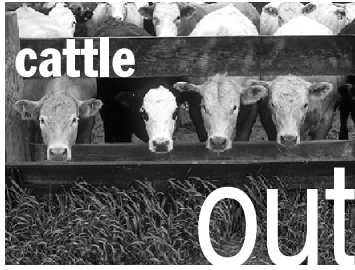


Futures Market For Live Cattle Shows Substantial Increase



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When the dust finally settled last week, the cash fed cattle market was about \$1.15 per cwt below the full week a week earlier but close to the price for the week through Thursday. The carcass price for negotiated cattle for the full week last week was about \$1.70 per cwt below a week earlier, but again the carcass-negotiated price was near the price for the week through Thursday.

The futures market for live cattle continues to show a substantial \$13-17 per cwt increase in fed cattle prices from the current time to October and latter contracts. With the same number of feeder cattle available this year as last, we believe the odds are high that these futures contracts are higher than the market is likely to be when we get to October 2008 and later.

With \$7-plus per bushel corn on the futures market, the higher price will be needed to get close to covering all costs. However, just because these prices are needed to cover costs does not mean they will automatically be there as cattle feeders have experienced many times in the past.

Beef exports for April in product weight were up 32 percent. In carcass weight equivalent, beef exports were up 29 percent from 12 months earlier.

Beef product weight exports for January-April were up 36 percent and in carcass weight equivalent, up 32.7 percent from 2007.

The value of beef exports per animal slaughtered in April was \$66.76, and beef variety exports amounted to \$21.70 per head with total exports of beef and variety meats for April amounting to \$88.46 per head slaughtered.

The value of beef exports per head for January-April amounted to \$62.70, and

beef variety exports amounted to \$21.40 or \$84.12 per head total.

Beef exports in carcass-equivalent weight were up 29.2 percent in April from a year earlier. For January-April, beef exports were up 32.7 percent from 12 months earlier.

Net beef imports as a percent of production for January-April were 8.4 percent in 2007 and were reduced to 4.1 percent in 2008.

Live feeder cattle imports from Mexico for January-April were down 33.9 percent from last year. However, live cattle imports for these four months from Canada were up 37.4 percent from a year earlier. Total live cattle imports for January-April were up 6.3 percent from 12 months earlier.

Feeder steers and heifers under 800 pounds were steady to \$2.00 per cwt lower, but over 800 pounds were steady to \$2 per cwt higher with most advance on 900-pounds-and-up at Oklahoma City this week compared to last. The prices for medium and large frame number one steers at Oklahoma City were 400-500 pounds \$126 per cwt, 500-600 pounds \$114-121.25 per cwt, 600-700-pound calves \$107.75-111.25 per cwt and 800-1000 pounds \$102-109.75 per cwt.

The record high feed prices will continue to exert downward pressure on feeder cattle prices.

There was substantial action early this week in the fed cattle market with 185 thousand head traded through Wednesday.

The weighted average price for live fed cattle for the five-market area through Thursday at \$93.12 per cwt was down \$0.91 per cwt from a week earlier. The weighted average negotiated carcass price at \$146.90 per cwt for the five-market area was down \$1.12 per cwt from seven days earlier.

The wholesale beef price for Choice beef at \$156.44 per cwt Friday morning was down \$0.97 per cwt from a week earlier. Select beef at \$152.13 per cwt was down \$0.63 from last week.

Slaughter this week under Federal Inspection was estimated at 686 thousand head, down 3.8 percent from a year earlier.

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