

Dog Days Ahead

Fed-Cattle Outlook



Fed cattle supplies will decline moving forward. But, due to the summer heat beef usage and demand will be soft the next thirty days. The result will be a fed market that, although well supported at current levels, will be hard pressed to show much improvement. The feeding industry, despite seasonally large supplies is in a current position, due to impressive marketings over the past three months fueled by positive packer margins and positive live cattle basis. With the weaker live cattle basis, it will be important for the feeding industry to remain timely marketers in order to maximize the price potential moving into the fall. Fed cattle prices are expected to continue to average higher, year over year, through the second half due mainly to tighter per capita supplies.

Next Week: Supplies will start to decline and the beef complex



Projected Fed Market Table is sponsored by

Projected Fed-Cattle Marketings (000 Head) 12-Jul-2013

	Placed Against	Pre Mo Carryover	Begin Inv	Mo Shipments	Carry-Over %	Net Weeks	Adj. Wkly Avg Shipments	% of Yr Ago
JUL	771	425	1196	896	30	4.4	153	101
AUG	752	384	1136	829	31	4.4	141	99
SEP	722	364	1086	747	35	4.0	140	100
OCT	653	393	1047	747	32	4.6	122	101
NOV	689	352	1041	677	38	4.0	127	100
DEC	701	415	1116	785	33	4.2	140	96

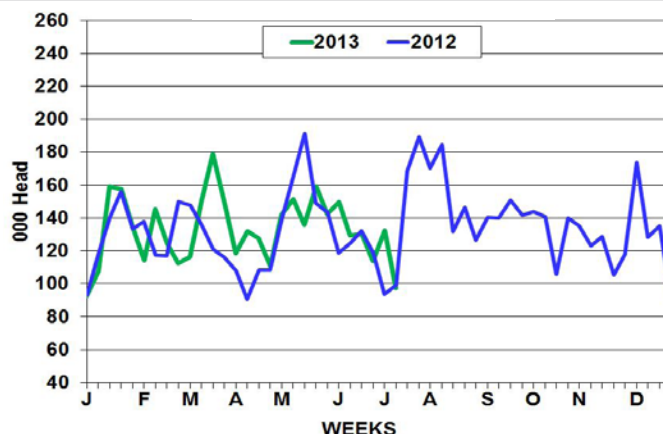
CattleFax Shipments

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly Totals (000 hd)												
2012	564	563	558	539	653	639	636	2011	720	637	536	639
2013	652	538	568	541	614	598	308	2012	658	533	558	586
Weekly Averages (000 hd)												
2012	134	134	133	128	148	152	151	2011	157	152	128	145
2013	148	128	135	123	139	150	171	2012	143	140	121	146
13%12	110	96	102	96	94	99	113	12%11	91	92	95	101
13%5Yr	111	93	105	95	97	103	114	12%5Yr	95	99	94	105

CattleFax Placements

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly Totals (000 hd)												
2012	540	559	585	443	732	522	609	2011	776	707	697	540
2013	575	504	614	532	688	523	229	2012	702	527	605	580
Weekly Averages (000 hd)												
2012	128	133	133	106	166	124	145	2011	169	168	166	123
2013	131	120	146	121	156	131	127	2012	153	151	131	145
13%12	102	90	110	114	94	106	88	12%11	91	90	79	118
13%5Yr	102	89	106	109	106	111	108	12%5Yr	101	92	80	125

CattleFax Placements



will remain soft. Fed cattle prices are expected to trade near \$120.

Late-July-August: Fed supplies and beef production levels will decline through this time period, but remain seasonally large. Beef demand and usage will be sluggish going through the dog days of summer, but will improve near Labor Day. Prices are expected to average in the low \$120's, with strength expected late.

September-December: Fed cattle supplies and beef production levels are projected to decline moving from the summer through the fall. This is due to expected year over year declines in placements in June-August as well as projected smaller than a year ago non-fed slaughter. This will result in the largest year over year net beef supply declines of 2013. Look for a higher trending fed market with an upper \$120's average projected for the fourth quarter. *Kerwin Good*

Contract and Formula Cattle 12-Jul-2013

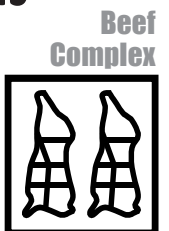
	Scheduled in July	Shipped in July	Scheduled in August	Scheduled in September
Kansas	220,000	118,500	190,000	190,000
Texas	400,000	186,500	360,000	330,000
Colorado	85,000	42,000	80,000	80,000
Nebraska	205,000	100,000	180,000	175,000
Totals	910,000	447,000	810,000	775,000
Basis Bids				
Steers	August	September	October	
Heifers	\$1 under	\$1 to \$2 under	\$1 to \$2 under	\$1 to \$2 under
	\$1 under	\$1 to \$2 under	\$1 to \$2 under	\$1 to \$2 under

Loins, Ribs Seek Clearing Levels

Choice boxed beef cutout values were quoted \$5.01 lower this week, while Selects declined by \$3.76. Lighter demand was noted after the holiday as buyers looked to run leaner on inventory going into the slow mid-summer demand period.

Loins have been under pressure over the last few weeks but Ribs held their value well through the 4th of July as inventories were well sold going into the holiday. Ribs have begun to move lower past the holiday and as they seek a new clearing level the Choice cutout in particular still has downside risk. Firmer end cuts and trimmings may offset some of the middle meat losses.

Next Week: Duller demand will be evident amid still ample supplies, leaving the cutout at risk once again. Choice boxes are anticipated to trade between \$190 and \$193, Selects from \$182 to \$185. *Duane Lenz*



Fed Cattle Prices 12-Jul-2013

	Live Steers	Hot-Wgt Prices	Live Heifers	Hot-Wgt Prices	Trade Volume	Contract Formula
PANH	119	N.T.	119	N.T.	95,000	97%
KS	119	N.T.	119	N.T.	79,000	77%
NE	N.T.	N.T.	N.T.	N.T.	50,000	100%
CO*	N.T.	N.T.	N.T.	N.T.	24,500	100%
CB	N.T.	N.T.	N.T.	N.T.	0	0%
PNW*	N.T.	N.T.	N.T.	N.T.	0	0%
SW	116.50-117	N.T.	N.T.	N.T.	500	0%

Price ranges reflect the last best test for average choice to high quality cattle. *Includes all reported Canadian Imports