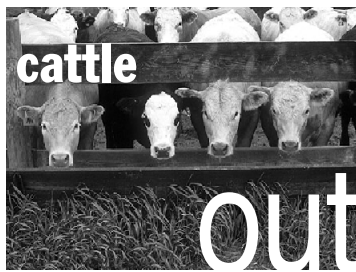


Cattle Producers Learn Of High Corn Crop Estimate



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Cattle producers received good news with the USDA estimate of the 2008 corn and soybean crop estimates. The August estimate of the 2008 corn crop is for a yield of 155 bushels per acre and a total yield of 12.3 billion bushels. This crop is forecast to be up 17 percent from 2006 but down 7 percent from last year's record crop. The 155 bushels per acre, if it comes true, will be second to only 2004 when we had a 160 bushel-per-acre yield.

The soybean crop is forecast at 2.97 billion bushels, up 15 percent from last year's crop but down 7 percent from the 2006 record crop. The forecasted soybean yield is 40.5 bushels per acre, down 0.7 bushels per acre from 2007.

Ending corn stocks for the 2008-09 marketing year are estimated to be 1.133 billion bushels, down from 1.576 billion bushels expected this year. Corn prices per bushel for the 2008-09 marketing year are forecast at \$4.90-5.90 per bushel, up from \$4.25 per bushel for the 2007-08 marketing year.

Soybean prices for the 2008-09 marketing year are forecast at \$11.50-13.00 per bushel, up from \$10.15 per bushel for the 2007-08 marketing year. Soybean meal prices for the 2008-09 marketing year are forecast at \$330-390 per ton, which compares with \$335 per ton for the 2007-08 marketing year.

The July rainfall across much of the Cornbelt can be credited with the potential for the second largest corn crop and yield per acre of record.

Beef and veal exports in June were up 0.5 percent from May and up 27.1 percent from June a year earlier. Beef and veal imports in June were 3.2 percent below May and down 20.7 percent from June 2007.

Beef and veal imports for January-June were down 21.5 percent from a year earlier. Beef and

veal exports for these six months were up 31.2 percent from 12 months earlier.

Net beef imports as a percent of production in January-June were 7.92 in 2007 but declined 3.53 points in 2008. This is a decline in net imports as a percent of production of 4.39 in the last year. Continued decline in net imports as a percent of production at the 2008 rate will result in the U.S. being a net exporter of beef and veal sometime in 2009.

Our exports of beef and veal to Mexico for January-June were up 12.8 percent, Japan up 50.5 percent, Canada up 38.3 percent, South Korea down 84.6 percent, Taiwan up 36 percent, Hong Kong up 2.7 percent, Vietnam up 658.5 percent, Bahamas down 8.9 percent, and other countries up 31.8 percent compared to 12 months earlier.

Live feeder cattle imports from Mexico for January-June were down 33.7 percent, but live cattle imports from Canada were up 45.6 percent for these months from a year earlier. Total live cattle imports for the first six months of 2008 were up 8.5 percent.

Feeder steers were steady to \$2 per cwt higher; feeder heifers were steady; and steer-and-heifer calves were steady to \$3 per cwt higher at Oklahoma City this week compared to last week.

The price ranges by weight groups for medium and large frame Number One steers this week at Oklahoma City were: 400-500 pounds \$120-131.50 per cwt, 500-600 pounds \$115-127 per cwt, 600-700-pound calves \$105-114 per cwt, 600-700-pound yearlings \$114-118 per cwt, 700-800 pounds \$111-115.75 per cwt, and 800-1,000 pounds \$104.75-114.75 per cwt.

The weighted average live fed cattle price for the five-market area through Thursday at \$99.35 per cwt was down \$0.20 per cwt from a week earlier. The five-market weighted average carcass price for negotiated fed cattle at \$158.45 per cwt was up \$0.30 per cwt from seven days earlier.

Wholesale beef prices had Choice beef at \$165.20 per cwt Friday morning, up \$2.99 per cwt from last Friday. Select beef at \$158.15 per cwt was up \$2.12 per cwt from a week earlier.

Slaughter this week under Federal Inspection was estimated at 682 thousand head, up 2.7 percent from a year earlier. △