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May Market Averages

Slaughter Cows

Canner…………… 38.00 to 47.75

Boning/utility… 48.75 to 55.50

Cutter …………. 56.50 to 63.12

Slaughter Bulls…. 55.00 to 76.63

Bred Cows…….. $520.00 to $1040.00/ hd

Cow/calf Pairs………….$630.00 to $1170.00/pr

FEEDER CALVES

Large Frame #1 Feeder Steers/Bulls		***Large Frame #1 Feeder Heifers***
200 to 300 lbs……….	***111.00 to 144.25***	***100.00 to 140.00***
305 to 400 lbs………	***105.00 to 142.75***	***95.00 to 136.75***
405 to 500 lbs………	***90.00 to 131.50***	***84.00 to 125.75***
505 to 600 lbs………	***83.00 to 125.25***	***80.00 to 117.50***
605 to 800 lbs………	***80.50 to 114.50***	***73.00 to 108.00***

SUMMARY

May started with live cattle bringing $1.00 cwt and market analysts felt these high prices could well continue and remain strong throughout the summer and into the fall months. Continuing tight supplies of market ready cattle, feedlots remaining current and the previous month's lighter placements all help contribute to this bullish forecast. Carcass weights are still 15 lbs under last year and the overall beef supplies remain smaller than last year along with an improving beef demand.

The feeder calf market continued to remain red hot due to the rising fed cattle prices, excellent moisture conditions and the an abundance of grass. Summer pasture conditions are the best we have witnessed in 15 years and the inventory of feeder calves remains historically low. Prices for live cattle should (according to market strategists) remain above $90 cwt throughout the next several months which would allow the feeders to recoup some of their losses for the past couple of years.

On the negative side, higher beef prices along with forecasted hotter weather could well dull the consumer's interest. The point of resistance by the consumer has yet to be established but chicken's lower price and substitute protein appeal are to be considered as a threat. The Chinese government's imposing larger levies on US chicken imports should decrease prices domestically. The European economic debt crisis along with our volatile stock market also leaves us in an uncertain position.

Higher ethanol production than expected has also shot corn prices higher which will reflect in higher feed cost.

The continuing decline of beef supplies will also allow pork to fill the protein hole in the US consumer's diet. Unemployment continues to wage war on the family's budgets and our own government's uncertainty of how to handle this economic downturn leaves little confidence in the market's direction. By late May the jitters in the stock market had spilled over into the futures and live markets.

The USDA on feed report of May 21st was regarded as neutral as the placement figure showed at 101.8% and the marketing figure at 99.1%. If the upcoming Memorial Holiday beef sales exceed expectations, both boxed beef and live cattle prices could well stage another rally.

Closer to home pasture conditions are beginning to get dry. The marketing numbers of cows are well above last year with most going to slaughter. We are seeing a pressure on the market beginning to show as prices are adjusting. All told, the feeder calve figures are still quite strong and the demand has remained good. Slaughter cow figures are weaker due to numbers.

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