

In The Cattle Markets

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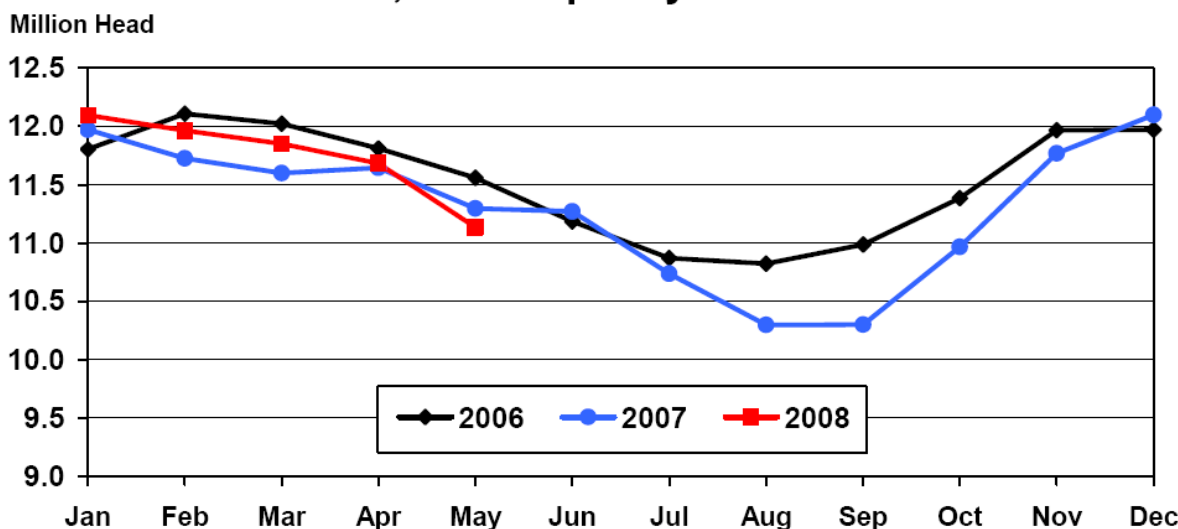
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Cattle on Feed

The USDA released the monthly Cattle on Feed Report this past Friday. The number of cattle on feed on May 1 was 11.14 million head, which was down 1% from last year and down 4% from two years ago. The trade had generally expected this number. Placements were higher than the average expected placement at 98% of a year ago with the trade expecting a smaller placement around 94.5%. However, there were a wide range of guesses around this number. Marketings for April were a pleasant surprise at over 2 million head which was up 11% from last year and at the high end of expectations.

The report should generally be supportive of current cash prices and nearby future prices. However, some of the optimism built in to the deferred live cattle contracts may be tempered just a little with placements higher than had been expected.

United States Cattle on Feed 1,000+ Capacity Feedlots



The Markets

Slaughter cattle prices were steady in the south with active trade, and prices were steady to higher in the north with active trade on Friday. Prices were mostly \$94 in the south and were \$149 in the north. Choice boxed beef prices were higher again as well this week compared to last week. The Choice-Select spread increased last week but still remains

historically narrow. Feeder cattle prices were steady to higher in Kansas and were steady to higher in Nebraska this past week. Prices ranged from \$7 higher for 5-weight steers in Nebraska to \$.75 lower for 5-weight steers in Kansas. Corn prices were down \$.30 a bushel at Omaha, and the Dried Distillers Grains were \$2.50 per ton higher for the week.

Cattle or Meat Category	Week of 5/16/08	Week of 05/09/08	Week of 05/18/07
Kansas Fed Steer Price, live weight	\$93.77	\$93.89	\$97.89
Nebraska Fed Steer Price, dressed weight	\$149.09	\$148.04	\$154.36
700-800 lb. Feeder Steer Price, KS 3 market average	\$111.67	\$110.37	\$111.61
500-600 lb. Feeder Steer Price, KS 3 market average	\$122.14	\$122.89	\$122.50
700-800 lb. Feeder Steer Price, NE 7 market average	\$111.82	\$111.07	\$114.92
500-600 lb. Feeder Steer Price, NE 7 market average	\$131.94	\$124.67	\$139.82
Choice Boxed Beef Price, 600-900 lb. carcass	\$156.66	\$155.33	\$166.27
Choice-Select Spread, 600-900 lb. carcass	\$4.57	\$3.06	\$12.98
Corn Price, Omaha, NE, \$/bu (Thursday quote)	\$5.62	\$5.92	\$3.53
DDG Wholesale Price, Iowa, \$/ton	\$175.00	\$172.50	\$100.50