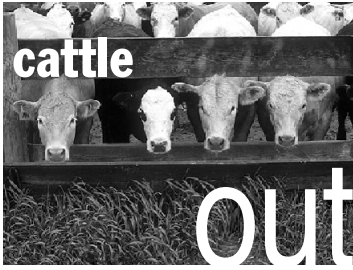


Corn Price Expected To Dip Due To Lower Exports



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Cattle producers received good news this week even though USDA lowered the 2008 production of corn by 11 million bushels due to a lower yield per acre. USDA lowered the estimate of corn exports enough to end up with a 36-million-bushel increase in corn carryover stocks.

With these larger carryover stocks and the probability of lower oil prices this next year than expected, USDA lowered their midpoint estimate of corn price for the 2008-2009 marketing year to \$4.40 per bushel from an estimate of \$4.75 per bushel in October. The \$4.40 may be high if oil prices hold near \$60.00 per barrel.

The 2008 soybean crop estimate for November was reduced by 70 million bushels due to a lower estimated yield. However, the forecast use of soybean was not reduced enough to help ending stocks from being down 17 million bushels from the October estimate.

Even with the lower expected carryover stocks, USDA estimated soybean prices would be reduced for the 2008-2009 marketing year from \$10.45 per bushel to \$9.70 in November.

These potential lower feed prices will reduce

feed costs per animal by \$13-15 per head.

Feeder steers and heifers at Oklahoma City this week were steady to \$2.00 per cwt higher. Steer and heifer calves were unevenly steady.

The range in price for medium- and large-frame No. 1 steers were: 400-500 pounds \$114-133.50 per cwt, 500-600 pounds \$105-116 per cwt, 600-700-pound calves \$87-100 per cwt, 700-750-pound calves \$92-98 per cwt, 600-700-pound yearlings \$99-105.75 per cwt, 700-800 pounds \$99-105 per cwt, and 800-950 pounds \$95.25-102 per cwt.

The beef market rallied again this week with Choice beef Friday morning up \$5.84 per cwt from a week earlier at \$156.59 per cwt. Select beef was up \$4.11 per cwt at \$146.40 per cwt Friday morning compared to seven days earlier.

When the dust finally settled last week, the average price of live fed cattle live at \$93.05 per cwt was up nearly \$3 per cwt from the trade through Thursday. The negotiated carcass trade was up though Friday compared to Thursday but only about \$0.70 per cwt.

The weighted average live price for the five-market area was up \$1.25 per cwt from Thursday of last week but down \$1.70 per cwt from the full week seven days earlier at \$91.35 per cwt. The weighted average negotiated carcass price for the five-market area through Thursday at \$143.15 per cwt was down \$0.35 per cwt from a week earlier.

Hopefully, the fed cattle market will be sideways to up through winter.

Slaughter this week under Federal Inspection was estimated at 616 thousand head, down 4.8 percent from a year earlier. Δ