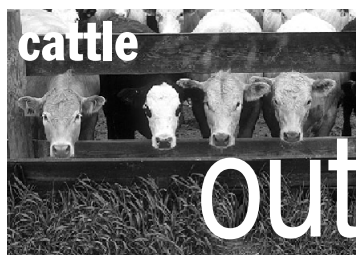


Cattle Prices Higher Fourth Week In Row



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USDA's March 31 planting intentions report was good news for the livestock industry. USDA is forecasting that U.S. farmers will plant 88.8 million acres of corn, 2.7 percent more than last year. Soybean acres are forecast to be up 0.8 percent at 78.1 million acres. Wheat is the big acreage loser with plantings expected to be down 9.0 percent to 53.8 million acres. For soybeans, this is the most acres ever; for corn, the most since 2007 and the second most since 1946; and for wheat, the fewest acres since 1971.

May corn futures dropped 11.75 cents this week and settled at \$3.445 on Thursday (futures trading ended a day early because of the Good Friday holiday). The September corn contract ended the week at \$3.66, down 1.25 cents per bushel from the previous Friday. May soybeans ended the week at \$9.42/bushel, down 10 cents compared to the previous week.

Cattle prices were higher for the fourth week in a row. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$96.24/cwt, up 22 cents from a week earlier and \$13.53 higher than a year ago. Steers sold on a dressed basis this week averaged \$155.77/cwt, \$3.64 higher than the week before and \$21.68 higher than the same week of 2009. These are the highest weekly average prices since early October 2008.

On Friday morning, the choice carcass cutout value was \$1.6281/pound, down 0.19 cents for the week, but 26.92 cents higher than last year. The select cutout was up 0.42 cents from the previous Friday to \$1.6134 per pound. Thus far in 2010, choice carcasses have averaged only 2.5 cents above select. A tight choice-select spread usually indicates one of two things, either cattle are over finished or beef demand is soft. In this case, it is the latter. Steer weights have been below year-earlier levels for each of the last 17 weeks. Steer carcass weights averaged 820 pounds the third week of March which was down 3 pounds from the week before and 28 pounds lighter than a year ago.

This week's cattle slaughter equaled 637,000 head, up 3.6 percent from the previous week and up 4.6 percent compared to a year ago.

Cash bids for feeder cattle this week were mostly steady to \$4 higher at locations around the country. The price ranges at Oklahoma City for medium and large frame steers were: 400-450# \$140-147.50, 450-500# \$131-141, 500-550# \$126-\$134, 550-600# \$120.50-\$130.50, 600-650# \$115-\$122, 650-700# \$108.75-\$117.75, 700-750# \$108.50-\$113.50, 750-800# \$105-\$112.50, and 800-1000# \$94.50-\$106/cwt.

Cattle futures had a good week. The April live cattle futures contract ended the week at \$96.65/cwt, up \$2.63 for the week. June settled at \$93.52, up \$1.95 from the week before. August settled at \$91.97/cwt up \$2.62, and the October live cattle contract ended the week at \$94.70.

Feeder cattle futures also moved higher this week. The April contract gained \$3.17 to end the week at \$110.37. May settled at \$112.70, up \$4.55 for the week. Δ

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