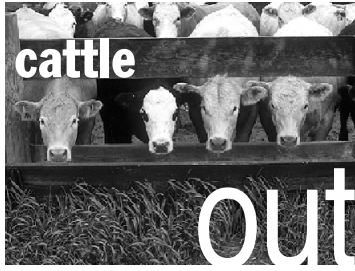


U.S. Beef Producers Appear To Be Reducing Cow Herd



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Cow slaughter for 2008 through the week ending April 12 has been up 3.7 percent, dairy cow slaughter up 0.3 percent and beef cow slaughter was up 6.7 percent. For the year through April 12, cow slaughter in 2008 was up 19.4 percent from 2006. Dairy cow slaughter for this two-year period was up 15.4 percent and beef cow slaughter was up 23 percent.

For the four-week period ending April 12, 2008, total cow slaughter was up 3.5 percent from 2007. Dairy cow slaughter for these four weeks was down 2.9 percent and beef cow slaughter was up 10.3 percent. The odds appear to be high that U.S. beef cow-calf producers are reducing the cow herd size but probably not at a rapid rate.

Demand for beef at the consumer level for January-March of 2008 was down 3.0 percent from a year earlier. Pork demand at the consumer level for these three months was up 0.2 percent, broiler demand was up 3.2 percent and turkey demand was up 7.7 percent.

Live fed cattle demand for the first three months of this year was up 0.2 percent and live

hog demand growth for the period was a sizzling 8.0 percent. The live animal demand showing growth with consumer beef and pork demand down or only about the same as a year earlier is due to larger exports and smaller imports.

With the high costs for energy, the odds appear quite high for the demand for pork and beef at the consumer level to be under strong downward pressure as go on through 2008 even with the strong efforts of the beef and pork industries to promote their product.

Compared to last week feeder cattle and calves were \$1-3 per cwt higher, with instances of \$5.00 higher on 700-800-pound heifers at Oklahoma City.

The range in prices for medium and large frame Number One steers were: 400-500 pounds \$117-129 per cwt, 500-600 pounds \$116-125 per cwt, 600-700 pounds \$108-118 per cwt, 700-800 pounds \$104.75-111 per cwt and 800-1,000 pounds \$91-106 per cwt.

Wholesale Choice beef at \$154.49 per cwt down \$0.20 per cwt Friday morning compared to a week earlier. Select beef at \$153.02 per cwt up \$1.65 per cwt from seven days earlier.

Fed live cattle weighted average price for the five-market area at \$92.02 per cwt down \$0.09 per cwt through Thursday compared to the same period last week. Weighted average carcass prices for the five-market area at \$147 per cwt down \$2.00 per cwt from seven days earlier through Thursday.

Slaughter this week under Federal Inspection was estimated at 699 thousand head, up 5.4 percent from a year earlier. △