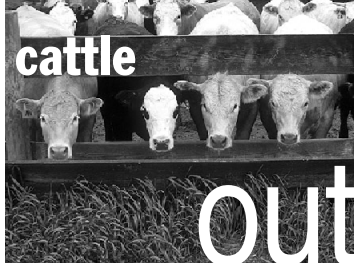


Consumer Demand For Beef Down 2.6 Percent From Early 2007



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Cold storage stocks of beef April 30 were three percent above a year earlier with the increase in boneless beef at one percent and beef cuts up 12 percent from a year earlier.

Cold storage stocks of pork on April 30 were up 23 percent from a year earlier. There are trade reports indicating that the major portion of the record high pork cold storage stocks is due to export shipping containers and that some of the stocks are just in storage waiting for containers to be shipped. The good news is that no cold storage stocks of pork were added to stocks during April even though pork production was up 13-14 percent on a daily basis.

The consumer demand for beef in the U.S. for January-April was down 2.6 percent from a year earlier. The demand for all other meats was up some for this period. This adds evidence to belief that the weak economy, high gas prices and other negative economic news buffeting consumers is probably the major reason for the weak consumer demand.

The good news is that the demand for live fed cattle through April for 2008 is up 1.4 percent from 2007.

Live fed cattle prices held steady last week from Thursday to Friday with the live fed-cattle weighted average price for the five-market area at about \$94.40 per cwt.

USDA announced on May 27 that more than

24 million acres of land enrolled in CRP would be eligible to be grazed or harvested as hay for cattle feed.

Eligible land may not be hayed or grazed until after the end of the primary nesting season for grass-nesting birds. No rental payment reduction will be assessed on contracts being used for this critical use. However, a \$75 fee will be charged to process the required contract modification.

Signup for interested CRP participants will begin June 2, 2008, at local Farm Service Agency (FSA) offices. This modification for critical feed use is only for 2008. All forage use must be completed no later than November 10, 2008.

Wholesale beef prices showed Choice beef at \$155.35 per cwt, down \$1.24 per cwt Friday morning compared to a week earlier. Select beef at \$152.30 per cwt was down \$0.77 per cwt for the week.

The weighted average live price for fed cattle in the five-market area through Thursday at \$93.50 per cwt was down \$8.90 per cwt from seven days earlier. The weighted average carcass price through Thursday at \$148.60 per cwt was down \$0.10 per cwt from a week earlier.

Feeder cattle and calves were not well tested this week at Oklahoma City due to the Memorial Day holiday.

The prices for medium and large frame number one steers were: 550 pounds fleshy \$112-113 per cwt, 625-635-pound calves \$105-110 per cwt, 640-650 pounds \$109-110.50 per cwt, few 750-760 pounds \$106.50-108.50 per cwt, 800-825 pounds \$104.25-107 per cwt, 895 pounds \$101.75 per cwt to few 995 pounds \$93-93.25 per cwt.

Slaughter this week under Federal Inspection was estimated at 625 thousand head, up 2.5 percent from a year earlier. △