

## In The Cattle Markets

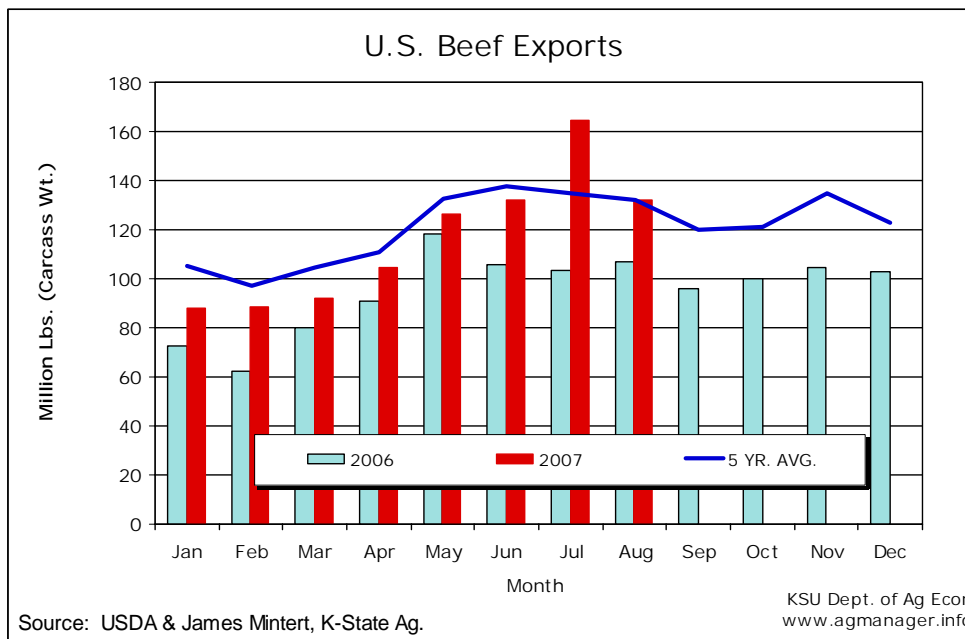
James Mintert, Ph.D.

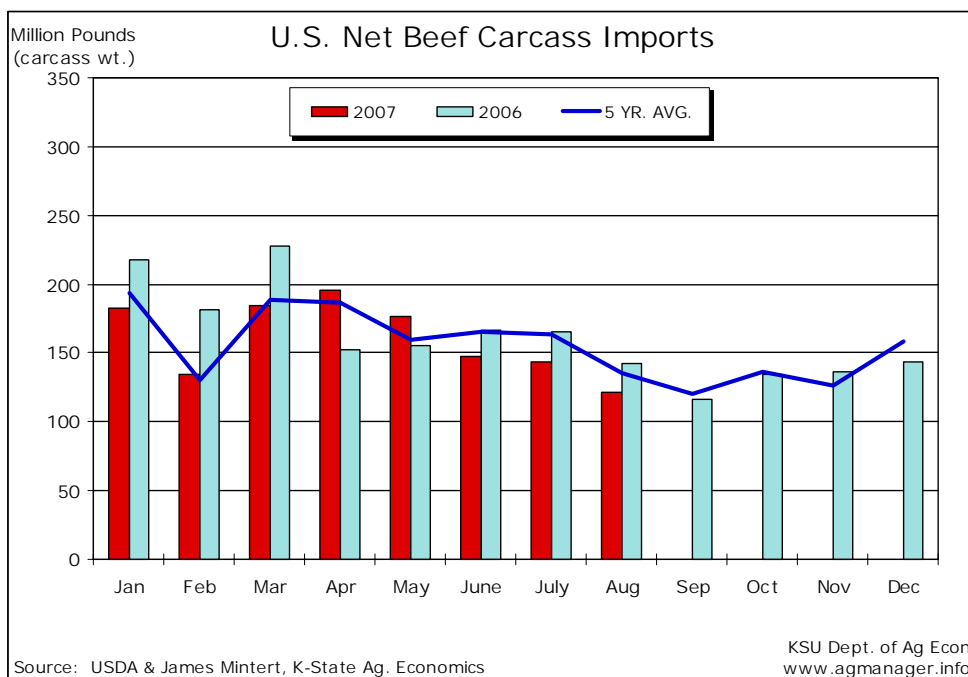
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### Beef Exports Continue to Improve

U.S. beef exports continue to run well ahead of last year. USDA indicates that beef exports during August totaled 132.2 million pounds, 24% more than in August 2006. Through August, beef exports in 2007 are at 929.2 million pounds, which is 25% more than during the same period in 2006. Beef imports during August were up modestly compared to a year earlier and, so far this year, are running about 3% ahead of the 2006 import pace. The combination of increasing beef exports and beef imports near last year's level pushed net beef imports (imports minus exports) during January-August 2007 down 9% compared to 2006.

Although U.S. beef exports have been increasing, they still have a long way to go before they reach the level attained prior to the discovery of BSE in December 2003. Year-to-date beef exports to all destinations were 46% below the same period in 2003. And shipments to Japan during January-August 2007 were still 83% below the same period in 2003. Longer term, beef exports are expected to continue to grow, but it is expected to take several more years before U.S. exports match 2003's.





## The Markets

Compared to a week earlier, slaughter cattle prices last week in Kansas were flat, whereas the weekly weighted average price in Nebraska declined about \$2/cwt lower. Weekly average Choice and Select boxed beef prices declined moderately last week, despite the fact that packers reduced slaughter volume. Federally inspected cattle slaughter last week declined 5% compared to the prior week, although it was still 3% above a year ago. Prices for 700-800 lb. steers in Kansas declined nearly \$4/cwt. last week whereas prices for 500-600 lb. steers in Kansas changed little. In Nebraska prices for both 700-800 lb. and 500-600 lb. steers were about the same as a week earlier.

	Week of 10/12/07	Week of 10/05/07	Week of 10/13/06
Kansas Fed Steer Price, live weight	\$92.32	\$92.05	\$87.95
Neb. Fed Steer Price, dressed weight	\$140.72	\$142.93	\$136.76
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$113.68	\$117.44	\$112.01
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$121.44	\$121.80	\$123.64
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$119.35	\$119.10	\$113.45
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$123.24	\$122.79	\$125.44
Choice Boxed Beef Price, 600-900 lb. carcass	\$145.08	\$146.64	\$143.02
Choice-Select Spread, 600-900 lb. carcass	\$10.10	\$10.27	\$9.04
Corn Price, Omaha Nebraska, \$/bu (Thursday quote)	\$3.02	\$2.98	\$2.74
DDG Wholesale Price, Iowa, \$/ton	\$110.00	\$105.50	\$75.00