highs	2	5	10
# Lower Lows	1	3	9

January Feeder Cattle Statistics for Week #44

	5 Year	10 Year	19 Year
# Up	3	6	10
# Down	2	4	9
Total Change	3.58	4.36	2.33
Avg Change	0.72	0.44	0.12
Avg Up	1.44	1.33	1.02
Avg Dn	-0.36	-0.91	-0.87
Avg Range	1.91	1.86	1.75
# Higher Highs	4	7	11
# Lower Lows	1	4	9

December Lean Hogs Statistics for Week #44

	5 Year	10 Year	19 Year
# Up	5	6	9
# Down	0	4	10
Total Change	10.05	5.79	5.14
Avg Change	2.01	0.58	0.27
Avg Up	2.01	2.25	2.14
Avg Dn	#DIV/0!	-1.93	-1.42
Avg Range	3.20	3.11	2.47
# Higher Highs	2	5	8
# Lower Lows	2	5	11

Monday 30

Crop Progress

Tuesday 31

Halloween
Poultry Slaughter
Weather Crop Summary
Agricultural Prices

Wednesday 1

Thursday 2

Friday 3

Saturday 4

Sunday 5

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November 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Oct 1st	11,125	9,088	10,213	10,497	10,482	
During October:						
Placed on Feed	2,697	2,389	2,781	2,701	2,795	
Fed Cattle Marketed	1,891	1,979	1,855	1,798	1,744	
Other Disappearance	68	84	101	66	58	
Cattle on Feed Nov 1st	9,315	11,038	11,334	11,334	11,475	

October Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600	889	809	1023	912	880	
600 - 699	755	638	796	764	790	
700 - 799	589	522	508	529	600	
800 Plus	459	420	454	496	525	

COMMENTS: Marketing of Live Cattle for slaughter tends to reach its seasonal low in November ▪ Supplies of slaughter weight animals tend to be low as recent surge in placements can create winter holes in slaughter weight animals ▪ Cattle on Feed numbers tend to be the second highest of the year, peaking in December ▪ Boxed Beef prices tend to decline as increased competition from Turkey and Ham due to holidays weighs on beef ▪ Extreme early winter can increase other Disappearance

Source: USDA Cattle on Feed Report

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	2006
Jan Feeders	88.875	84.525	84.65	99.375	103.95	
Dec Corn	199.25	193.5	232.75	316.5	204.75	
Apr Live	71.35	75.95	86.5	87.2	95.725	
P&L	$(2.61)	$9.91	$21.17	$(4.16)	$20.55	

COMMENTS: Most Cattle have moved off of pasture into feedlots during the August through October placement rush ▪ Late spring bred calves tend to be lighter weight ▪ Lower supply and lower weights tend to be supportive of Feeder Steer prices ▪ Grain Harvests tends to create ample grain supplies and low prices which is supportive for Feeders

Source: Futures data compliments of www.GECKOSOFTWARE.com.

Hogs & Pigs

Weekly Slaughter Rate (in million pounds)

	2001	2002	2003	2004	2005	2006
Week 44	405.6	425.5	429.0	416.2	432.6	
Week 45	398.2	415.6	433.3	417.0	434.4	
Week 46	411.1	403.3	425.2	407.9	427.7	
Week 47	356.1	410.1	434.5	428.3	381.6	
Week 48	412.2	361.4	378.0	376.9	442.6	

Slaughter rate computed from Average Dressed Weight multiplied by the number of head slaughtered.

COMMENTS: Hog and Pig slaughter rates tend to peak in October and slow in November ▪ Average weekly slaughter rate in the last 5 years was 1.97 million head ▪ The slow down in slaughter tends to be supportive for prices as packers must raise bids to attract animals for slaughter ▪ Build ups in supply ahead of the Christmas Holiday season surge in demand is generally supportive of prices, especially in mid to late November

Source: Monthly Hogs & Pigs Report and USDA/AMS Daily Hog Slaughter Report

December Live Cattle Statistics for Week #45

	5 Year	10 Year	19 Year
# Up	3	5	12
# Down	2	5	7
Total Change	0.25	-0.70	2.23
Avg Change	0.05	-0.07	0.12
Avg Up	2.14	1.41	0.93
Avg Dn	-3.09	-1.54	-1.27
Avg Range	3.55	2.43	2.02
# Higher Highs	3	6	8
# Lower Lows	3	5	10

January Feeder Cattle Statistics for Week #45

	5 Year	10 Year	19 Year
# Up	1	5	11
# Down	3	4	7
Total Change	-4.75	-2.90	0.02
Avg Change	-0.95	-0.29	0.00
Avg Up	0.92	0.66	0.74
Avg Dn	-1.89	-1.55	-1.16
Avg Range	1.99	1.78	1.68
# Higher Highs	2	5	10
# Lower Lows	3	6	8

December Lean Hogs Statistics for Week #45

	5 Year	10 Year	19 Year
# Up	3	5	10
# Down	2	5	9
Total Change	2.47	1.80	-1.52
Avg Change	0.49	0.18	-0.08
Avg Up	2.06	1.86	1.23
Avg Dn	-1.85	-1.50	-1.54
Avg Range	3.45	2.78	2.43
# Higher Highs	5	6	8
# Lower Lows	0	4	12

Monday 6

Crop Progress

Tuesday 7

Weather Crop Summary

Wednesday 8

Thursday 9

Cotton Ginnings
Crop Production
WASDE

Friday 10

Saturday 11

Veterans' Day

Sunday 12

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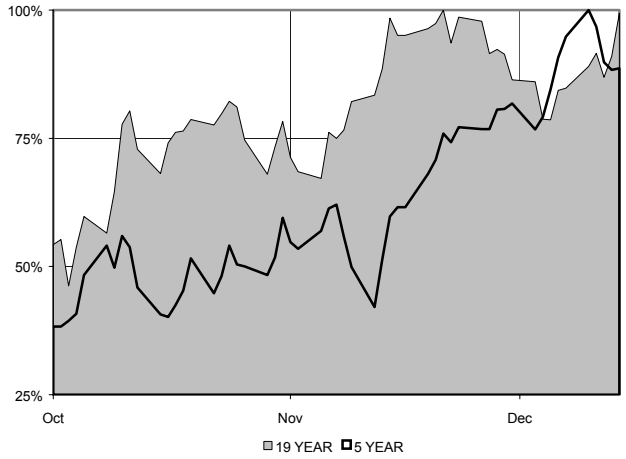
November 2006 Technical Overview

December Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

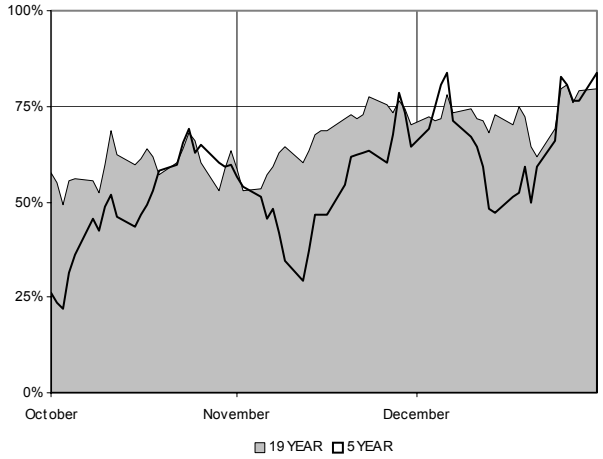
COMMENTS: Watch for November rallies, especially following a weak October ~ 5 out of the last 6 weak Octobers have seen November rallies, though the rallies have tended to be fairly weak ~ November weakness has been reversed in December 5 of the last 7 occurrences, with an average rally of 1.10 cwt basis February futures

19 Year Monthly Performance Summary

# Years Up	11	**# Higher Highs**	13
# Years Dn	8	**# Lower Lows**	8
Total Change	16.05	**# Expanded Range**	7
Avg Change	0.85	**# Narrow Range**	12
Avg Gain	2.50		
Avg Loss	-1.40	**5 Yr High**	99.30
Avg Range	4.02	**5 Yr Low**	61.75

January Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

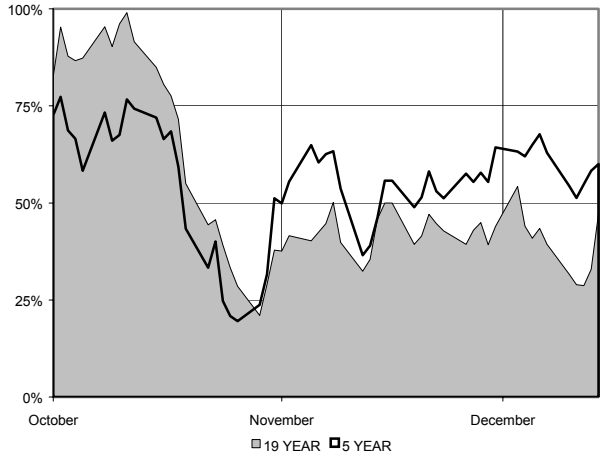
COMMENTS: 2nd least volatile month behind October ~ Look for November strength following a weak October (7 out of 10) ~ November rallies tend to continue in December (7 out of 11) ~ October weakness and the ensuing rally has continued through November and December 7 of 10 times with an average gain of +0.97 cwt

19 Year Monthly Performance Summary

# Years Up	11	**# Higher Highs**	9
# Years Dn	8	**# Lower Lows**	6
Total Change	7.92	**# Expanded Range**	9
Avg Change	0.42	**# Narrow Range**	10
Avg Gain	2.00		
Avg Loss	-1.77	**5 Yr High**	105.85
Avg Range	3.92	**5 Yr Low**	78.15

December Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: Best Novembers have followed the rare strong October ~ 8 of the last 15 down Octobers have been reversed in November, though the rally tends to be small ~ 9 of the last 10 lower November monthly lows have followed a weak October ~ 7 of the last 12 strong Novembers have been reversed in December basis the February contract

19 Year Monthly Performance Summary

# Years Up	11	**# Higher Highs**	7
# Years Dn	8	**# Lower Lows**	10
Total Change	18.67	**# Expanded Range**	9
Avg Change	0.97	**# Narrow Range**	10
Avg Gain	4.25		
Avg Loss	-3.52	**5 Yr High**	79.30
Avg Range	6.05	**5 Yr Low**	42.60

December Live Cattle Statistics for Week #46

	5 Year	10 Year	19 Year
# Up	3	7	15
# Down	2	3	4
Total Change	2.27	5.60	10.42
Avg Change	0.45	0.56	0.55
Avg Up	2.02	1.43	1.09
Avg Dn	-1.89	-1.47	-1.47
Avg Range	3.46	2.54	2.06
# Higher Highs	4	7	15
# Lower Lows	2	4	7

January Feeder Cattle Statistics for Week #46

	5 Year	10 Year	19 Year
# Up	4	6	11
# Down	1	4	8
Total Change	4.49	4.62	7.27
Avg Change	0.90	0.46	0.38
Avg Up	1.54	1.25	1.27
Avg Dn	-1.68	-0.72	-0.83
Avg Range	2.00	1.64	1.71
# Higher Highs	3	6	14
# Lower Lows	2	4	6

December Lean Hogs Statistics for Week #46

	5 Year	10 Year	19 Year
# Up	2	6	11
# Down	3	4	8
Total Change	-0.53	4.40	4.30
Avg Change	-0.11	0.44	0.23
Avg Up	2.19	1.99	1.39
Avg Dn	-1.63	-1.89	-1.37
Avg Range	3.02	2.93	2.34
# Higher Highs	2	6	12
# Lower Lows	3	5	9

Monday 13

Crop Progress

Tuesday 14

Weather Crop Summary

Wednesday 15

Thursday 16

Friday 17

Cattle on Feed
Farm Labor

Saturday 18

Sunday 19

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November Monthly Spread Trading Opportunity

The fourth quarter tends to see the heaviest slaughter rate of the year. This influx of supply combined with weak demand near Thanksgiving, a traditional Turkey Holiday, tends to weigh on nearby contracts relative to deferred contracts in most years.

- Long April 2006 Lean Hogs, Short February 2006 Lean Hogs
- Enter on roughly the 5th trading day of November, Exit on roughly the 5th trading day of January

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
11/7/1990	-3.23	1/8/1992	-0.88	2.35	-0.88	2.35	-2.48	0.75
11/7/1991	-2.08	1/7/1993	-0.55	1.53	-0.55	1.53	-2.65	-0.58
11/6/1992	-2.43	1/7/1994	1.78	4.20	1.90	4.33	-1.68	0.75
11/5/1993	-1.68	1/9/1995	1.33	3.00	1.65	3.33	-0.38	1.30
11/7/1994	0.38	1/8/1996	0.45	0.08	0.60	0.23	-0.75	-1.13
11/7/1995	-0.08	1/7/1997	-2.00	-1.93	-2.00	-1.93	-5.28	-5.20
11/7/1996	-4.98	1/7/1997	-2.00	2.98	-2.00	2.98	-5.28	-0.30
11/7/1996	-4.98	1/8/1998	-1.25	3.73	-0.58	4.40	-3.78	1.20
11/7/1997	-3.28	1/8/1999	4.15	7.43	7.18	10.45	2.40	5.68
11/6/1998	2.40	1/7/2000	2.08	-0.33	2.13	-0.28	-0.30	-2.70
11/5/1999	1.85	1/8/2001	1.55	-0.30	1.55	-0.30	-1.03	-2.88
11/7/2001	1.40	1/8/2002	4.95	3.55	4.95	3.55	1.40	0.00
11/7/2002	3.70	1/8/2003	6.30	2.60	6.45	2.75	3.08	-0.63
11/7/2003	1.58	1/8/2004	3.48	1.90	3.88	2.30	1.48	-0.10
11/5/2004	-3.70	1/7/2005	0.90	4.60	1.03	4.73	-3.70	0.00

# Observations	15	**Total P&L**	35.38	**Worst P&L**	-1.93
# Up	12	**Average P&L**	2.36	**Average Draw**	-0.26
# Down	3	**Average Gain**	3.16	**Worst Draw**	-5.20
% Up	80%	**Average Loss**	-0.85	**Worst Draw on Gain**	-1.13

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

December Live Cattle Statistics for Week #47

	5 Year	10 Year	19 Year
# Up	4	6	10
# Down	1	4	9
Total Change	4.23	1.82	2.00
Avg Change	0.85	0.18	0.11
Avg Up	1.26	1.14	1.11
Avg Dn	-0.82	-1.25	-1.01
Avg Range	2.36	2.00	1.73
# Higher Highs	3	6	12
# Lower Lows	1	3	5

January Feeder Cattle Statistics for Week #47

	5 Year	10 Year	19 Year
# Up	3	5	12
# Down	2	5	7
Total Change	0.95	-2.65	1.53
Avg Change	0.19	-0.26	0.08
Avg Up	1.10	0.75	0.78
Avg Dn	-1.18	-1.28	-1.13
Avg Range	1.68	1.65	1.51
# Higher Highs	3	5	10
# Lower Lows	1	4	8

December Lean Hogs Statistics for Week #47

	5 Year	10 Year	19 Year
# Up	2	5	10
# Down	3	5	9
Total Change	2.02	1.20	2.55
Avg Change	0.40	0.12	0.13
Avg Up	1.99	1.42	1.24
Avg Dn	-0.65	-1.18	-1.10
Avg Range	2.23	2.27	2.01
# Higher Highs	3	7	12
# Lower Lows	2	4	9

Monday 20

Crop Progress

Tuesday 21

Weather Crop Summary
Chickens and Eggs
Cold Storage

Wednesday 22

Thursday 23

Thanksgiving Day

Friday 24

Cotton Ginnings
Livestock Slaughter
Dairy Products Prices
Monthly Agnews

Saturday 25

Sunday 26

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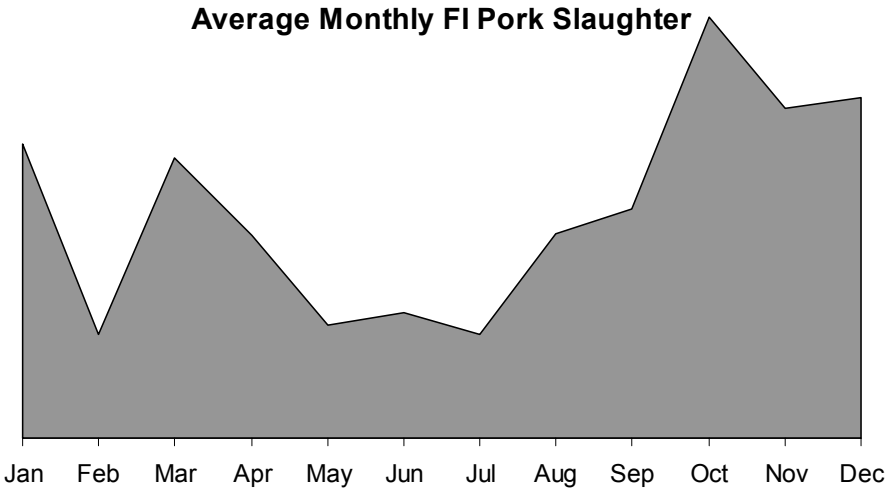
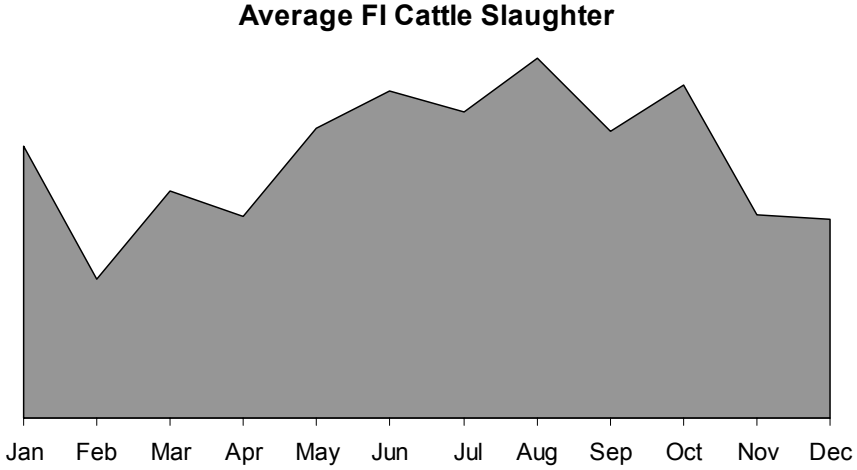
Slaughter Patterns

Just as breeding and feeding patterns tend to follow a semi-regular pattern throughout the year, so too does slaughter. Packers try to keep animal slaughter rates in line with future demand, which is extremely seasonal in nature.

In the Hog market, slaughter rates tend to bottom in July and pick up throughout the summer and into late fall, finally topping out in most years in early November. This makes sense, as demand for Pork tends to increase in the summer, and fall. Slaughter rates tend to slow in December due to the holidays, and decline in the early part of the year as dictated by breeding patterns. This pattern is evident in the 5 year average weekly slaughter graph below.



The Cattle market follows a similar balancing act between available supply and consumer demand, though it is not as pronounced as that for Pork. Slaughter tends to peak in June to meet barbeque demand for the summer as well as too free up space in feedlots for the summer/fall placement rush.



Though generally increased slaughter is viewed as a negative for pricing, one should look at cash pricing – like pork cut-outs and boxed beef prices – in conjunction with slaughter levels. If prices are rising on increasing slaughter it is a clue that consumer demand is strong, while when prices decline it is evident that slaughter rates are greater than demand.

March Live Cattle Statistics for Week #48

	5 Year	10 Year	19 Year
# Up	4	6	9
# Down	1	4	10
Total Change	10.68	10.98	8.88
Avg Change	2.14	1.10	0.47
Avg Up	2.79	2.15	1.85
Avg Dn	-0.50	-0.48	-0.78
Avg Range	3.22	2.30	1.91
# Higher Highs	5	7	12
# Lower Lows	1	4	9

January Feeder Cattle Statistics for Week #48

	5 Year	10 Year	19 Year
# Up	3	6	11
# Down	2	4	8
Total Change	-0.73	-0.08	1.54
Avg Change	-0.15	-0.01	0.08
Avg Up	0.22	0.39	0.51
Avg Dn	-0.70	-0.61	-0.51
Avg Range	1.72	1.57	1.34
# Higher Highs	2	4	11
# Lower Lows	3	7	8

February Lean Hogs Statistics for Week #48

	5 Year	10 Year	19 Year
# Up	3	5	9
# Down	2	5	10
Total Change	2.73	3.96	-1.07
Avg Change	0.55	0.40	-0.06
Avg Up	1.34	1.46	1.04
Avg Dn	-0.65	-0.66	-1.04
Avg Range	2.13	2.20	1.98
# Higher Highs	3	6	10
# Lower Lows	2	4	9

Monday 27

Crop Progress

Tuesday 28

Weather Crop Summary

Wednesday 29

Broiler Hatchery

Thursday 30

Poultry Slaughter
Agricultural Prices

Friday 1

Saturday 2

Sunday 3

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December 2006 Livestock Fundamentals

Live Cattle & Beef

Cattle on Feed 1,000 + Capacity (in 1,000 Head)

	2001	2002	2003	2004	2005	2006
Cattle On Feed Nov 1st	11,863	9,315	11,038	11,334		
During November:						
Placed on Feed	1,908	1,667	1,926			
Fed Cattle Marketed	1,800	1,731	1,537			
Other Disappearance	80	90	97			
Cattle on Feed Dec 1st	9,395	11,330				

November Number Placed on Feed by Weight Group (in 1,000 head)

	2001	2002	2003	2004	2005	2006
Less Than 600	418	421	503			
600 - 699	475	507	529			
700 - 799	413	407	448			
800 Plus	272	255	268			

Source: USDA Cattle on Feed reports

COMMENTS: December tends to see the peak in the number of Cattle on Feed in absolute terms ▪ Large placements from August through October combined with a slow down in marketings tends to see yards very full ▪ Marketing pick up as New Years demand increases, but still relatively slow ▪ December traditionally sees the 3rd lowest placements of the year ▪ When strong demand is present, low supplies can cause prices to be explosive ▪ Look for winter kill to increase, which can be explosive

Feeder Cattle & Grains

Cattle Feeder Costs to Live Price Relationship

	2001	2002	2003	2004	2005	2006
Jan Feeders	91.5	86.025	83.8	78.925		
Mar Corn	188.75	225.5	228.5	257.5		
Jun Live	70.175	78.475	93.175	89.55		
P&L	$(5.65)	$7.97	$33.29	$28.31		

Source: Futures data compliments of www.GECKOSOFTWARE.com.

COMMENTS: 3rd lowest placements of the year tend to see Feeder Cattle prices drift lower ▪ Feeder Weight Cattle tend to make their yearly lows - on a cash basis – in December ▪ However, cheap feed and increasing demand for beef as Christmas and New Years approach tends to be supportive of futures ▪ Transportation difficulties make supply limited

Hogs & Pigs

December 1st Hogs and Pigs Report - 50 States (in 1,000 head)

Inventory:	2001	2002	2003	2004	2005	2006
All Hogs and Pigs	58,774	58,943	60,389	59,520		
Kept for Breeding	6,209	6,012	5,965	5,961		
For Market	52,564	52,931	54,,423	53,558		
Sows Farrowing:						
Sept - Nov	2,846	2,817	2,769	2,852		
June - Nov	5,684	5,650	5,746	5,740		
Dec - Feb	2,748	2,836	2,807	2,836		
March - May	2,870	2,943	2,854	2,870		
Weight Categories						
Under 60 lbs	19,304	19,461	19,744	19,823		
60 - 119 lbs	12,750	12,919	13,259	12,954		
120 - 179 lbs	10,792	10,736	11,110	11,205		
180 + lbs	9,718	9,815	10,312	9,578		

Source: USDA/NASS September Hogs and Pigs Report

COMMENTS: All Hogs and Pig Inventory tends to decline from previous report ▪ Heavier slaughter weights tend to be seen in the September through December period ▪ Breeding animals retained tends to diminish, remaining in the 10.5 to 11.5% of population range in recent years ▪ Slaughter rates slow precipitously at the end of the year due to holidays ▪ Plant closures are a normal event causing volatility to decrease ▪ The draw down in storage stocks due to slow slaughter can create shortages in January

February Live Cattle Statistics for Week #49

	5 Year	10 Year	19 Year
# Up	1	2	6
# Down	4	8	13
Total Change	-4.65	-5.97	-8.10
Avg Change	-0.93	-0.60	-0.43
Avg Up	0.93	0.75	0.95
Avg Dn	-1.39	-0.93	-1.06
Avg Range	2.39	1.90	1.90
# Higher Highs	2	3	7
# Lower Lows	2	4	9

January Feeder Cattle Statistics for Week #49

	5 Year	10 Year	19 Year
# Up	2	6	8
# Down	3	4	10
Total Change	0.08	2.36	-3.99
Avg Change	0.02	0.24	-0.21
Avg Up	1.11	0.75	0.81
Avg Dn	-0.71	-0.54	-1.05
Avg Range	1.69	1.54	1.61
# Higher Highs	3	7	10
# Lower Lows	1	2	8

February Lean Hogs Statistics for Week #49

	5 Year	10 Year	19 Year
# Up	2	5	9
# Down	3	5	10
Total Change	-2.68	-3.35	-7.10
Avg Change	-0.54	-0.34	-0.37
Avg Up	1.08	0.94	0.81
Avg Dn	-1.61	-1.61	-1.44
Avg Range	3.05	2.66	2.28
# Higher Highs	3	6	9
# Lower Lows	3	4	9

Monday 4

Tuesday 5

Weather Crop Summary

Wednesday 6

Thursday 7

Friday 8

Saturday 9

Sunday 10

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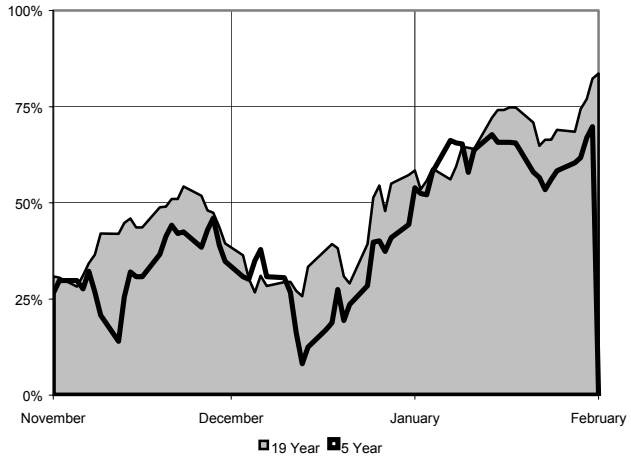
December 2006 Technical Overview

February Live Cattle Futures

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

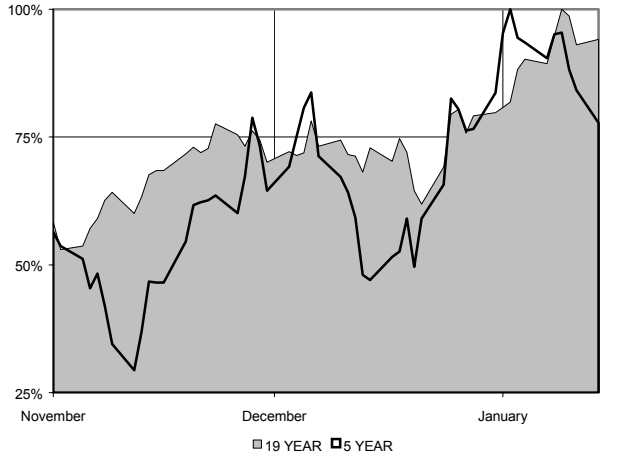
COMMENTS: Watch for volatility to expand from November ~ December tends to reverse November breaks (5 of last 7 times) ~ Following a strong December, February Cattle have rallied in January 8 of 11 times, gaining an average of +1.45 cwt on a monthly settlement basis ~ Expect volatility to increase

19 Year Monthly Performance Summary

# Years Up	11	**# Higher Highs**	13
# Years Dn	8	**# Lower Lows**	9
Total Change	-9.17	**# Expanded Range**	14
Avg Change	-0.47	**# Narrow Range**	5
Avg Gain	2.20		
Avg Loss	-4.17	**5 Yr High**	94.95
Avg Range	5.10	**5 Yr Low**	67.10

January Feeder Cattle

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

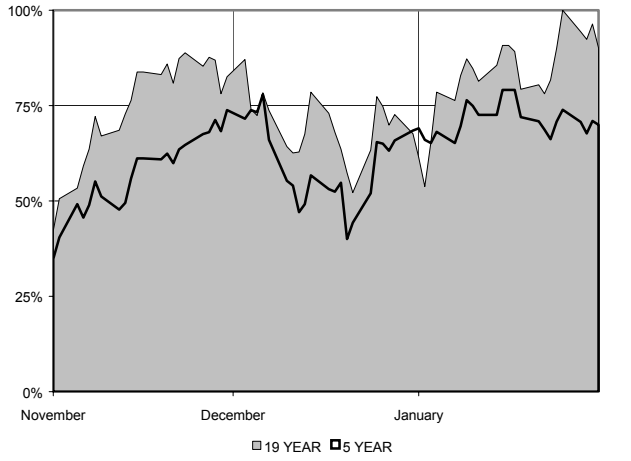
COMMENTS: 7 of the last 11 strong Decembers have followed a strong November ~ Volatility tends to increase slightly in December ~ Strong Decembers tend to see higher highs in January (8 of last 11) though the gains can be fleeting ~ December weakness has been reversed in January 4 of last 7 times

19 Year Monthly Performance Summary

# Years Up	11	**# Higher Highs**	12
# Years Dn	8	**# Lower Lows**	6
Total Change	-17.92	**# Expanded Range**	9
Avg Change	-0.95	**# Narrow Range**	10
Avg Gain	1.95		
Avg Loss	-4.92	**5 Yr High**	106.30
Avg Range	5.10	**5 Yr Low**	78.50

February Lean Hogs

19 year Seasonal Average



Years 1986 to 2005 settlement values used.

COMMENTS: Worst Decembers have followed November rallies while the best Decembers have followed weak Novembers ~ 5 of the last 8 December rallies have been reversed in January (average decline –1.02 cwt) ~ 7 of the last 10 December declines have been reversed in January (average rally +3.05 cwt) ~ Least volatile month of the Year… *HAPPY HOLIDAYS*

19 Year Monthly Performance Summary

# Years Up	8	**# Higher Highs**	8
# Years Dn	11	**# Lower Lows**	9
Total Change	-15.05	**# Expanded Range**	8
Avg Change	-0.80	**# Narrow Range**	11
Avg Gain	1.85		
Avg Loss	-2.72	**5 Yr High**	77.72
Avg Range	5.35	**5 Yr Low**	50.52

February Live Cattle Statistics for Week #50

	5 Year	10 Year	19 Year
# Up	2	3	10
# Down	3	7	9
Total Change	-3.20	-9.02	-1.90
Avg Change	-0.64	-0.90	-0.10
Avg Up	1.02	0.73	1.17
Avg Dn	-1.75	-1.60	-1.51
Avg Range	2.14	2.24	1.95
# Higher Highs	2	3	10
# Lower Lows	3	8	10

January Feeder Cattle Statistics for Week #50

	5 Year	10 Year	19 Year
# Up	2	5	11
# Down	3	5	8
Total Change	-6.55	-7.88	-1.88
Avg Change	-1.31	-0.79	-0.10
Avg Up	0.19	0.50	0.92
Avg Dn	-2.31	-2.08	-1.50
Avg Range	2.26	2.00	1.80
# Higher Highs	1	3	7
# Lower Lows	4	7	10

February Lean Hogs Statistics for Week #50

	5 Year	10 Year	19 Year
# Up	1	3	10
# Down	4	7	9
Total Change	-6.68	-15.85	-10.40
Avg Change	-1.34	-1.59	-0.55
Avg Up	0.30	0.34	0.84
Avg Dn	-1.74	-2.41	-2.08
Avg Range	2.87	3.09	2.44
# Higher Highs	2	4	8
# Lower Lows	3	6	10

Monday 11

Cotton Ginnings
Crop Production
WASDE

Tuesday 12

Weather Crop Summary

Wednesday 13

Thursday 14

Friday 15

Hanukkah begins at sundown

Saturday 16

Sunday 17

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December Monthly Spread Trading Opportunity

The fourth quarter tends to see the heaviest slaughter rate of the year. This influx of supply combined with weak demand in the Holidays, which tend to favor beef roasts and turkeys over pork, tends to weigh on nearby contracts relative to deferred contracts in most years.

- Long April 2007 Lean Hogs, Short February 2007 Lean hogs
- Enter on roughly the 4th trading day of December, Exit on roughly the 5th trading day of January

Hypothetical Performance Record

Entry Date	Spread Entry	Exit Date	Spread Exit	P&L (cwt)	Best Price	Best P&L(cwt)	Worst Price	Worst P&L(cwt)
12/5/1991	-1.93	1/8/1992	-0.88	1.05	-0.88	1.05	-2.40	-0.48
12/4/1992	-2.03	1/7/1993	-0.55	1.48	-0.55	1.48	-2.10	-0.08
12/6/1993	0.28	1/7/1994	1.78	1.50	1.90	1.63	0.20	-0.08
12/6/1994	0.98	1/9/1995	1.33	0.35	1.65	0.68	-0.38	-1.35
12/6/1995	-0.23	1/8/1996	0.45	0.68	0.45	0.68	-0.75	-0.53
12/5/1996	-5.13	1/7/1997	-2.00	3.13	-2.00	3.13	-5.13	0.00
12/5/1996	-5.13	1/7/1997	-2.00	3.13	-2.00	3.13	-5.13	0.00
12/4/1997	-3.18	1/8/1998	-1.25	1.93	-0.58	2.60	-3.50	-0.33
12/4/1998	4.10	1/8/1999	4.15	0.05	7.18	3.08	4.10	0.00
12/6/1999	0.55	1/7/2000	2.08	1.53	2.13	1.58	0.05	-0.50
12/6/2000	-0.60	1/8/2001	1.55	2.15	1.55	2.15	-0.70	-0.10
12/6/2001	4.33	1/8/2002	4.95	0.63	4.95	0.63	2.58	-1.75
12/5/2002	5.08	1/8/2003	6.30	1.23	6.45	1.38	5.08	0.00
12/4/2003	3.18	1/8/2004	3.48	0.30	3.78	0.60	1.48	-1.70
12/6/2004	-2.65	1/7/2005	0.90	3.55	1.03	3.68	-2.65	0.00

# Observations	15	**Total P&L**	22.65	**Worst P&L**	0.05
# Up	15	**Average P&L**	1.51	**Average Draw**	-0.46
# Down	0	**Average Gain**	1.51	**Worst Draw**	-1.75
% Up	100%	**Average Loss**	#DIV/0!	**Worst Draw on Gain**	-1.75

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

February Live Cattle Statistics for Week #51

	5 Year	10 Year	19 Year
# Up	3	6	12
# Down	2	4	7
Total Change	6.00	6.52	6.15
Avg Change	1.20	0.65	0.32
Avg Up	2.12	1.29	0.95
Avg Dn	-0.19	-0.31	-0.75
Avg Range	2.44	1.93	1.67
# Higher Highs	4	5	9
# Lower Lows	1	3	5

January Feeder Cattle Statistics for Week #51

	5 Year	10 Year	19 Year
# Up	4	4	9
# Down	1	6	10
Total Change	5.80	2.97	-0.43
Avg Change	1.16	0.30	-0.02
Avg Up	1.49	1.49	0.89
Avg Dn	-0.15	-0.50	-0.84
Avg Range	2.18	1.70	1.60
# Higher Highs	4	7	11
# Lower Lows	2	6	9

February Lean Hogs Statistics for Week #51

	5 Year	10 Year	19 Year
# Up	4	6	9
# Down	1	4	10
Total Change	5.15	5.20	3.50
Avg Change	1.03	0.52	0.18
Avg Up	1.61	1.32	1.11
Avg Dn	-1.28	-0.68	-0.65
Avg Range	2.64	2.26	1.83
# Higher Highs	2	2	7
# Lower Lows	2	6	9

Monday 18

Tuesday 19

Weather Crop Summary

Wednesday 20

Thursday 21

Cold Storage

Friday 22

Cotton Ginnings
Livestock Slaughter
Cattle on Feed
Monthly Agnews

Winter Solstice

Saturday 23

Sunday 24

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Weekly Cattle Slaughter

Week#	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1	871.8	808.3	792.8	827.1	508.7	427.5	435.5	431.8	329.9	415.3	
2	991.9	996.6	1001.6	1018.8	518.6	505.7	519.3	508.0	423.9	446.2	
3	985.6	1015.7	1009.0	1085.2	527.1	496.1	528.8	507.8	450.3	453.0	
4	967.8	1008.1	992.4	1079.3	511.4	492.7	506.7	511.5	472.1	453.2	
5	926.6	949.9	964.6	1001.8	521.0	465.2	498.1	504.8	453.0	450.1	
6	923.9	969.6	977.5	979.3	518.2	454.7	485.6	497.5	452.0	443.0	
7	998.3	933.1	978.3	997.6	511.1	471.5	498.2	471.1	452.6	439.6	
8	987.5	927.6	986.6	990.1	501.8	460.1	491.4	472.4	438.7	434.5	
9	981.9	925.2	979.2	982.6	503.1	459.2	474.8	478.8	434.6	433.5	
10	958.6	935.4	961.5	997.0	496.3	467.3	487.0	479.9	457.5	447.7	
11	952.6	920.0	901.3	480.5	495.2	476.5	492.2	488.8	461.6	453.5	
12	962.7	897.0	928.7	476.7	501.4	473.3	482.3	486.0	451.6	447.5	
13	901.3	917.5	960.8	474.1	497.6	462.7	471.3	459.2	452.5	425.4	
14	943.6	918.1	944.9	468.6	489.1	441.1	465.1	473.4	419.2	421.9	
15	940.5	927.4	924.5	478.5	485.0	454.3	482.3	477.4	415.2	433.6	
16	971.3	965.8	954.7	480.6	491.9	454.4	510.2	484.8	435.8	436.2	
17	1017.8	959.5	956.7	506.8	508.2	479.9	519.7	488.7	463.8	447.3	
18	1012.6	980.4	985.1	519.2	511.6	498.2	535.5	512.8	486.0	465.3	
19	1036.8	1024.3	1011.4	506.2	520.3	519.9	519.7	525.6	503.7	488.5	
20	1049.2	990.8	1011.0	511.7	525.9	522.0	523.9	549.2	507.0	489.5	
21	1047.6	1012.1	1021.7	531.3	529.8	536.6	527.5	564.0	508.7	496.1	
22	922.5	874.9	897.4	528.1	464.1	460.1	473.5	486.6	511.0	495.7	
23	1063.2	1026.8	1031.6	450.2	530.6	513.4	551.4	585.8	431.8	432.0	
24	1082.7	979.2	1016.4	523.4	533.3	517.5	550.1	574.7	516.7	502.1	
25	1001.6	1001.9	1026.0	528.9	547.4	526.8	557.6	558.0	495.2	510.7	
26	1021.9	1034.9	1007.4	523.9	535.7	534.0	571.6	561.2	502.6	496.0	
27	845.3	849.5	919.6	520.7	452.9	450.0	479.2	467.2	491.2	503.4	
28	981.3	1017.3	989.4	458.0	539.7	518.0	546.0	553.8	406.0	430.8	
29	1012.4	1028.2	964.0	520.8	524.6	508.0	545.2	556.1	481.2	508.2	
30	957.0	1023.9	976.3	512.5	520.9	498.2	540.1	544.6	491.9	504.1	
31	951.3	1049.0	998.7	508.3	525.3	509.2	548.4	533.3	483.8	496.2	
32	1012.3	1020.5	1031.9	499.6	523.0	511.4	541.4	538.6	478.6	486.7	
33	1007.9	1003.5	1043.0	523.1	524.2	539.6	554.1	542.4	495.8	491.6	
34	1041.8	1043.9	1025.0	533.7	550.0	551.4	560.6	547.7	491.0	518.6	
35	1002.6	1030.9	1052.3	538.2	544.8	546.6	551.6	549.9	483.7	521.6	
36	848.7	882.3	1029.2	541.5	474.8	475.3	488.6	485.8	497.1	499.3	
37	979.3	1037.0	909.0	457.4	545.9	534.5	522.3	560.3	420.4	453.6	
38	924.0	976.0	1032.4	538.1	548.5	514.7	527.1	546.3	494.8	512.7	
39	888.9	951.2	1005.4	527.6	533.4	521.9	544.4	511.8	480.0	503.5	
40	916.1	970.2	981.9	532.5	534.0	508.7	530.1	489.5	495.1	479.1	
41	930.5	1013.3	992.1	534.6	529.6	512.1	549.0	476.6	485.8	489.5	
42	942.0	998.7	1000.5	523.1	529.9	527.8	554.7	466.4	492.8	477.7	
43	937.8	992.6	1014.0	524.0	536.0	524.9	550.8	485.7	500.1	485.5	
44	944.7	969.1	983.6	509.5	516.5	516.9	530.5	473.3	498.1	493.6	
45	955.8	984.1	996.7	508.9	488.6	516.0	516.3	447.6	455.7	498.9	
46	918.3	938.6	948.2	494.3	489.6	504.6	498.5	447.8	464.3	467.7	
47	919.1	967.8	974.0	497.3	450.0	453.4	522.7	448.2	465.8	434.7	
48	825.8	874.8	864.7	429.3	499.0	516.2	480.6	405.7	359.2	473.0	
49	947.8	942.6	962.9	501.2	496.3	514.0	514.2	460.1	448.7		
50	942.2	916.6	960.5	489.9	482.9	537.4	495.1	457.2	477.8		
51	922.0	921.4	995.0	505.8	477.5	541.5	499.4	474.4	472.9		
52	698.6	721.4	700.4	376.7	411.9	397.1	402.5	336.9	382.0		

Source: http://www.ams.usda.gov/mnreports/wa_ls711.txt |
Data derived from weekly slaughter in # of head multiplied Average Dressed Weight

February Live Cattle Statistics for Week #52

	5 Year	10 Year	19 Year
# Up	3	6	13
# Down	2	3	5
Total Change	2.21	4.03	10.16
Avg Change	0.44	0.40	0.53
Avg Up	1.60	1.31	1.17
Avg Dn	-1.30	-1.28	-1.02
Avg Range	2.33	2.03	1.81
# Higher Highs	4	8	13
# Lower Lows	2	4	6

January Feeder Cattle Statistics for Week #52

	5 Year	10 Year	19 Year
# Up	4	7	13
# Down	1	3	6
Total Change	2.58	1.81	4.51
Avg Change	0.52	0.18	0.24
Avg Up	0.91	0.89	0.72
Avg Dn	-1.08	-1.48	-0.80
Avg Range	1.58	1.63	1.43
# Higher Highs	4	6	12
# Lower Lows	1	3	5

February Lean Hogs Statistics for Week #52

	5 Year	10 Year	19 Year
# Up	2	4	7
# Down	3	6	12
Total Change	1.33	1.18	-2.67
Avg Change	0.27	0.12	-0.14
Avg Up	0.95	1.26	0.85
Avg Dn	-0.19	-0.64	-0.72
Avg Range	2.12	2.16	1.74
# Higher Highs	3	6	8
# Lower Lows	3	6	12

Monday 25

Christmas Day

Tuesday 26

Wednesday 27

Weather Crop Summary
Broiler Hatchery
Quarterly Hogs and Pigs

Thursday 28

Agricultural Prices

Friday 29

Dairy Products Prices
Poultry Slaughter

Saturday 30

Sunday 31

New Year's Eve

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Weekly Hog Slaughter

Week#	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1	608.5	560.3	638.8	648.1	372.4	336.6	310.8	345.7	361.1	358.2	
2	714.9	631.4	774.1	791.1	387.1	375.1	394.2	385.5	404.2	400.8	
3	660.1	639.3	774.1	815.6	370.9	379.0	391.1	395.2	422.6	410.8	
4	702.1	675.5	721.8	776.2	359.3	377.0	376.1	379.7	408.7	402.7	
5	623.9	643.4	730.6	753.5	361.5	367.9	366.4	379.0	381.2	403.8	
6	661.6	647.6	715.4	735.4	368.8	352.3	364.4	377.0	386.9	398.3	
7	667.5	647.4	715.7	742.3	368.8	381.2	370.8	380.4	394.7	408.2	
8	672.7	636.5	712.8	735.6	369.0	366.5	368.5	373.1	383.8	418.6	
9	681.9	654.5	736.3	749.7	374.5	368.2	367.3	383.1	394.8	398.0	
10	653.9	671.9	732.4	751.9	369.1	363.3	366.3	381.3	397.7	399.1	
11	682.8	668.1	714.5	369.9	370.8	363.9	377.4	380.5	392.0	389.7	
12	658.5	674.3	715.7	376.7	363.2	371.2	381.0	385.6	390.2	390.8	
13	657.2	685.7	722.0	375.0	364.6	367.0	371.0	382.3	384.2	393.6	
14	664.5	651.9	711.6	362.3	354.0	371.3	372.2	376.8	388.0	399.0	
15	664.6	645.0	710.4	356.2	357.3	368.4	381.9	380.4	394.6	401.3	
16	684.4	663.2	696.2	380.3	331.7	352.6	375.0	373.5	395.7	404.0	
17	660.9	618.4	701.2	379.9	336.6	360.8	383.0	371.9	390.4	399.8	
18	666.8	624.6	705.6	358.3	350.1	347.3	373.2	359.9	382.3	389.5	
19	629.2	610.3	696.3	344.9	344.5	351.2	370.5	370.0	366.8	375.3	
20	632.5	614.3	688.5	356.2	341.9	343.4	371.8	361.4	366.7	369.1	
21	596.0	607.1	666.0	351.0	346.5	347.9	367.7	359.9	379.7	387.6	
22	535.3	537.6	600.1	338.4	287.6	305.0	313.4	301.1	373.2	390.0	
23	583.2	618.5	638.5	308.9	350.3	341.2	373.1	364.2	324.8	333.9	
24	606.1	624.8	662.6	352.6	342.7	341.5	356.0	369.1	378.8	383.7	
25	582.1	610.2	662.7	350.2	343.5	339.8	358.7	355.3	373.0	382.9	
26	581.9	615.8	640.5	343.8	344.6	332.1	359.4	353.1	368.1	375.7	
27	487.7	489.7	604.9	352.3	279.0	278.2	285.1	290.6	355.7	372.2	
28	594.5	611.1	639.0	298.9	353.3	339.6	344.6	352.5	317.8	320.5	
29	608.7	610.2	686.5	359.4	347.1	334.7	351.6	359.1	373.0	368.3	
30	584.7	596.9	671.3	332.2	341.3	334.9	349.4	354.3	368.3	368.0	
31	596.2	586.8	680.8	341.2	340.3	338.2	350.6	353.3	370.2	363.4	
32	595.6	609.6	678.6	343.5	350.7	331.8	348.6	353.4	363.4	358.3	
33	629.0	630.0	715.7	350.5	357.6	347.5	365.3	381.5	379.5	374.6	
34	639.1	638.7	705.7	349.7	362.6	345.8	379.9	366.0	396.8	386.9	
35	643.2	666.8	716.3	358.4	355.1	360.4	391.7	372.2	391.4	389.6	
36	558.0	596.0	717.3	368.9	340.0	336.5	358.1	340.6	403.7	393.9	
37	713.5	694.8	645.5	330.8	381.8	378.0	396.6	382.8	368.8	364.2	
38	672.5	700.9	759.0	375.8	370.9	383.3	403.2	387.4	415.3	400.8	
39	693.1	694.3	743.1	381.3	381.3	404.0	395.5	391.4	416.6	417.2	
40	680.1	685.4	759.7	389.9	379.3	383.3	387.3	406.2	409.2	414.0	
41	680.1	716.5	774.5	387.0	387.4	400.0	395.9	412.6	399.1	413.8	
42	684.8	715.0	781.1	400.3	384.7	412.7	396.6	424.1	431.4	426.2	
43	686.6	708.9	782.5	395.7	401.1	406.2	406.0	419.1	436.0	440.5	
44	693.8	747.7	800.5	401.9	412.1	405.6	425.5	429.0	416.2	432.6	
45	691.7	736.2	820.2	408.1	387.9	398.2	415.6	433.3	417.0	434.4	
46	669.0	729.4	801.8	396.2	402.5	411.1	403.3	425.2	407.9	427.7	
47	717.6	760.4	845.8	394.0	347.6	356.1	410.1	434.5	428.3	381.6	
48	589.6	640.8	713.0	344.4	400.9	412.2	361.4	378.0	376.9	442.6	
49	685.8	746.2	836.2	396.0	393.4	422.1	406.1	426.6	425.2		
50	685.8	734.3	849.9	387.2	383.5	408.1	403.9	432.3	426.0		
51	661.2	787.5	865.1	417.4	366.5	429.0	433.3	447.1	453.9		
52	519.3	553.9	555.4	314.6	322.0	303.8	311.9	316.7	341.7		

Source: http://www.ams.usda.gov/mnreports/wa_ls711.txt |
Data derived from weekly slaughter in # of head multiplied Average Dressed Weight

APPENDIX I

Cattle Inventory

- **Cattle & Calf Inventory January 1st**
- **Calf Crop**

Cattle on Feed

Monthly Cattle on Feed Report

- **Cattle on Feed**
- **Placements**
- **Placements by Weight Group**
- **Marketings**
- **Other Disappearance**

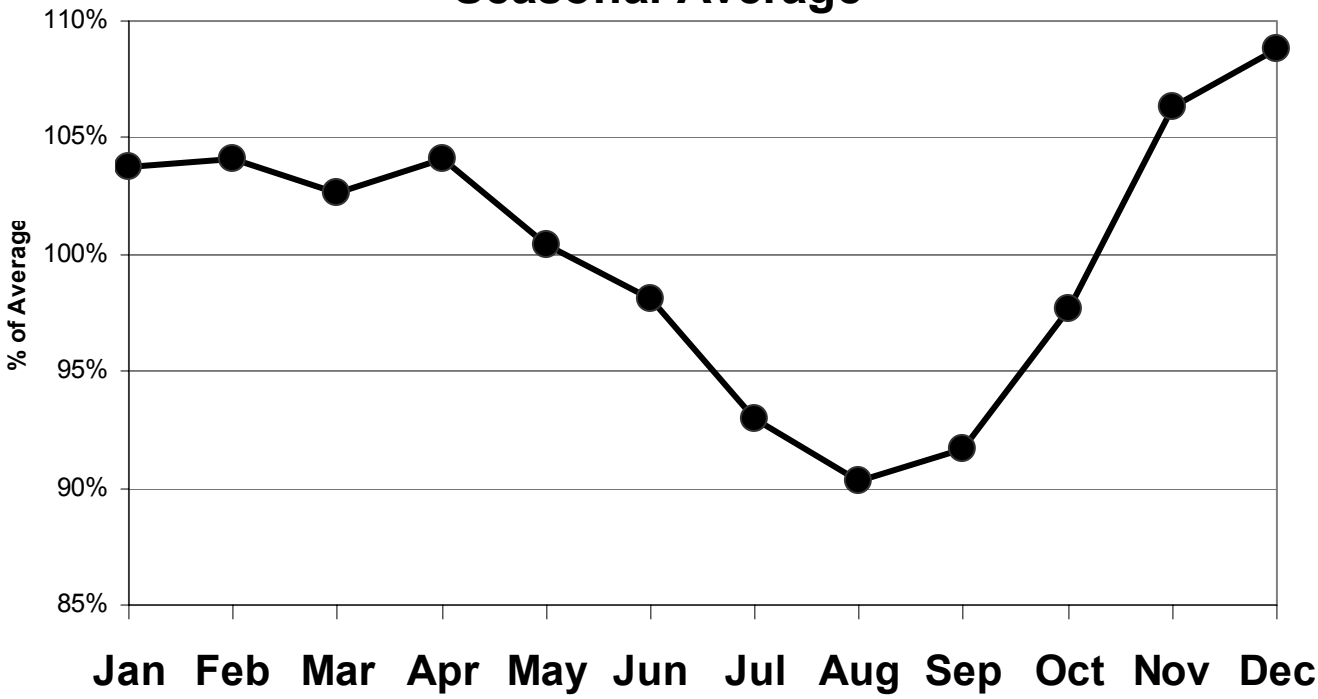
Slaughter and World Statistics

- **Cattle Slaughter Monthly and Yearly**
- **World Beef and Veal Statistics**

Cattle On Feed

(in Thousand Head)

Seasonal Average



ADJUSTED CATTLE ON FEED (Thousand Head)

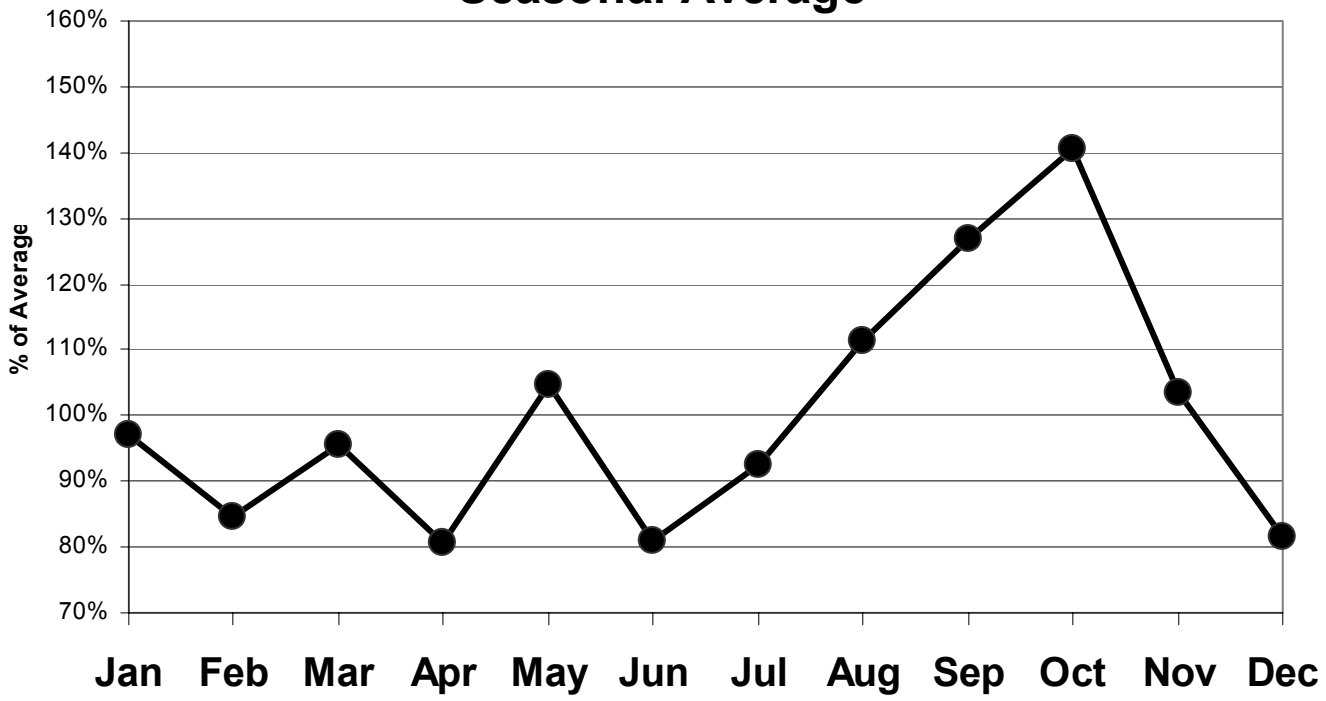
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1986	7,095	6,817	6,514	6,509	6,380	6,438	5,967	5,802	5,909	6,335	7,040	7,247
1987	6,923	6,575	6,446	6,512	6,563	6,920	6,597	6,176	6,337	7,055	7,819	7,829
1988	7,322	7,085	6,824	6,970	6,807	7,148	6,815	6,314	6,199	6,671	7,399	7,385
1989	7,003	6,883	6,841	7,140	7,032	6,850	6,374	5,981	5,920	6,269	7,143	7,453
1990	7,293	7,363	7,180	7,348	7,122	6,931	6,475	6,224	6,271	6,933	7,891	8,158
1991	7,906	7,887	7,801	7,883	7,600	7,680	7,072	6,662	6,427	6,583	7,272	7,583
1992	7,206	7,046	7,031	6,979	6,862	6,930	6,506	6,237	6,242	6,789	7,854	8,025
1993	8,080	7,948	7,672	7,590	7,291	7,366	7,017	6,810	6,981	7,437	8,219	8,418
1994	8,256	8,139	7,981	7,960	7,772	7,511	6,910	6,841	6,949	7,295	7,988	8,198
1995	8,031	8,119	8,227	8,328	8,233	8,182	7,734	7,391	7,189	7,722	8,420	8,685
1996	10,346	9,900	9,696	9,812	9,173	8,601	7,840	7,546	7,831	8,841	10,073	10,633
1997	10,558	10,341	10,275	10,391	9,926	9,615	8,958	8,770	9,121	9,963	10,988	11,436
1998	11,155	10,785	10,365	10,107	9,717	9,703	9,161	8,985	9,022	9,747	10,755	11,033
1999	9,021	10,509	10,420	10,394	10,032	9,987	9,565	9,209	9,536	10,276	11,475	11,761
2000	9,752	11,574	11,330	11,202	10,944	10,967	10,399	10,180	10,374	11,016	11,864	11,948
2001	11,798	11,941	11,695	11,523	11,170	11,245	11,011	10,891	10,855	11,125	11,863	11,891
2002	11,572	9,951	9,905	11,577	10,951	9,449	9,056	8,750	8,845	9,088	9,315	9,395
2003	10,593	10,683	10,521	10,703	10,530	10,534	9,923	9,585	9,829	10,213	11,038	11,330
2004	11,565	11,128	10,977	10,748	10,360	10,625	10,117	9,853	9,973	10,497	11,334	
2005												
2006												

Years prior to 1992 are adjusted based on 92-93 factor
Source: USDA/NASS Cattle On Feed Report

Cattle Placements

(in Thousand Head)

Seasonal Average



ADJUSTED CATTLE PLACEMENTS (Thousand Head)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1986	1,352	1,075	1,517	1,446	1,650	1,056	1,443	1,703	1,983	2,208	1,586	1,257
1987	1,352	1,270	1,580	1,572	1,864	1,302	1,205	1,790	2,310	2,372	1,436	1,153
1988	1,422	1,215	1,699	1,405	2,044	1,261	1,169	1,552	2,063	2,224	1,445	1,179
1989	1,459	1,418	1,815	1,422	1,526	1,175	1,206	1,531	1,824	2,407	1,712	1,275
1990	1,608	1,232	1,716	1,259	1,519	1,223	1,434	1,640	2,058	2,465	1,708	1,202
1991	1,518	1,313	1,584	1,337	1,726	1,034	1,254	1,382	1,705	2,282	1,627	1,208
1992	1,364	1,359	1,447	1,330	1,592	1,187	1,337	1,525	2,049	2,460	1,547	1,427
1993	1,377	1,076	1,441	1,212	1,720	1,312	1,415	1,752	2,001	2,243	1,610	1,215
1994	1,416	1,256	1,518	1,310	1,359	1,113	1,520	1,761	1,915	2,244	1,642	1,345
1995	1,631	1,532	1,681	1,403	1,673	1,356	1,404	1,653	2,173	2,278	1,804	1,446
1996	1,549	1,713	1,948	1,364	1,557	1,305	1,746	2,265	2,653	3,007	2,348	1,695
1997	1,887	1,797	1,966	1,548	1,864	1,444	1,995	2,429	2,711	2,916	2,207	1,552
1998	1,725	1,454	1,708	1,583	2,031	1,563	1,926	2,031	2,649	2,829	2,056	1,496
1999	1,933	1,808	2,031	1,688	2,049	1,794	1,812	2,428	2,759	3,114	2,170	1,646
2000	2,216	1,880	2,031	1,707	2,305	1,664	1,907	2,440	2,686	2,829	2,014	1,699
2001	2,263	1,580	1,852	1,551	2,367	1,965	1,986	2,204	2,136	2,697	1,908	1,578
2002	1,902	1,538	1,654	1,453	1,990	1,422	1,619	1,936	2,188	2,389	1,667	1,380
2003	2,135	1,657	2,042	1,870	2,297	1,682	1,992	2,374	2,474	2,781	1,926	1,748
2004	1,751	1,610	1,804	1,603	2,367	1,639	1,720	2,099	2,385	2,701		
2005												
2006												

Years prior to 1992 are adjusted based on 92-93 factor

Source: USDA/NASS Cattle On Feed Report

Cattle Placements by Weight

January

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	489	691	654	382	2,216
2001	499	716	664	384	2,263
2002	381	614	734	437	2,166
2003	433	587	706	409	2,135
2004	367	466	576	342	1,751
2005					
2006					

February

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	351	476	596	457	1,880
2001	336	402	517	325	1,580
2002	261	411	664	474	1,810
2003	263	376	597	421	1,657
2004	319	351	548	392	1,610
2005					
2006					

March

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	333	411	717	570	2,031
2001	330	416	618	488	1,852
2002	314	372	702	565	1,953
2003	275	389	742	631	2,037
2004	347	346	641	470	1,804
2005					
2006					

April

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	301	310	577	519	1,707
2001	334	384	494	339	1,551
2002	210	255	512	476	1,453
2003	296	324	613	637	1,870
2004	316	302	567	418	1,603
2005					
2006					

May

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	382	471	794	658	2,305
2001	494	509	799	565	2,367
2002	350	445	760	712	2,267
2003	408	366	747	776	2,297
2004	495	490	772	610	2,367
2005					
2006					

June

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	347	380	498	439	1,664
2001	419	442	631	475	1,967
2002	341	356	513	434	1,644
2003	372	358	480	462	1,672
2004	460	356	448	375	1,639
2005					
2006					

July

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	424	366	597	530	1,917
2001	469	444	606	467	1,986
2002	369	365	591	515	1,840
2003	421	414	593	564	1,992
2004	440	325	499	456	1,720
2005					
2006					

August

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	573	504	691	672	2,440
2001	510	472	667	555	2,204
2002	525	483	625	585	2,218
2003	592	529	659	594	2,374
2004	506	413	565	615	2,099
2005					
2006					

September

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	775	612	681	618	2,686
2001	528	447	559	602	2,136
2002	614	487	582	505	2,188
2003	698	545	610	621	2,474
2004	628	475	557	725	2,385
2005					
2006					

October

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	1,066	755	531	477	2,829
2001	889	755	589	459	2,692
2002	809	638	522	420	2,389
2003	1,023	796	508	454	2,781
2004	912	764	529	496	2,701
2005					
2006					

November

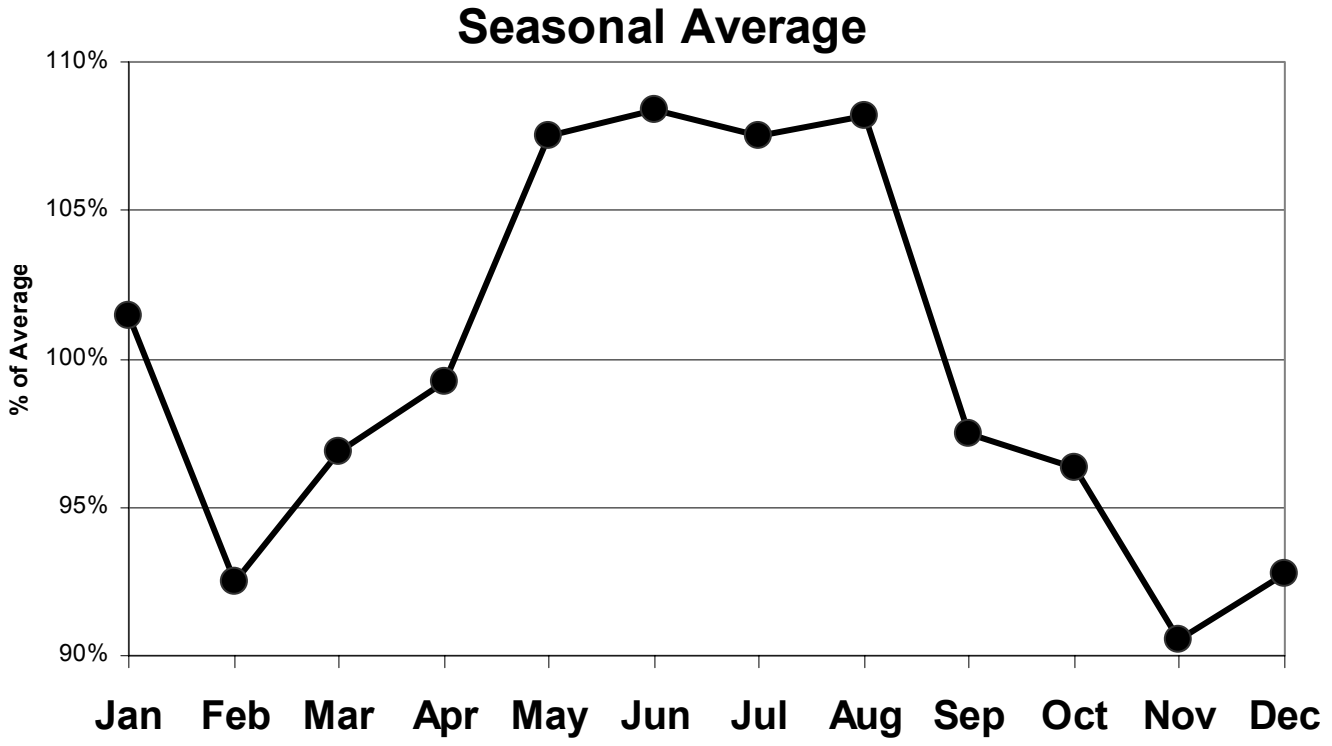
	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	757	559	405	293	2,014
2001	655	588	381	284	1,908
2002	589	660	417	311	1,977
2003	680	578	379	289	1,926
2004					
2005					
2006					

December

	<600	600-699	700-799	800 Plus	Total
	(in 1,000 head)				
2000	504	516	406	273	1,699
2001	418	475	413	272	1,578
2002	421	507	407	255	1,590
2003	503	529	448	268	1,748
2004					
2005					
2006					

Source: USDA/NASS Cattle On Feed Report

Cattle Marketings (in Thousand Head)



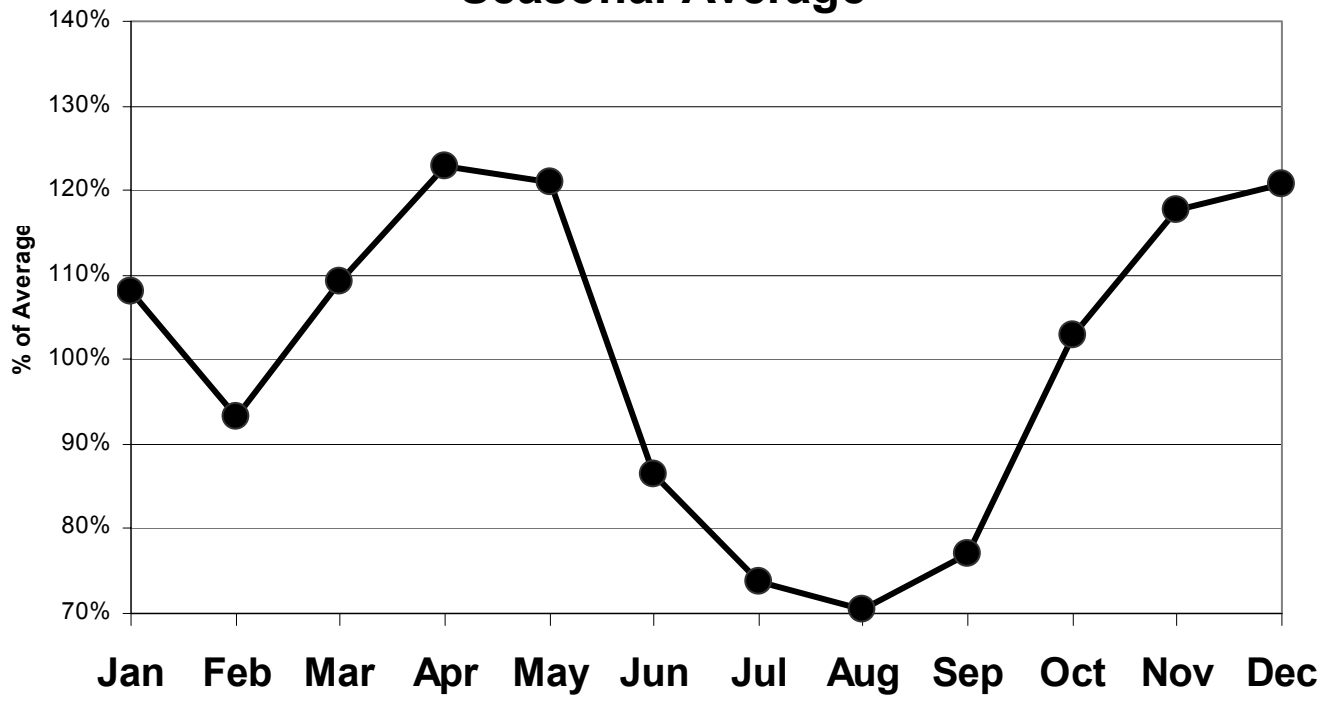
ADJUSTED CATTLE MARKETINGS (Thousand Head)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1986	1,570	1,309	1,448	1,472	1,482	1,484	1,549	1,532	1,502	1,434	1,319	1,422
1987	1,609	1,316	1,428	1,391	1,373	1,560	1,577	1,566	1,520	1,536	1,333	1,470
1988	1,583	1,376	1,448	1,452	1,563	1,546	1,634	1,619	1,530	1,424	1,368	1,383
1989	1,505	1,366	1,435	1,426	1,588	1,613	1,556	1,532	1,436	1,471	1,344	1,280
1990	1,453	1,340	1,434	1,389	1,606	1,633	1,620	1,525	1,323	1,427	1,373	1,244
1991	1,442	1,306	1,381	1,525	1,538	1,563	1,596	1,579	1,485	1,527	1,259	1,316
1992	1,449	1,278	1,401	1,351	1,439	1,524	1,535	1,453	1,450	1,333	1,304	1,290
1993	1,399	1,261	1,436	1,412	1,530	1,578	1,555	1,517	1,490	1,394	1,322	1,305
1994	1,481	1,357	1,467	1,430	1,542	1,632	1,550	1,602	1,525	1,504	1,370	1,432
1995	1,484	1,372	1,513	1,437	1,667	1,754	1,698	1,815	1,594	1,529	1,478	1,412
1996	1,930	1,845	1,756	1,896	2,045	1,996	1,978	1,930	1,573	1,697	1,695	1,684
1997	2,012	1,802	1,764	1,915	2,058	2,041	2,126	2,033	1,816	1,800	1,674	1,748
1998	1,996	1,805	1,872	1,881	1,952	2,033	2,052	1,942	1,863	1,769	1,700	1,813
1999	2,021	1,832	1,986	1,946	1,995	2,153	2,116	2,046	1,957	1,835	1,801	1,842
2000	2,048	2,046	2,056	1,875	2,167	2,175	2,082	2,197	1,990	1,915	1,825	1,754
2001	2,042	1,745	1,926	1,815	2,196	2,122	2,047	2,186	1,820	1,891	1,800	1,811
2002	1,792	1,532	1,565	1,996	1,864	1,773	1,889	2,135	1,848	1,979	1,731	1,801
2003	1,970	1,725	1,803	1,985	2,228	2,222	2,270	2,075	2,032	1,855	1,537	1,740
2004	1,782	1,692	1,966	1,894	2,023	2,077	1,926	1,923	1,800	1,798		
2005												
2006												

Years prior to 1992 are adjusted based on 92-93 factor
Source: USDA/NASS Cattle On Feed Report

Cattle Disappearance
(in Thousand Head)

Seasonal Average



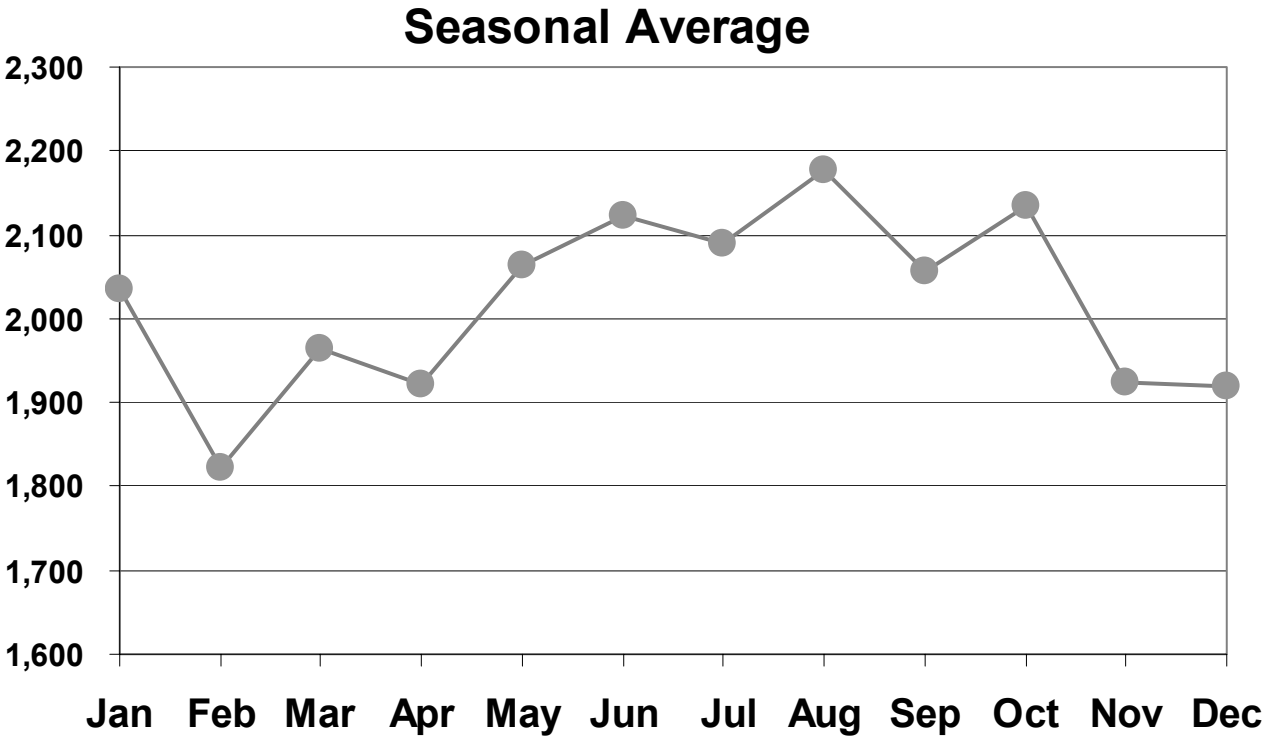
ADJUSTED CATTLE DISAPPEARANCE (Thousand Head)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1986	70	75	70	93	102	51	53	56	50	69	70	86
1987	103	85	76	108	111	66	59	55	60	72	87	98
1988	86	102	90	108	113	52	52	53	56	71	91	95
1989	84	94	61	96	127	47	52	61	40	60	74	72
1990	92	77	97	97	116	52	64	66	67	78	77	100
1991	95	92	111	99	109	87	76	54	72	65	66	77
1992	75	96	98	96	85	87	71	67	52	62	72	82
1993	110	91	87	99	115	83	67	64	55	67	89	72
1994	52	57	72	68	78	82	39	51	44	47	62	80
1995	59	52	67	61	57	50	49	40	46	51	61	52
1996	65	72	76	107	84	70	62	50	70	78	93	86
1997	92	61	86	98	117	60	57	45	53	91	85	85
1998	99	69	94	92	93	72	50	52	61	52	78	85
1999	70	65	71	104	99	63	52	55	55	80	83	90
2000	69	78	103	90	115	57	44	49	48	66	105	95
2001	78	81	98	89	101	77	59	54	40	68	80	93
2002	74	52	60	83	66	42	36	43	53	84	90	99
2003	75	71	62	63	65	61	60	60	63	101	97	90
2004	94	69	67	97	79	70	58	56	61	66		
2005												
2006												

Years prior to 1992 are adjusted based on 92-93 factor
Source: USDA/NASS Cattle On Feed Report

Federally Inspected Beef Slaughter

(in million pounds)



US Monthly and Yearly Cattle Slaughter

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1986	2,070	1,713	1,798	2,044	2,047	1,967	2,087	2,020	1,990	2,079	1,741	1,900	11,639
1987	2,038	1,693	1,851	1,874	1,800	1,908	1,966	1,959	1,988	2,038	1,766	1,865	11,164
1988	1,895	1,784	1,878	1,798	1,874	1,976	1,934	2,111	1,993	1,954	1,818	1,822	11,205
1989	1,852	1,705	1,844	1,717	1,954	1,979	1,852	2,050	1,874	1,992	1,855	1,783	11,051
1990	1,890	1,669	1,830	1,709	1,965	1,945	1,908	2,024	1,779	1,995	1,798	1,640	11,008
1991	1,927	1,659	1,683	1,834	1,910	1,840	1,962	2,040	1,900	2,070	1,774	1,742	10,853
1992	1,998	1,671	1,812	1,751	1,867	2,004	1,982	1,944	1,960	1,975	1,745	1,815	11,103
1993	1,785	1,646	1,822	1,749	1,826	2,019	1,953	2,032	1,993	1,941	1,854	1,909	10,846
1994	1,906	1,769	1,967	1,870	1,954	2,125	1,997	2,181	2,102	2,077	1,942	1,984	11,592
1995	1,972	1,779	2,033	1,821	2,153	2,254	2,060	2,281	2,185	2,139	2,059	1,957	12,011
1996	2,177	2,009	1,996	2,114	2,263	2,148	2,156	2,225	1,897	2,137	1,917	1,908	12,707
1997	2,180	1,882	1,930	2,062	2,157	2,100	2,224	2,188	2,092	2,262	1,899	1,987	12,311
1998	2,122	1,945	2,049	2,059	2,094	2,215	2,183	2,197	2,166	2,199	1,971	2,065	12,484
1999	2,136	1,965	2,196	2,123	2,122	2,290	2,229	2,277	2,243	2,229	2,111	2,077	12,832
2000	2,143	2,143	2,268	1,997	2,273	2,341	2,175	2,407	2,244	2,310	2,138	1,966	13,165
2001	2,172	1,852	2,065	1,910	2,265	2,241	2,150	2,396	2,090	2,353	2,171	2,078	12,505
2002	2296	1,956	2,028	2,164	2,306	2,274	2,398	2,438	2,170	2,474	2,134	2,075	13,024
2003	2256	1,912	2,018	2,121	2,332	2,364	2,411	2,300	2,285	2,178	1,755	1,948	13,003
2004	1894	1,775	2,076	1,929	2,043	2,199	2,078	2,122	2,075	2,080			
2005													
2006													

Source: USDA/NASS Livestock Slaughter Report, http://usda.mannlib.cornell.edu/reports/nassr/livestock/pls-bb/2001/

World Beef and Veal Statistics

Year	U.S.	Canada	Mexico	Argentina	Brazil	EU	Russia	China	Japan	Korea	Australia	NZ
Production (1,000 Metric Tons, carcass weight 3/)												
1987	10,884	977	1,205	2,700	3,690	8,994	N/A	793	565	206	1,549	563
1988	10,880	973	1,754	2,610	4,050	8,520	4,150	958	570	175	1,533	562
1989	10,633	980	2,140	2,600	4,225	8,310	4,256	1,072	548	124	1,565	550
1990	10,464	924	1,790	2,650	4,115	8,787	4,329	1,256	549	131	1,718	471
1991	10,534	867	1,580	2,650	4,480	9,220	3,989	1,535	574	136	1,735	524
1992	10,613	898	1,660	2,520	4,420	8,726	3,632	1,803	592	137	1,838	518
1993	10,584	860	1,710	2,550	5,650	8,042	3,359	2,337	593	176	1,806	575
1994	11,194	903	1,810	2,600	5,730	7,753	3,240	3,270	602	200	1,829	566
1995	11,585	928	1,850	2,600	6,080	7,767	2,734	4,154	601	214	1,717	630
1996	11,749	998	1,800	2,580	6,150	7,722	2,570	3,557	555	236	1,736	631
1997	11,714	1,075	1,795	2,975	6,050	7,696	2,326	4,409	530	310	1,942	664
1998	11,804	1,150	1,800	2,600	6,140	7,432	2,090	4,799	530	348	1,989	620
1999 1/	12,124	1,225	1,860	2,900	6,050	7,446	1,900	5,100	540	295	2,004	558
2000 2/	12,023	1,240	1,900	2,800	6,300	7,381	1,900	5,400	530	280	1,870	592
Per capita consumption (kilograms, carcass weight 3/)												
1987	47.4	39.8	15.1	77.3	23.7	23.5	N/A	0.7	7.2	5.0	39.3	39.3
1988	46.9	39.8	21.7	72.9	24.8	22.6	35.6	0.8	7.3	4.6	40.0	38.5
1989	44.6	39.2	26.1	70.3	26.2	22.2	36.2	0.9	8.0	4.6	41.6	38.1
1990	43.6	37.6	21.7	68.5	26.4	21.4	36.6	1.0	8.7	5.6	38.1	33.3
1991	43.2	36.0	19.5	69.5	28.0	22.4	33.8	1.1	9.2	7.0	37.8	29.2
1992	43.6	35.0	20.2	67.3	26.4	20.5	28.0	1.5	9.6	7.2	36.9	28.4
1993	42.0	32.3	20.5	67.1	33.8	20.1	25.5	1.8	10.5	7.2	36.2	28.2
1994	44.2	32.9	20.7	64.8	33.7	20.1	25.6	2.7	11.6	8.3	37.4	28.3
1995	44.6	32.8	20.3	59.6	36.2	19.9	23.0	3.4	12.1	9.2	36.0	28.5
1996	44.8	31.7	19.8	60.0	36.6	N/A	21.6	2.9	11.5	9.4	39.2	36.1
1997	43.9	31.9	20.0	71.4	35.1	N/A	20.7	3.6	11.7	10.5	42.8	39.0
1998	44.6	31.7	20.5	64.0	34.5	N/A	18.0	3.8	11.8	9.2	38.5	38.6
1999 1/	45.3	32.1	21.0	70.2	32.3	N/A	17.4	4.1	11.7	10.6	40.2	34.1
2000 2/	44.9	31.9	21.1	65.4	32.7	N/A	16.8	4.3	11.7	11.4	35.2	36.5
Net exports (1,000 Metric Tons, carcass weight 3/)												
1987	-763	-42	-4	287	286	562	N/A	34	-315	0	908	432
1988	-779	-67	-15	320	481	466	-1,074	54	-380	-20	890	435
1989	-524	-50	-36	360	349	775	-1,079	57	-498	-83	872	435
1990	-613	-75	-55	451	134	721	-1,095	155	-537	-117	1,064	359
1991	-552	-108	-116	388	218	898	-1,031	222	-507	-176	1,080	427
1996	-56	25	-73	446	215	209	-608	101	-957	-218	1,092	502
1992	-506	-62	-129	280	320	747	-490	74	-590	-183	1,186	425
1993	-511	-79	-95	278	411	681	-405	153	-731	-132	1,164	445
1994	-344	-66	-89	373	295	658	-537	71	-842	-165	1,162	463
1995	-128	-37	-40	514	167	563	-607	92	-927	-194	1,087	502
1997	-94	108	-144	426	177	520	-615	33	-924	-199	1,144	529
1998	-213	176	-218	273	295	352	-480	61	-951	-107	1,258	517
1999 1/	-248	230	-242	323	496	487	-595	30	-965	-202	1,243	418
2000 2/	-313	245	-255	363	610	293	-475	24	-957	-240	1,215	458

Source: USDA/FAS/ www.fas.usda.gov/dlp/dlp.html, 1/ preliminary, 2/ forecast, 3/ 1 kilogram = 2.204622 pounds 1 metric ton = 2204.622 pounds

APPENDIX II

50 State Inventory of Hogs & Pigs

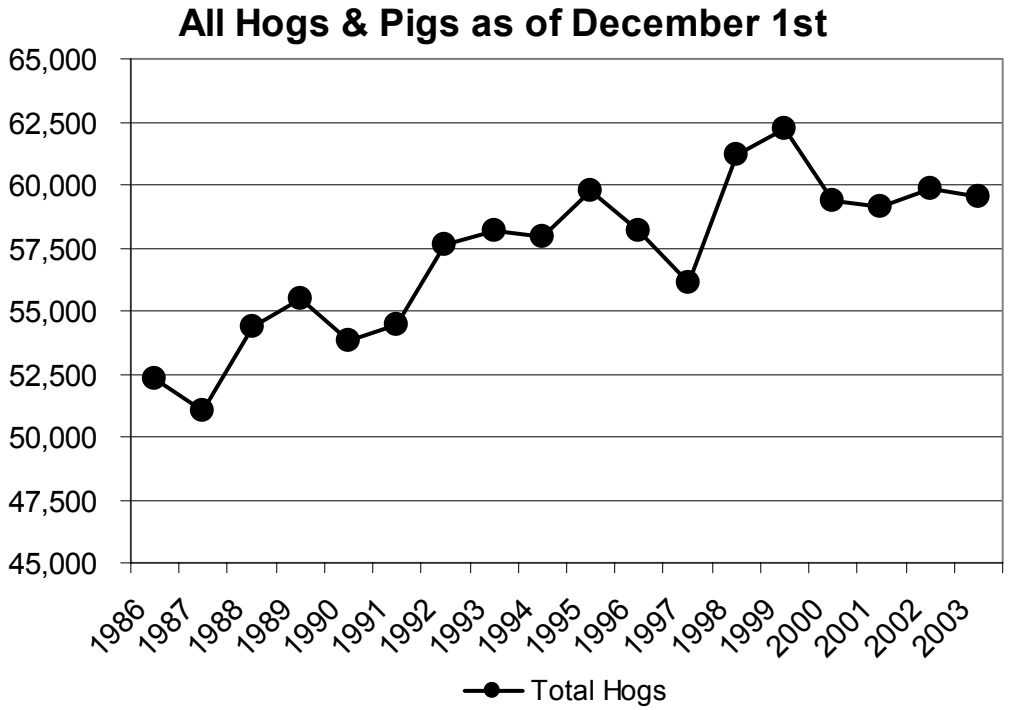
Quarterly Hogs and Pigs Report (March 1st, June 1st, September 1st, December 1st)

- **Inventory: All Hogs & Pigs, Kept for Breeding, For Market**
- **Pig Crop Statistics**
- **Farrowing Statistics**
- **Federally Inspected Hog and Pig Slaughter**

Miscellaneous Pork Statistics

- **Monthly Pork Belly Cold Storage Stocks**
- **World Pork Statistics**

December 1st
50 State Inventory of Hogs & Pigs
(in 1,000 Head)

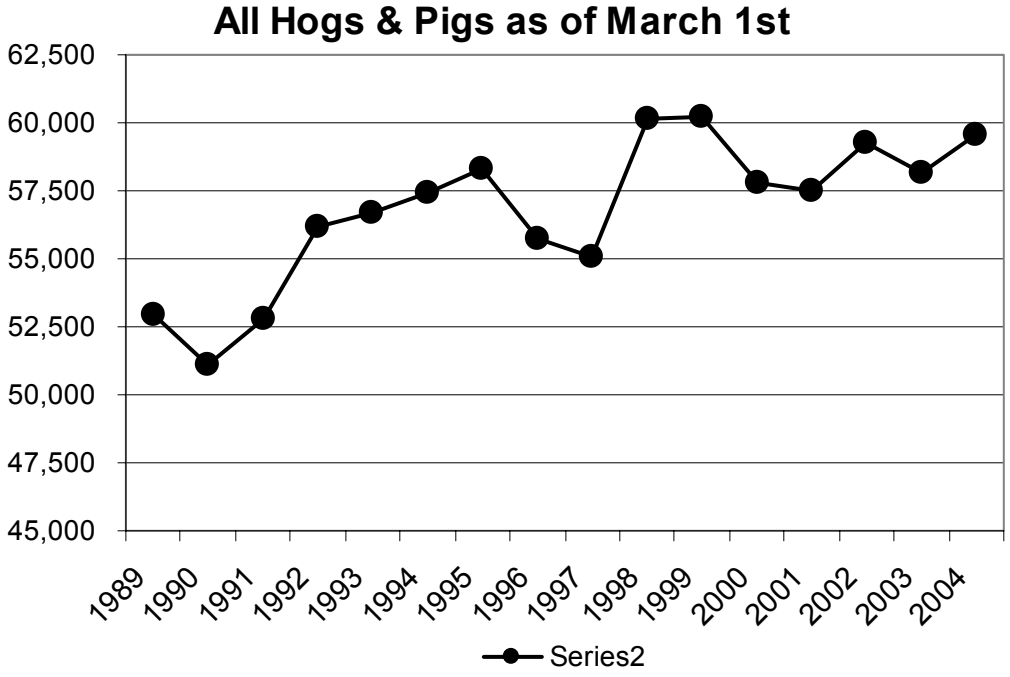


Hogs & Pigs December 1st

Year	Total Hogs & Pigs	All Breeding	All Market	Market: under 60 lbs	Market: 60 – 119 lbs	Market: 120 – 179 lbs	Market: 180 lbs +
1986	51,001	6,691	44,311	16,786	11,246	9,113	7,164
1987	54,384	7,080	47,305	17,735	11,938	9,649	7,982
1988	55,466	7,053	48,413	18,010	12,394	10,025	7,984
1989	53,788	6,857	46,931	17,185	12,174	9,663	7,909
1990	54,416	6,847	47,569	17,852	12,195	9,622	7,900
1991	57,649	7,229	50,420	18,671	12,966	10,367	8,416
1992	58,202	7,109	51,093	19,122	12,846	10,420	8,705
1993	57,940	7,166	50,774	19,171	12,627	10,268	8,709
1994	59,738	6,998	52,739	19,477	13,007	10,927	9,329
1995	58,201	6,770	51,431	18,916	12,755	10,704	9,057
1996	56,124	6,578	49,546	18,503	12,193	10,209	8,641
1997	61,158	6,957	54,200	20,237	13,319	11,188	9,457
1998	62,206	6,682	55,523	20,140	13,631	11,585	10,168
1999	59,342	6,234	53,109	19,241	13,107	11,073	9,687
2000	59,138	6,270	52,868	19,421	12,933	10,846	9,669
2001	59,804	6,209	53,594	19,908	12,924	10,744	10,018
2002	59,513	6,012	53,501	19,461	13,054	10,881	10,105
2003	60,449	5,990	54,458	19,779	13,259	11,110	10,312
2004							
2005							
2006							

Source: Quarterly Hogs & Pigs Report, USDA/NASS
http://usda.mannlib.cornell.edu/reports/nassr/livestock/php-bb/

March 1st
50 State Inventory of Hogs & Pigs
(in 1,000 Head)

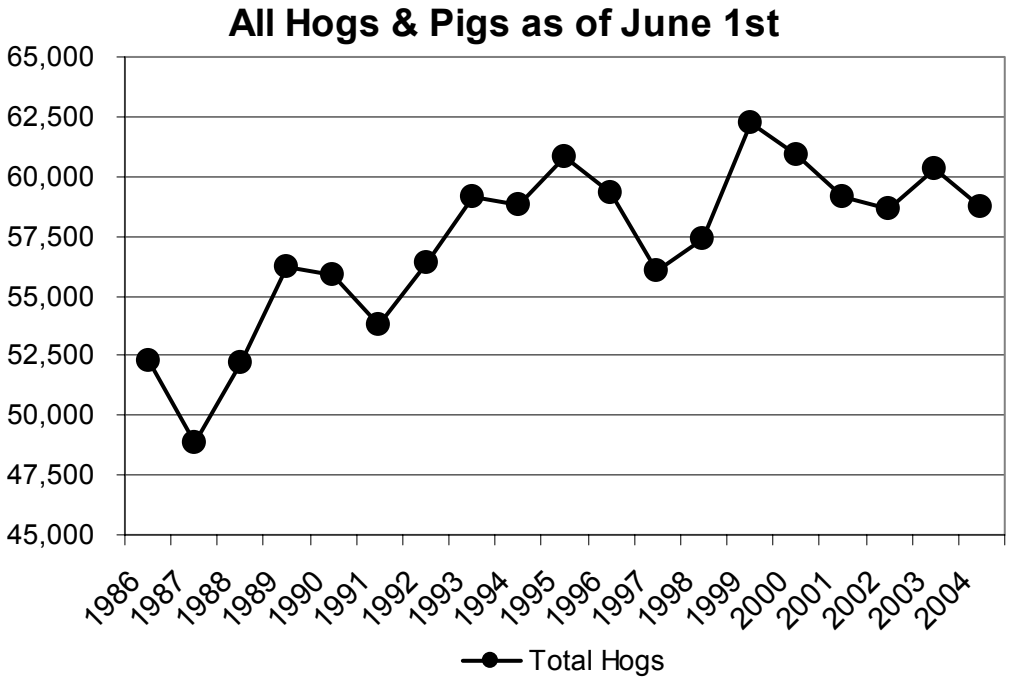


Hogs & Pigs March 1st

Year	Total Hogs & Pigs	All Breeding	All Market	Market: under 60 lbs	Market: 60 – 119 lbs	Market: 120 – 179 lbs	Market: 180 lbs +
1989	52,965	7,081	45,884	17,624	10,995	9,493	7,772
1990	51,120	6,806	44,314	16,895	10,582	9,199	7,638
1991	52,790	6,997	45,793	17,678	11,036	9,320	7,759
1992	56,180	7,155	49,025	19,040	11,865	9,780	8,340
1993	56,661	7,053	49,608	18,502	12,060	10,480	8,566
1994	57,435	7,189	50,246	18,750	12,144	10,575	8,778
1995	58,283	6,945	51,337	19,144	12,395	10,640	9,159
1996	55,741	6,701	49,040	18,534	11,732	10,021	8,754
1997	55,049	6,637	48,412	18,490	11,627	9,858	8,437
1998	60,163	6,942	53,220	20,192	12,791	10,774	9,464
1999	60,191	6,527	53,663	19,978	12,899	10,995	9,792
2000	57,782	6,190	51,593	19,217	12,409	10,552	9,414
2001	57,524	6,232	51,292	18,737	12,417	10,805	9,334
2002	59,248	6,236	53,011	19,487	12,975	11,172	9,377
2003	58,187	5,956	52,231	19,110	12,655	10,944	9,522
2004	59,525	5,942	53,582	19,824	12,975	11,206	9,579
2005							
2006							

Source: Quarterly Hogs & Pigs Report, USDA/NASS
http://usda.mannlib.cornell.edu/reports/nassr/livestock/php-bb/

June 1st
50 State Inventory of Hogs & Pigs
(in 1,000 Head)

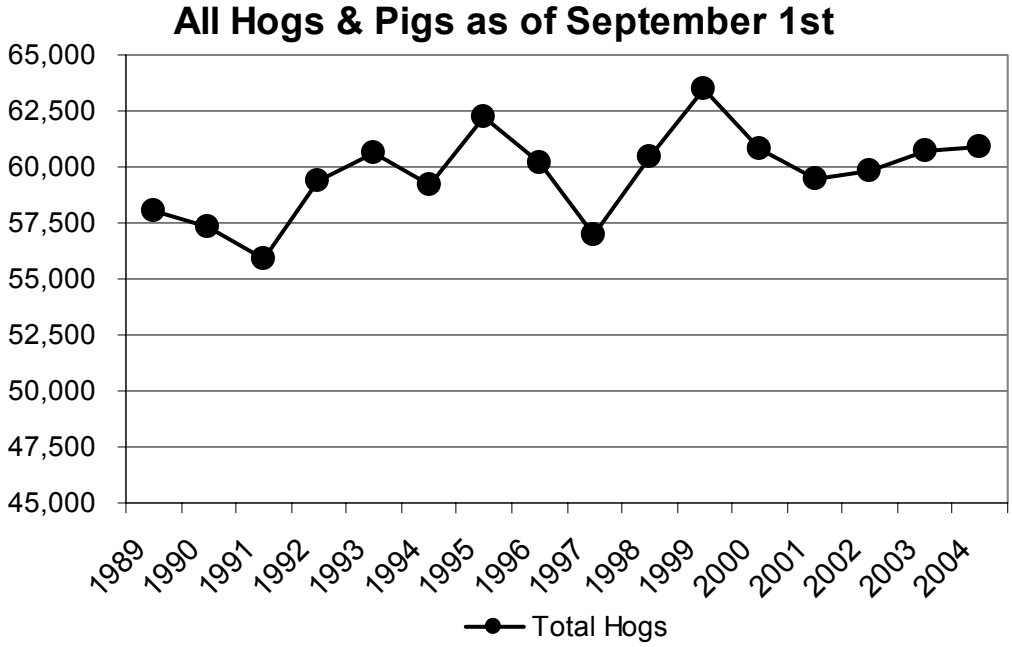


Hogs & Pigs June 1st

Year	Total Hogs & Pigs	All Breeding	All Market	Market: under 60 lbs	Market: 60 – 119 lbs	Market: 120 – 179 lbs	Market: 180 lbs +
1986	48,875	6,435	42,440	17,645	10,580	8,000	6,215
1987	52,200	7,040	45,160	19,600	11,080	8,170	6,310
1988	56,185	7,530	48,655	20,888	11,985	8,780	7,002
1989	55,880	7,315	48,565	20,727	12,070	8,765	7,003
1990	53,800	7,065	46,735	19,806	11,698	8,515	6,716
1991	56,340	7,485	48,855	20,720	12,365	8,815	6,955
1992	59,175	7,520	51,655	21,540	13,005	9,615	7,495
1993	58,795	7,260	51,536	20,739	12,898	9,877	8,022
1994	60,847	7,532	53,315	22,024	13,092	10,007	8,193
1995	59,329	7,117	52,211	21,042	12,841	9,780	8,549
1996	56,038	6,682	49,356	19,645	12,196	9,757	7,759
1997	57,366	6,789	50,577	19,988	12,574	10,002	8,013
1998	62,213	6,958	55,254	21,482	13,711	11,084	8,978
1999	60,896	6,515	54,380	20,532	13,501	11,076	9,272
2000	59,117	6,234	52,884	19,907	13,247	10,710	9,019
2001	58,603	6,186	52,417	19,923	12,992	10,536	8,967
2002	60,288	6,209	54,078	20,186	13,588	10,884	9,420
2003	58,736	5,940	52,796	19,617	13,113	10,727	9,339
2004	60,503	5,928	54,574	20,333	13,251	11,277	9,715
2005							
2006							

Source: Quarterly Hogs & Pigs Report, USDA/NASS
http://usda.mannlib.cornell.edu/reports/nassr/livestock/php-bb/

September 1st
50 State Inventory of Hogs & Pigs
(in 1,000 Head)



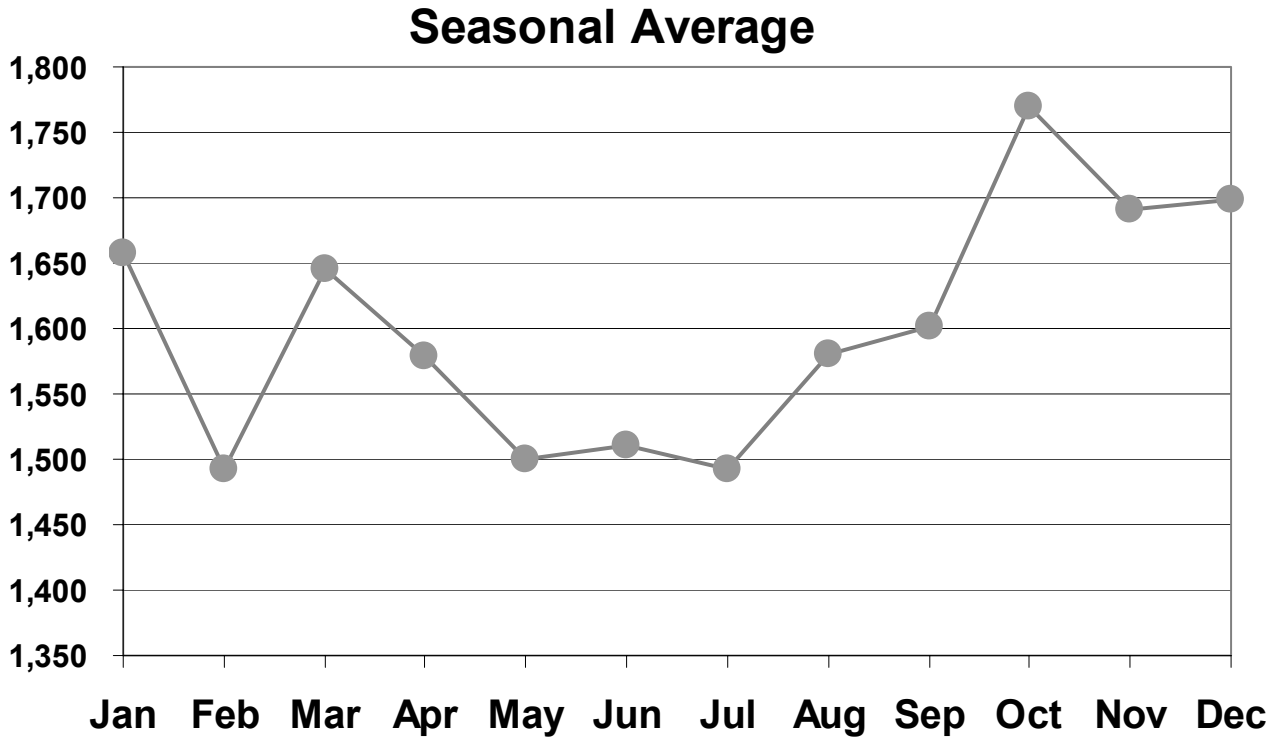
Hogs & Pigs September 1st

Year	Total Hogs & Pigs	All Breeding	All Market	Market: under 60 lbs	Market: 60 – 119 lbs	Market: 120 – 179 lbs	Market: 180 lbs +
1988	58,060	7,189	50,871	19,560	12,620	10,525	8,166
1989	57,315	6,832	50,483	19,150	12,502	10,559	8,272
1990	55,890	6,815	49,075	18,936	12,168	10,132	7,839
1991	59,360	7,245	52,115	20,210	13,025	10,610	8,270
1992	60,655	7,290	53,365	20,090	13,575	10,905	8,795
1993	59,169	7,208	51,961	19,632	13,089	10,689	8,551
1994	62,208	7,468	54,740	20,633	13,883	11,223	9,002
1995	60,137	6,907	53,229	19,822	13,347	11,044	9,017
1996	56,961	6,577	50,384	18,782	12,498	10,418	8,687
1997	60,456	6,858	53,598	20,662	13,388	10,673	8,875
1998	63,488	6,875	56,612	21,189	14,032	11,555	9,837
1999	60,776	6,301	54,474	20,243	13,414	11,129	9,689
2000	59,495	6,246	53,250	19,955	13,055	10,817	9,422
2001	59,777	6,158	53,619	19,911	13,438	10,854	9,417
2002	60,725	6,054	54,670	20,070	13,655	11,019	9,926
2003	60,859	5,918	54,941	20,368	13,729	11,334	9,510
2004	61,384	5,983	55,400	20,540	13,644	11,236	9,982
2005							
2006							

Source: Quarterly Hogs & Pigs Report, USDA/NASS
http://usda.mannlib.cornell.edu/reports/nassr/livestock/php-bb/

Federally Inspected Hog & Pig Slaughter

(in million pounds)

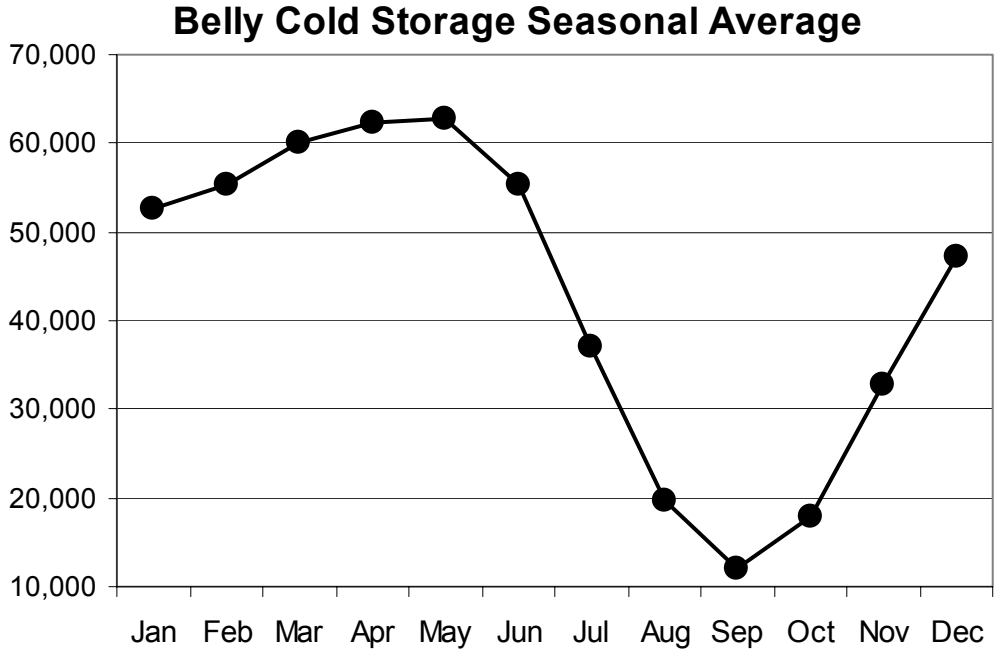


US Hog Slaughter by Month and Yearly Totals

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1986	1,230	1,076	1,166	1,261	1,180	1,035	1,034	1,009	1,107	1,254	1,086	1,181	13,619
1987	1,211	1,042	1,196	1,141	1,044	1,058	1,055	1,048	1,199	1,329	1,278	1,352	13,953
1988	1,214	1,156	1,332	1,236	1,203	1,203	1,105	1,251	1,330	1,409	1,425	1,385	15,249
1989	1,274	1,175	1,342	1,292	1,308	1,235	1,081	1,302	1,318	1,387	1,410	1,252	15,376
1990	1,330	1,184	1,300	1,220	1,229	1,116	1,076	1,278	1,199	1,357	1,340	1,306	14,935
1991	1,363	1,176	1,272	1,332	1,262	1,114	1,179	1,270	1,286	1,502	1,424	1,409	15,589
1992	1,491	1,300	1,436	1,385	1,261	1,303	1,346	1,348	1,478	1,557	1,423	1,489	16,817
1993	1,405	1,262	1,451	1,438	1,283	1,350	1,284	1,360	1,410	1,443	1,478	1,520	16,684
1994	1,346	1,249	1,501	1,405	1,368	1,383	1,269	1,462	1,508	1,596	1,604	1,603	17,291
1995	1,466	1,326	1,605	1,377	1,495	1,437	1,274	1,475	1,411	1,545	1,580	1,477	17,467
1996	1,523	1,391	1,396	1,460	1,389	1,184	1,316	1,368	1,383	1,563	1,405	1,402	16,780
1997	1,437	1,286	1,398	1,424	1,311	1,290	1,331	1,328	1,466	1,627	1,449	1,614	16,961
1998	1,612	1,437	1,572	1,545	1,398	1,422	1,506	1,481	1,565	1,731	1,657	1,766	18,692
1999	1,597	1,473	1,707	1,604	1,396	1,560	1,469	1,540	1,594	1,675	1,683	1,679	18,977
2000	1,550	1,537	1,683	1,378	1,520	1,517	1,389	1,620	1,533	1,694	1,693	1,557	18,671
2001	1,672	1,467	1,606	1,514	1,535	1,439	1,416	1,579	1,492	1,818	1,715	1,648	18,901
2002	1,698	1,465	1,563	1,654	1,628	1,461	1,538	1,617	1,617	1,810	1,691	1,694	19,436
2003	1,734	1,506	1,606	1,642	1,535	1,515	1,562	1,541	1,650	1,894	1,703	1,851	19,739
2004	1,743	1,557	1,785	1,711	1,486	1,657	1,562	1,681	1,755	1,764			16,701
2005													
2006													

Source: USDA/NASS Livestock Slaughter Report, http://usda.mannlib.cornell.edu/reports/nassr/livestock/pls-bb/2001/

Pork Belly Cold Storage Stocks - 1st of Month



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
						(in 1,000 pounds)						
1986	51,000	48,000	51,000	63,000	68,000	66,000	62,000	40,000	21,000	13,000	17,000	25,000
1987	38,000	35,000	35,000	42,000	51,000	58,000	47,000	29,000	19,000	13,000	15,000	36,000
1988	62,000	63,000	67,000	90,000	103,000	112,000	103,000	74,000	43,000	31,000	50,000	93,000
1989	113,000	116,000	122,000	128,000	144,000	142,000	127,000	94,000	49,000	32,000	39,000	68,000
1990	85,000	77,000	86,000	97,000	103,000	106,000	88,000	56,000	23,000	5,000	6,000	24,000
1991	47,000	49,000	55,000	68,000	80,000	80,000	1,000	46,000	30,000	16,000	26,000	48,000
1992	72,000	77,000	76,000	85,000	97,000	93,000	79,000	55,000	27,000	22,000	26,000	50,000
1993	71,000	65,000	66,000	66,000	79,000	79,000	70,000	47,000	21,000	11,000	14,000	34,000
1994	55,999	54,921	63,099	72,230	79,018	73,583	57,747	30,636	18,260	22,656	40,725	61,073
1995	62,776	64,228	78,975	78,539	77,919	67,607	47,055	17,435	6,255	13,478	37,092	47,587
1996	46,498	46,381	47,655	57,174	63,522	56,767	28,533	18,996	12,702	16,206	30,943	37,930
1997	38,030	44,277	54,767	54,015	55,274	52,274	33,657	18,346	11,148	14,408	25,365	44,763
1998	55,249	55,368	54,441	58,600	59,462	52,010	31,433	14,786	9,452	16,440	41,711	72,657
1999	82,605	93,323	106,194	109,521	108,257	93,383	69,675	34,814	19,273	22,489	26,170	40,300
2000	43,802	49,983	60,527	63,461	68,292	60,097	50,515	33,005	21,341	20,589	38,674	47,099
2001	50,145	47,154	45,440	43,878	46,029	39,552	24,996	12,754	8,960	28,216	36,297	44,301
2002	50,849	57,569	60,721	63,293	62,269	51,019	29,925	14,250	9,452	10,354	18,059	28,254
2003	33,400	38,278	42,516	48,542	45,858	43,504	32,189	17,900	10,180	20,991	33,073	49,017
2004	63,095	57,035	50,126	46,109	41,366	37,102	23,383	15,102	11,344	16,066		
2005												
2006												

Source: USDA/NASS Monthly Cold Storage Report

World Pork Statistics

Year	U.S.	Canada	Mexico	Brazil	EU	Den -mark	France	Nether- lands	Poland	Russia	China	Hong Kong	Japan	Taiwan
Production (in 1,000 Metric Tons, carcass weight 3/)														
1987	6,519	1,131	950	1,200	N/A	1,149	1,737	1,524	1,745	N/A	18,349	N/A	1,581	938
1988	7,114	1,188	964	1,100	N/A	1,168	1,804	1,632	1,845	3,399	20,176	N/A	1,578	911
1989	7,173	1,184	910	1,020	N/A	1,165	1,840	1,636	1,870	3,499	21,228	N/A	1,594	917
1990	6,965	1,133	792	1,050	N/A	1,294	1,870	1,661	1,870	3,480	22,808	N/A	1,555	1,009
1991	7,257	1,129	820	1,150	N/A	1,272	1,918	1,591	1,966	3,190	24,523	N/A	1,483	1,126
1992	7,817	1,209	830	1,200	14,994	1,383	1,994	1,584	2,052	2,784	26,353	223	1,432	1,113
1993	7,751	1,192	870	1,250	15,780	1,527	2,034	1,750	1,537	2,432	28,544	214	1,433	1,135
1994	8,027	1,229	900	1,300	15,904	1,480	2,126	1,673	1,358	2,103	32,048	199	1,390	1,204
1995	8,096	1,276	954	1,450	15,701	1,457	2,145	1,623	1,580	1,865	36,484	187	1,322	1,233
1996	7,764	1,228	895	1,600	15,977	1,457	2,135	1,625	1,684	1,700	31,580	183	1,266	1,269
1997	7,835	1,257	940	1,540	15,906	1,534	2,220	1,375	1,540	1,570	35,963	175	1,283	1,030
1998	8,623	1,338	950	1,690	17,248	1,632	2,328	1,717	1,690	1,510	38,837	161	1,285	892
19991/	8,758	1,485	970	1,775	17,635	1,658	2,386	1,706	1,700	1,490	39,250	162	1,280	820
20002/	8,473	1,620	980	1,950	17,449	1,658	2,338	1,650	1,636	1,490	40,500	161	1,275	885
Per capita consumption (in kilograms, carcass weight 3/)														
1987	28.3	33.3	11.6	8.2	N/A	66.7	36.6	42.9	45.7	N/A	16.7	42.2	16.2	37.6
1988	30.2	33.9	12.0	7.6	N/A	65.3	37.1	46.6	47.0	24.8	18.1	45.7	16.6	36.6
1989	30.0	33.9	11.2	7.2	N/A	66.1	37.2	44.7	49.3	26.3	18.8	43.8	16.7	37.5
1990	28.7	31.3	9.5	6.9	N/A	68.2	37.0	43.8	49.4	26.5	19.9	44.5	16.8	38.4
1991	29.0	32.4	9.9	7.5	N/A	64.2	37.0	43.1	52.4	23.2	21.1	42.7	16.8	38.8
1992	31.0	34.0	9.9	7.5	40.6	67.7	37.4	42.1	54.0	20.0	22.6	72.3	16.8	39.1
1993	30.2	31.7	10.4	7.9	43.4	76.3	36.3	53.8	41.2	18.1	23.7	70.7	16.7	40.0
1994	31.0	32.5	10.7	7.9	42.6	66.8	36.2	43.7	37.1	16.6	26.7	68.7	16.8	41.4
1995	30.6	31.9	10.5	8.7	42.1	74.1	35.8	44.2	38.6	17.4	30.1	54.4	16.7	40.2
1996	28.7	29.9	9.6	9.4	N/A	69.2	34.8	44.3	41.2	14.5	25.8	49.9	16.9	41.7
1997	28.5	29.4	10.1	8.9	N/A	69.2	35.3	42.9	34.4	14.0	29.2	52.7	16.5	39.6
1998	30.7	31.2	10.4	9.5	N/A	71.1	38.1	43.9	38.3	12.8	31.3	54.9	16.6	44.3
1999 1/	31.7	32.0	10.4	9.9	N/A	73.7	38.4	43.7	39.6	12.6	31.4	54.3	17.0	42.5
2000 2/	30.3	34.3	10.4	10.7	N/A	73.7	38.2	43.5	38.7	12.6	32.2	53.5	16.9	42.3
Net Exports (in 1,000 Metric Tons, carcass weight 3/)														
1987	-493	279	0	20	N/A	N/A	N/A	N/A	61	N/A	200	-202	-401	194
1988	-427	304	-16	20	N/A	N/A	N/A	N/A	70	-249	170	-223	-461	178
1989	-287	293	-27	-46	N/A	N/A	N/A	N/A	53	-376	203	-214	-491	160
1990	-299	302	-17	17	N/A	N/A	N/A	N/A	14	-440	235	-229	-488	225
1991	-223	251	-39	15	N/A	N/A	N/A	N/A	-39	-262	268	-225	-590	324
1992	-108	278	-51	35	401	295	20	N/A	-21	-141	117	-197	-684	303
1993	-139	281	-47	32	541	401	59	N/A	-38	-220	150	-207	-653	283
1994	-88	274	-78	32	834	502	113	N/A	-72	-324	181	-218	-705	331
1995	56	330	-26	19	676	368	145	N/A	34	-453	227	-151	-829	376
1996	160	333	-19	55	652	342	132	N/A	121	-449	190	-135	-933	372
1997	187	357	-40	58	911	469	136	N/A	248	-499	137	-170	-731	70
1998	238	369	-76	73	963	459	149	N/A	163	-374	123	-207	-721	-19
1999 1/	155	493	-70	74	1255	529	238	N/A	166	-349	39	-210	-857	-80
2000 2/	147	544	-80	84	1198	524	199	N/A	166	-349	40	-212	-860	-60

Source: USDA/FAS/ www.fas.usda.gov/dlp/dlp.html, 1/ preliminary, 2/ forecast, 3/ 1 kilogram = 2.204622 pounds 1 metric ton = 2204.622 pounds

APPENDIX III

Live Cattle Monthly Performance Statistics

- **Monthly Performance Statistics**
- **Trend Continuation Statistics**

Feeder Cattle Monthly Performance Statistics

- **Monthly Performance Statistics**
- **Trend Continuation Statistics**

Lean Hog Monthly Performance Statistics

- **Monthly Performance Statistics**
- **Trend Continuation Statistics**

Monthly Live Cattle Futures Performance Summary

contract	G **Jan**	J **Feb**	J **Mar**	M **Apr**	M **May**	Q **Jun**	Q **Jul**	V **Aug**	V **Sep**	Z **Oct**	Z **Nov**	G **Dec**
# of Years Tested	19	19	19	19	19	19	19	19	19	19	19	19
# Up	14	13	10	10	9	8	12	6	14	13	11	11
# Down	5	6	9	9	10	11	6	13	5	6	8	8
Total Gain(Loss)	31.63	16.03	1.90	-0.92	0.48	-1.70	23.98	-6.70	16.93	10.70	16.05	-9.18
Total % Gain(Loss)	46.59%	23.48%	1.87%	-1.38%	0.40%	1.17%	34.91%	-7.41%	22.56%	16.44%	19.44%	-7.35%
Average Change	1.66	0.84	0.10	-0.05	0.03	-0.09	1.26	-0.35	0.89	0.56	0.84	-0.48
Average % Change	2.45%	1.24%	0.10%	-0.07%	0.02%	0.06%	1.84%	-0.39%	1.19%	0.87%	1.02%	-0.39%
Average Gain	2.62	2.18	2.07	1.58	2.53	1.98	2.91	2.85	2.14	1.78	2.49	2.20
Average % Gain	3.86%	3.04%	2.74%	2.30%	3.62%	3.05%	4.25%	4.10%	2.89%	2.57%	3.23%	3.10%
Average Loss	-1.00	-2.05	-2.09	-1.85	-2.23	-1.60	-1.82	-1.83	-2.62	-2.08	-1.41	-4.18
Average % Loss	-1.49%	-2.68%	-2.83%	-2.71%	-3.21%	-2.11%	-2.69%	-2.46%	-3.58%	-2.83%	-2.01%	-5.18%
Average Range	4.49	4.09	4.28	2.83	3.04	2.76	3.84	3.87	3.36	4.20	4.03	5.08
Average Range (%)	6.08%	5.62%	5.77%	4.01%	4.29%	4.03%	5.67%	5.42%	4.81%	5.90%	5.54%	6.95%
# Higher Highs	16	11	13	9	9	12	10	11	10	12	13	13
# Lower Lows	2	9	4	10	8	9	10	7	7	9	8	9
# Expanded Ranges	10	12	8	12	11	9	13	11	10	11	7	14
# Narrower Ranges	9	7	11	7	8	8	5	8	9	8	12	5
5 Year High	92.75	89.63	92.25	87.35	88.00	89.00	84.95	90.05	88.95	95.25	99.30	94.95
5 Year Low	69.70	71.35	69.55	59.33	59.35	63.55	65.00	66.65	66.15	65.93	61.75	67.10
10 Year High	92.75	89.63	92.25	87.35	88.00	89.00	84.95	90.05	88.95	95.25	99.30	94.95
10 Year Low	59.45	62.98	61.30	54.00	56.75	61.85	58.65	58.15	57.43	61.65	61.13	57.15
19 Year High	92.75	89.63	92.25	87.35	88.00	89.00	84.95	90.05	88.95	95.25	99.30	94.95
19 Year Low	55.70	61.60	61.30	54.00	56.75	59.80	58.65	58.15	57.43	54.80	59.35	55.38

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Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

Monthly Live Cattle Trend Continuation Study

	G **Jan**	J **Feb**	J **Mar**	M **Apr**	M **May**	Q **Jun**	Q **Jul**	V **Aug**	V **Sep**	Z **Oct**	Z **Nov**	G **Dec**
Yrs Tested	19	19	19	19	19	19	19	19	19	19	19	19
# Up	14	13	10	10	9	8	12	6	14	13	11	11
# Down	5	6	9	9	10	11	6	13	5	6	8	8
Total Gain (Loss)	31.63	16.03	1.90	-0.92	0.48	-1.70	23.98	-6.70	16.93	10.70	16.05	-9.18
Average Gain(Loss)	1.66	0.84	0.10	-0.05	0.03	-0.09	1.26	-0.35	0.89	0.56	0.84	-0.48
If Previous Month is Up, then NEXT Month had the following Characteristics												
Yrs Tested	16	13	9	10	7	8	15	6	12	13	12	11
#Up	11	7	7	5	2	6	6	5	9	6	6	8
#Down	5	6	2	5	5	2	9	1	3	7	6	3
% Closing Higher	69%	54%	78%	50%	29%	75%	40%	83%	75%	46%	50%	73%
Total Gain(Loss)	14.50	-0.88	6.53	3.65	-2.60	15.05	-0.05	10.60	11.73	8.28	-16.85	16.00
Average Gain (Loss)	0.91	-0.07	0.73	0.37	-0.37	1.88	0.00	1.77	0.98	0.64	-1.40	1.45
# Higher Highs	10	10	8	8	6	6	11	5	10	10	7	7
# Lower Lows	8	2	3	3	3	2	3	0	2	4	6	3
If Previous Month is Down then NEXT Month had the following Characteristics												
Yrs Tested	3	6	10	9	11	10	4	13	7	6	7	8
#Up	2	3	3	4	6	6	0	9	4	5	5	6
#Down	1	3	7	5	5	4	4	4	3	1	2	2
% Closing Lower	33%	50%	70%	56%	45%	40%	100%	31%	43%	17%	29%	25%
Total Gain(Loss)	1.52	2.77	-7.45	-3.18	4.13	8.93	-6.65	6.33	-1.03	7.78	7.68	15.63
Average Gain (Loss)	0.51	0.46	-0.75	-0.35	0.38	0.81	-1.66	0.49	-0.15	1.30	1.10	1.95
# Higher Highs	1	3	1	1	6	4	0	5	2	3	4	6
# Lower Lows	1	2	7	5	5	8	4	7	7	4	3	1

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Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

Monthly Feeder Cattle Futures Performance Summary

	H **Jan**	H **Feb**	J **Mar**	K **Apr**	Q **May**	Q **Jun**	Q **Jul**	U **Aug**	V **Sep**	F **Oct**	F **Nov**	F **Dec**
# of Years Tested	19	19	19	19	19	19	19	19	19	19	19	19
# Up	11	8	10	13	11	13	14	11	14	9	11	11
# Down	8	11	9	6	8	6	5	8	4	10	8	8
Total Gain(Loss)	20.78	-7.45	9.25	17.03	9.93	16.90	32.08	11.78	18.83	2.65	7.93	-17.93
Total % Gain(Loss)	30.12%	-8.46%	7.16%	18.01%	10.37%	23.58%	40.03%	14.07%	20.85%	4.01%	10.15%	-18.79%
Average Change	1.09	-0.39	0.49	0.90	0.52	0.89	1.69	0.62	0.99	0.14	0.42	-0.94
Average % Change	1.59%	-0.45%	0.38%	0.95%	0.55%	1.24%	2.11%	0.74%	1.10%	0.21%	0.53%	-0.99%
Average Gain	3.14	1.65	2.66	2.63	2.66	2.10	2.89	2.41	1.97	1.79	2.01	1.96
Average % Gain	4.30%	2.11%	3.10%	3.26%	3.22%	2.75%	3.62%	2.93%	2.23%	2.29%	2.51%	2.44%
Average Loss	-1.72	-1.88	-1.93	-2.86	-2.41	-1.73	-1.69	-1.84	-2.19	-1.35	-1.77	-4.93
Average % Loss	-2.15%	-2.30%	-2.65%	-4.06%	-3.13%	-2.02%	-2.12%	-2.28%	-2.58%	-1.66%	-2.18%	-5.71%
Average Range	4.53	3.72	4.14	4.67	4.50	4.49	4.82	4.31	4.19	4.11	3.93	5.08
Average Range (%)	5.90%	4.71%	5.26%	6.17%	5.67%	5.58%	5.90%	5.27%	4.97%	5.11%	4.87%	6.12%
# Higher Highs	13	8	9	10	11	13	15	14	11	10	9	12
# Lower Lows	5	8	9	6	8	4	5	7	8	11	6	6
# Expanded Ranges	9	8	11	7	11	9	9	10	8	12	9	9
# Narrower Ranges	10	11	7	12	8	10	10	9	11	7	10	10
5 Year High	103.25	101.30	108.10	108.95	113.50	114.25	116.10	116.40	115.80	110.25	105.85	106.30
5 Year Low	77.85	73.95	74.05	69.85	73.80	74.48	75.40	75.03	78.10	77.80	78.15	78.50
10 Year High	103.25	101.30	108.10	108.95	113.50	114.25	116.10	116.40	115.80	110.25	105.85	106.30
10 Year Low	55.93	56.30	55.45	46.15	52.75	58.00	59.50	61.50	63.03	62.75	63.80	60.45
19 Year High	103.25	101.30	108.10	108.95	113.50	114.25	116.10	116.40	115.80	110.25	105.85	106.30
19 Year Low	55.93	56.30	55.45	46.15	52.75	58.00	59.50	61.50	63.03	60.00	61.75	60.40

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Monthly Feeder Cattle Trend Continuation Study

	H **Jan**	H **Feb**	J **Mar**	K **Apr**	Q **May**	Q **Jun**	Q **Jul**	U **Aug**	V **Sep**	F **Oct**	F **Nov**	F **Dec**
Yrs Tested	19	19	19	19	19	19	19	19	19	19	19	19
# Up	11	8	10	13	11	13	14	11	14	9	11	11
# Down	8	11	9	6	8	6	5	8	4	10	8	8
Total Gain (Loss)	20.775	-7.45	9.25	17.025	9.925	16.9	32.075	11.775	18.825	2.65	7.925	-17.925
Average Gain(Loss)	1.09	-0.39	0.49	0.90	0.52	0.89	1.69	0.62	0.99	0.14	0.42	-0.94
If Previous Month is Up, then NEXT Month had the following Characteristics												
Yrs Tested	11	8	10	13	11	13	14	11	14	9	11	11
#Up	6	3	8	9	7	12	9	8	10	4	7	6
#Down	5	5	2	4	4	1	5	3	4	5	4	5
% Closing Higher	55%	38%	80%	69%	64%	92%	64%	73%	71%	44%	64%	55%
Total Gain(Loss)	1.30	0.50	17.50	15.23	10.05	32.38	15.53	12.78	12.08	0.07	-16.23	0.55
Average Gain (Loss)	0.12	0.06	1.75	1.17	0.91	2.49	1.11	1.16	0.86	0.01	-1.48	0.05
# Higher Highs	8	3	7	9	10	13	12	6	10	5	7	8
# Lower Lows	2	3	0	2	2	1	1	2	1	2	3	2
If Previous Month is Down then NEXT Month had the following Characteristics												
Yrs Tested	8	11	8	6	8	6	5	8	4	10	8	8
#Up	2	8	3	4	6	2	4	7	2	7	4	6
#Down	6	3	5	2	2	4	1	1	2	3	4	2
% Closing Lower	75%	27%	63%	33%	25%	67%	20%	13%	50%	30%	50%	25%
Total Gain(Loss)	-8.75	6.30	-12.08	1.72	6.85	-0.30	5.92	9.33	2.73	7.85	-1.70	22.28
Average Gain (Loss)	-1.09	0.57	-1.34	0.29	0.86	-0.05	1.19	1.17	0.68	0.79	-0.21	2.78
# Higher Highs	0	1	2	1	3	2	0	2	0	4	5	3
# Lower Lows	6	4	4	2	2	4	4	3	4	4	3	3

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Monthly Lean Hogs Futures Performance Summary

	G January	J February	J March	M April	M May	N June	Q July	V August	V September	Z October	Z November	G December
# of Years Tested	19	19	19	19	19	19	19	19	19	19	19	19
# Up	10	8	11	10	11	9	12	8	15	3	11	8
# Down	8	11	8	9	8	10	7	11	4	15	8	11
Total Gain(Loss)	24.68	-0.02	10.85	20.30	-7.80	-11.65	24.68	-27.73	57.08	-25.63	18.68	-15.05
Total % Gain(Loss)	57.31%	0.39%	19.13%	31.73%	-11.83%	-16.16%	38.89%	-49.44%	115.80%	-42.45%	19.79%	-25.05%
Average Change	1.30	0.00	0.57	1.07	-0.41	-0.61	1.30	-1.46	3.00	-1.35	0.98	-0.79
Average % Change	3.02%	0.02%	1.01%	1.67%	-0.62%	-0.85%	2.05%	-2.60%	6.09%	-2.23%	1.04%	-1.32%
Average Gain	4.26	2.93	3.94	4.30	2.80	3.51	3.77	2.58	4.43	2.59	4.26	1.86
Average % Gain	8.42%	4.87%	6.58%	6.52%	4.06%	5.34%	6.06%	4.75%	8.72%	4.93%	7.14%	3.49%
Average Loss	-2.24	-2.13	-4.06	-2.52	-4.83	-4.32	-2.94	-4.40	-2.36	-2.23	-3.53	-2.72
Average % Loss	-3.37%	-3.50%	-6.66%	-3.72%	-7.06%	-6.42%	-4.83%	-7.95%	-3.76%	-3.82%	-7.34%	-4.81%
Average Range	5.66	5.29	6.40	6.40	6.22	6.52	5.88	6.26	6.75	6.10	6.04	5.34
Average Range (%)	10.46%	8.95%	10.63%	9.50%	9.10%	9.72%	9.35%	11.09%	12.76%	10.68%	10.92%	9.54%
# Higher Highs	8	12	11	11	11	9	9	11	13	11	7	8
# Lower Lows	9	9	10	6	10	12	9	10	7	9	10	9
# Expanded Ranges	9	10	12	10	8	10	8	13	11	9	9	8
# Narrower Ranges	10	9	7	9	11	9	11	6	8	10	10	11
5 Year High	77.35	75.85	76.60	81.55	77.93	79.20	78.35	71.00	77.85	69.25	79.30	77.73
5 Year Low	48.85	51.50	49.43	50.25	45.65	46.25	47.60	29.78	29.40	38.33	42.60	50.35
10 Year High	79.25	75.85	76.60	86.60	90.15	84.83	82.55	77.35	79.15	79.45	80.50	80.30
10 Year Low	30.65	42.15	40.50	50.25	45.65	44.88	42.68	29.78	29.40	37.23	27.90	26.08
19 Year High	79.25	75.85	76.60	86.60	91.15	87.15	82.93	77.35	79.15	79.45	80.50	80.30
19 Year Low	30.65	42.15	40.50	50.25	45.65	44.88	42.68	29.78	29.40	37.23	27.90	26.08

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Monthly Lean Hogs Trend Continuation Study

	J January	J February	M March	M April	N May	Q June	V July	V August	Z September	Z October	G November	G December
Yrs Tested	19	19	19	19	19	19	19	19	19	19	19	19
# Up	12	8	12	10	8	8	11	8	14	3	12	8
# Down	7	11	7	9	11	11	8	11	5	15	7	11
Total Gain (Loss)	35.23	-0.02	19.48	20.30	-18.13	-18.68	5.78	-27.73	26.20	-25.63	17.40	-15.05
Average Gain(Loss)	1.85	0.00	1.03	1.07	-0.95	-0.98	0.30	-1.46	1.38	-1.35	0.92	-0.79
If Previous Month is Up, then NEXT Month had the following Characteristics												
Yrs Tested	12	8	12	10	8	8	11	8	14	3	12	8
#Up	4	6	7	5	4	4	4	6	3	2	5	3
#Down	8	2	5	5	4	4	7	2	11	1	7	5
% Closing Higher	33%	75%	58%	50%	50%	50%	36%	75%	21%	67%	42%	38%
Total Gain(Loss)	-7.90	14.75	22.28	-6.75	-4.20	3.28	-21.73	13.45	-19.48	3.83	-16.35	-8.15
Average Gain (Loss)	-0.66	1.84	1.86	-0.68	-0.53	0.41	-1.98	1.68	-1.39	1.28	-1.36	-1.02
# Higher Highs	10	8	10	8	6	5	9	8	10	2	6	3
# Lower Lows	3	2	0	4	4	3	6	2	4	1	4	5
If Previous Month is Down then NEXT Month had the following Characteristics												
Yrs Tested	7	11	7	9	11	11	8	11	4	15	7	10
#Up	4	5	3	6	5	8	4	9	0	8	3	7
#Down	3	6	4	3	6	3	4	2	4	7	4	3
% Closing Lower	43%	55%	57%	33%	55%	27%	50%	18%	100%	47%	57%	30%
Total Gain(Loss)	7.88	-3.90	-1.97	-1.05	-7.45	21.40	-6.00	43.63	-6.15	9.45	1.30	32.83
Average Gain (Loss)	1.13	-0.35	-0.28	-0.12	-0.68	1.95	-0.75	3.97	-1.23	0.63	0.19	2.98
# Higher Highs	2	3	1	3	3	4	2	5	1	4	2	5
# Lower Lows	6	8	6	6	8	6	4	5	5	9	5	4

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APPENDIX IV

Live Cattle Seasonal Price Charts

- **February Contract**
- **April Contract**
- **June Contract**
- **August Contract**
- **October Contract**
- **December Contract**

Feeder Cattle Seasonal Price Charts

- **January Contract**
- **March Contract**
- **April Contract**
- **May Contract**
- **August Contract**
- **October Contract**
- **November Contract**

Lean Hog Seasonal Price Charts

- **February Contract**
- **April Contract**
- **June Contract**
- **July Contract**
- **August Contract**
- **October Contract**
- **December Contract**

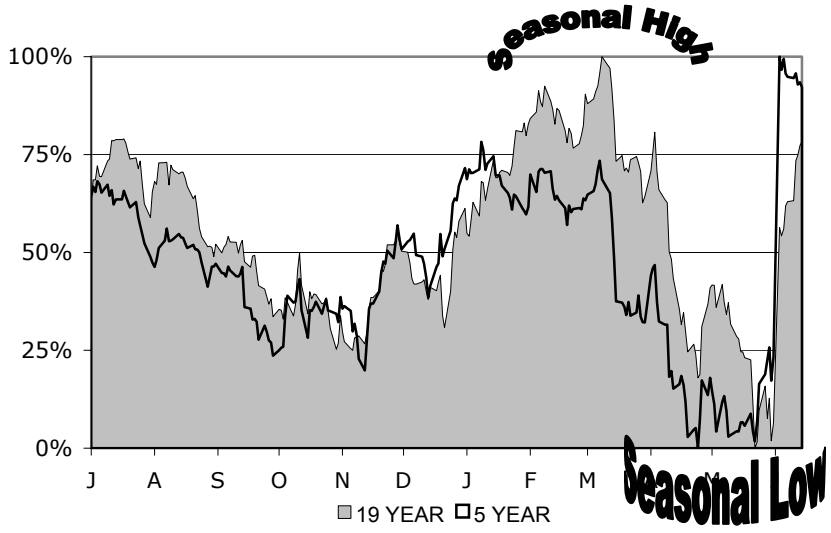
Seasonal Charts

The seasonal charts depicted in this publication are a pictorial presentation of the normal behavior of the markets. The charts are made for specific contract months, so that the trader can see the behavior of the specific contract they are looking at. This detail is of the utmost importance in markets with new and old crop contracts, such as the grain futures markets.

The charts depict behavior on a relative basis, meaning the actual prices are not forecast, just the relative position of the market versus its contract high and low. On the seasonal charts, the high is depicted as 1.0, or 100%, while the low is depicted as 0.0 or 0%. Using a 12-month period, we rank all 19 years analyzed in terms of where each day falls as a percentage of the highest and lowest price of that 12-month period for each specific year. These prices are then averaged and the average is depicted in our charts for a 5 year period as well as the 19 year period.

To read the chart, just remember that the top of the chart is the forecasted contract high for the 12 months displayed and the bottom is the forecasted contract low.

June Live Cattle Sample Seasonal Chart



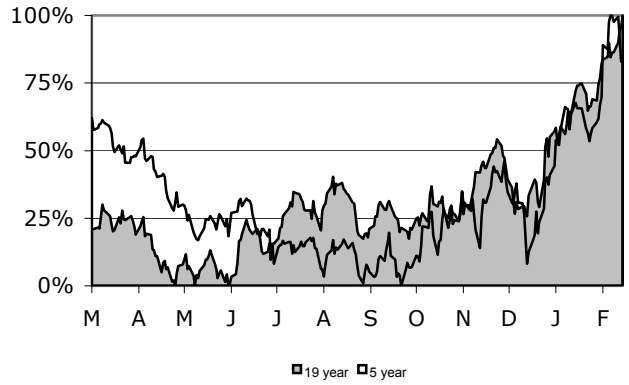
What these charts depict is the average behavior of the futures market. Similar to a map, the seasonal charts may be helpful in finding your direction and avoiding pitfalls. Trading using strictly the seasonal charts is similar to driving across the country with only a national map. You know the basic layout of the highways, but detours and construction can cause you to lose your way.

Obviously, the markets will not follow the patterns exactly, but they can be helpful in planning your market operations, showing the producer, purchaser, and speculator times of the year when the market has historically rallied or broken, and they can act accordingly.

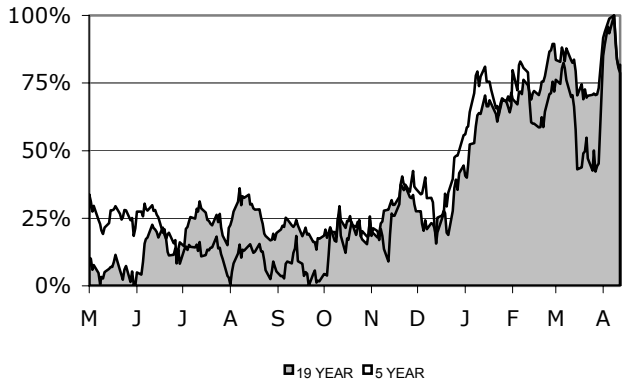
SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

Live Cattle Futures Seasonal Charts

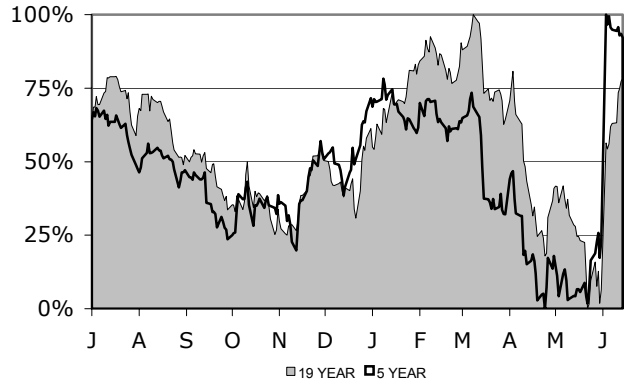
February Live Cattle Seasonal Average (1987-2005)



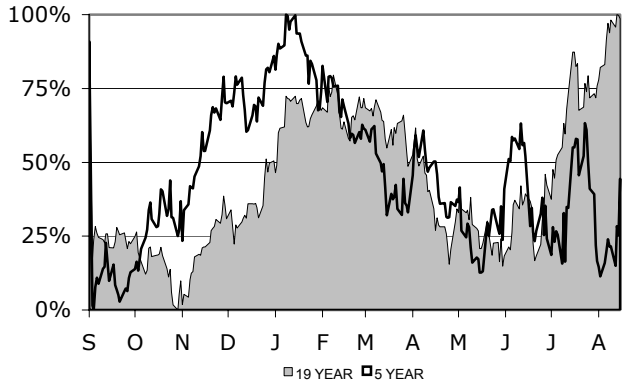
April Live Cattle Seasonal Average (1987-2005)



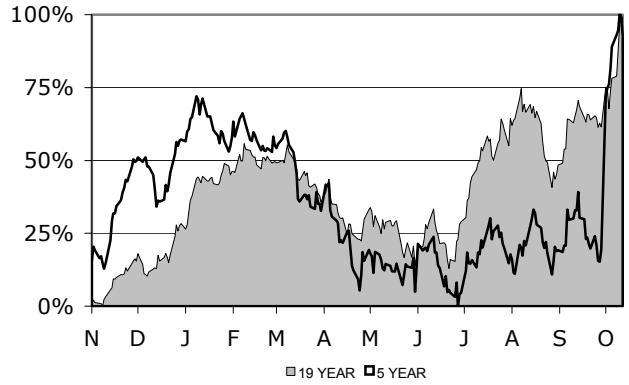
June Live Cattle Seasonal Average (1987-2005)



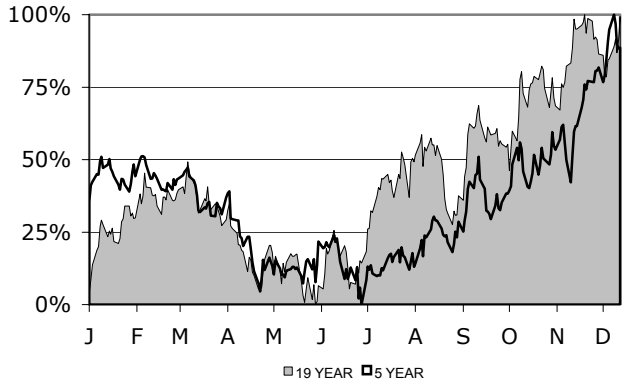
August Live Cattle Seasonal Average (1987-2005)



October Live Cattle Seasonal Average (1987-2005)



December Live Cattle Seasonal Average (1986-2004)



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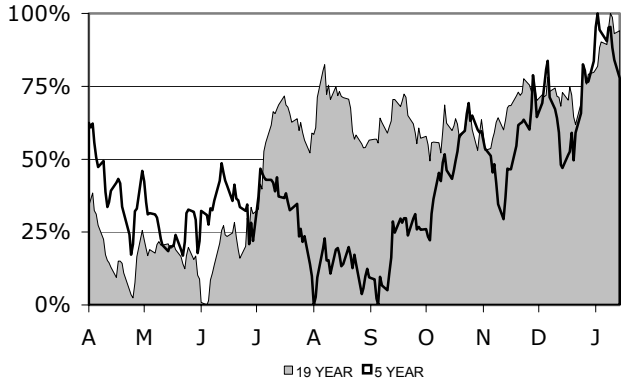
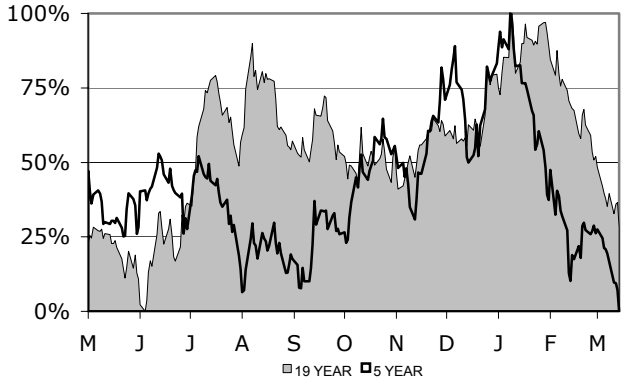
Feeder Cattle Futures Seasonal Charts

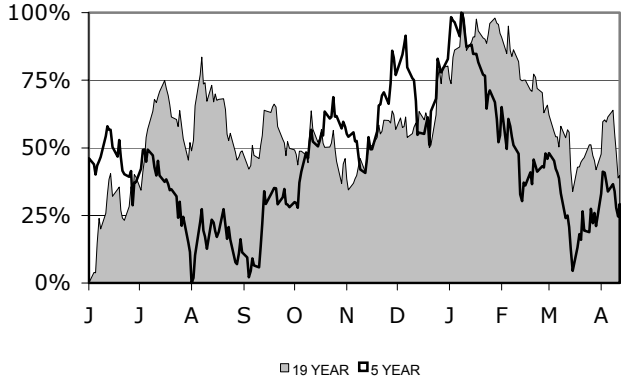
January Feeder Cattle Seasonal Average (1987-2005)



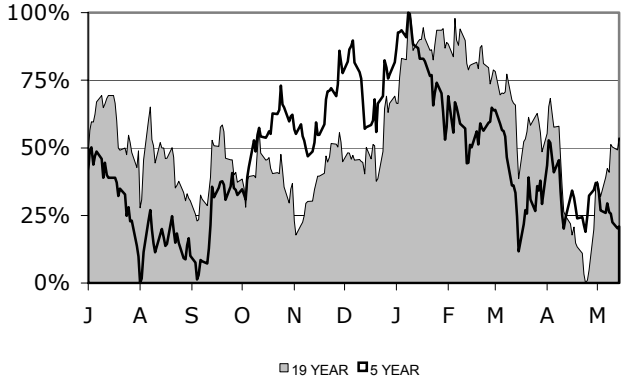
March Feeder Cattle Seasonal Average (1987-2005)



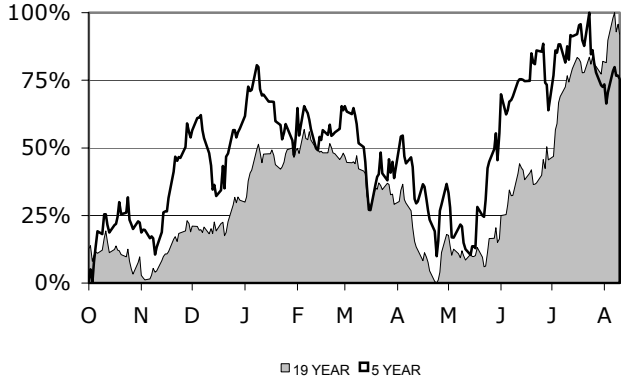
April Feeder Cattle Seasonal Average (1987-2005)



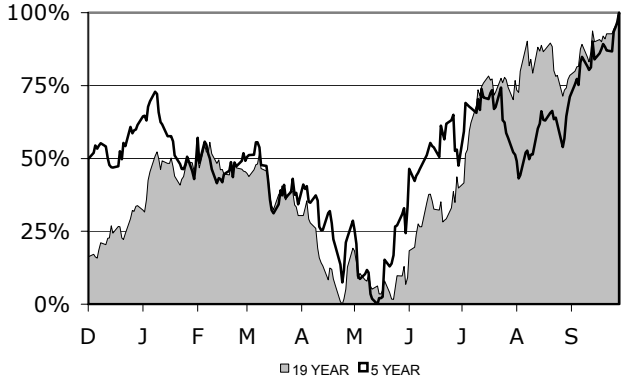
May Feeder Cattle Seasonal Average (1987-2005)



August Feeder Cattle Seasonal Average (1987-2005)



September Feeder Cattle Seasonal Average (1987-2005)



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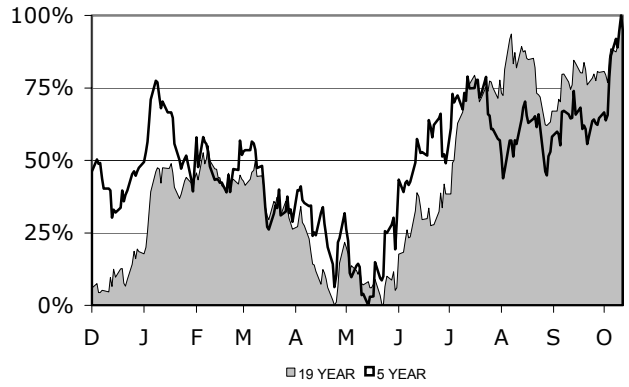
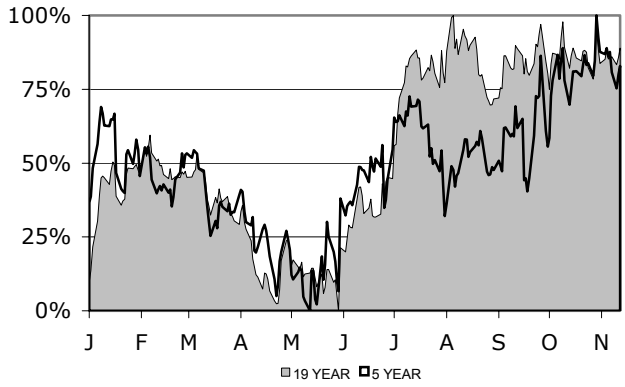
Feeder Cattle Futures Seasonal Charts

October Feeder Cattle Seasonal Average (1987-2005)



November Feeder Cattle Seasonal Average (1987-2005)



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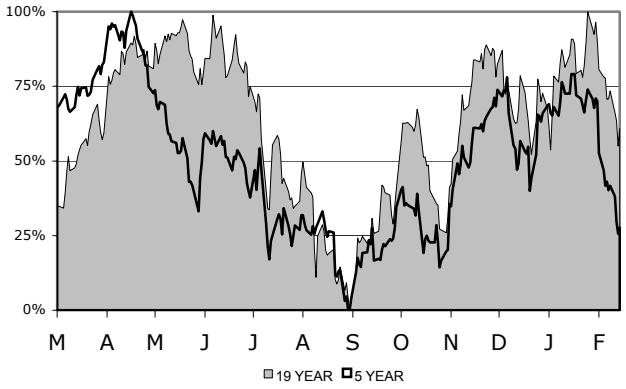
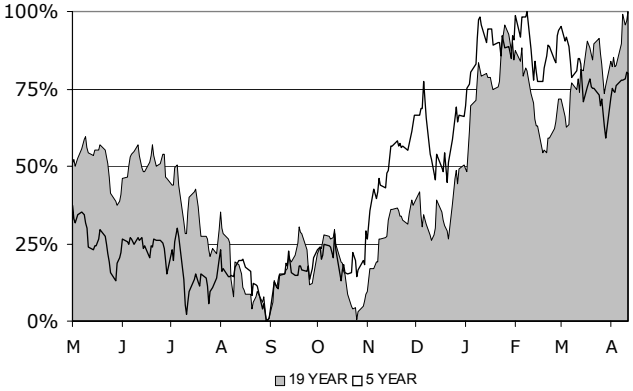
Lean Hog Futures Seasonal Charts

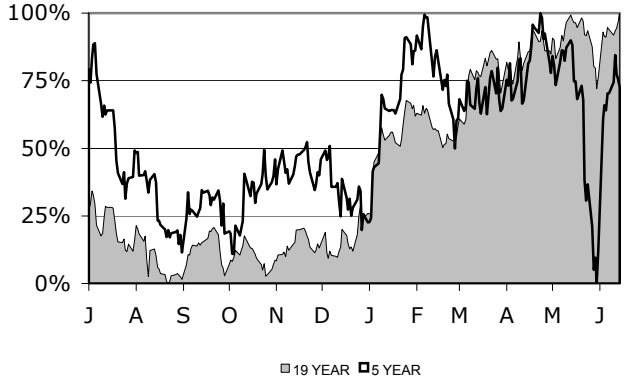
February Lean Hog Seasonal Average (1987-2005)



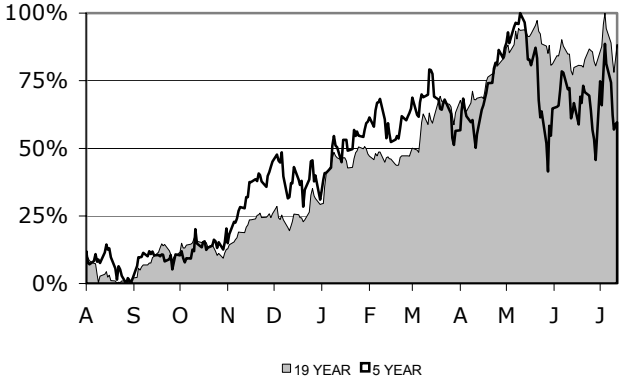
April Lean Hog Seasonal Average (1987-2005)



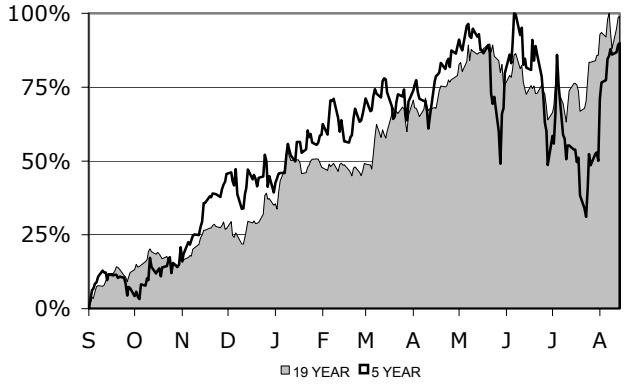
June Lean Hog Seasonal Average (1987-2005)



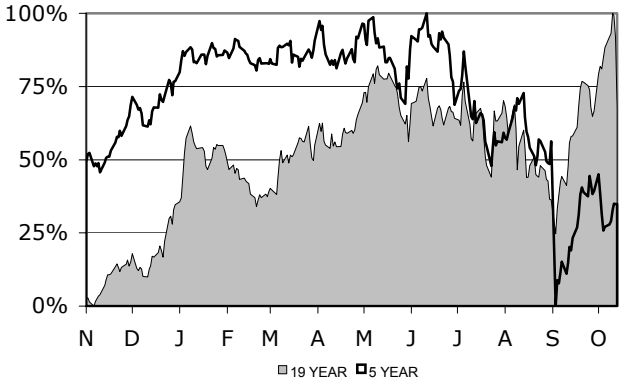
July Lean Hog Seasonal Average (1987-2005)



August Lean Hog Seasonal Average (1987-2005)



October Lean Hog Seasonal Average (1987-2005)



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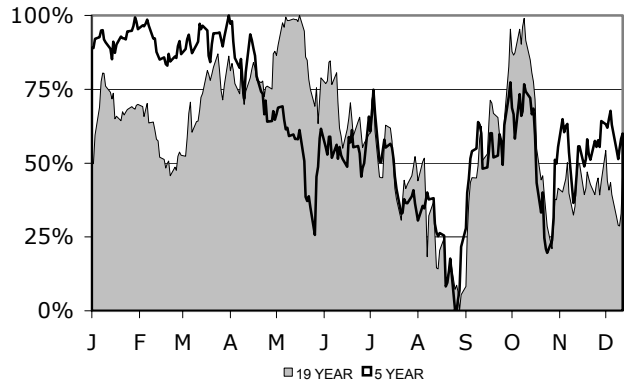
Lean Hog Futures Seasonal Charts

December Lean Hog Seasonal Average (1986-2004)



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APPENDIX V

Live Cattle Seasonal Volatility Charts

- **February Contract**
- **April Contract**
- **June Contract**
- **August Contract**
- **October Contract**
- **December Contract**

Feeder Cattle Seasonal Volatility Charts

- **January Contract**
- **March Contract**
- **April Contract**
- **May Contract**
- **August Contract**
- **October Contract**
- **November Contract**

Lean Hog Seasonal Volatility Charts

- **February Contract**
- **April Contract**
- **June Contract**
- **July Contract**
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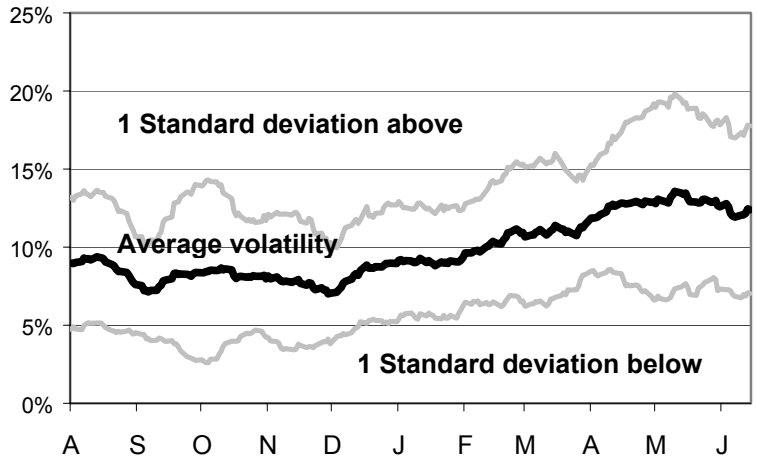
Seasonal Volatility Charts

Historic volatility is the standard deviation of the day-to-day logarithmic closing price changes, expressed as an annualized percentage. Simply put, historical volatility is the degree to which prices fluctuate over a period.

All of the volatility measures presented here are 20 day average historical volatilities for the last 19-years. This information can help speculators watch for periods of volatility, knowing when prices should be volatile and when they should not, based on the past. Though the future (or futures/options) does not necessarily have to repeat the past, these charts can help you spot periods when volatility is normally high or low, and you can plan your future market operations accordingly. For options traders, this information can be invaluable, as volatility is a key component in pricing options.

The charts depict behavior on a average basis, meaning the average volatility is plotted as the dark center line. Above and below this average is plotted the standard deviation of the average volatility, giving traders a clue when current volatility is historically high of low.

June Live Cattle Volatility Average
(1987-2005)

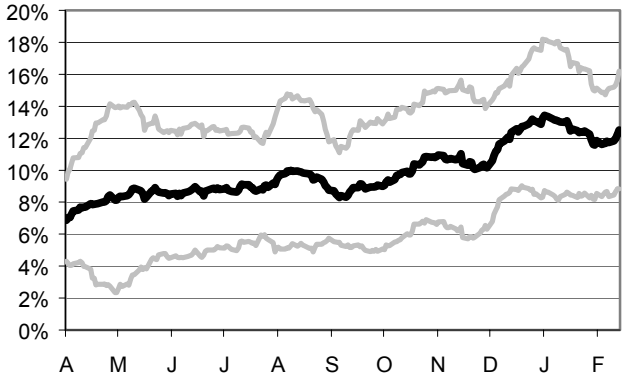


What these charts depict is the average behavior of the futures market. Similar to a map, the average volatility charts may be helpful in fine tuning stop losses, choosing to buy or sell options, as well as avoiding pitfalls. Trading using strictly the average volatility charts is similar to driving across the country with only a national map. You know the basic layout of the highways, but detours and construction can cause you to lose your way.

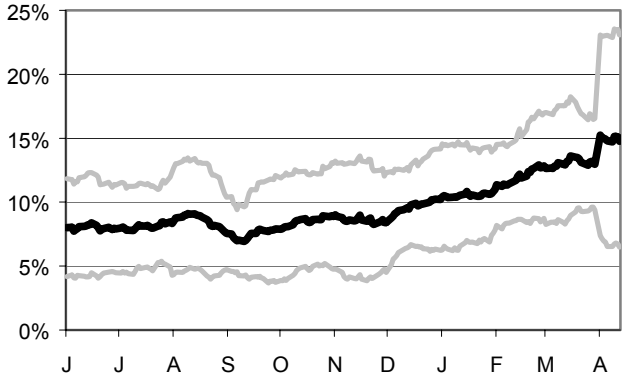
Obviously, the markets will not follow these patterns exactly, but they can be helpful in planning your market operations, showing the producer, purchaser, and speculator times of the year when the market has historically been wild or quiet, and they can act accordingly.

Live Cattle Futures Seasonal Volatility Charts

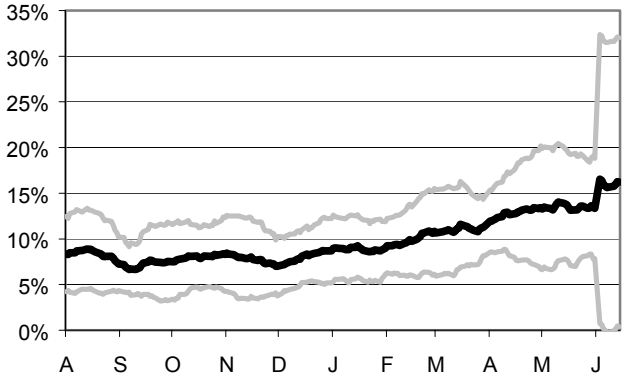
February Live Cattle Volatility Average (1987-2005)



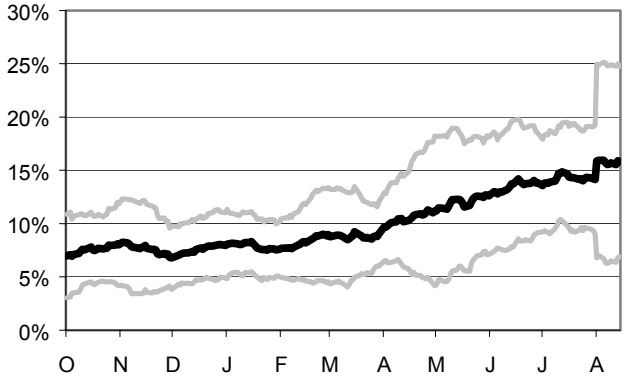
April Live Cattle Volatility Average (1987-2005)



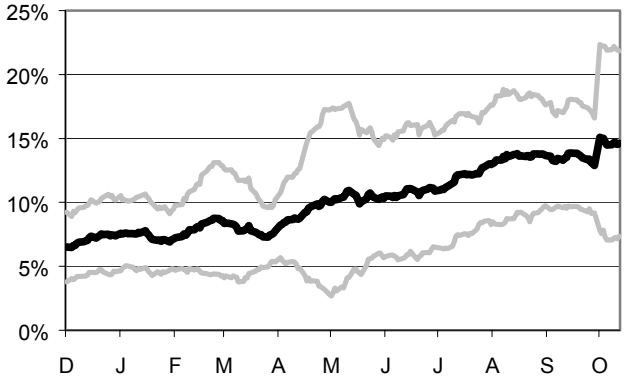
June Live Cattle Volatility Average (1987-2005)



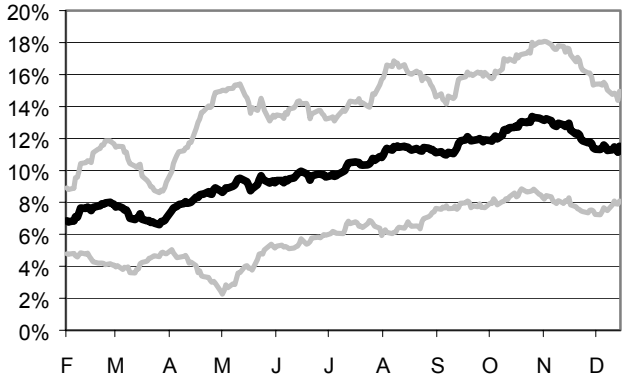
August Live Cattle Volatility Average (1987-2005)



October Live Cattle Volatility Average (1987-2005)



December Live Cattle Volatility Average (1986-2004)



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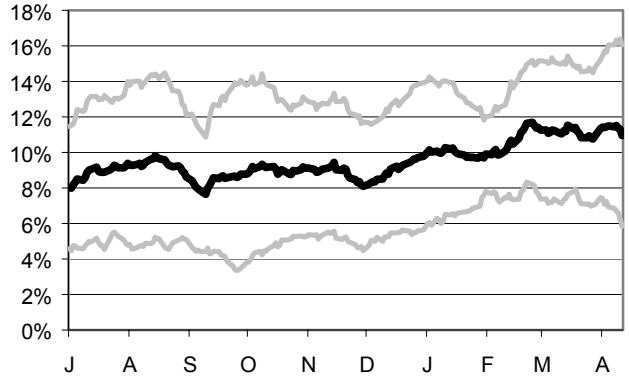
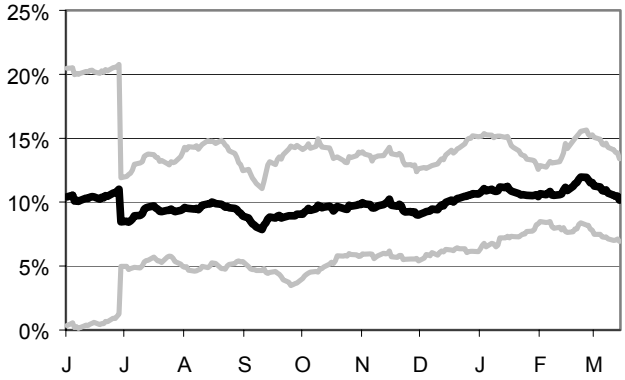
Feeder Cattle Futures Seasonal Volatility Charts

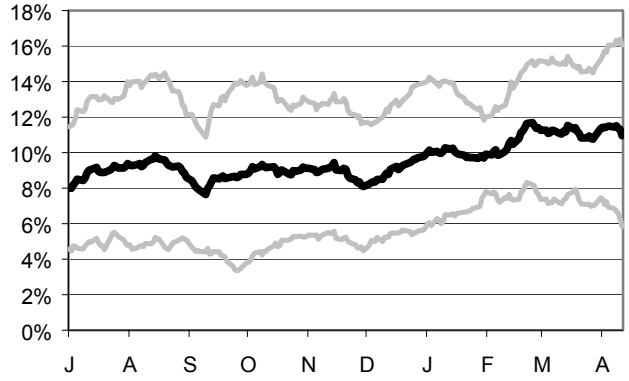
January Feeder Cattle Volatility Average (1987-2005)



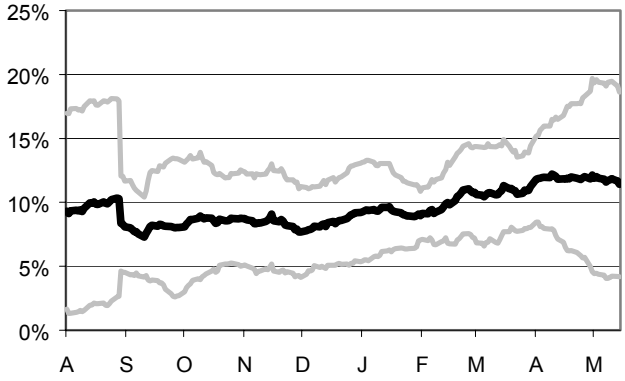
March Feeder Cattle Volatility Average (1987-2005)



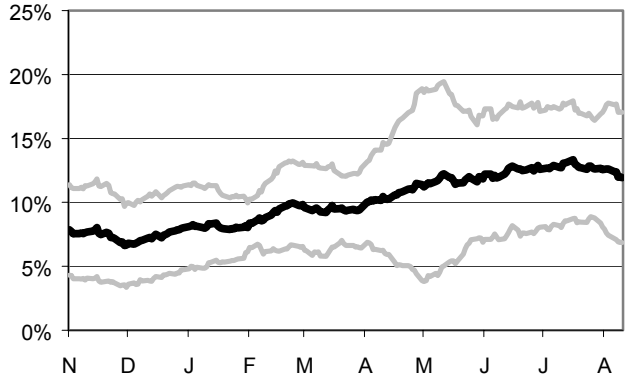
April Feeder Cattle Volatility Average (1987-2005)



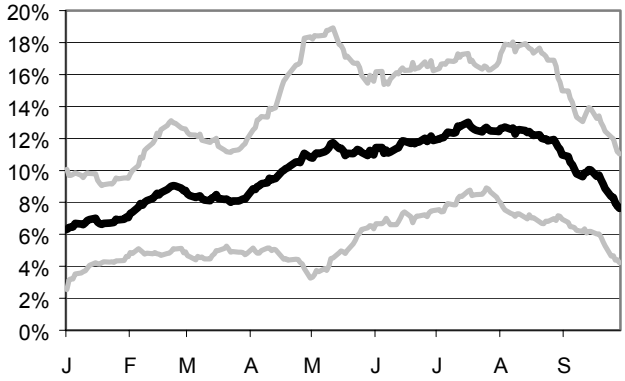
May Feeder Cattle Volatility Average (1987-2005)



August Feeder Cattle Volatility Average (1987-2005)



September Feeder Cattle Volatility Average (1987-2005)



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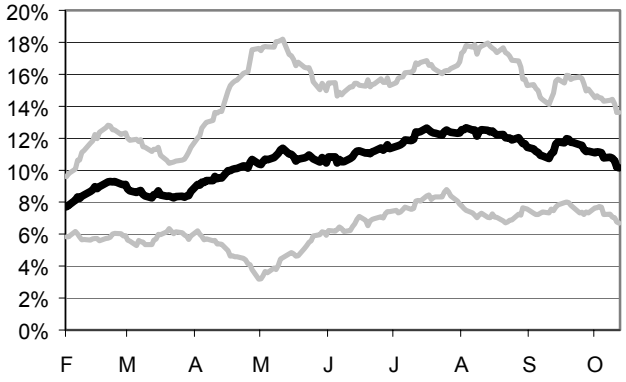
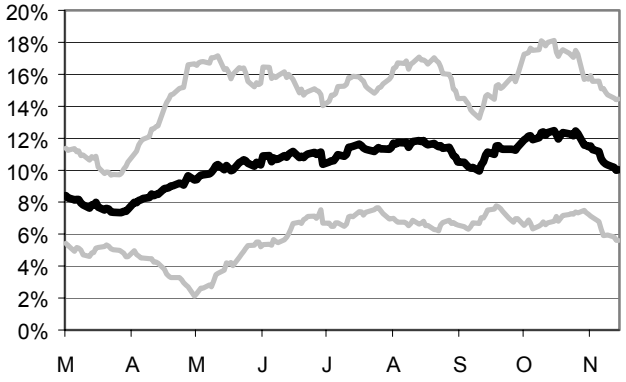
Feeder Cattle Futures Seasonal Volatility Charts

October Feeder Cattle Volatility Average (1987-2005)

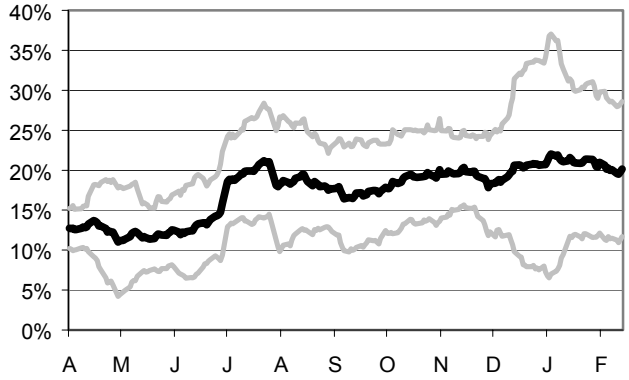


November Feeder Cattle Volatility Average (1986-2004)

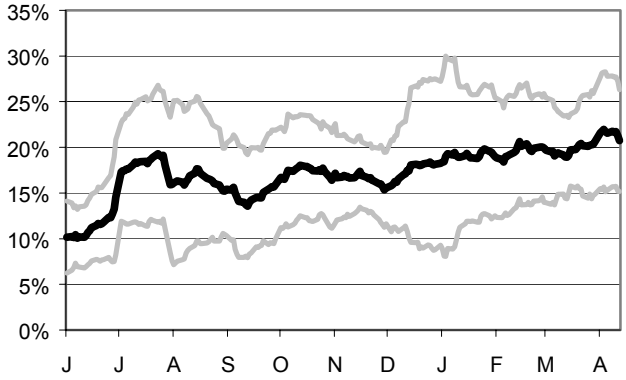


Lean Hog Futures Seasonal Volatility Charts

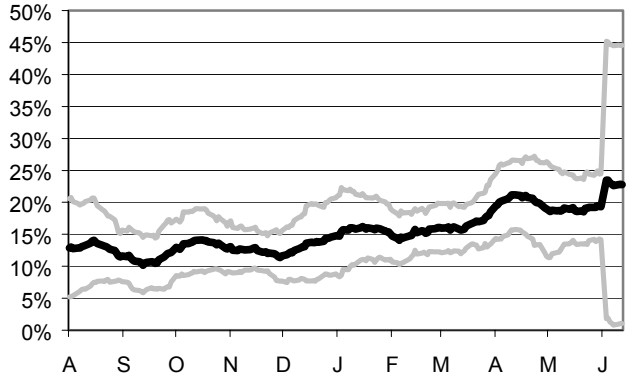
February Lean Hog Volatility Average (1987-2005)



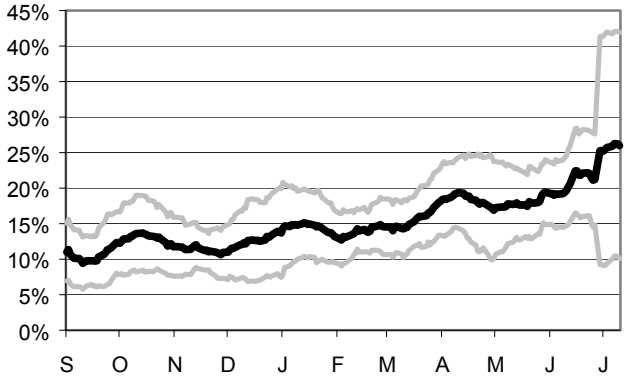
April Lean Hog Volatility Average (1987-2005)



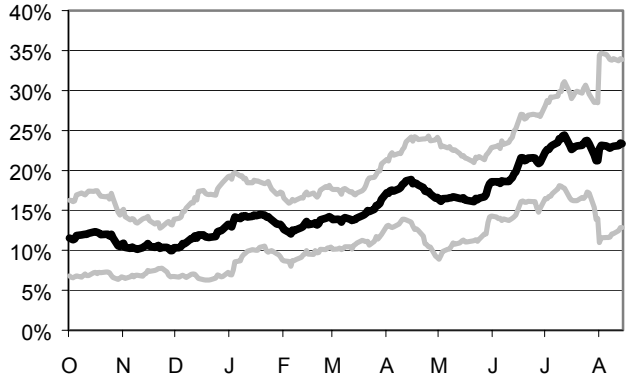
June Lean Hog Volatility Average (1987-2005)



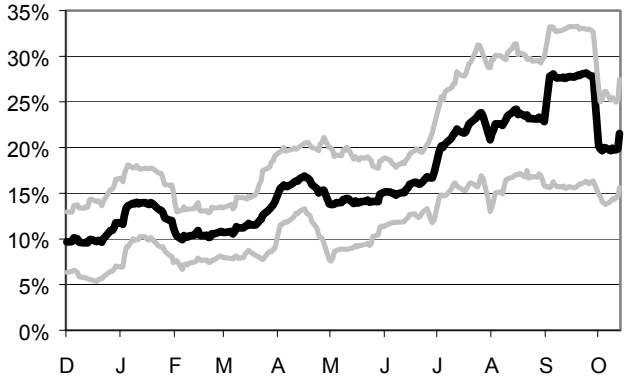
July Lean Hog Volatility Average (1987-2005)



August Lean Hog Volatility Average (1987-2005)



October Lean Hog Volatility Average (1987-2005)



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Lean Hog Futures Seasonal Charts

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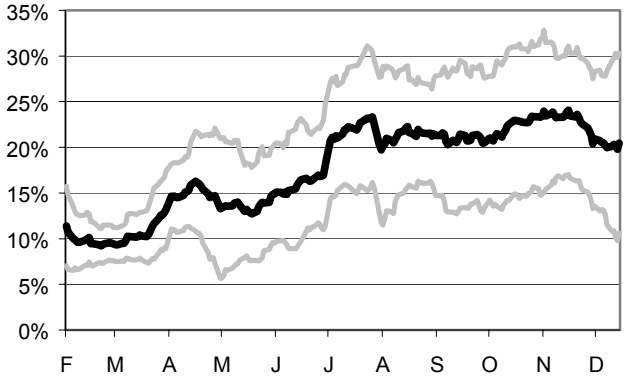

Notes…