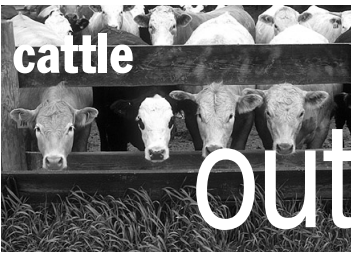


Big Drop In Cash Corn Prices Expected



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Cattle prices have weathered the announcement of a fourth U.S. cow with BSE quite well. The June live cattle futures contract ended the week at \$115.37/cwt, up \$2.52 from last Friday. The August contract settled at \$118.50/cwt, up \$2.95 for the week. The October fed cattle contract ended the week at \$123.80/cwt, up \$3.08 compared to the week before. December fed cattle settled at \$127.15/cwt.

August feeder cattle closed the week \$6.05 higher than last Friday at \$158.10/cwt.

USDA says 53 percent of corn acreage had been planted by April 29. That compares to an average of 27 percent planted on that date, and 12 percent planted on April 29, 2011. USDA is predicting that 2012 corn acreage will be the most since 1937. A big drop in cash corn prices is expected this fall. May corn futures gained 9 cents this week to end at \$6.62 per bushel. December corn futures are trading \$1.38 a dollar per bushel under May futures.

The beef cutout value was a bit lower this week. On Friday morning, the choice boxed beef carcass cutout value was \$190.20/cwt, down 45 cents from the previous Friday. The select

carcass cutout was down 93 cents from the previous week to \$186.31 per hundred pounds of carcass weight.

Fed cattle prices were mixed this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$120.16/cwt, up 37 cents from last week and up \$5.07/cwt from the same week last year. Steer prices on a dressed basis averaged \$190.90/cwt this week, down \$2.79 from a week ago, but up \$6.80 from a year ago. Packer margins are improving. Last week, steer dressed prices were \$3.04/cwt above the choice cutout value. This week the price spread is only 70 cents/cwt.

This week's cattle slaughter totaled 623,000 head, up 2.0 percent from the week before, but down 5.5 percent from a year ago. The average dressed weight for slaughter steers for the week ending on April 21 was 835 pounds, down 2 pounds from the week before, up 20 pounds from a year ago, and above a year earlier for the 15th consecutive week. Year-to-date beef production is up down 3.3 percent.

Oklahoma City feeder cattle prices were mostly \$2 to \$8 lower this week with the ranges for medium and large frame #1 steers: 400-450# \$196-\$199, 450-500# \$191.50-\$198.50, 500-550# \$174.50-\$190.50, 550-600# \$166.50-\$182.25, 600-650# \$152-\$167.50, 650-700# \$149.50-\$159, 700-750# \$147-\$153, 750-800# \$143.50-\$149, 800-900# \$131.75-\$146, and 900-1000# \$126.50-\$133/cwt. Δ

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