

In The Cattle Markets

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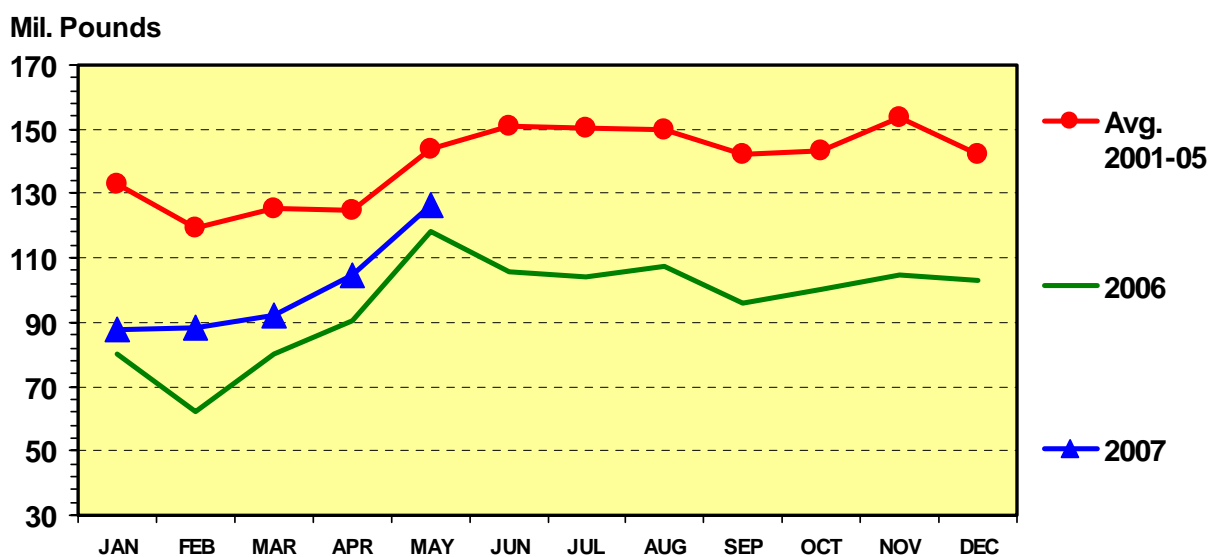
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Beef Exports Continue To Improve

Beef exports during May were 126 million pounds, up 6.9% from May 2006. So far in 2007, beef exports have increased exponentially (see figure below). Year-to-date, beef exports are almost 16% higher than for the first five months of 2006. While exports to Mexico have been lower than historical levels, exports to Japan, South Korea, and Canada continue to improve. In May, exports to Japan were 13.8% higher than last year, the tenth month of consecutive year-over-year increases. For January through May, exports to Japan were five times larger than the same period last year. South Korean exports were nearly ten times larger for the first five months of the year.

The latest trade data also showed that imports of beef into the U.S. were 10.5% higher in May 2007 compared to last year. Imports from all countries except Canada and Brazil were higher in May. This trend is somewhat surprising given the increased cow slaughter rate in the U.S. creating a larger supply of grinding beef or hamburger. Still, for the first five months of 2007, beef imports into the U.S. were only 1% higher than in 2006.

U S BEEF AND VEAL EXPORTS Carcass Weight, Monthly



The Markets

The fed cattle market was about \$1.25/cwt higher last week, with live weight prices averaging \$91.19 in Kansas and dressed prices averaging \$141.26 in Nebraska. This strength in the fed cattle market came in spite of a \$2/cwt drop in Choice boxed beef last week. The spread between Choice and Select beef narrowed by \$0.15/cwt. Feeder cattle prices were steady to \$1 higher in Kansas last week, while Nebraska prices were about \$1.50 lower. The mostly steady feeder prices were consistent with a steady feed market: DDG price was unchanged for the week, and corn in Omaha, NE was \$0.03/bu lower.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight	\$91.19	\$89.91	\$79.20
Neb. Fed Steer Price, dressed weight	\$141.26	\$140.01	\$126.15
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$117.72	\$117.43	\$117.27
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$131.50	\$130.57	\$129.19
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$118.75	\$120.22	\$118.78
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$127.70	\$129.16	\$136.35
Choice Boxed Beef Price, 600-900 lb. carcass	\$140.77	\$142.83	\$140.88
Choice-Select Spread, 600-900 lb. carcass	\$5.95	\$6.11	\$17.18
Corn Price, Omaha Nebraska, \$/bu (Thursday quote)	\$3.03	\$3.06	\$2.08
DDG Wholesale Price, Iowa, \$/ton	\$95.00	\$95.00	\$73.50