

Market Outlook for 2004 and Beyond

Prepared for:

***University of
Florida***

May 5th, 2004

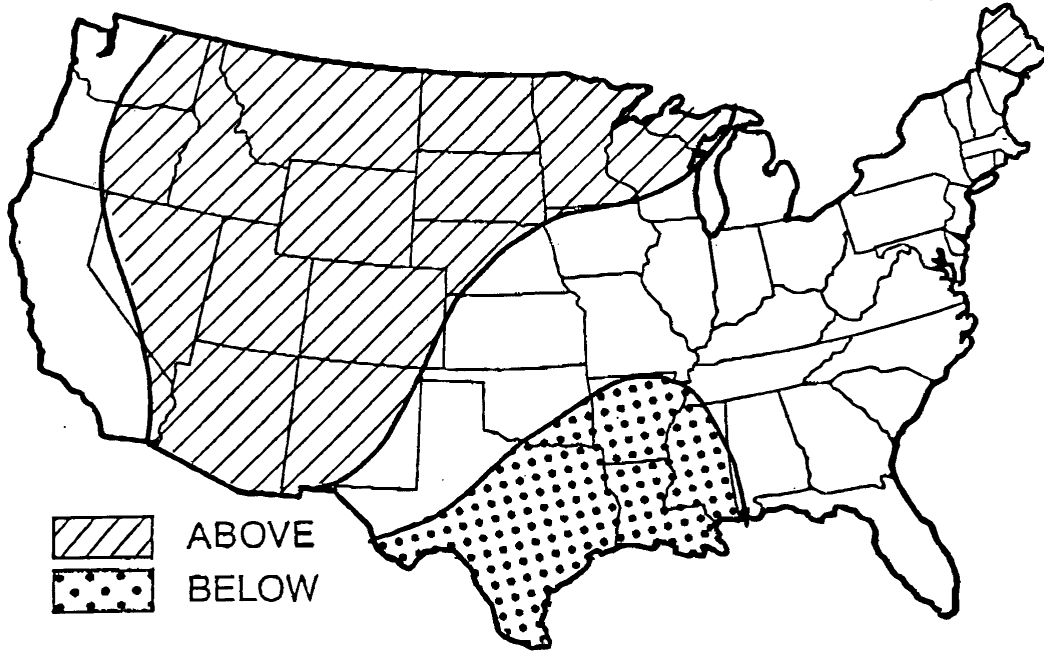
Presented by:



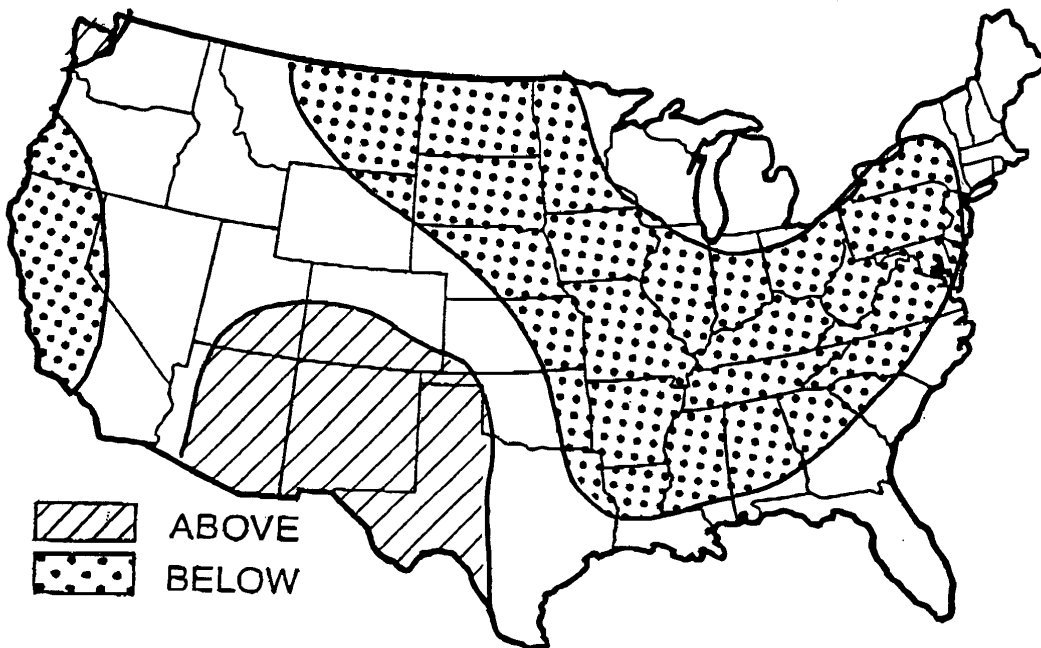
Randy Blach
9110 East Nichols Ave
Centennial, CO 80112
1-800-825-7525
www.cattle-fax.com

Feed Grains

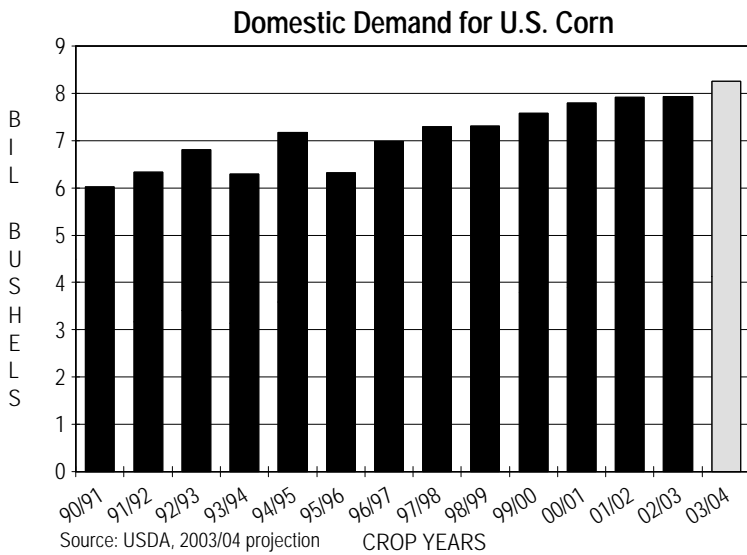
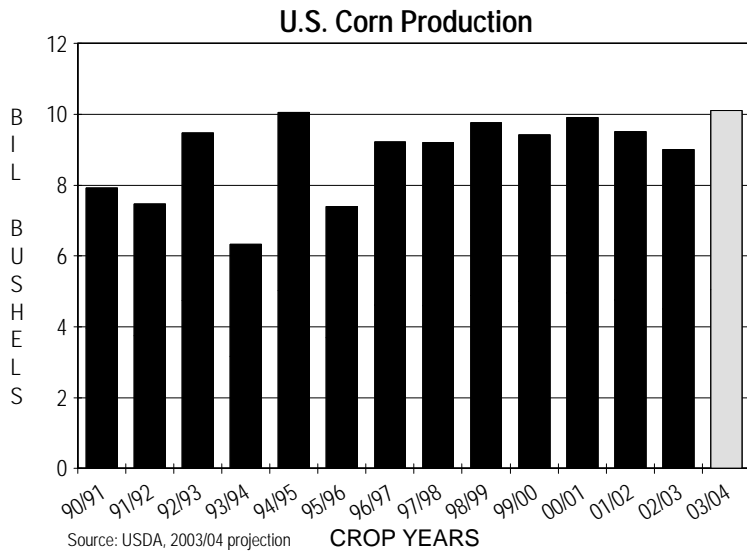
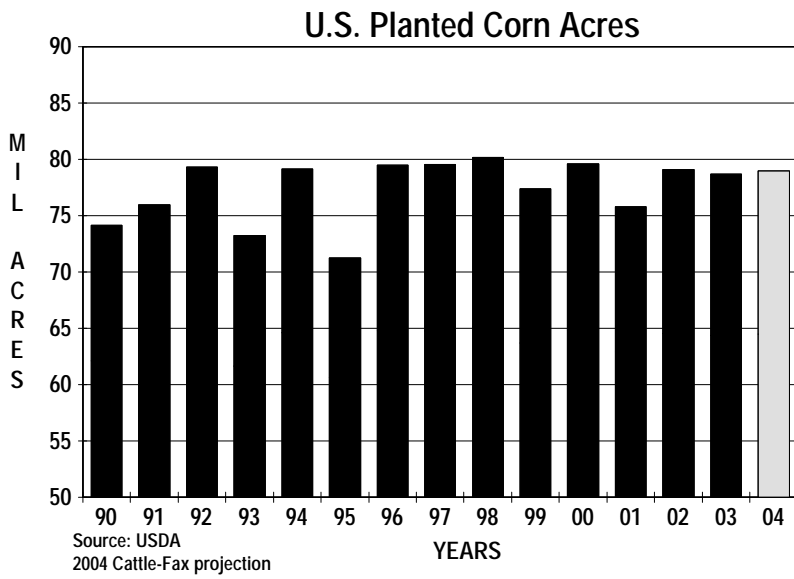
Temperature Outlook April through June 2004



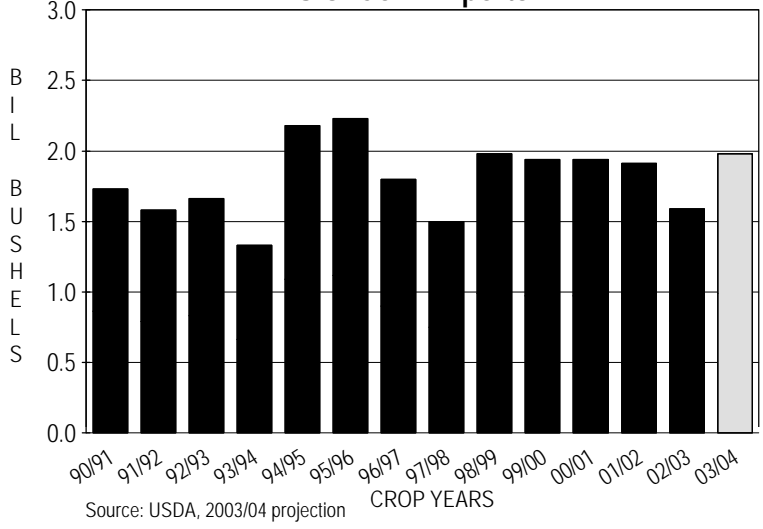
Precipitation Outlook April through June 2004



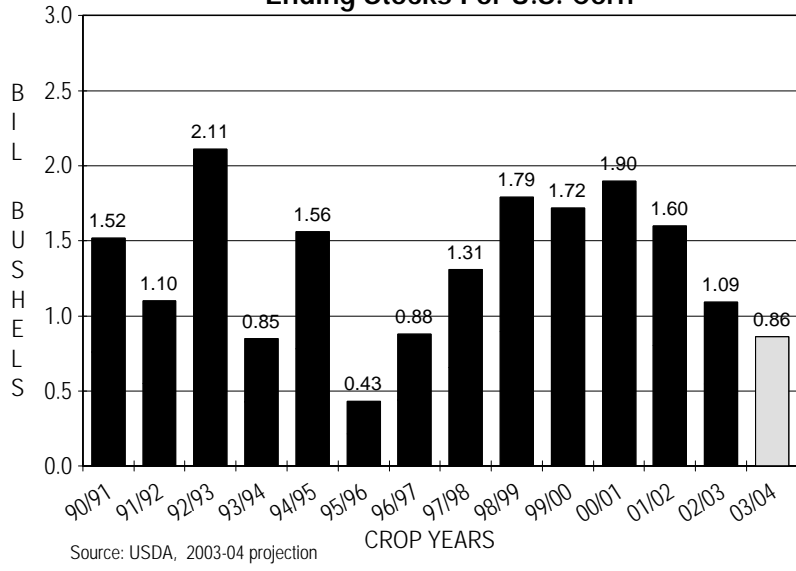
Notes



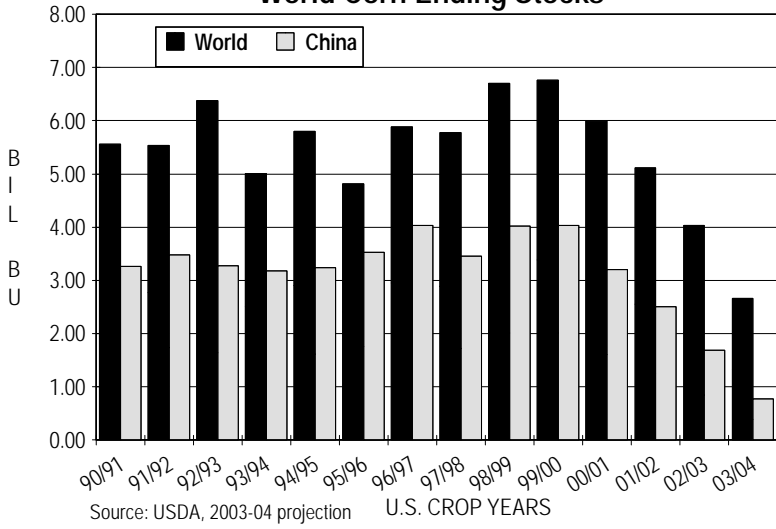
U.S. Corn Exports



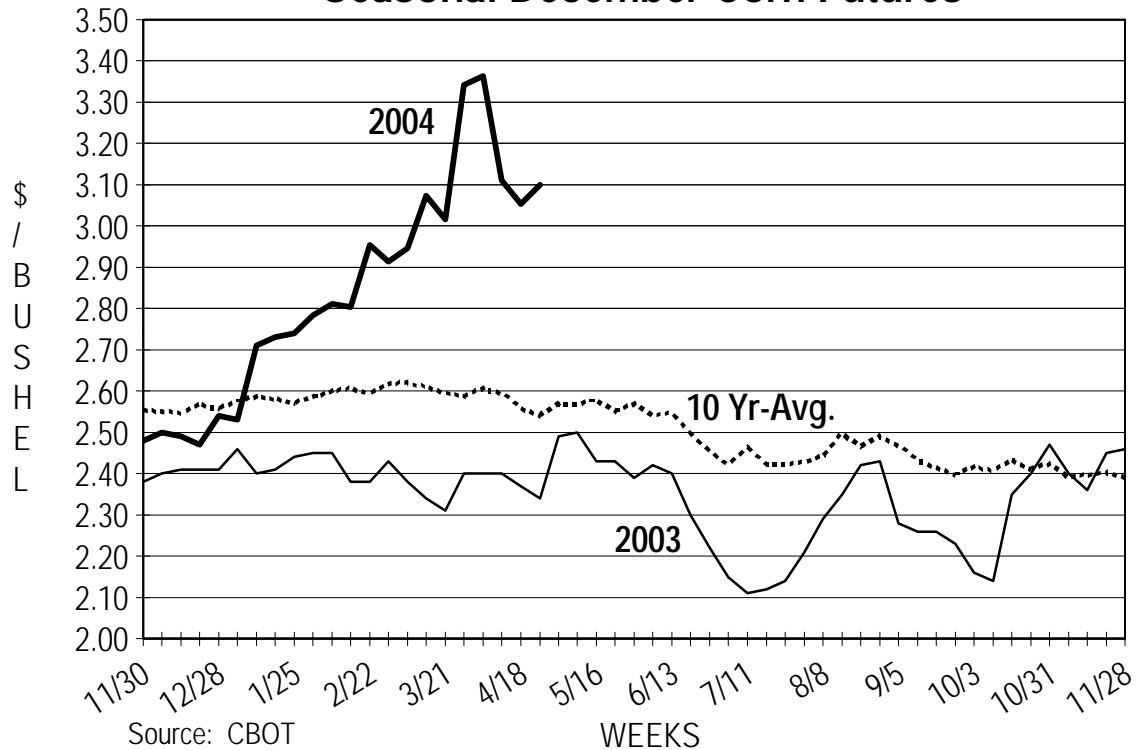
Ending Stocks For U.S. Corn



World Corn Ending Stocks



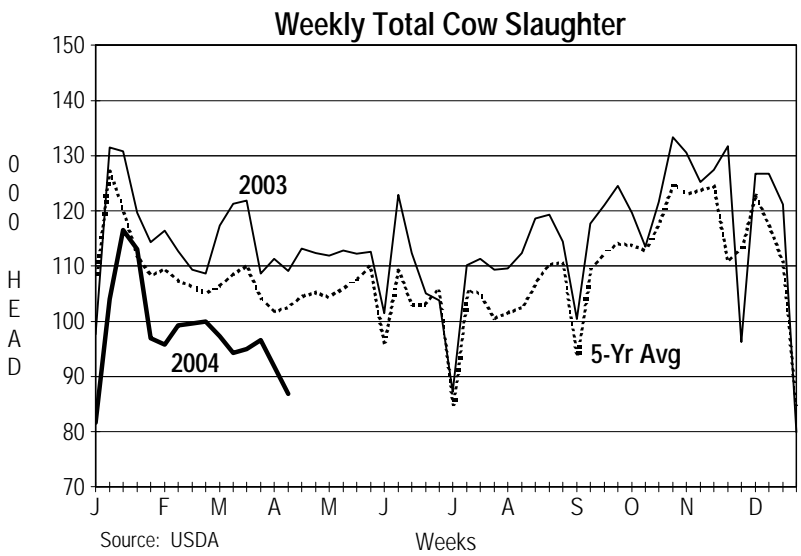
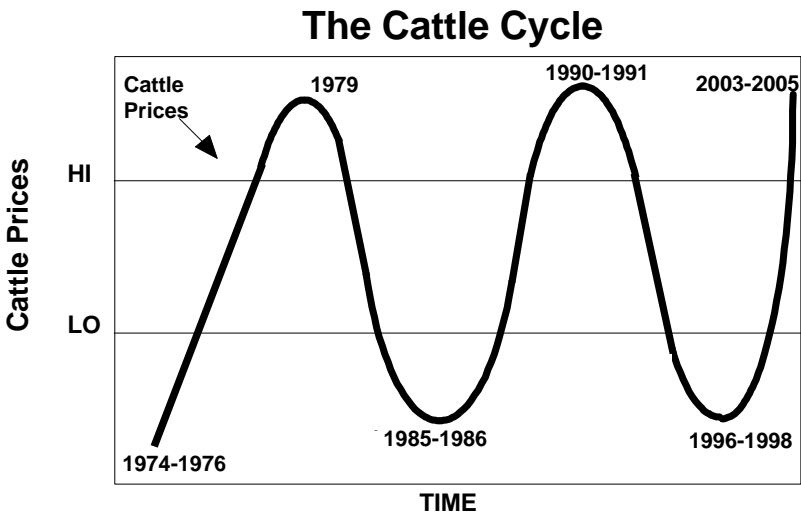
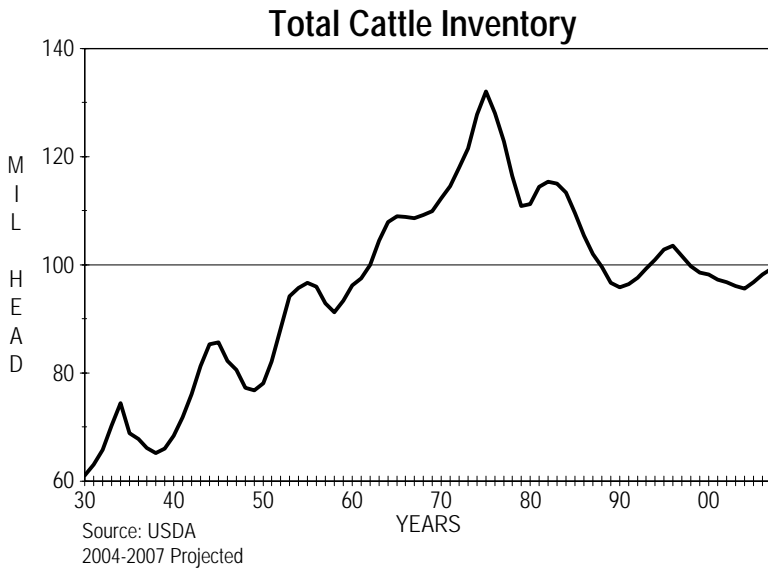
Seasonal December Corn Futures



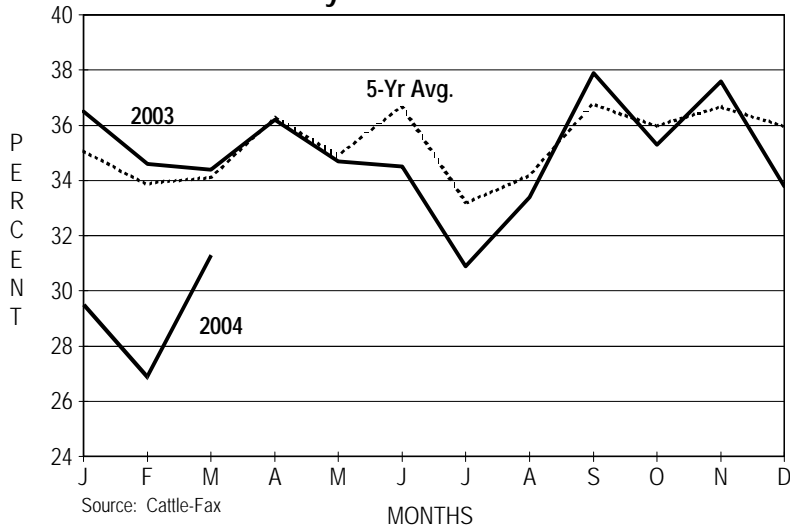
December 2004 corn futures are already building a weather premium into this summer's corn market. With the need for such a large corn crop, volatility will be significant during the planting and growing season. Higher corn prices are very possible this spring and summer. If so they will have a negative impact on fed cattle profitability and thus could have a significant impact on feeder cattle prices and to a lesser extent, calf prices in 2004.

Cattle Numbers & Beef Supply

Notes

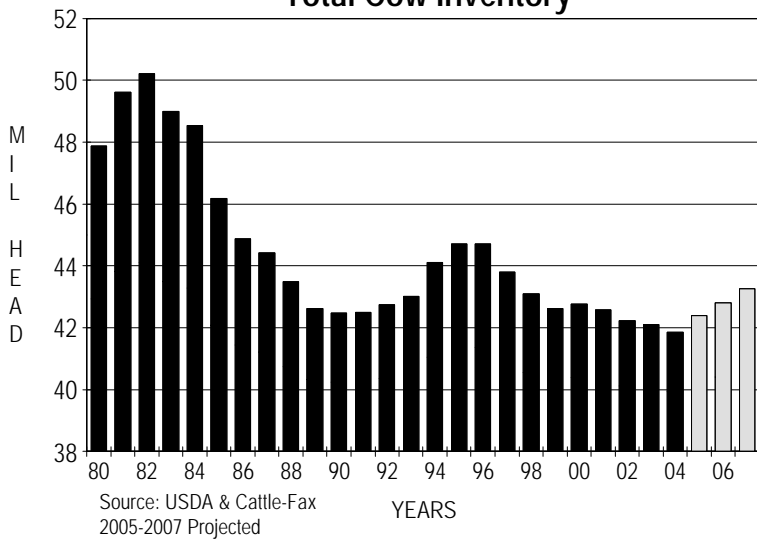


Monthly Percent Heifers Placed

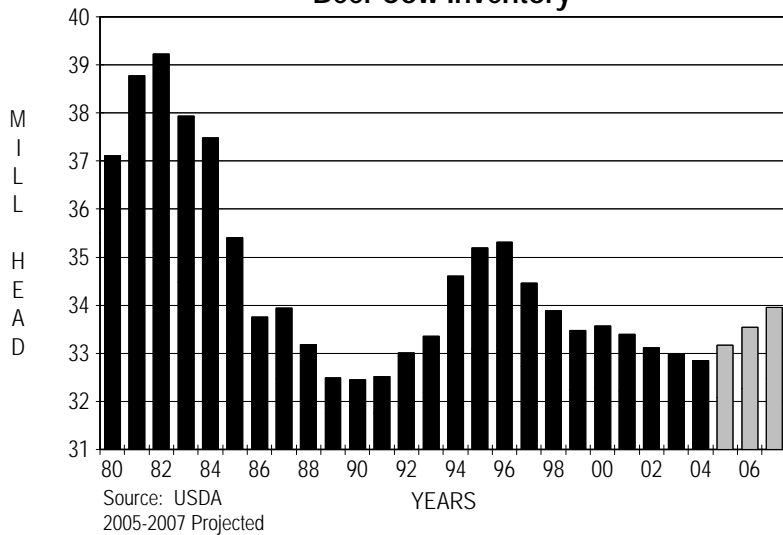


Notes

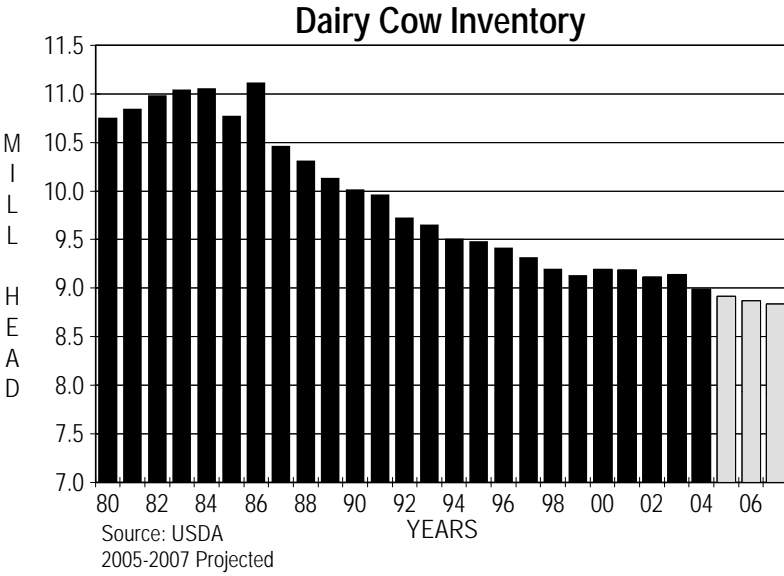
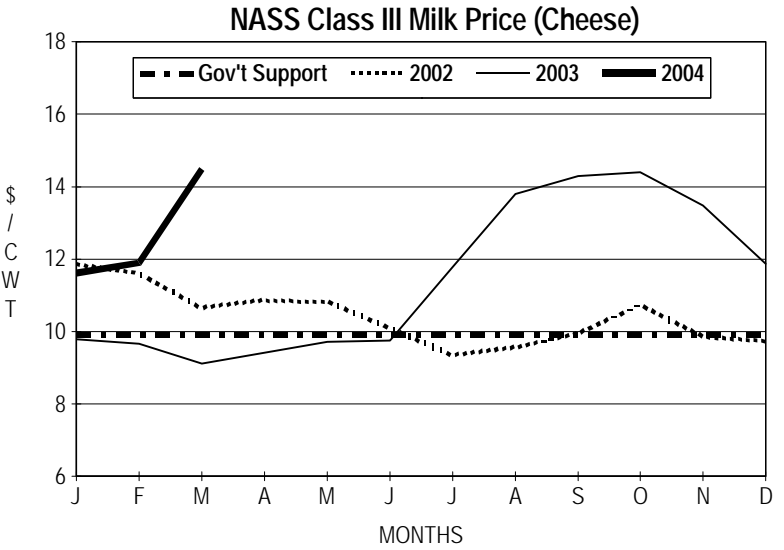
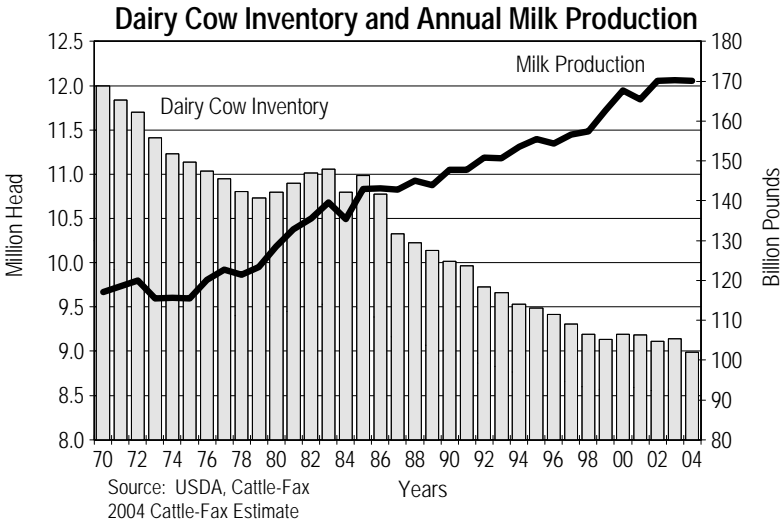
Total Cow Inventory



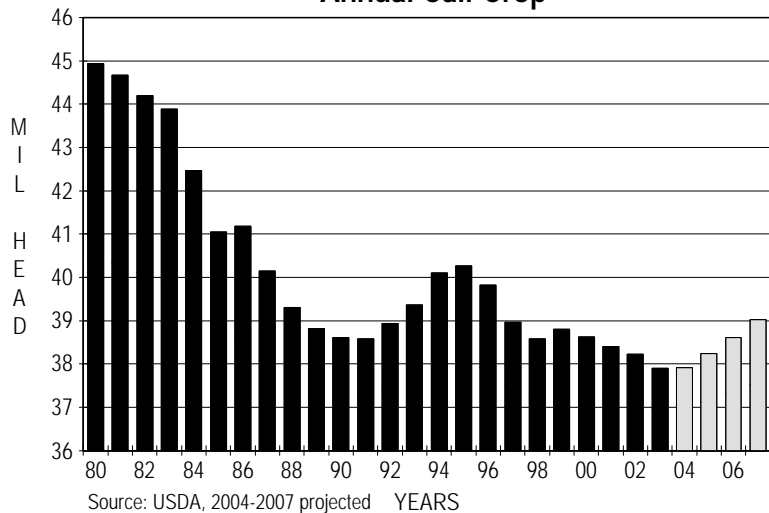
Beef Cow Inventory



Notes

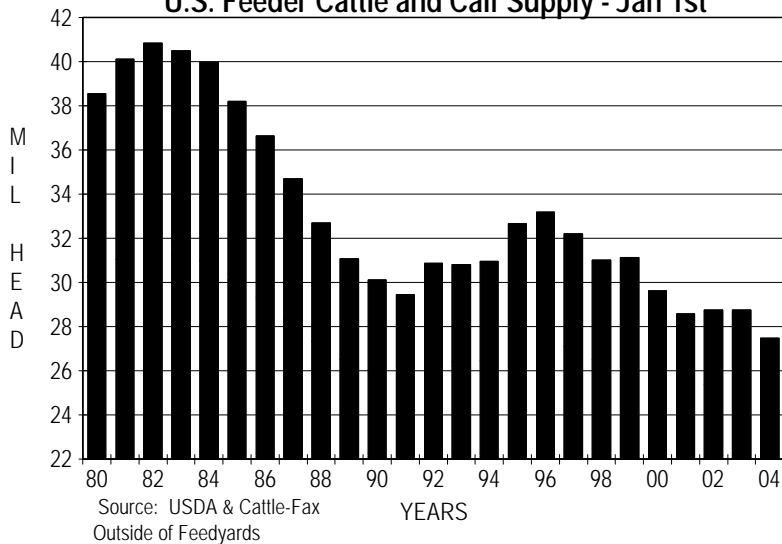


Annual Calf Crop



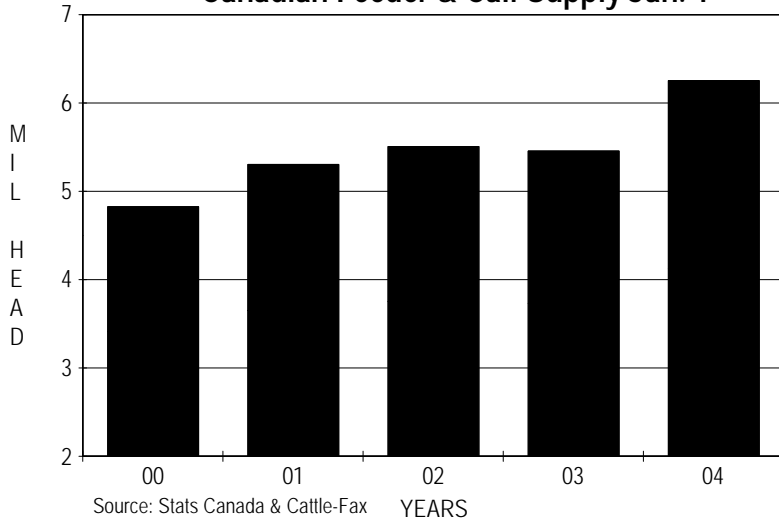
Notes

U.S. Feeder Cattle and Calf Supply - Jan 1st

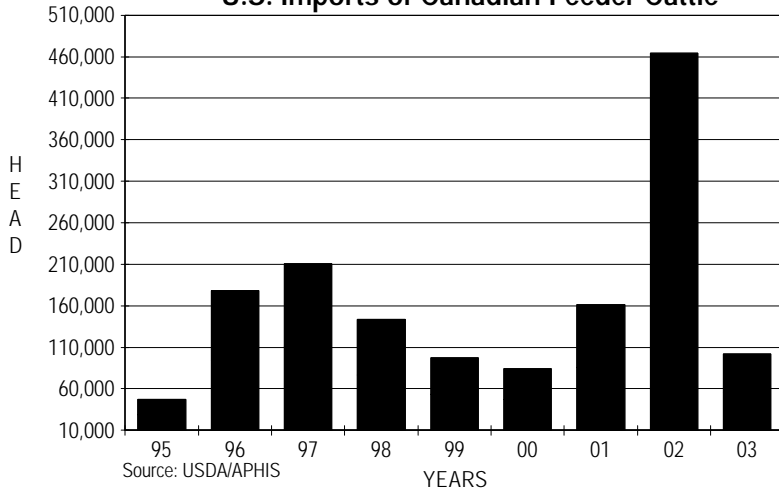


Notes

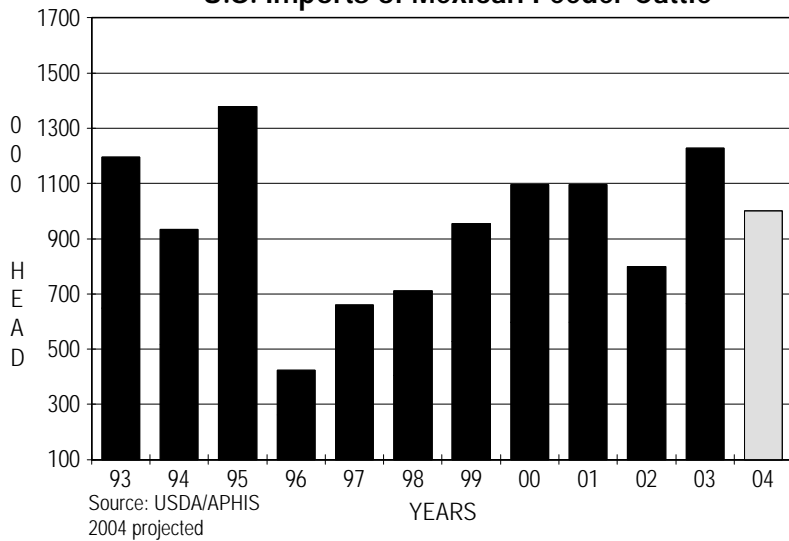
Canadian Feeder & Calf Supply Jan. 1



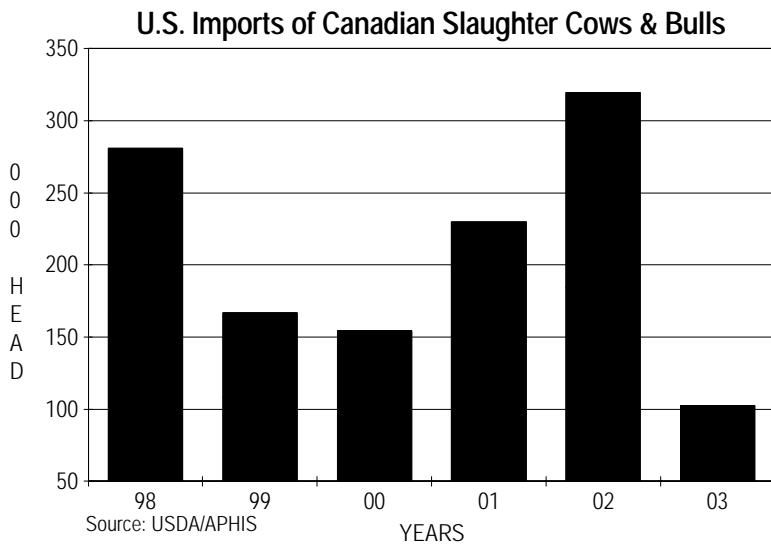
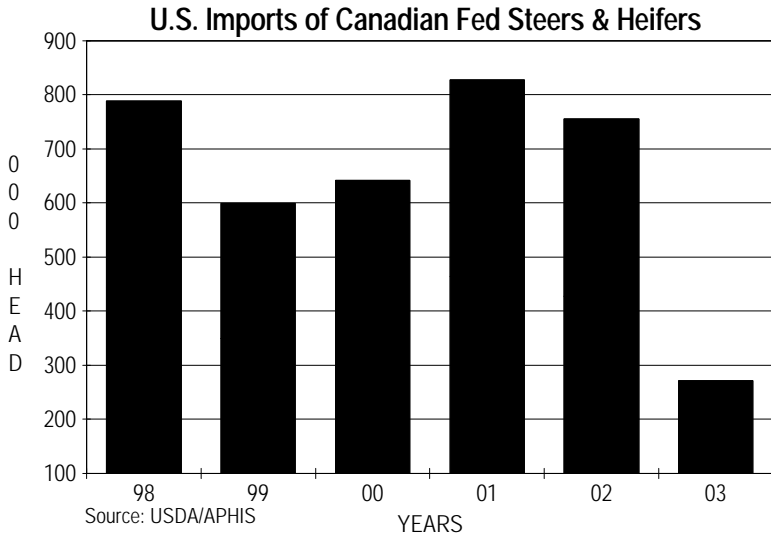
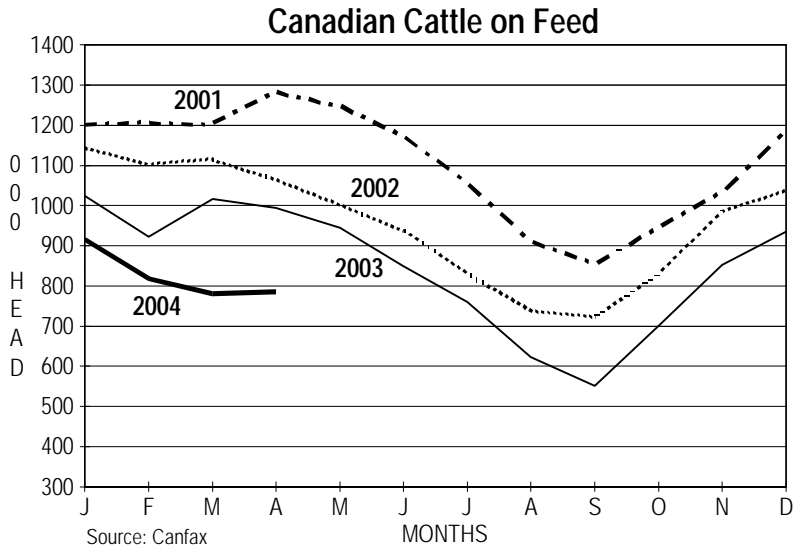
U.S. Imports of Canadian Feeder Cattle



U.S. Imports of Mexican Feeder Cattle

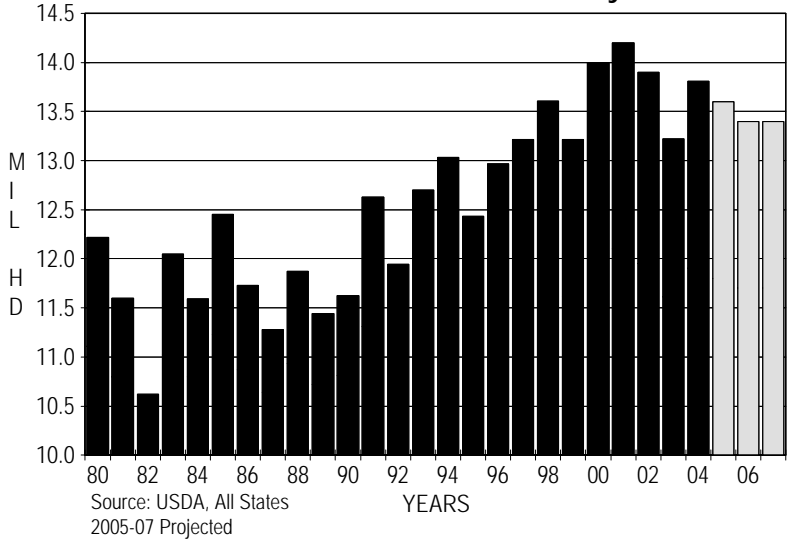


Notes

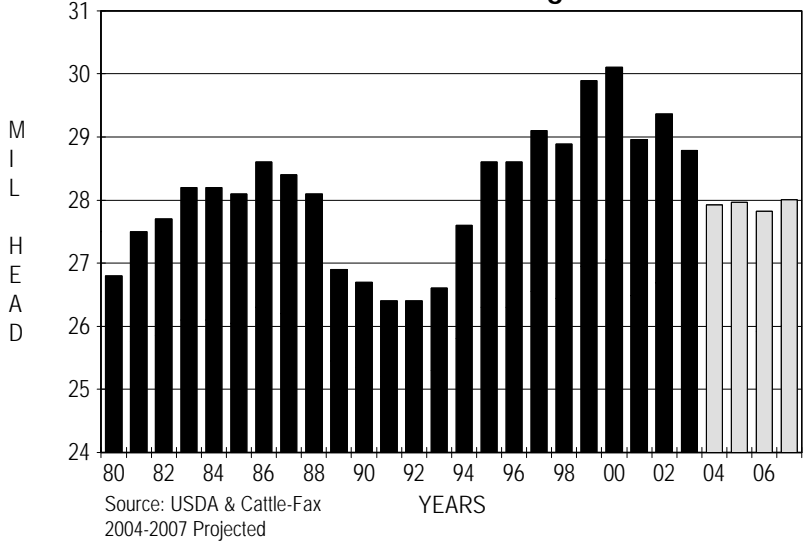


Notes

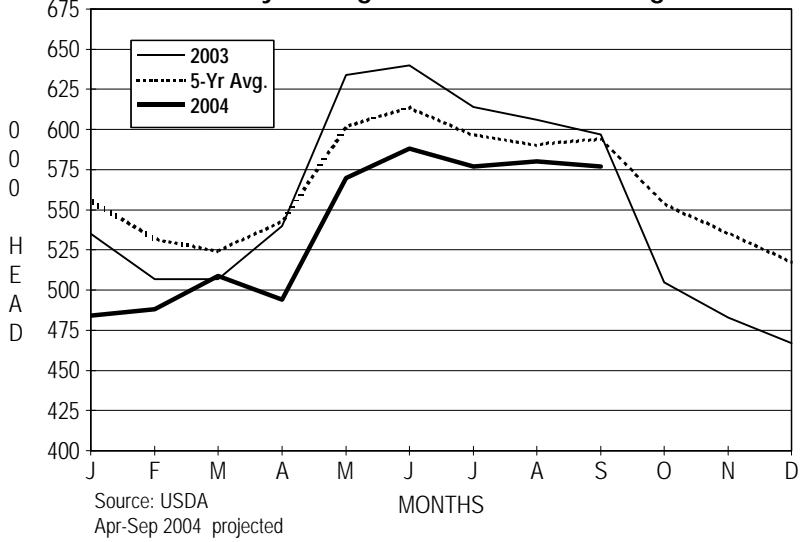
Total Cattle on Feed January 1



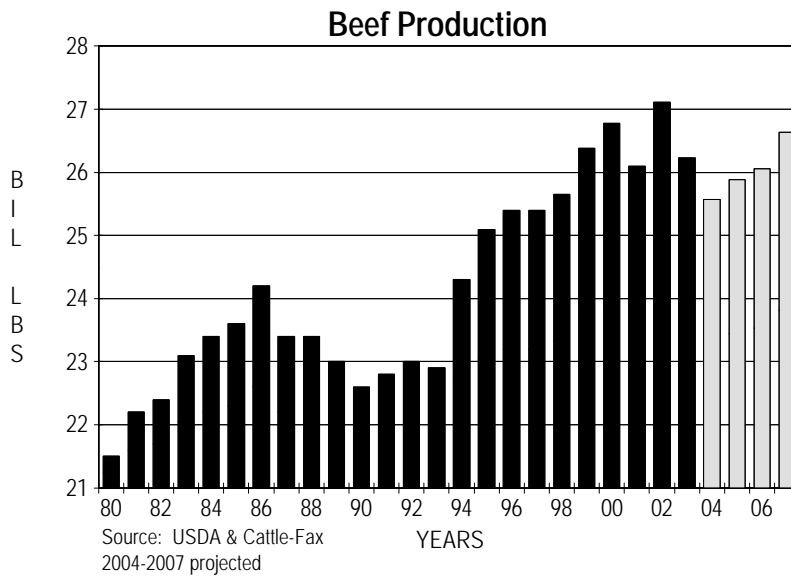
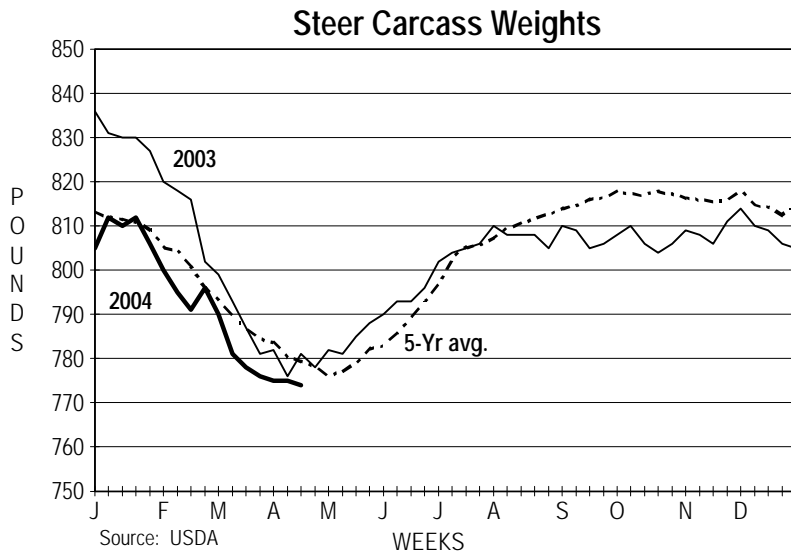
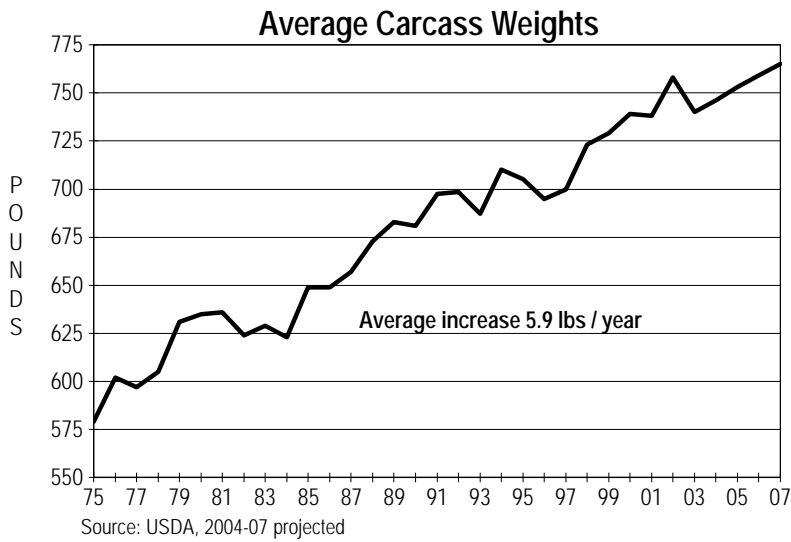
Steer and Heifer Slaughter



Weekly Average F.I. Steer/Heifer Slaughter

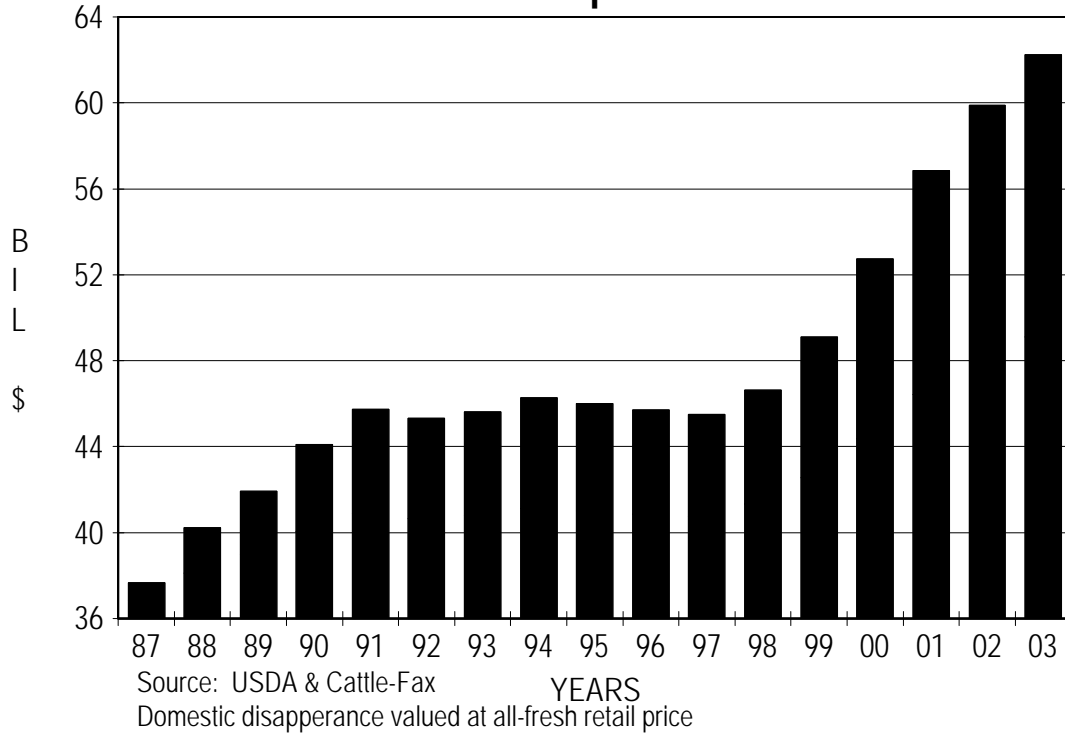


Notes

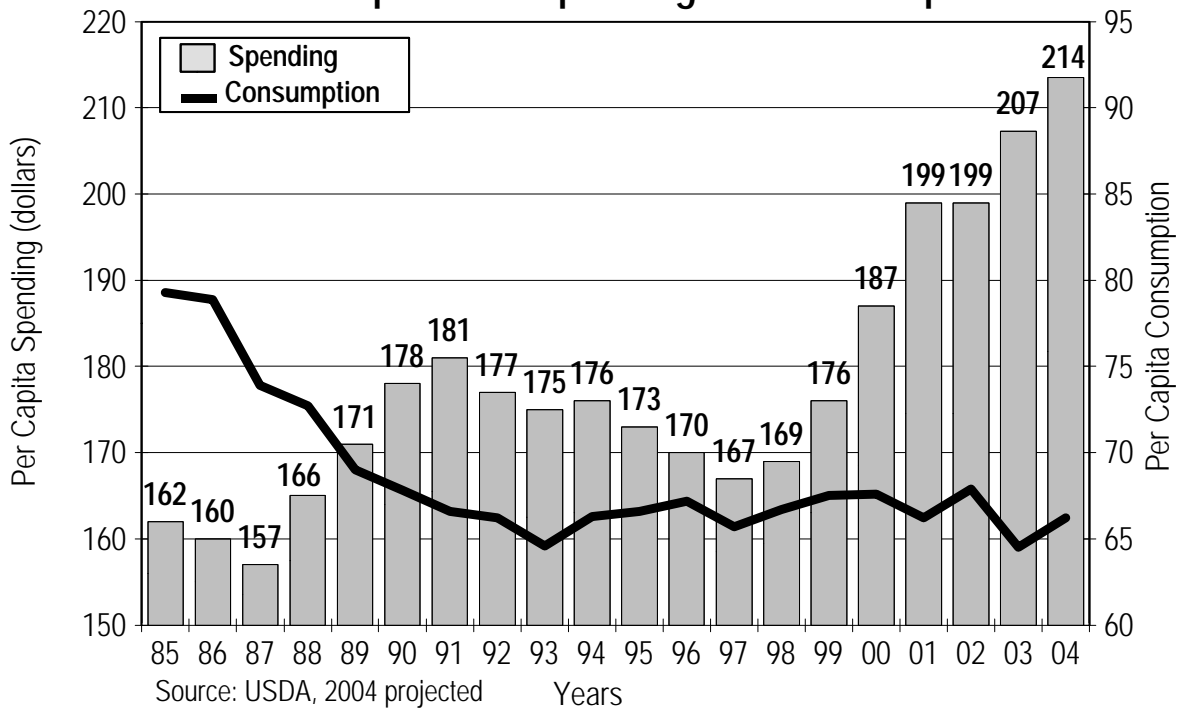


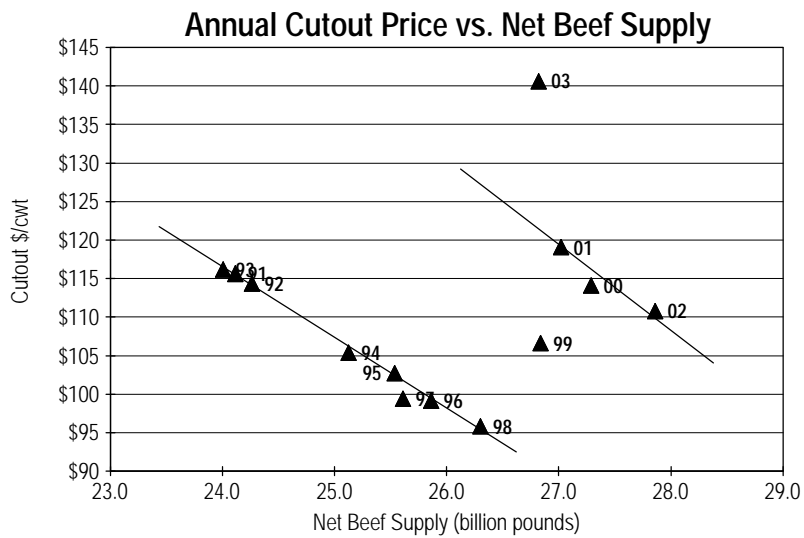
Demand & Trade

U.S. Consumer Expenditures on Beef



Per Capita Beef Spending and Consumption



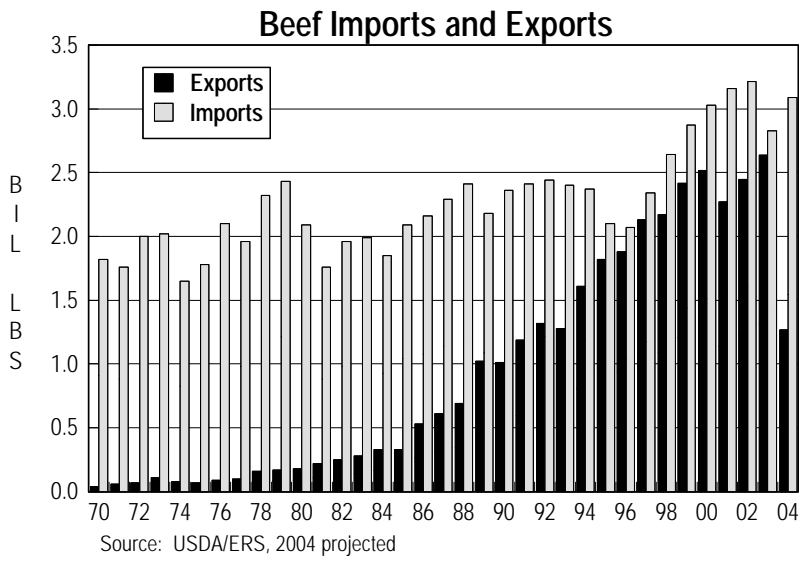


Beef Primal Values

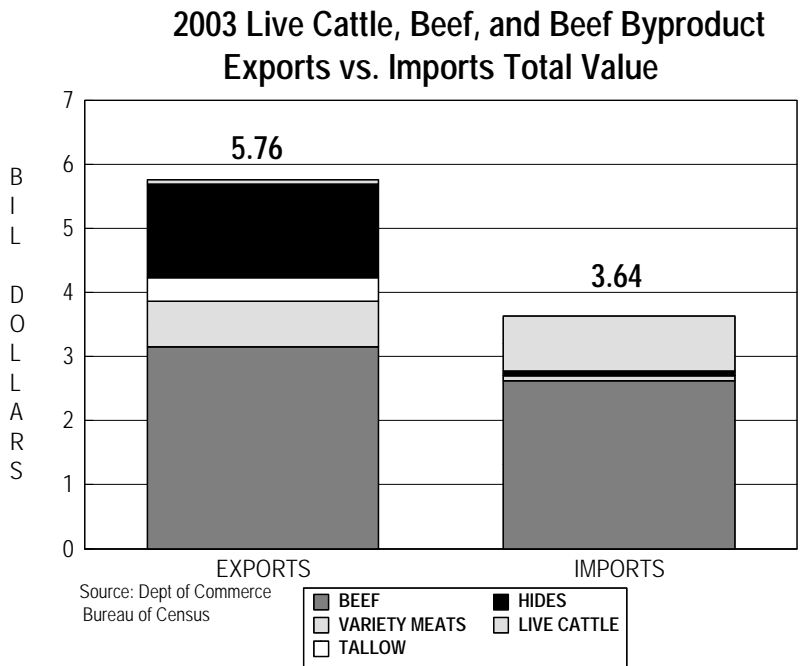
	<u>1992</u>	<u>1998</u>		
Rib	1.58	1.59	↑	1%
Chuck	.93	.68	↓	27%
Round	1.20	.88	↓	26%
Loin	1.54	1.58	↑	3%

Beef Primal Values

	<u>1998</u>	<u>2003</u>		
Rib	1.59	2.37	↑	49%
Chuck	.68	1.08	↑	59%
Round	.88	1.16	↑	32%
Loin	1.58	2.15	↑	36%

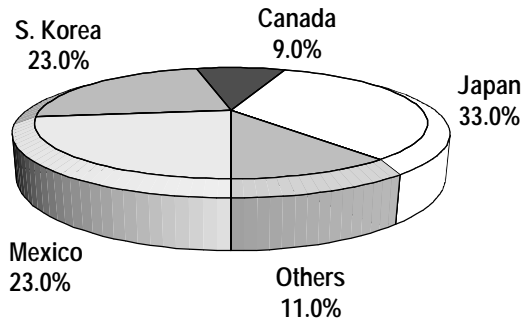


Notes

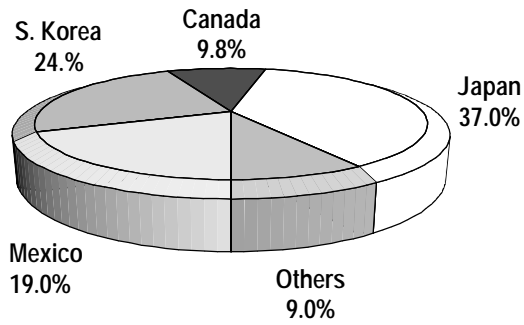


Notes

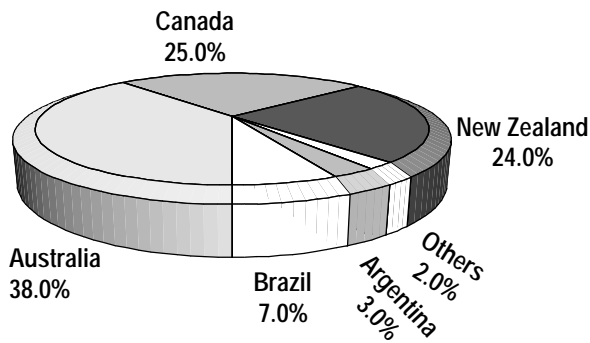
**U.S. Beef Export Volume by Country
2003**



**U.S. Beef Export Value by Country
2003**

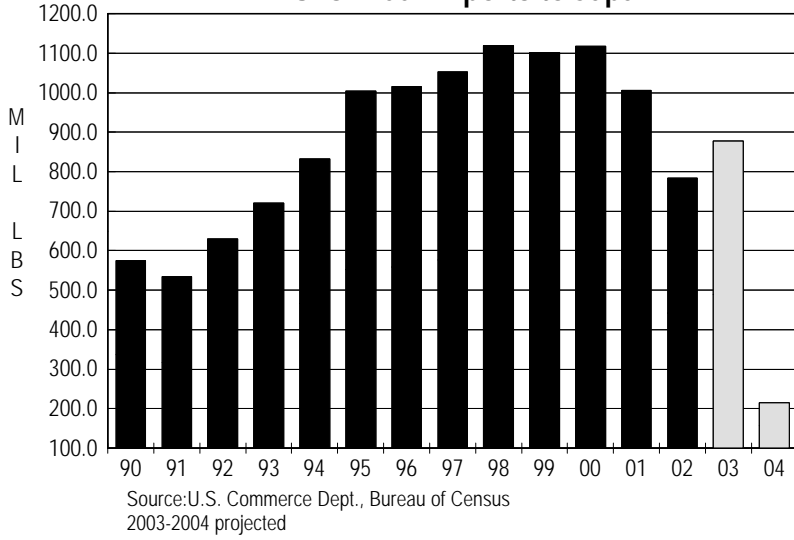


**U.S. Beef Import Volume by Country
2003**

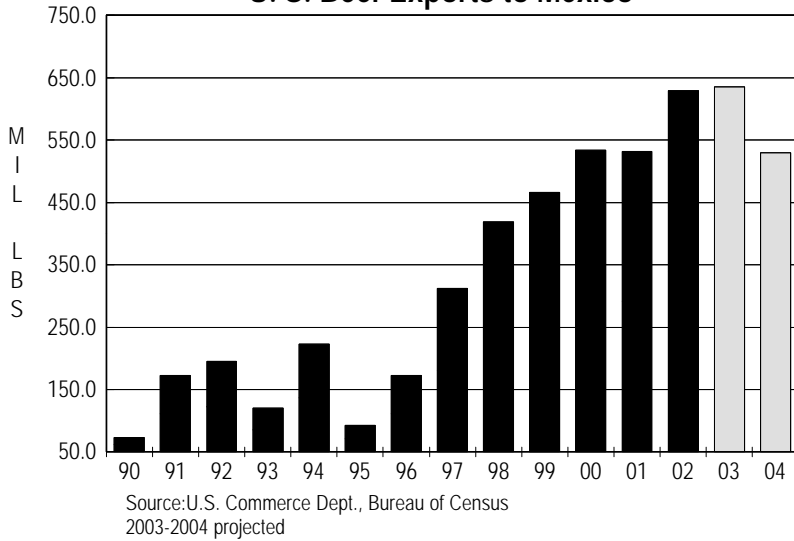


Notes

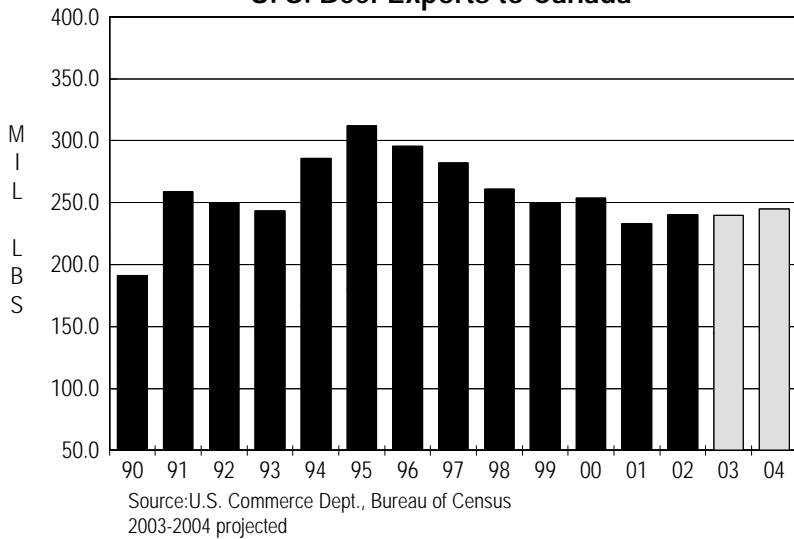
U. S. Beef Exports to Japan



U. S. Beef Exports to Mexico

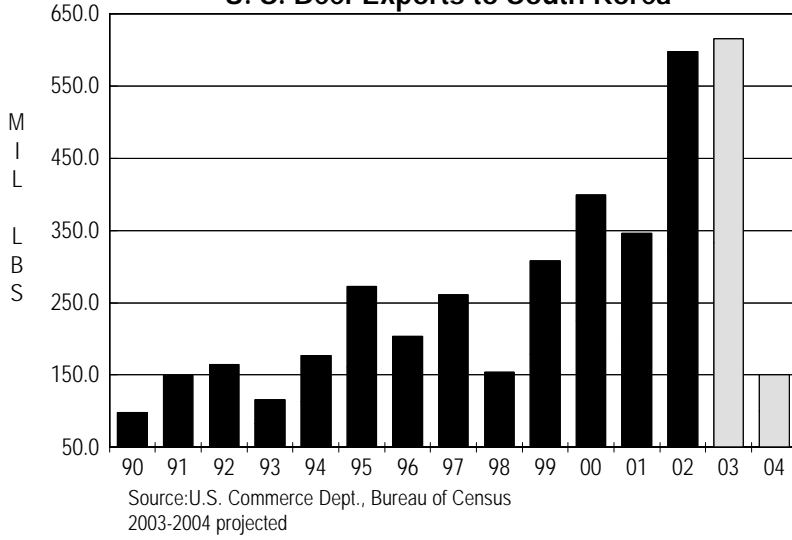


U. S. Beef Exports to Canada

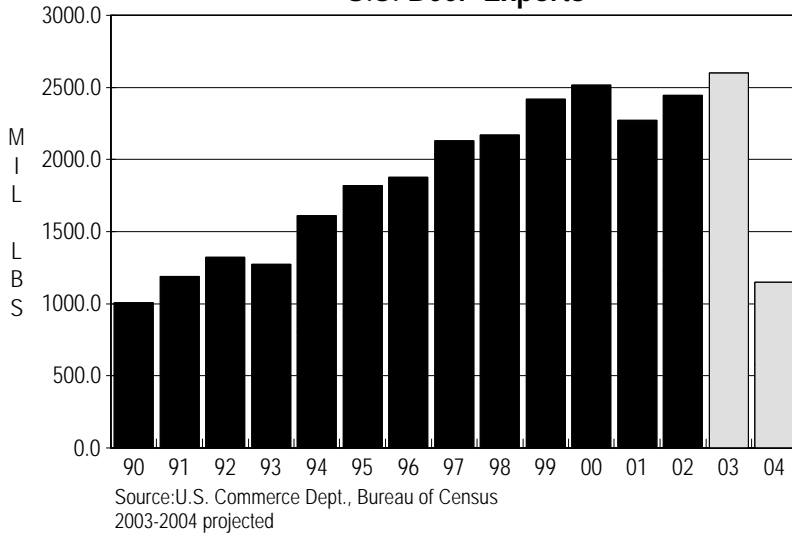


Notes

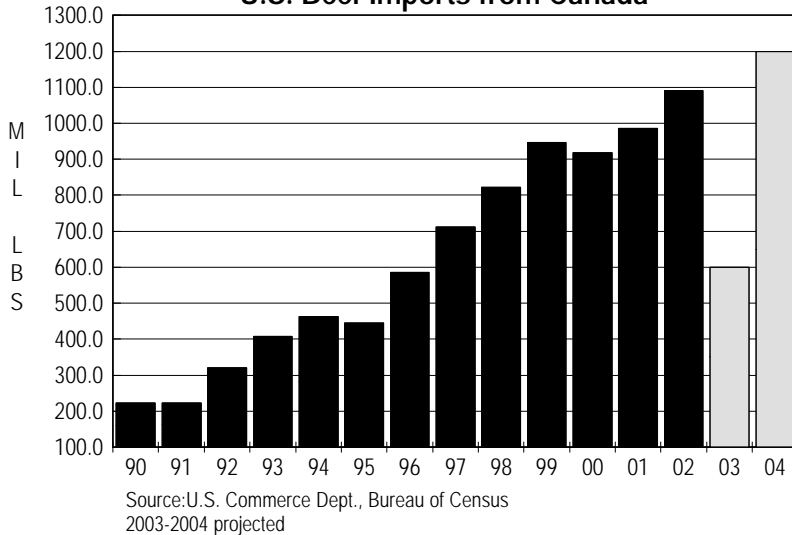
U. S. Beef Exports to South Korea



U.S. Beef Exports

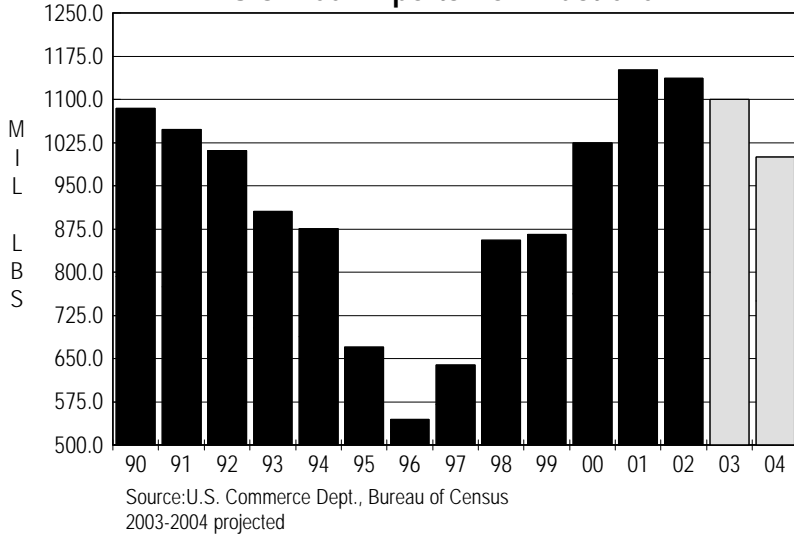


U.S. Beef Imports from Canada

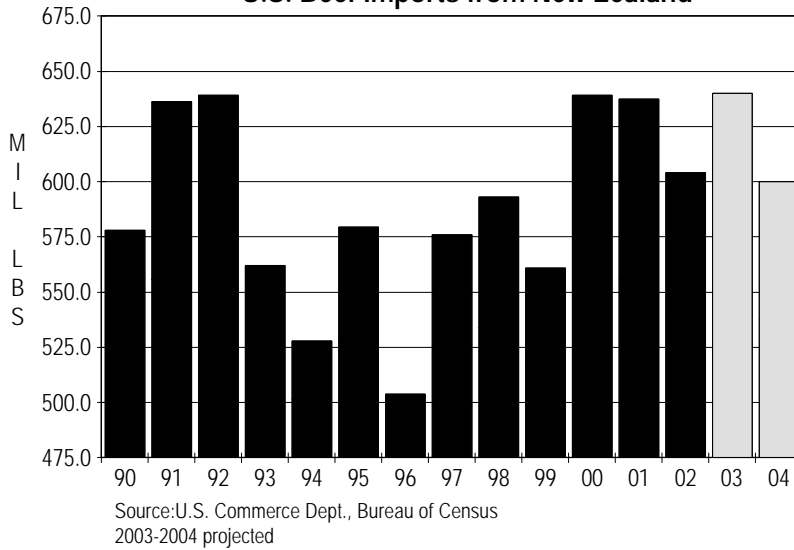


Notes

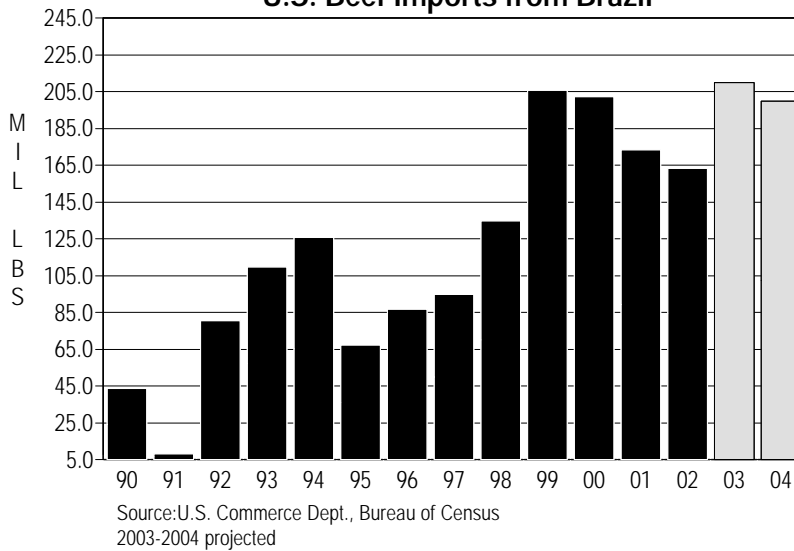
U.S. Beef Imports from Australia



U.S. Beef Imports from New Zealand

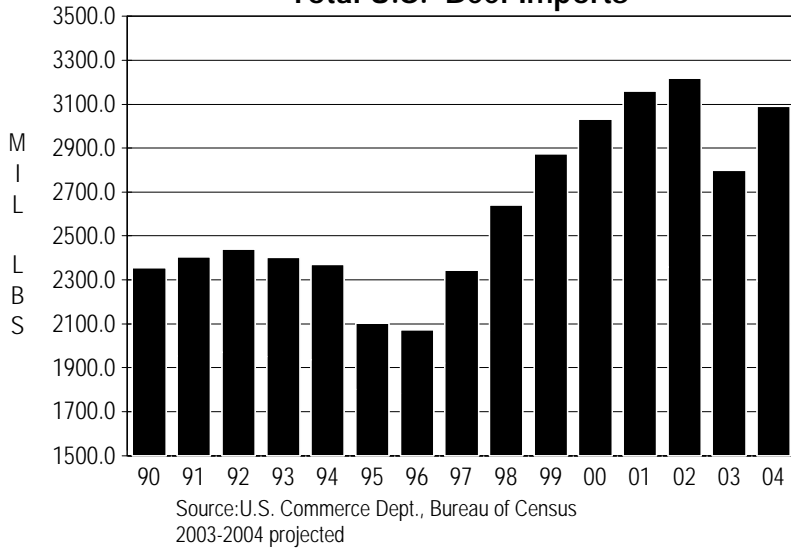


U.S. Beef Imports from Brazil

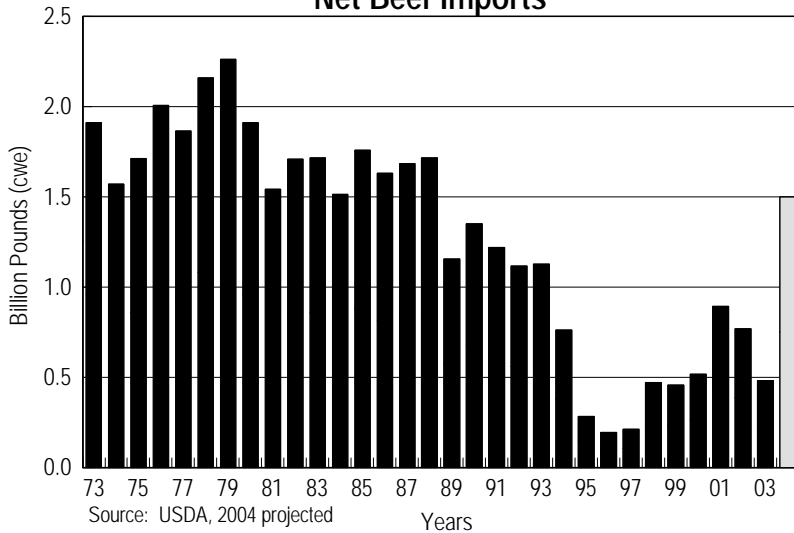


Notes

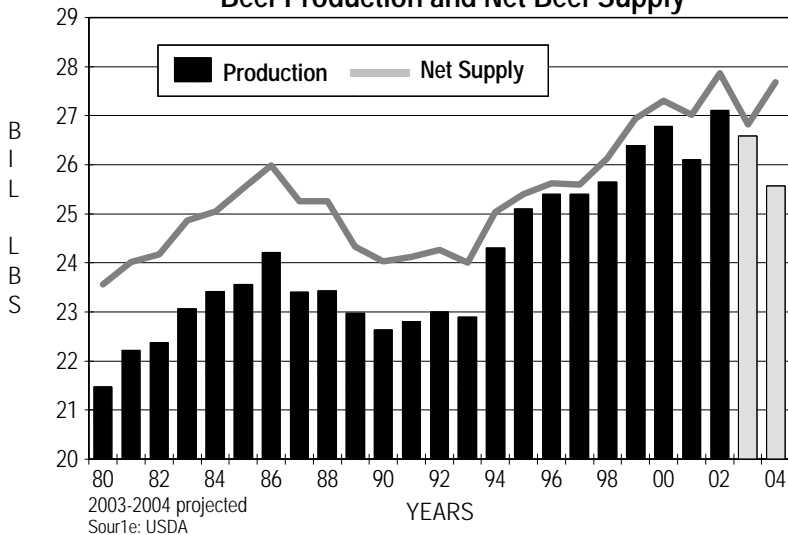
Total U.S. Beef Imports



Net Beef Imports



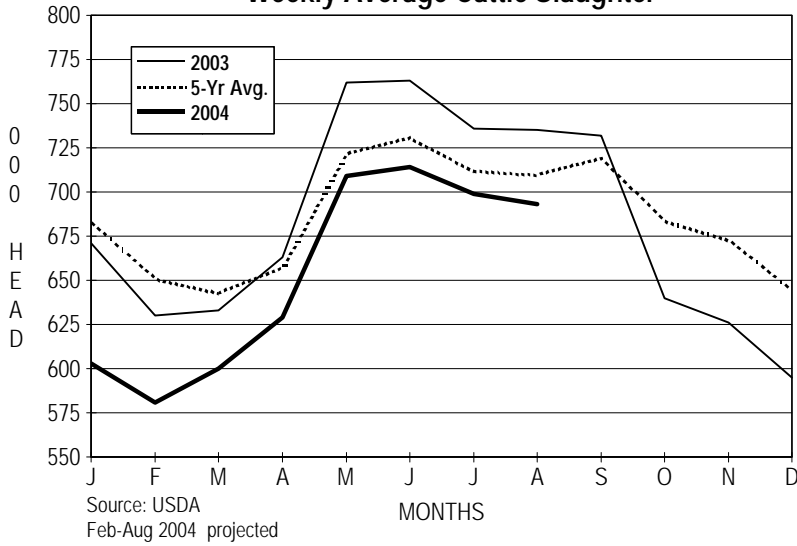
Beef Production and Net Beef Supply



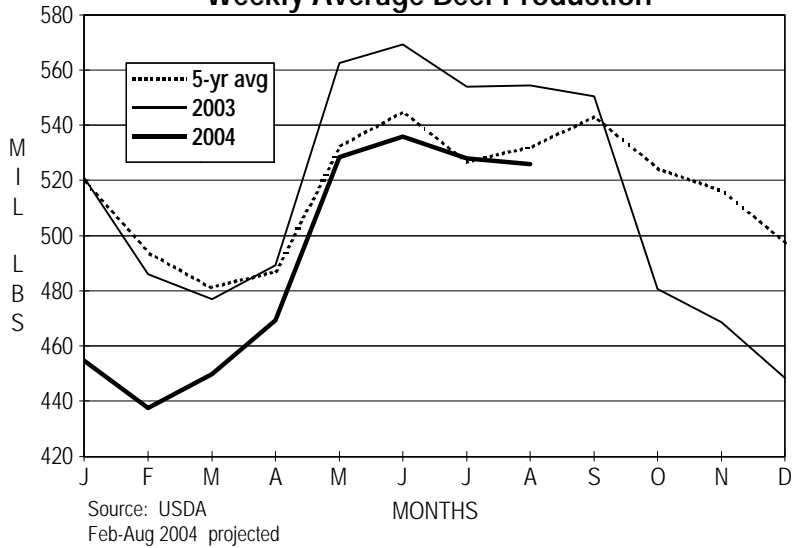
2004 Outlook

Notes

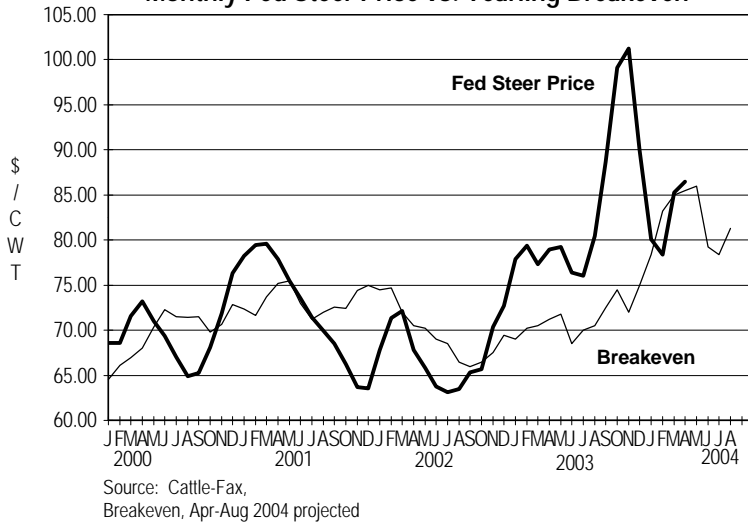
Weekly Average Cattle Slaughter



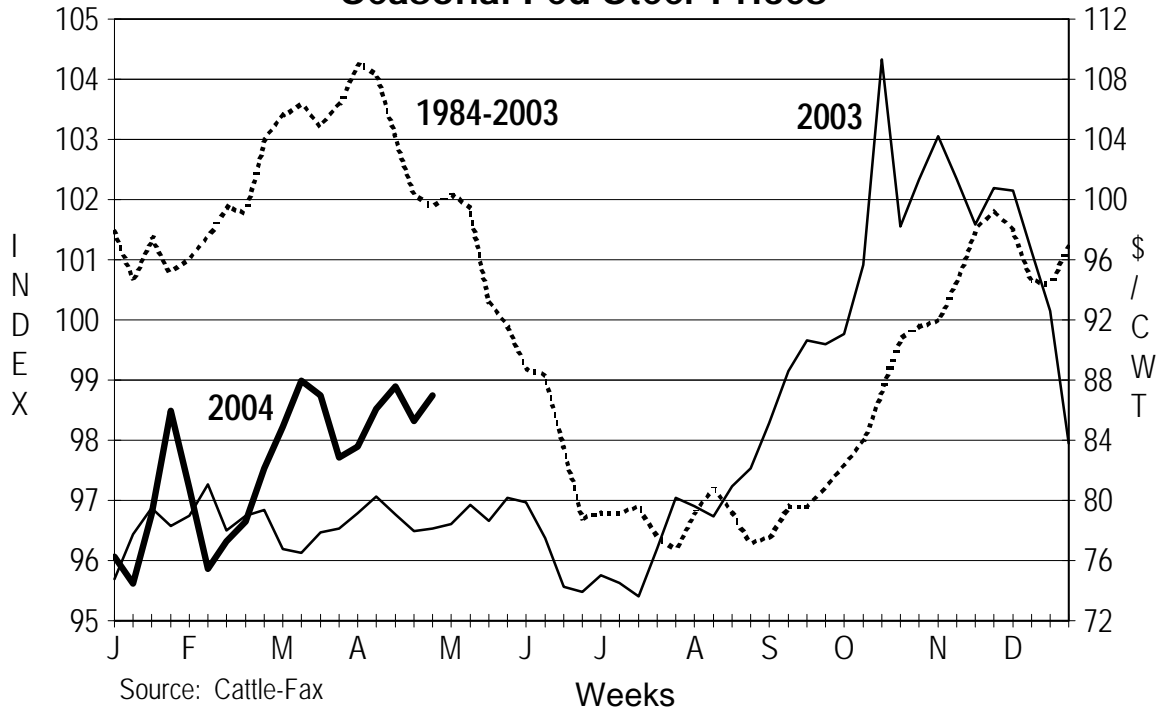
Weekly Average Beef Production



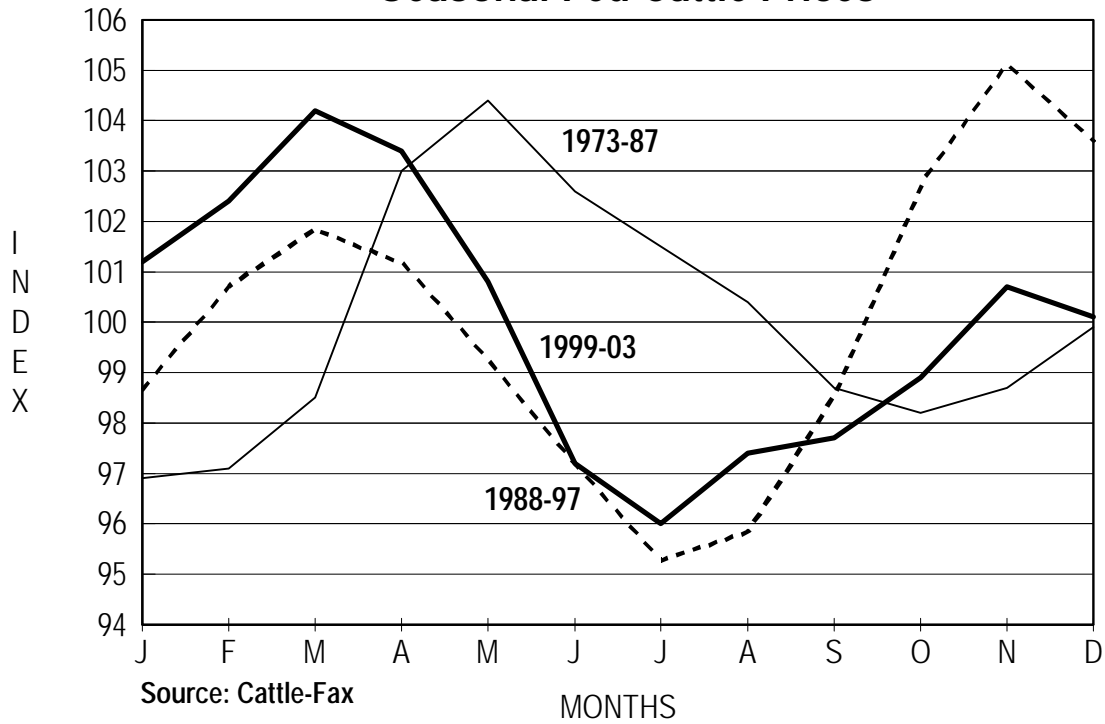
Monthly Fed Steer Price vs. Yearling Breakeven



Seasonal Fed Steer Prices

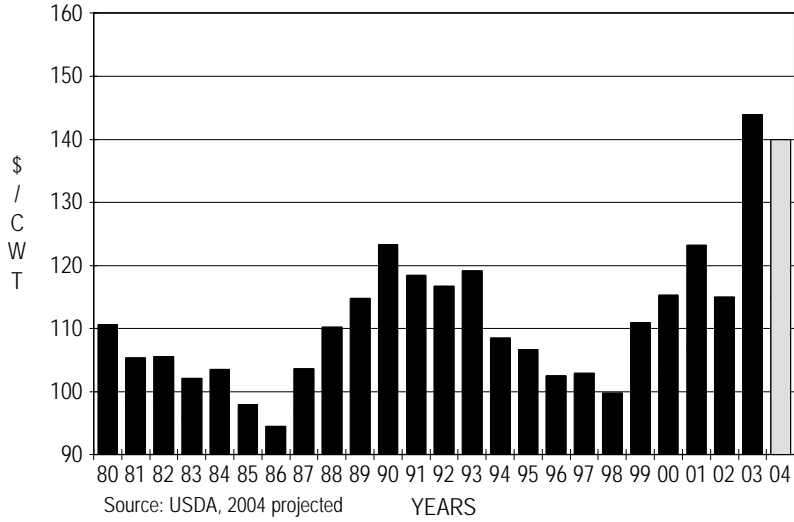


Seasonal Fed Cattle Prices

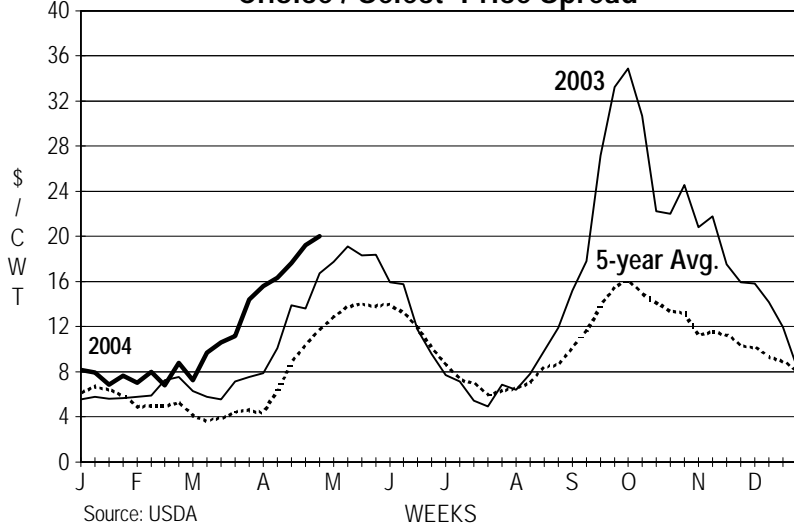


Notes

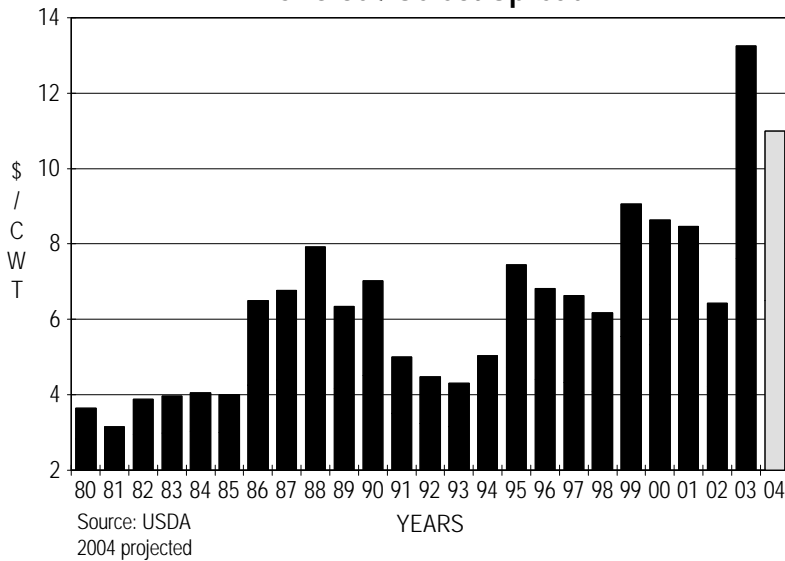
Annual Choice Cut-Out Value



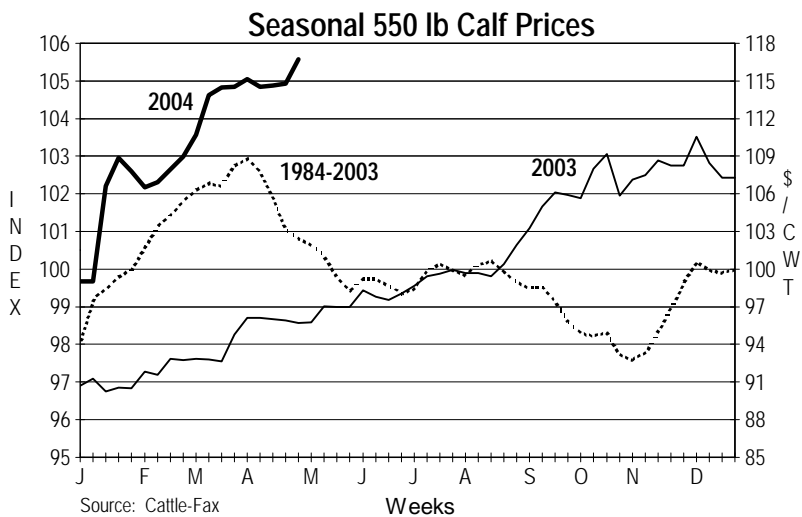
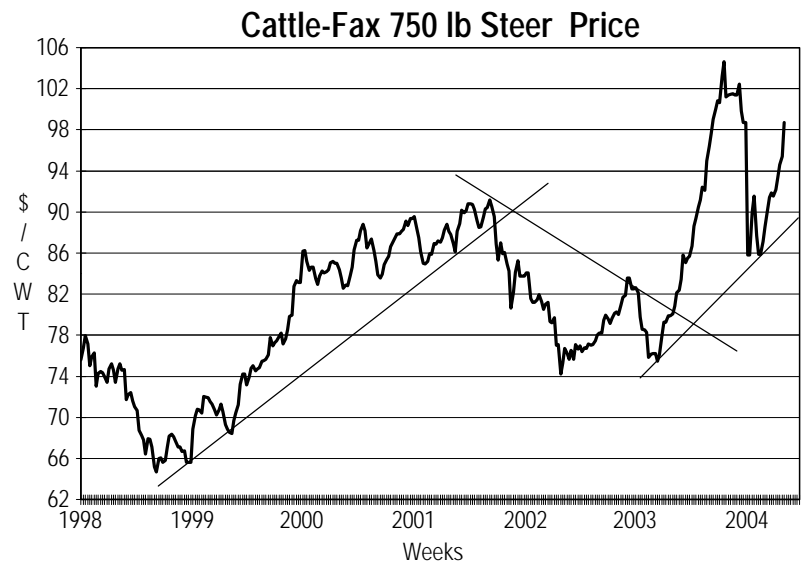
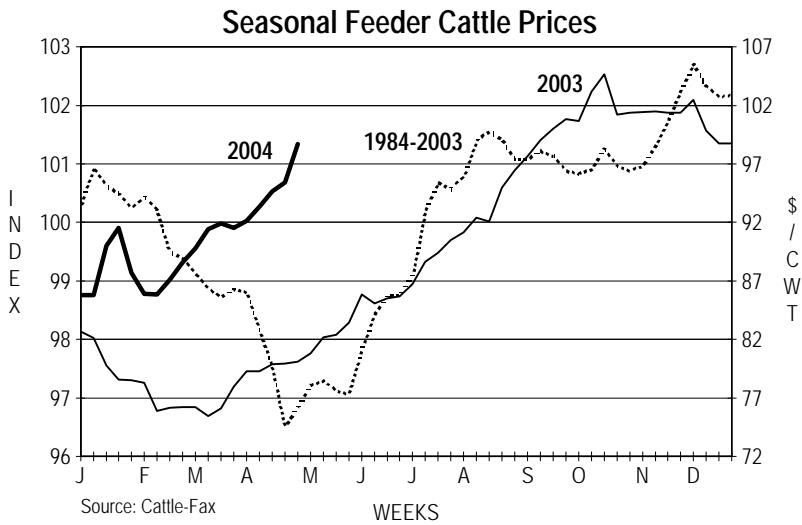
Choice / Select Price Spread



Choice / Select Spread



Notes



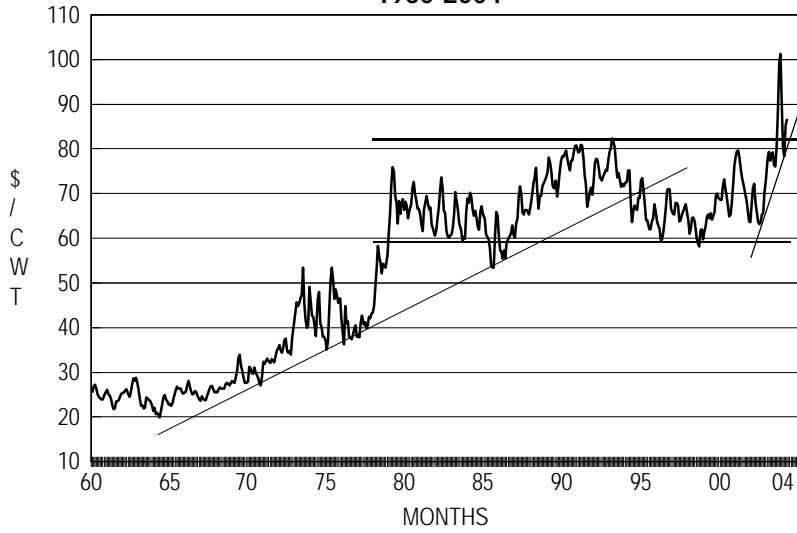
Breakeven Purchase Price 550 lb Steer

Fed Price	Corn Price \$/bu							
	<u>2.20</u>	<u>2.40</u>	<u>2.60</u>	<u>2.80</u>	<u>3.00</u>	<u>3.20</u>	<u>3.40</u>	<u>3.60</u>
60.00	70.25	67.23	64.21	61.19	58.17	55.15	52.13	49.11
62.00	74.00	70.98	67.96	64.94	61.92	58.90	55.88	52.86
64.00	77.75	74.73	71.71	68.69	65.67	62.65	59.63	56.61
66.00	81.50	78.48	75.46	72.44	69.42	66.40	63.38	60.36
68.00	85.25	82.23	79.21	76.19	73.17	70.15	67.13	64.11
70.00	89.00	85.98	82.96	79.94	76.92	73.90	70.88	67.86
72.00	92.75	89.73	86.71	83.69	80.67	77.65	74.63	71.61
74.00	96.50	93.48	90.46	87.44	84.42	81.40	78.38	75.36
76.00	100.25	97.23	94.21	91.19	88.17	85.15	82.13	79.11
78.00	104.00	100.98	97.96	94.94	91.92	88.90	85.88	82.86
80.00	107.75	104.73	101.71	98.69	95.67	92.65	89.63	86.61
82.00	111.50	108.48	105.46	102.44	99.42	96.40	93.38	90.36
84.00	115.25	112.23	109.21	106.19	103.17	100.15	97.13	94.11
86.00	119.00	115.98	112.96	109.94	106.92	103.90	100.88	97.86
88.00	122.75	119.73	116.71	113.69	110.67	107.65	104.63	101.61
90.00	126.50	123.48	120.46	117.44	114.42	111.40	108.38	105.36
92.00	130.25	127.23	124.21	121.19	118.17	115.15	112.13	109.11
94.00	134.00	130.98	127.96	124.94	121.92	118.90	115.88	112.86
96.00	137.75	134.73	131.71	128.69	125.67	122.65	119.63	116.61
98.00	141.50	138.48	135.46	132.44	129.42	126.40	123.38	120.36

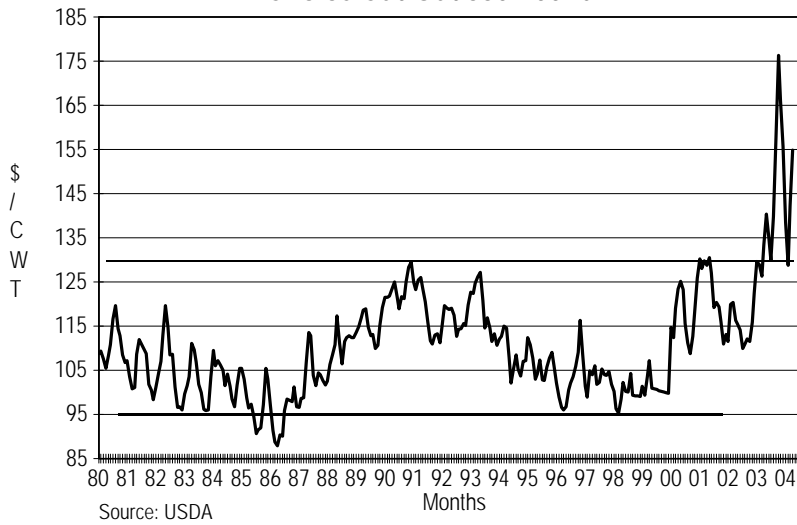
Breakeven Purchase Price 750 lb Steer

Fed Price	Corn Price \$/bu							
	<u>2.20</u>	<u>2.40</u>	<u>2.60</u>	<u>2.80</u>	<u>3.00</u>	<u>3.20</u>	<u>3.40</u>	<u>3.60</u>
60.00	64.68	63.03	61.38	59.73	58.08	56.43	54.78	53.13
62.00	67.63	65.98	64.33	62.68	61.03	59.38	57.73	56.08
64.00	70.58	68.93	67.28	65.63	63.98	62.33	60.68	59.03
66.00	73.53	71.88	70.23	68.58	66.93	65.28	63.63	61.98
68.00	76.48	74.83	73.18	71.53	69.88	68.23	66.58	64.93
70.00	79.43	77.78	76.13	74.48	72.83	71.18	69.53	67.88
72.00	82.38	80.73	79.08	77.43	75.78	74.13	72.48	70.83
74.00	85.33	83.68	82.03	80.38	78.73	77.08	75.43	73.78
76.00	88.28	86.63	84.98	83.33	81.68	80.03	78.38	76.73
78.00	91.23	89.58	87.93	86.28	84.63	82.98	81.33	79.68
80.00	94.18	92.53	90.88	89.23	87.58	85.93	84.28	82.63
82.00	97.13	95.48	93.83	92.18	90.53	88.88	87.23	85.58
84.00	100.08	98.43	96.78	95.13	93.48	91.83	90.18	88.53
86.00	103.03	101.38	99.73	98.08	96.43	94.78	93.13	91.48
88.00	105.98	104.33	102.68	101.03	99.38	97.73	96.08	94.43
90.00	108.93	107.28	105.63	103.98	102.33	100.68	99.03	97.38
92.00	111.88	110.23	108.58	106.93	105.28	103.63	101.98	100.33
94.00	114.83	113.18	111.53	109.88	108.23	106.58	104.93	103.28
96.00	117.78	116.13	114.48	112.83	111.18	109.53	107.88	106.23
98.00	120.73	119.08	117.43	115.78	114.13	112.48	110.83	109.18

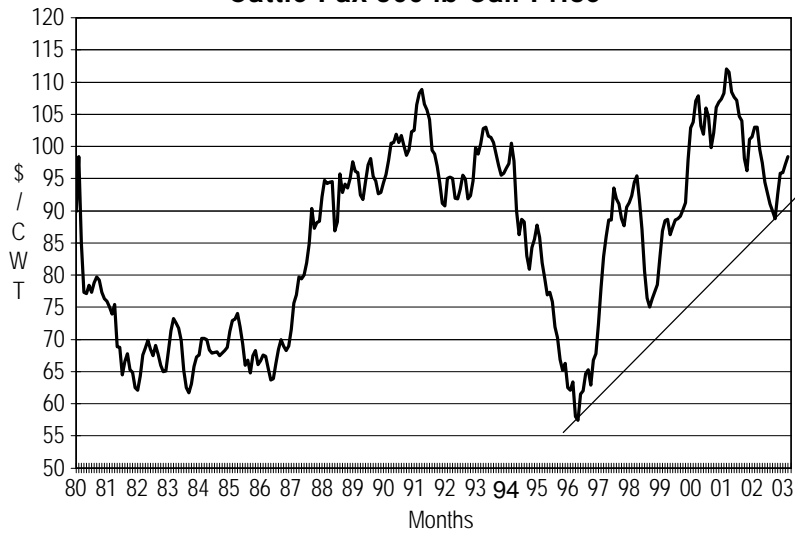
**U.S. Average Choice Fed Steer Price
1960-2004**



Choice Cut-Out 550-700 lb



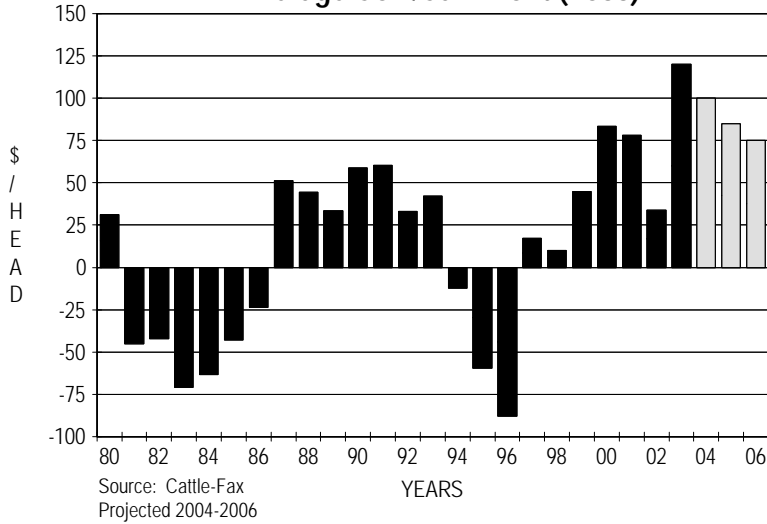
Cattle-Fax 500 lb Calf Price



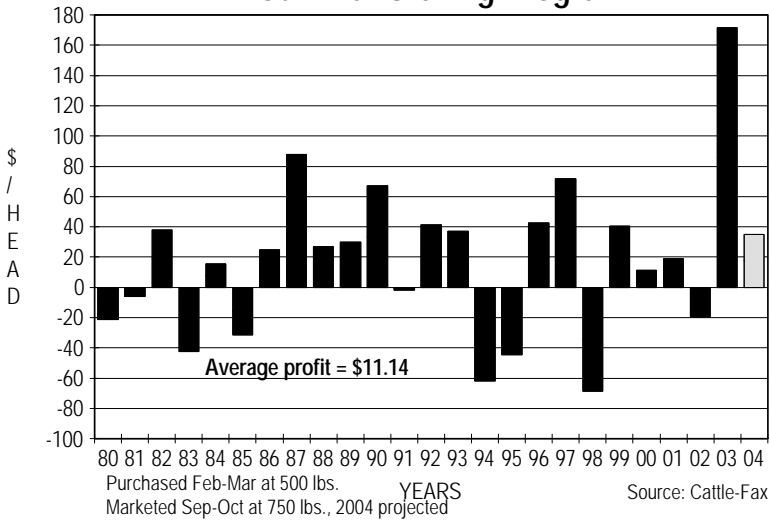
Notes

Notes

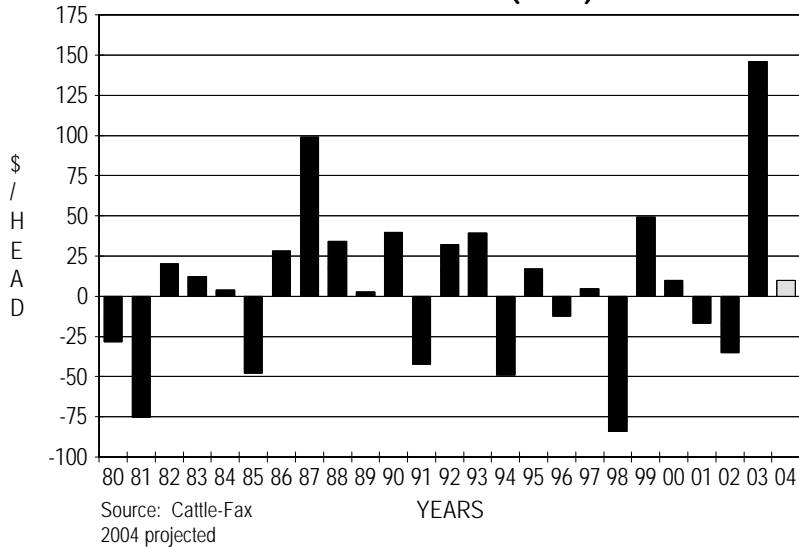
Average Cow/Calf Profit (Loss)

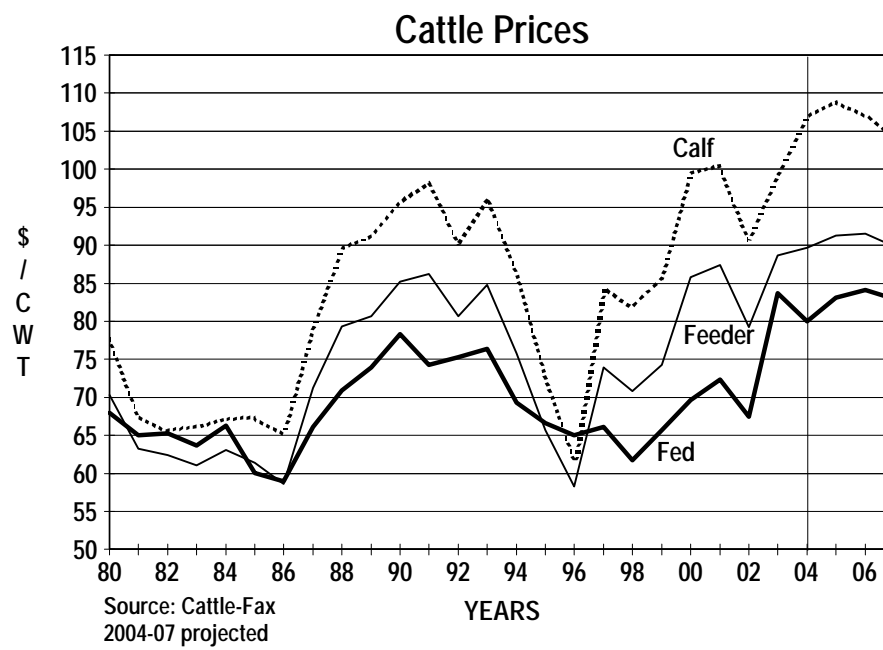


**Stocker Cattle Profit (Loss)
Summer Grazing Program**



Fed Cattle Profit (Loss)





Things to Watch

- 1) Slaughter levels
- 2) Front-end supplies/carryover
- 3) Carcass weights
- 4) Corn Prices
- 5) Export markets reopening – Timing/Impact
- 6) Border reopening to Canadian live and feeder cattle
- 7) Domestic demand

All have a Major Impact on Market Situation and Outlook during 2004