

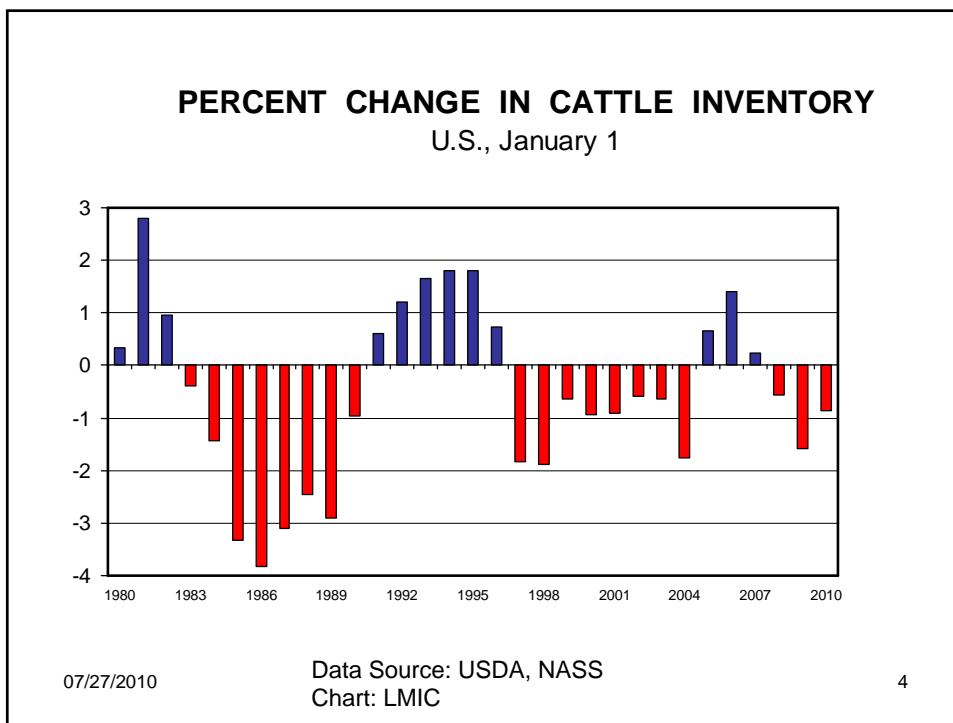
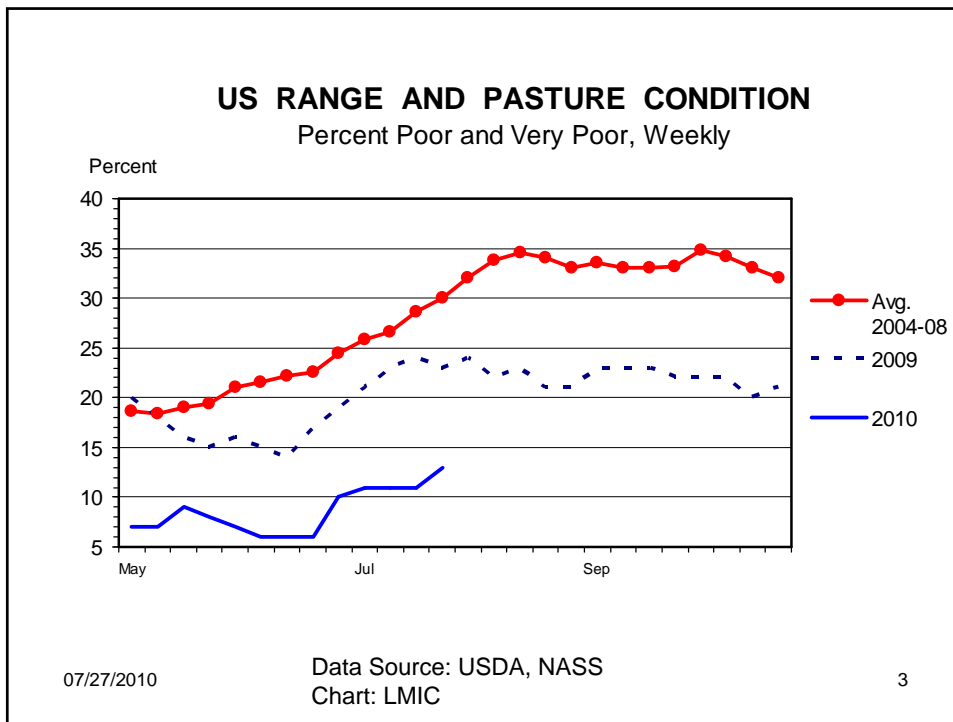


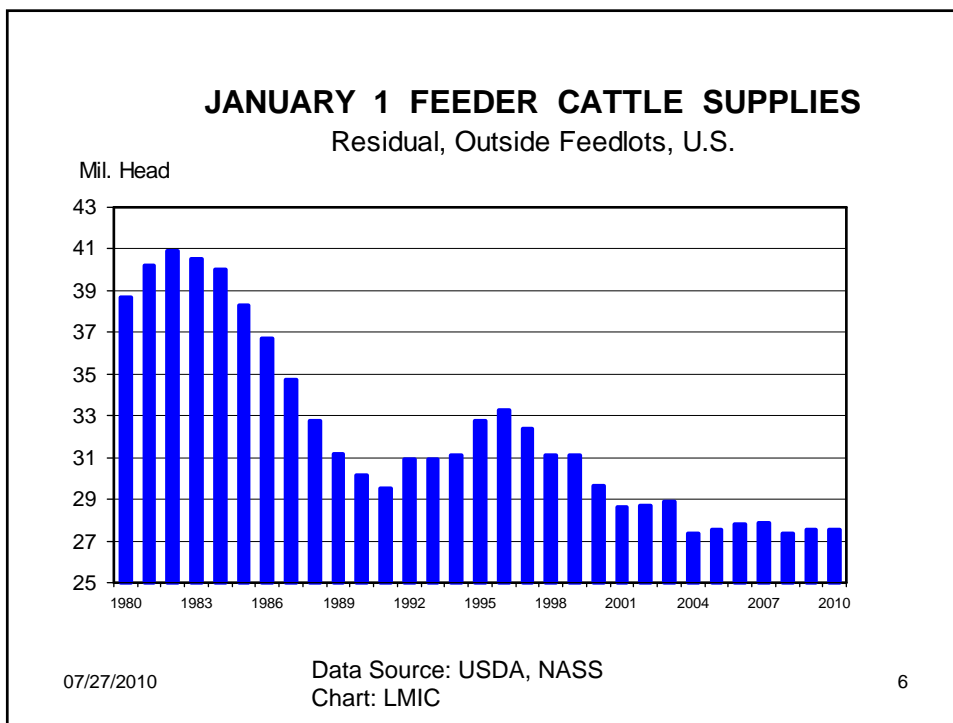
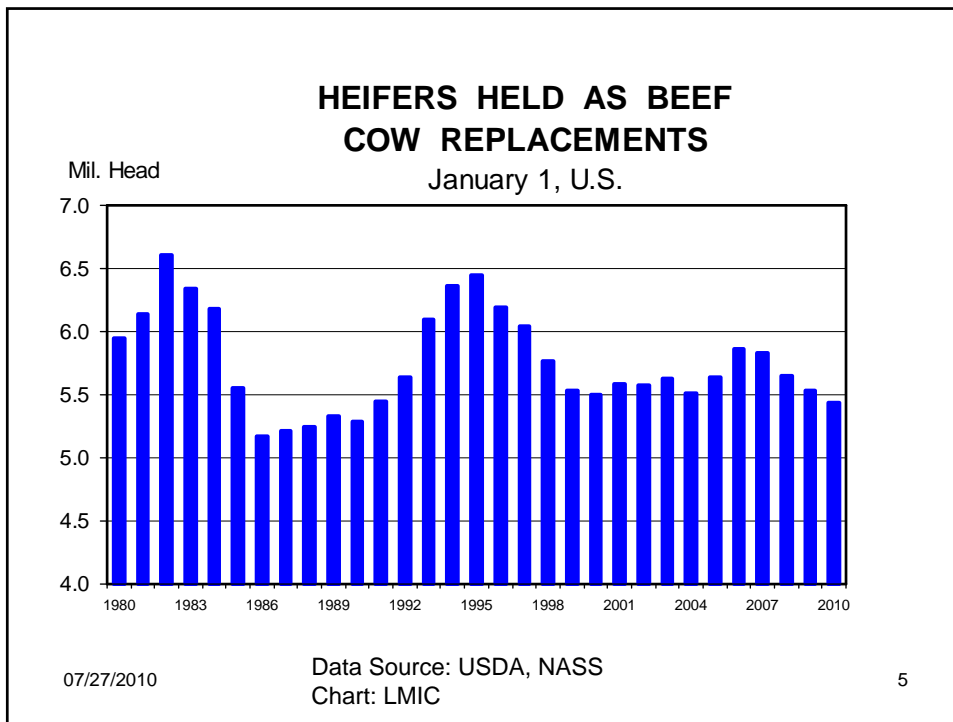
AAEA Extension Beef Outlook

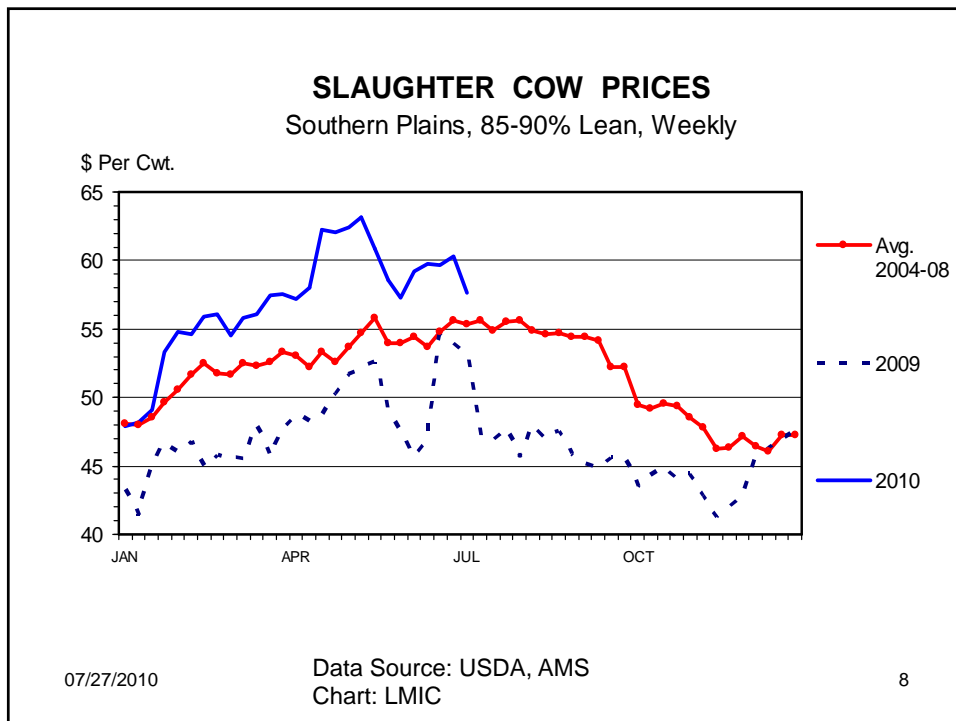
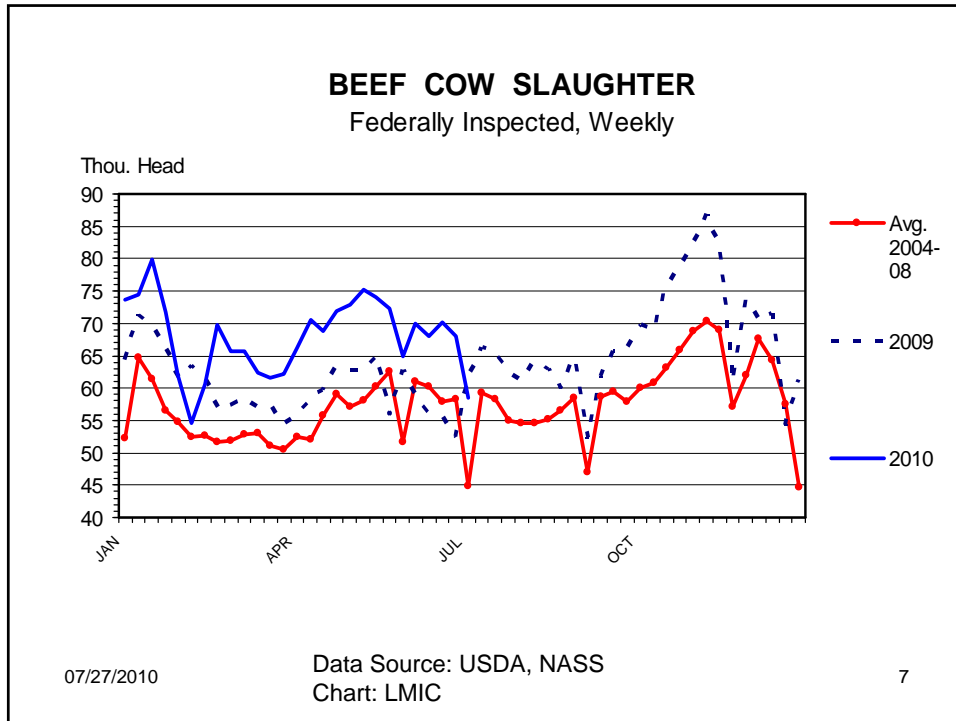
John Michael Riley
Mississippi State University

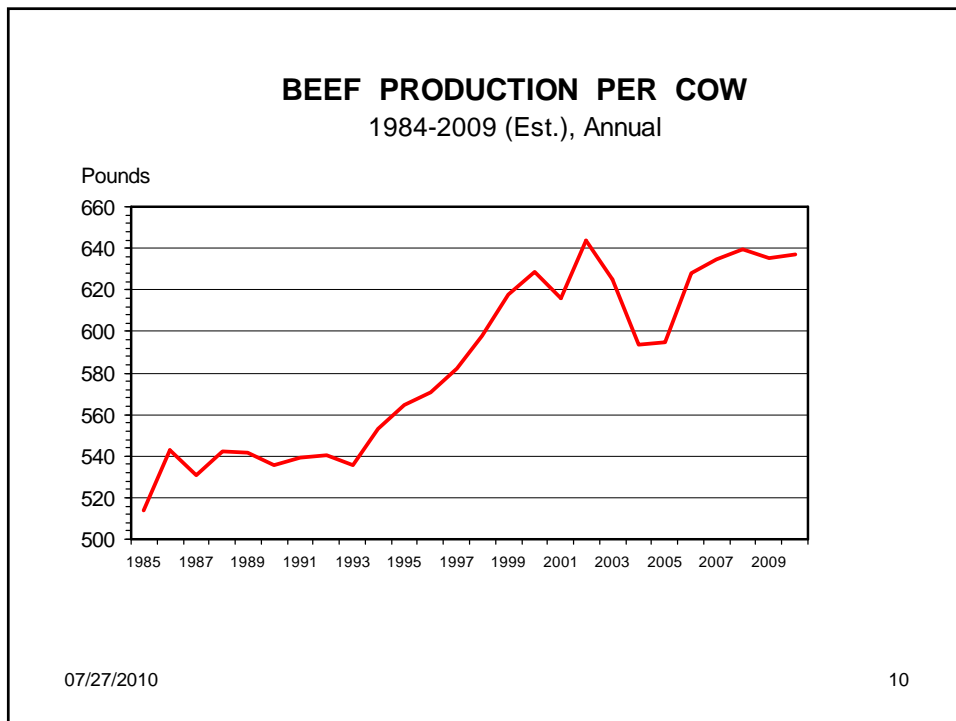
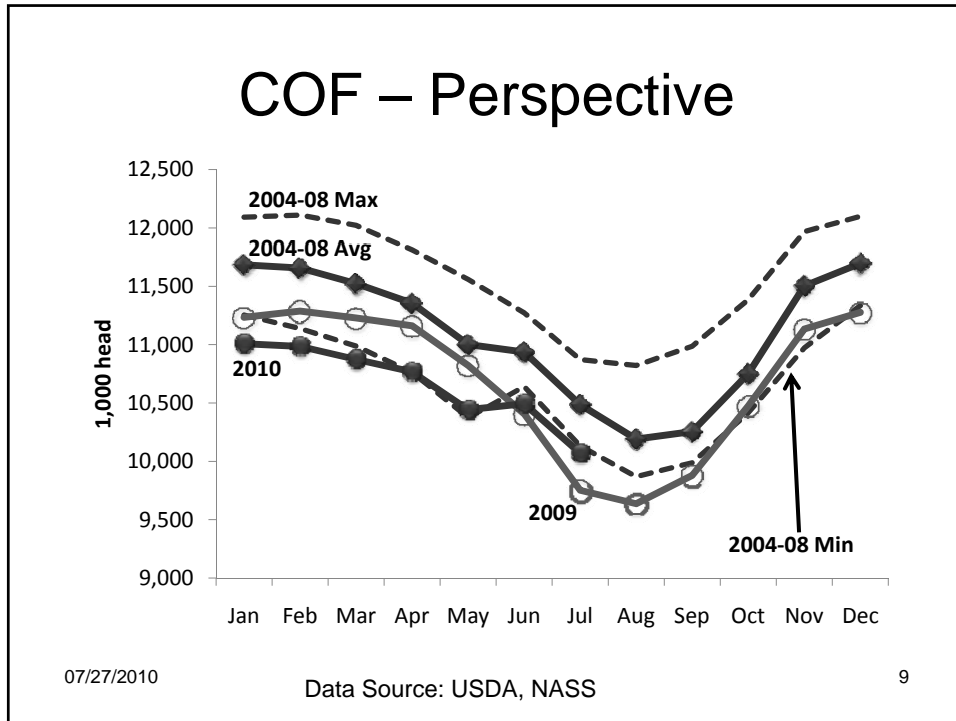
July 27, 2010

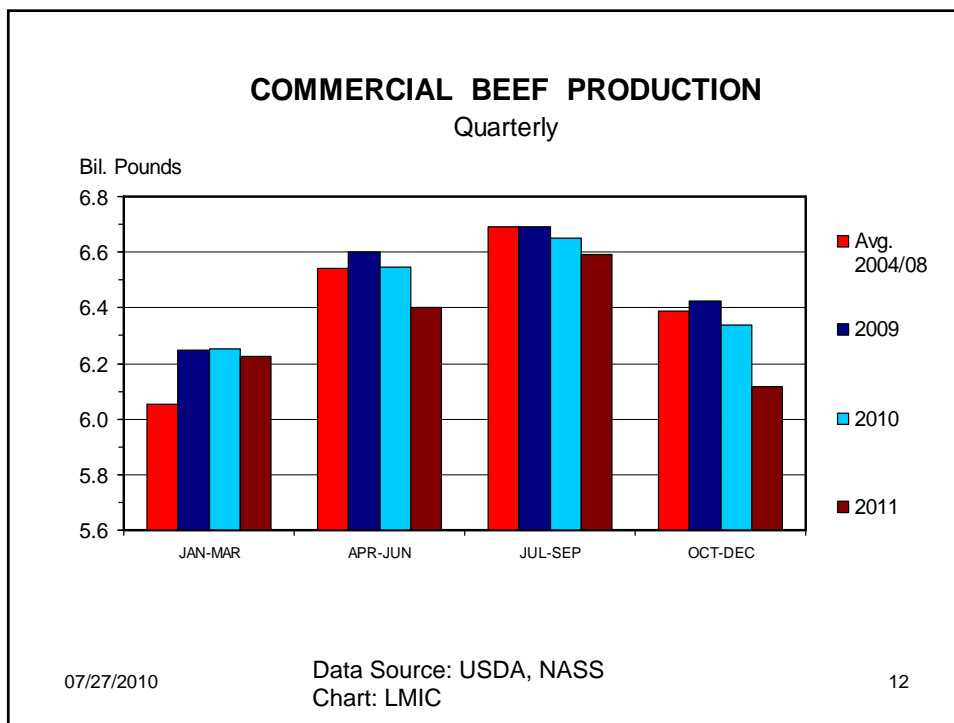
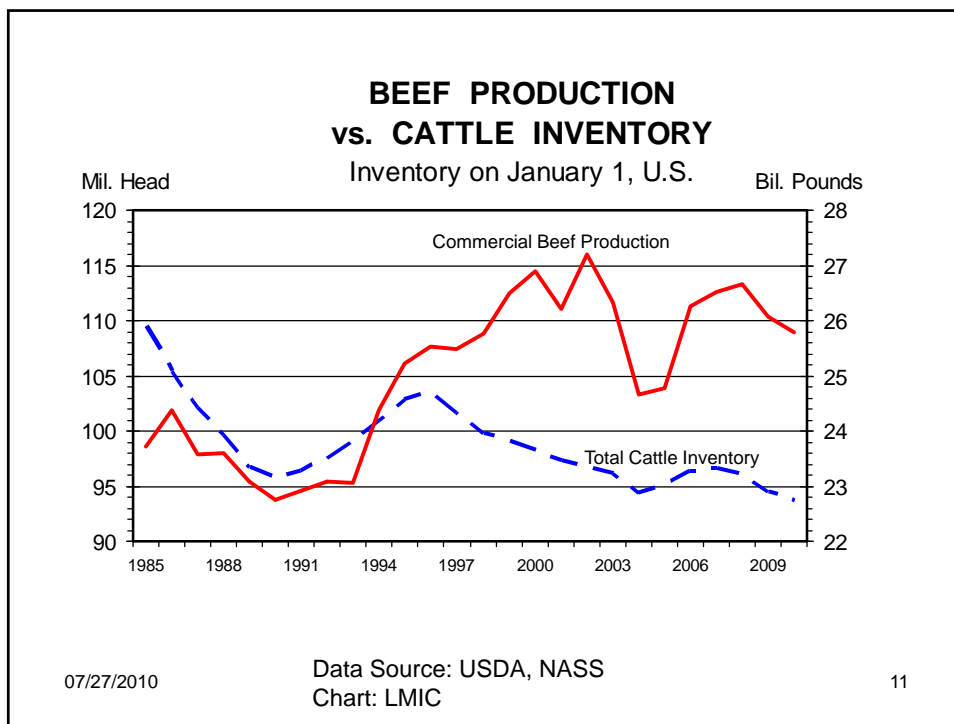
SUPPLY SITUATION









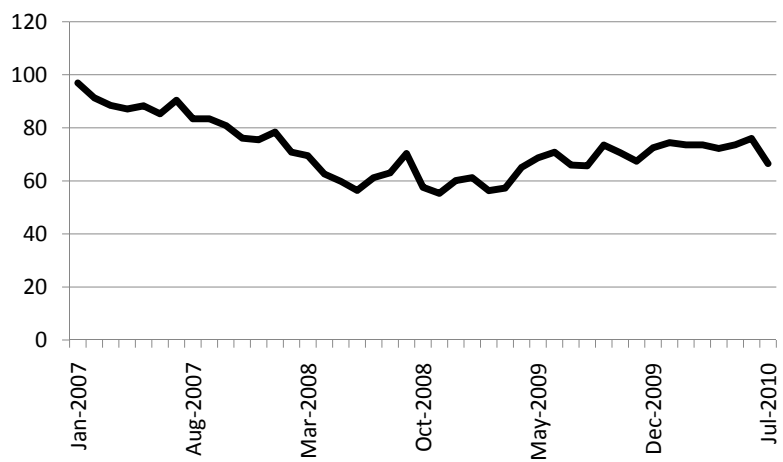


DEMAND PICTURE

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Consumer Confidence



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Data Source: USDA, NASS

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Restaurant Performance Index

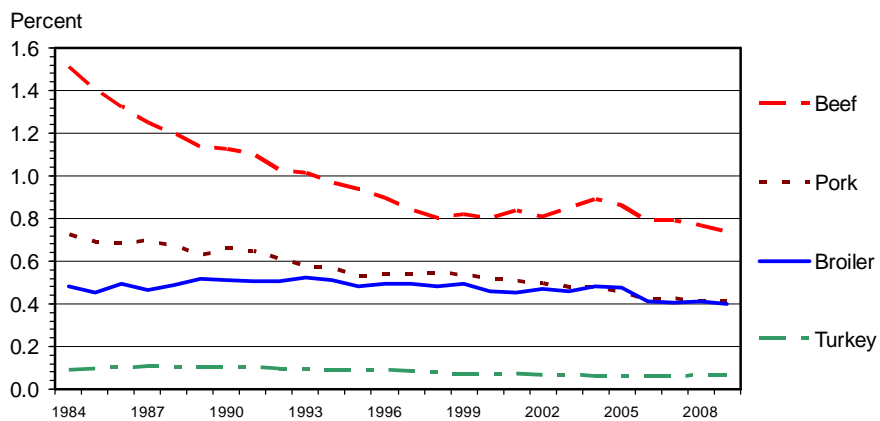


Values Greater than 100 = Expansion; Values Less than 100 = Contraction
 Source: National Restaurant Association

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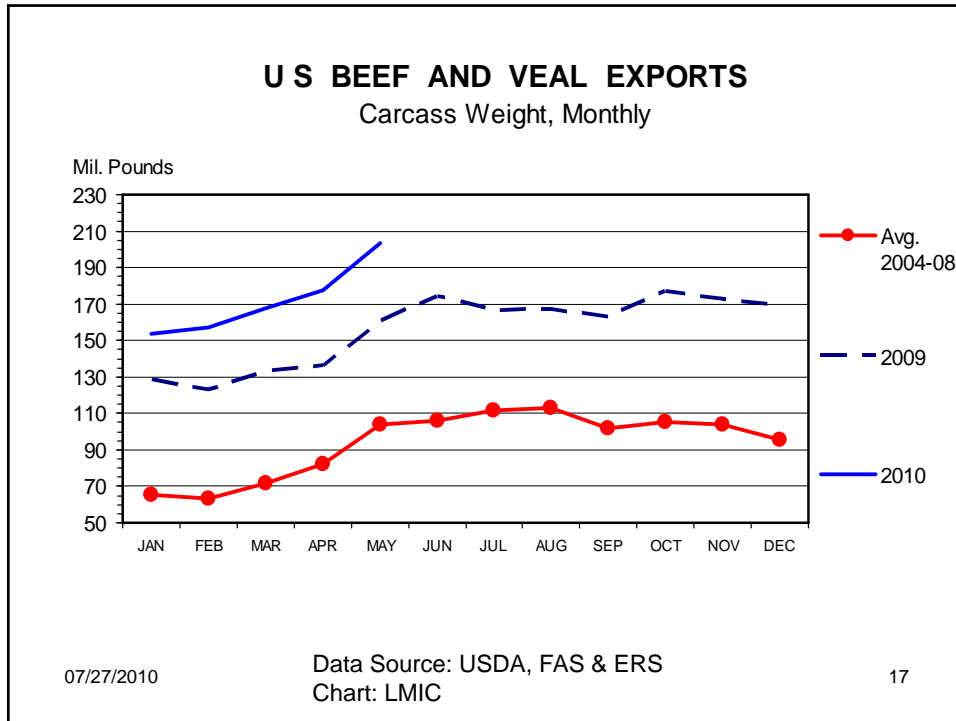
U S EXPENDITURES FOR MEAT & POULTRY Percent of Disposable Income



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Data Source: BEA
 Chart: LMIC

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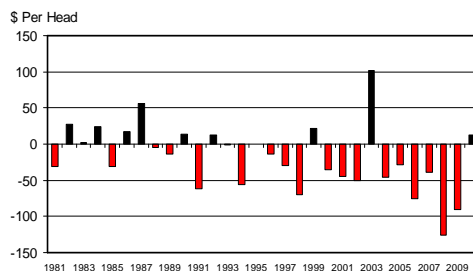
PRICES

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Relief

- Higher prices in the 1st and 2nd quarter brought much needed relief

AVERAGE RETURNS TO CATTLE FEEDERS
Feeding 725 Lb. Steers, S. Plains, Annual



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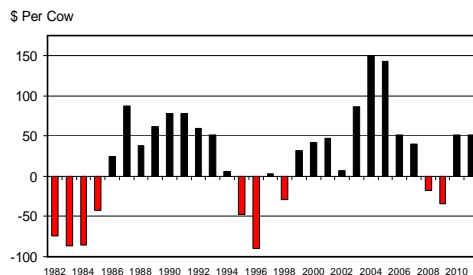
Data Source: USDA, NASS
Chart: LMIC

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Relief

- Higher prices in the 1st and 2nd quarter brought much needed relief

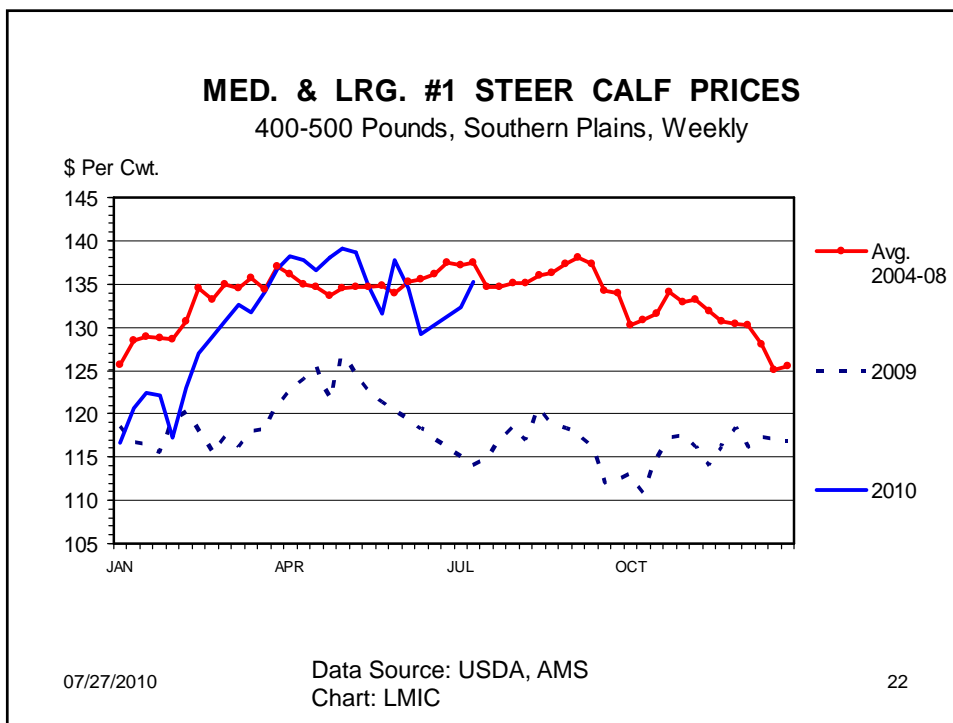
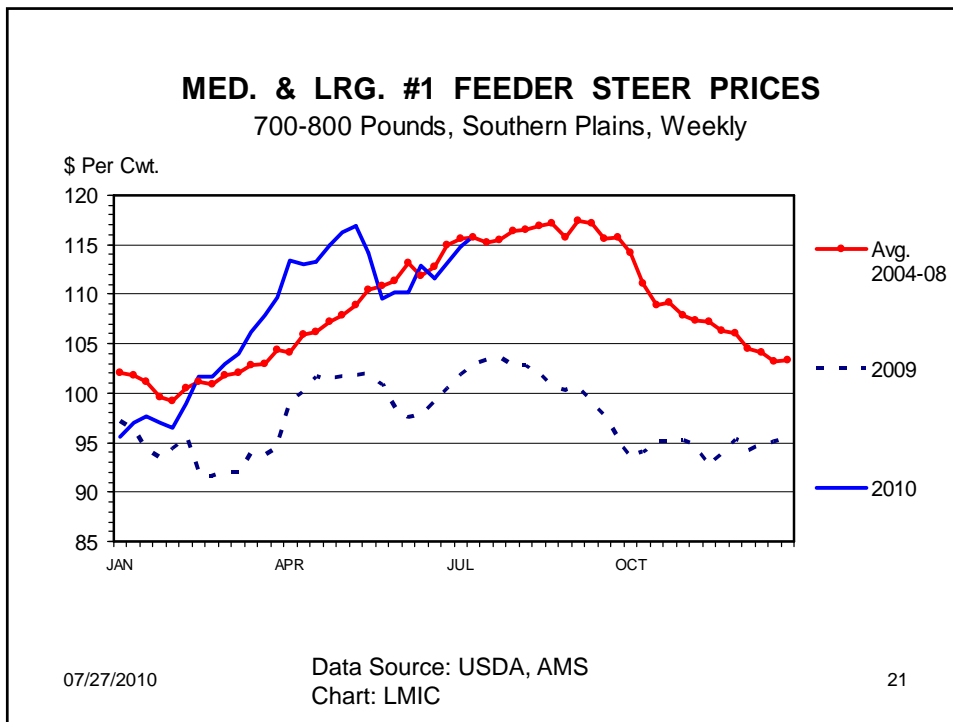
ESTIMATED AVERAGE COW CALF RETURNS
Returns Over Cash Cost (Includes Pasture Rent), Annual

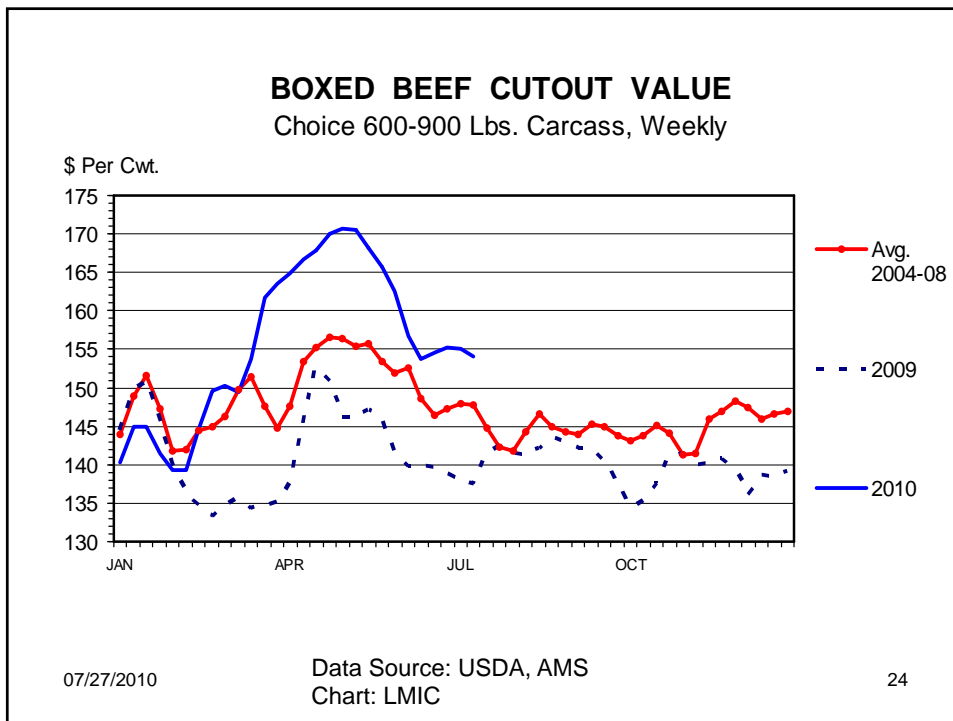
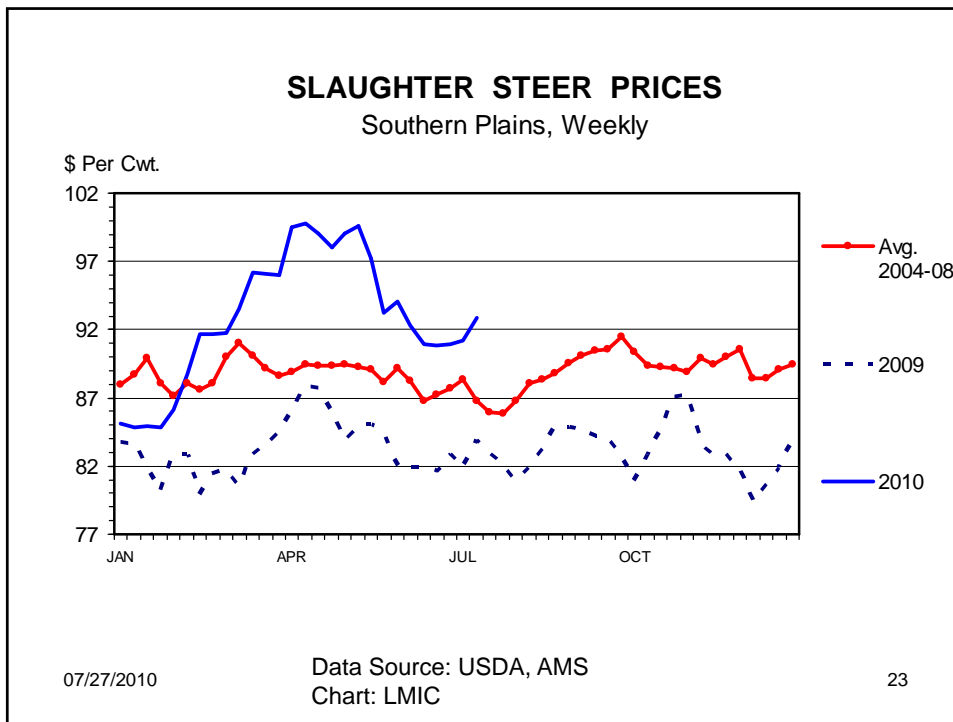


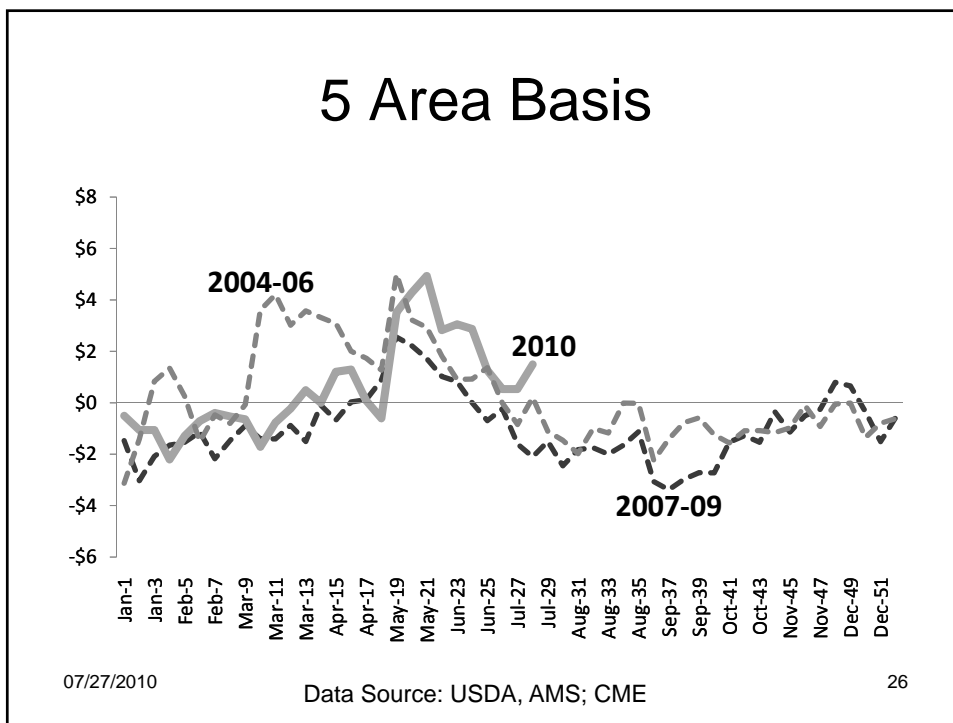
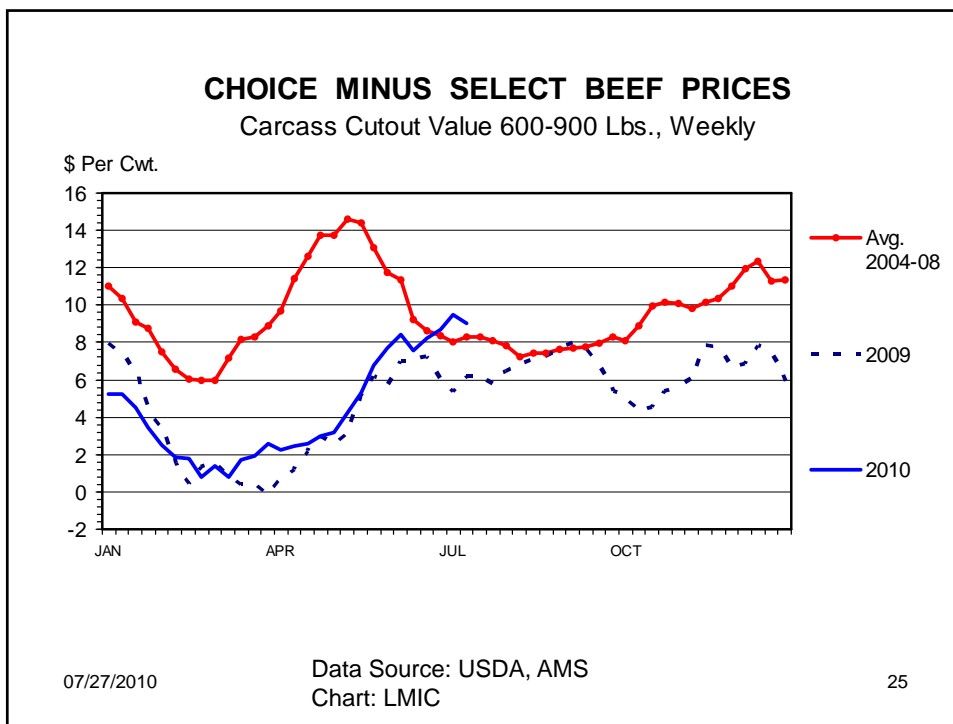
07/27/2010

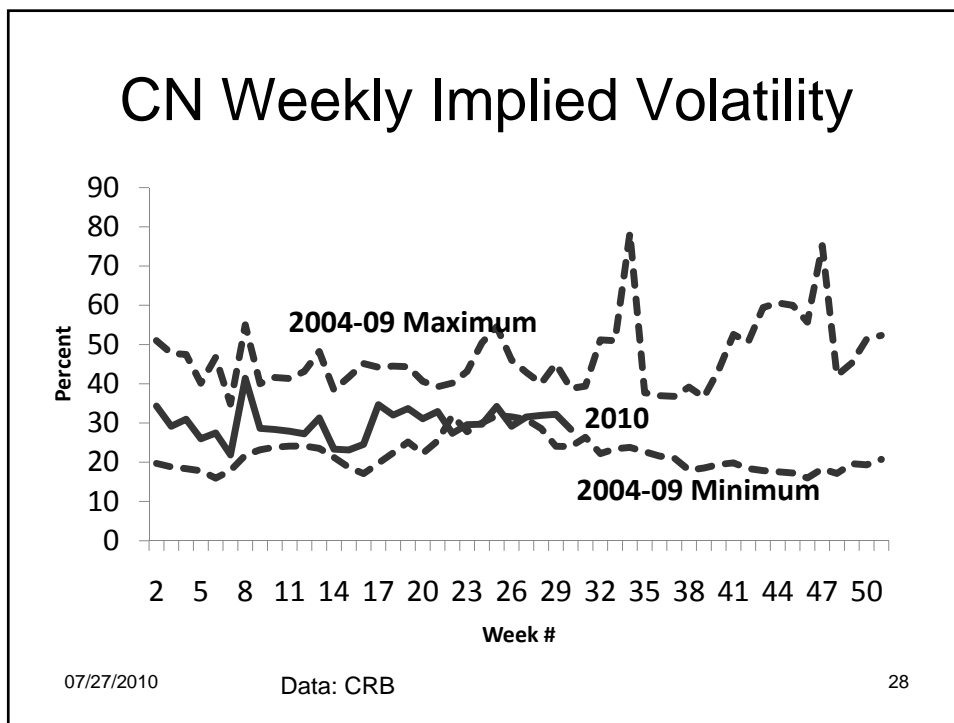
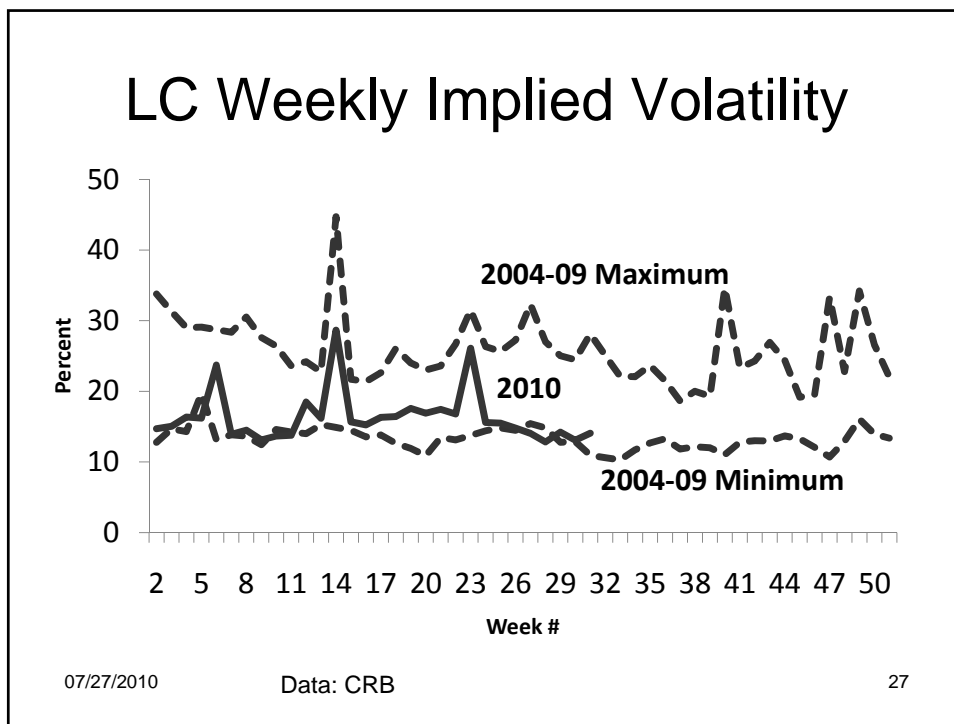
Data Source: USDA, NASS
Chart: LMIC

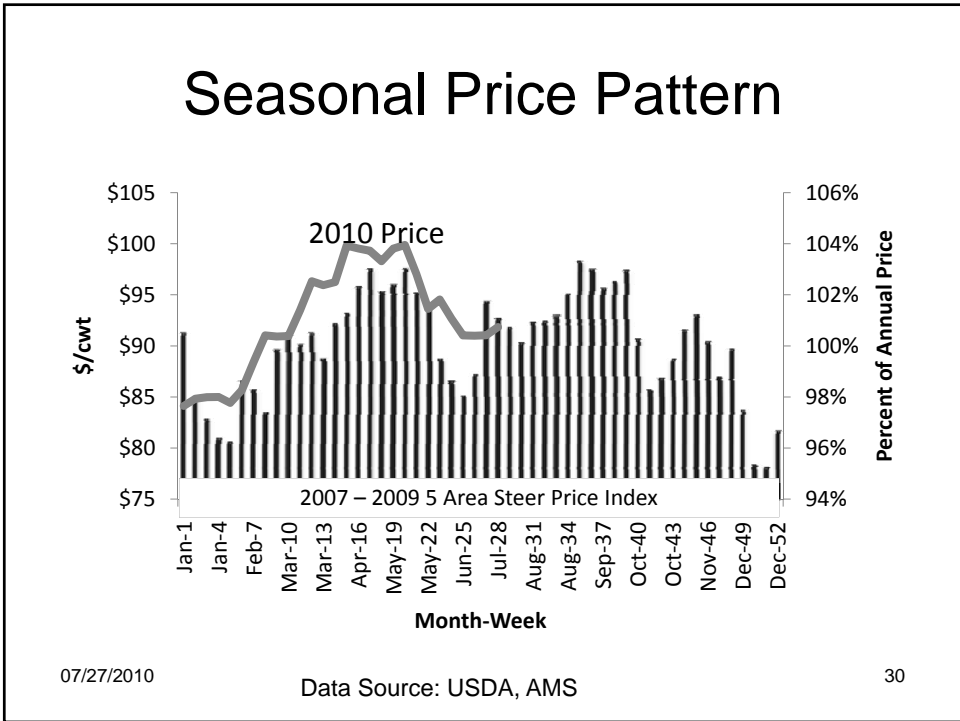
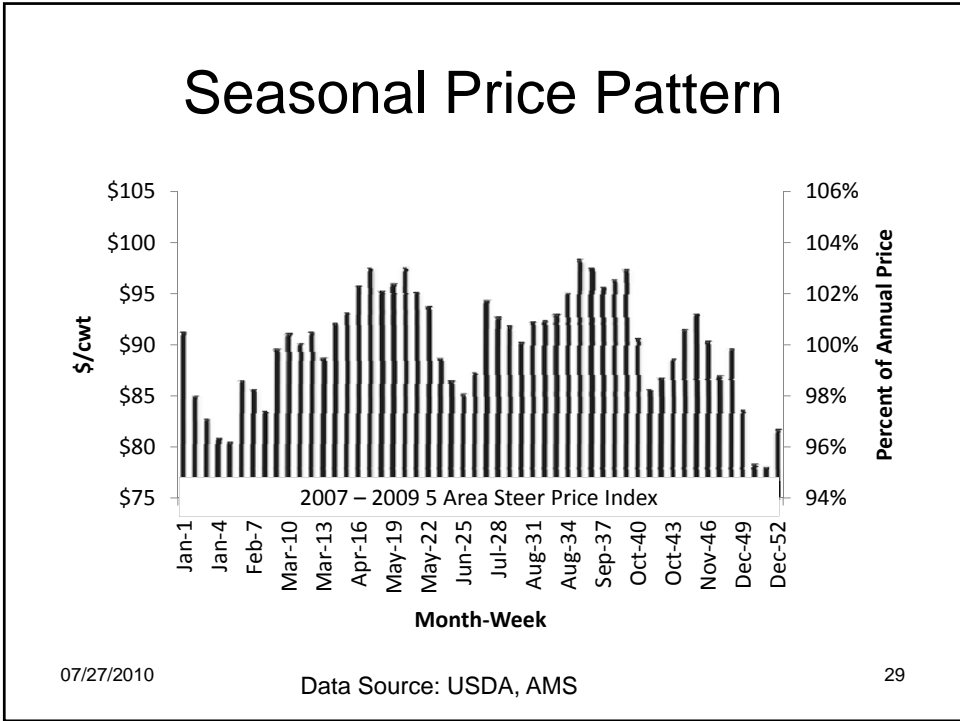
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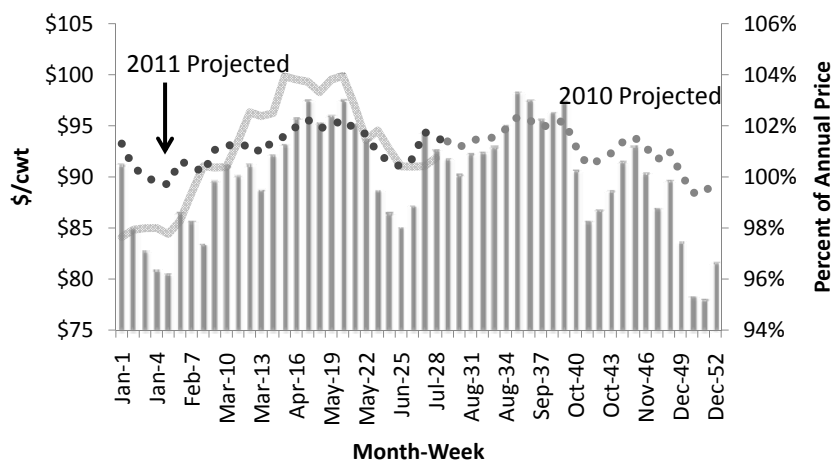


OUTLOOK

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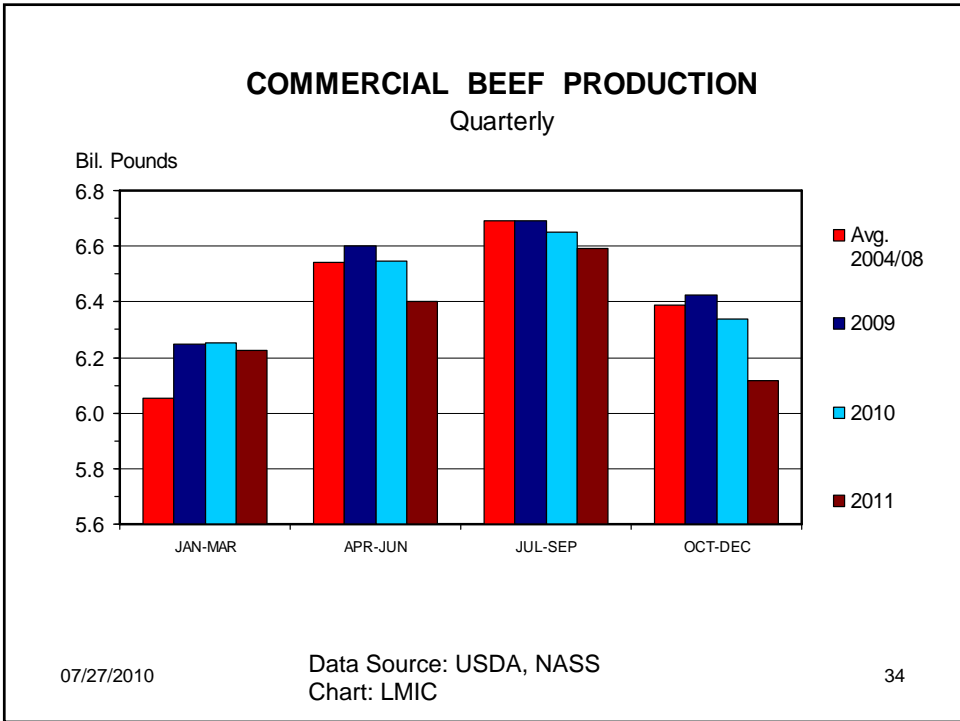
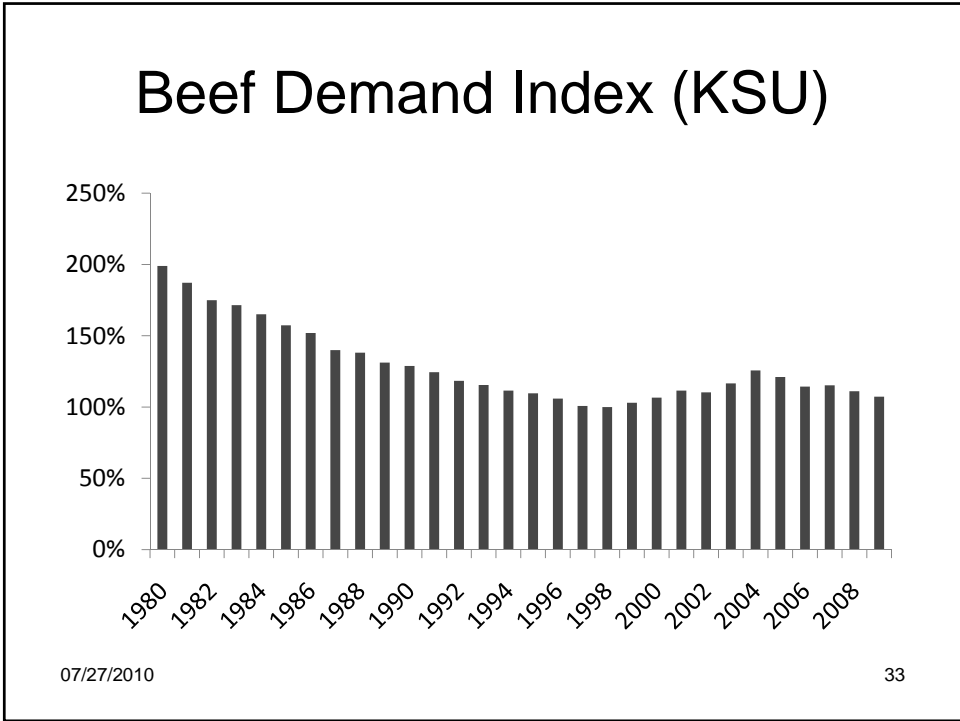
Seasonal Price & Price Forecast

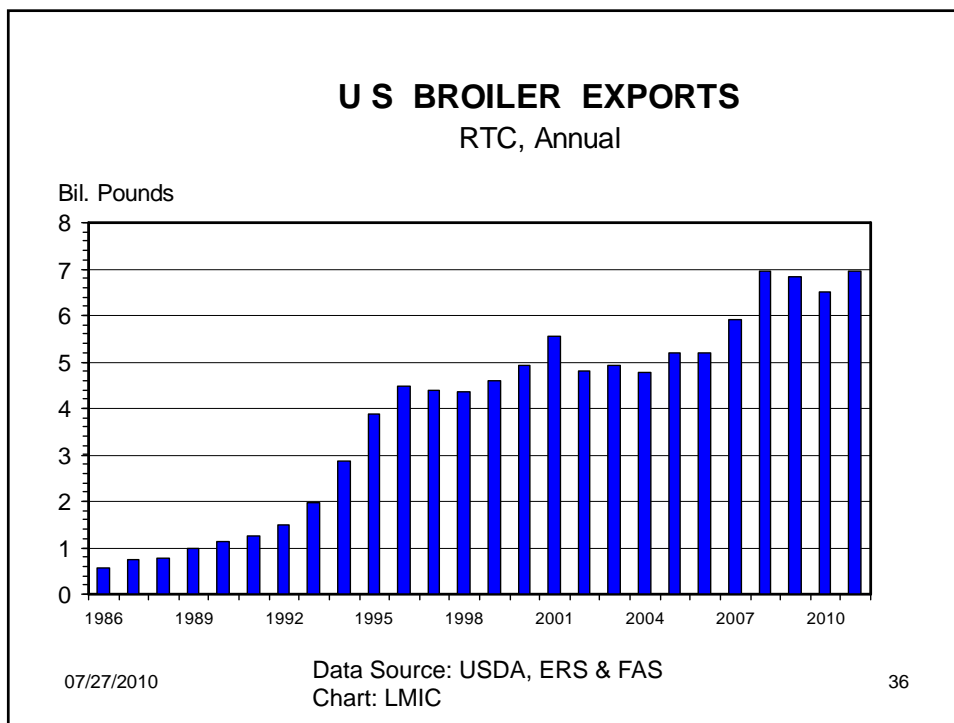
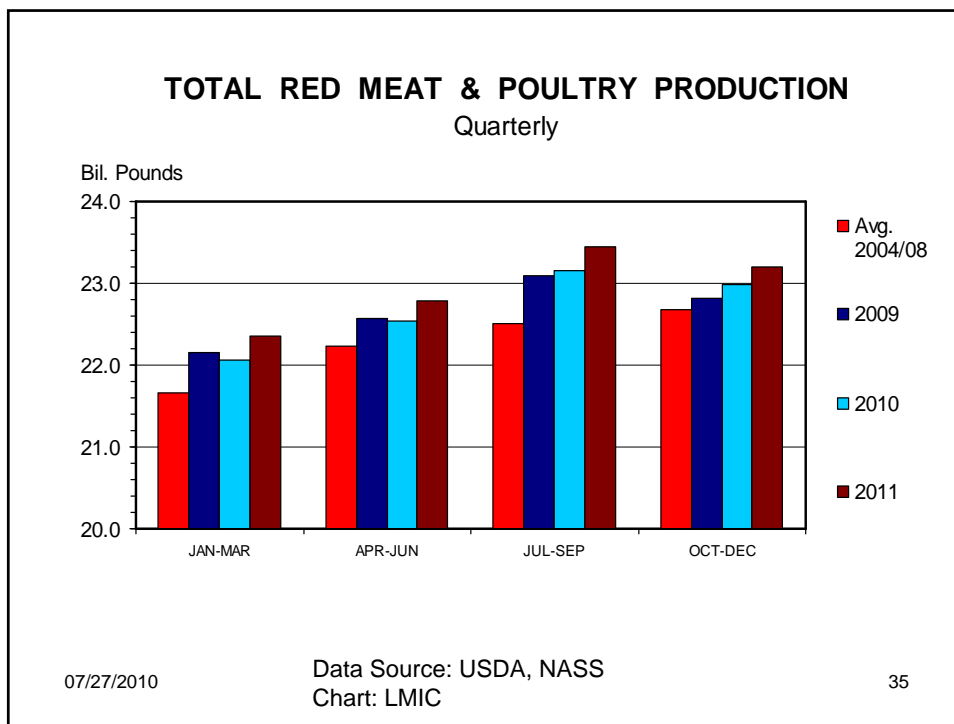


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Data Source: USDA, AMS

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Outlook

- Beef and Cattle Prices will remain under pressure through 2010 ... Improve in 2011
 - High prices in spring of '10, so y-o-y might not change that much
- Corn supply/demand is worrisome
- Poultry supply/demand will add unwanted pressure

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THANK YOU

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