

Slaughter Cattle Weekly Review

Oklahoma City, Okla.
June 6, 2003

Report Supplied By USDA

NATIONAL SLAUGHTER CATTLE SUMMARY - Week Ending June 6: Slaughter cattle live basis steady, dressed basis steady to 1.00 lower. Extremely large packer margins caused cattle feeders to price cattle well over the 80.00 mark at the outset of this trading week. Packers resisted higher prices early and were able to obtain cattle by Thursday at steady money due to leveling out of the run away beef market and sharp decline in futures market. Cattle feeders have little resolve to require more money de-

spite huge packer profits. The looming border situation and heavy placements leave little room to back up cattle now. Feeders and packers alike know that cattle movement must continue at the fast pace established last February in order to avoid a build up of supply this summer and fall. So long as slaughter cattle are making a decent profit packers should enjoy strong margins with little resistance by sellers. Boxed beef prices Friday a.m. at an average of 140.14 down 93 cents from last Friday. Sales of slaughter cattle on a national basis for negotiated cash trades were a modest 180,500 through 10:00 a.m. Friday with trade not underway until Thursday. Last week's full count was large due to light movement

prior to the holiday week and totaled 317,200 head.

STEERS AND HEIFERS:

MIDWEST DIRECT MARKETS: Live Basis: 35-80 percent Choice, 900-1400 lbs 79.00-81.00, wtd avg 79.85. Dressed Basis: 35-80 percent Choice, 550-950 lbs. 125.00-130.00, wtd avg 127.50.

HIGH PLAINS DIRECT MARKETS: Live Basis: 35-65 percent Choice, 900-1400 lbs 78.00-80.50, wtd avg 79.90.

SLAUGHTER COWS AND BULLS (Average Yielding): Slaughter cows and bulls weak to 4.00 lower. Fall calves are weaning calves and shipping culls. Market continues strong though increased supply tempering prices. USDA's Cutter cow carcass cut-out value closed Thursday at 92.69 down 6.48 from last Friday.

COWS: Breakers 75-80% lean 1000-1600 lbs: Montana 44.00-46.50; Oklahoma 42.00-45.00; Alabama 44.00-47.00. Boners 80-85% lean 900-1500 lbs: Montana 41.50-45.00; Oklahoma 42.50-45.50; Alabama 43.00-46.00. Lean 85-90% lean 850-1400 lbs: Montana 38.00-41.50; Oklahoma 40.50-44.00; Alabama 38.00-40.00.

BULLS: 88-92% lean 1500-2200 lbs: Montana 47.50-52.50; Oklahoma 52.00-55.00; Alabama 52.00-58.00.

Midwest Daily Livestock Summary

Amarillo, Texas

June 11, 2003

Report Supplied By USDA

Five area direct slaughter cattle: slaughter steers and heifers on a live basis 2.00 lower at 78.00, on a dressed basis 3.00 to mostly 4.00 lower at 124.00.

STEERS: LIVE BASIS: 65-80% Choice 76.00-78.50, wtd. avg. price 77.64; 35-65% Choice 75.00-78.00, wtd. avg. price 77.73. DRESSED BASIS: Over 80% Choice 123.00-124.00, wtd. avg. price 123.49; 65-80% Choice: 120.00-124.00, wtd. avg. price 123.43; 35-65% Choice 121.00-125.00, wtd. avg. price 123.51. HEIFERS: LIVE BASIS: Over 80% Choice 76.50-78.50, wtd. avg. price 77.64; 65-80% Choice 77.00-78.00, wtd. avg. price 77.72; 35-65% Choice 77.00-78.00, wtd. avg. price 77.80. DRESSED BASIS: Over 80% Choice 120.00-124.00, wtd. avg. price 123.03; 65-80% Choice 120.00-125.00, wtd. avg. price 123.11; 35-65% Choice 121.00-124.00, wtd. avg. price 123.40.

At So. St. Paul terminal market, slaughter steers and heifers sold mostly steady on a limited test. Steers: Select and Choice 2-3 1189-1425 lbs 74.00-75.50. Select 1-2 1155-1433 lbs 71.00-73.25. Heifers: Select and Choice 2-3 1261-1290 lbs 74.00-74.75. Select 1-2 1098-1361 lbs 72.50-73.00.

At Sioux Falls terminal market, slaughter steers and heifers 1.00-2.00 lower, instances 3.00 lower. Steers: Choice 2-3 1282-1308 lbs 77.00-77.70. High Select and Choice 2-3 1231-1311 lbs 75.10-76.20. Select and Choice 2-3 1189-1389 74.20-75.50. Heifers: Choice 2-3 1094-1270 lbs 74.50-76.80. Select and Choice 2-3 1150-1199 lbs 74.50-74.70.

Estimated daily cattle slaughter under federal inspection week to date through Wednesday was 405,000 head compared to 407,000 last week and 397,000 a year ago.

CME Futures Closes for Live Cattle: June 74.12, down 110; Jul 70.00, down 150; Aug. 68.25, down 150.

Slaughter cows at South St. Paul sold

steady. Premium White 70-75 percent lean over 1200 lbs 48.00-51.00. Breakers 70-80 percent lean over 1100 lbs 46.00-49.50. Boners 80-85 percent lean over 1050 lbs 44.00-47.00. Lean 85-90 percent lean over 850 lbs 40.00-44.00.

Barrows and gilts at So. St. Paul, MN sold 2.00 lower with 220-270 lb 47-51% lean hogs moving at 44.50-45.50, and at Sioux Falls, SD the same classes sold 1.50 to mostly 2.25 lower at 46.00-47.00, volume 46.00. The National direct trade prices are based on 185 lbs hog carcass with 0.9-1.1 inch back fat and 6 inch square loin/2.0 inch depth plant delivered. National direct trade closed weak to .50 lower with prices ranging 56.75-67.60, wtd. avg. price 64.87. Iowa-So. Minnesota direct trade closed steady at 56.75-67.50, wtd. avg. price 65.28. The Western Cornbelt closed .50 lower with prices ranging 56.75-67.60, wtd. avg. price 65.05. The Eastern Cornbelt prices were .50 higher ranging from 57.00-66.75, wtd. avg. price 64.49.

Hog slaughter under federal inspection week to date through Wednesday 1,103,000 head compared to 1,093,000 a week ago and 1,086,000 a year ago actual slaughter.

CME Future Closes for Lean Hogs: Jun 66.07, down 140; Jul 66.25, down 200; Aug 66.57, down 200.

Slaughter lambs traded steady at So. St. Paul, MN. Slaughter Lambs: New Crop: Spring: 110-130 lbs 106.00-108.00. Shorn: Old Crop: 120-140 lbs 104.00-106.00. Woolled: Old Crop: 120-140 lbs 100.00-102.00.

Sheep and lamb slaughter under federal inspection week to date slaughter through Wednesday estimated at 34,000 head compared to 36,000 a week ago and same day actual slaughtered 33,000 a year ago.

National Feeder Cattle Weekly Review

St. Joseph, Mo.

Friday, June 6, 2003

Report Supplied By USDA

NATIONAL FEEDER & STOCKER CATTLE SUMMARY - Week Ending June 6 - Total Receipts: 331,900, last week 277,100; last year 280,400. Direct: 97,800, last week 83,300, last year 57,800. Video/Internet: 1,000, last week 31,300, last year None. Auctions: 233,100, last week 162,500, last year 222,600. This week's reported auction volume included 48 percent over 600 lb and 44 percent heifers. Compared to last week, feeder and stocker cattle sold firm to 3.00 higher on heavier receipts and very good demand. Several auction markets quoted price trends as much as 6.00 higher, but many of these salebarns were either closed last week for the holiday or had very light receipts. After sparking last week in Kansas and Oklahoma, direct trading for late-summer and early-fall delivery turned very active in Texas as the Panhandle area finally received some moisture. Several weeks ago, we were all under the assumption that both market-ready slaughter cattle and yearling feeders were in short supply. Its funny how numbers come out of the woodwork when the price gets right.

Good old supply and demand has allowed packers to purchase huge numbers of semi-fat cattle for the last several weeks, and feeder cattle receipts continue to run much larger than year ago figures. Slaughter cattle prices are entering the summer months at a higher level than anytime in history, causing feedlot buyers to become extremely aggressive to fill empty pens and sellers are taking advantage of the hot market.

Who says the packer, feeder, backgrounder, and cow/calf man can't all be happy at the same time? For once, these four cowboys can travel to the rodeo in the same pickup. There has been a legitimate chance for a 100.00 per head profit at every level for the same steer. It makes these guys wonder where all the gravy has been going for the last several years. In any event, beef continues to fly off the shelves and there is still a line to get in the Outback Steakhouse. No one wants to upset the apple cart and the entire industry holds their breath when the word Canada is spoken. For now, this weeks estimated cattle slaughter was the largest in a quarter century and cattle still brought 80.00. Wheat harvest is underway and this years corn looks to be a bumper crop.

Eastern Cornbelt Direct Feeder Cattle Weekly

Springfield, Ill.

June 6, 2003

Report Supplied By USDA

Eastern Cornbelt Direct Feeder Cattle Summary - Illinois, Indiana, Michigan, and Ohio: Feeder cattle were 4.00-7.00 higher compared to last week's light market test. Stronger slaughter cattle prices, the continued ban on Canadian cattle imports due to the confirmed case of BSE and tight supplies of cattle in some areas combined to support the market. Reported sales consisted of about 30% beef steers, 70% heifers and 0% Holstein steers. Approximately 74% of the cattle marketed this week weighed over 600 lbs. Confirmed sales 1550 this week, 750 last week and 450 last year.

FEEDER STEERS: Medium and Large 1-2: 425-550 lbs 103.00-108.00; 725-875 lbs 84.00-85.00.

HOLSTEIN STEERS: Medium and Large 3-4: no test.

FEEDER HEIFERS: Medium and Large 1-2: 550-575 lbs 91.50-92.00; 575-700 lbs 80.00-85.00; 700-800 lbs 77.00-82.00; 800-850 lbs 80.00-82.75.

Prices are based FOB the farm unless otherwise indicated.

Delivered prices include freight, commissions, and other expenses.

LIVESTOCK FUTURES MARKET

Chicago Mercantile Exchange

Wednesday, June 11, 2003

| | Choice Steers | | Choice Feeders | | Live Hogs Lean Value | | Frozen Pork Bellies | |
|-------|---------------|--------|----------------|--------|-------------------------|--------|------------------------|--------|
| | Today | Wk Ago | Today | Wk Ago | Today | Wk Ago | Today | Wk Ago |
| Jn 03 | 74.125 | 75.950 | ----- | ----- | 66.075 | 65.925 | ----- | ----- |
| Jl 03 | 70.000 | 72.425 | ----- | ----- | 66.250 | 68.325 | 89.500 | 93.450 |
| Au 03 | 68.250 | 70.775 | 84.050 | 86.100 | 66.575 | 68.975 | 87.475 | 91.375 |
| S 03 | 68.600 | ----- | 84.550 | 86.475 | ----- | ----- | ----- | ----- |
| O 03 | 69.100 | 71.225 | 84.550 | 86.450 | 57.500 | 58.875 | ----- | ----- |
| N 03 | ----- | ----- | 84.775 | 86.775 | ----- | ----- | ----- | ----- |
| D 03 | 72.475 | 74.150 | ----- | ----- | 54.350 | 55.175 | ----- | ----- |
| J 04 | ----- | ----- | 83.125 | 85.275 | ----- | ----- | 77.000 | 78.300 |
| F 04 | 73.825 | 74.300 | ----- | ----- | 57.300 | 58.600 | ----- | ----- |
| Mr 04 | ----- | ----- | 82.800 | 84.000 | ----- | ----- | 77.100 | 78.750 |
| Ap 04 | 74.700 | 76.150 | 82.900 | 84.000 | 58.200 | 59.750 | ----- | ----- |
| My 04 | ----- | ----- | ----- | ----- | 60.700 | 62.275 | ----- | ----- |
| Jn 04 | 68.700 | 70.000 | ----- | ----- | 62.700 | 64.325 | ----- | ----- |



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