December 1997

Market Outlook

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CATTLE FAX, Denver, Colorado

Proceedings, The Range Beef Cow Symposium XV
December 9, 10 and 11, 1997, Rapid City, South Dakota

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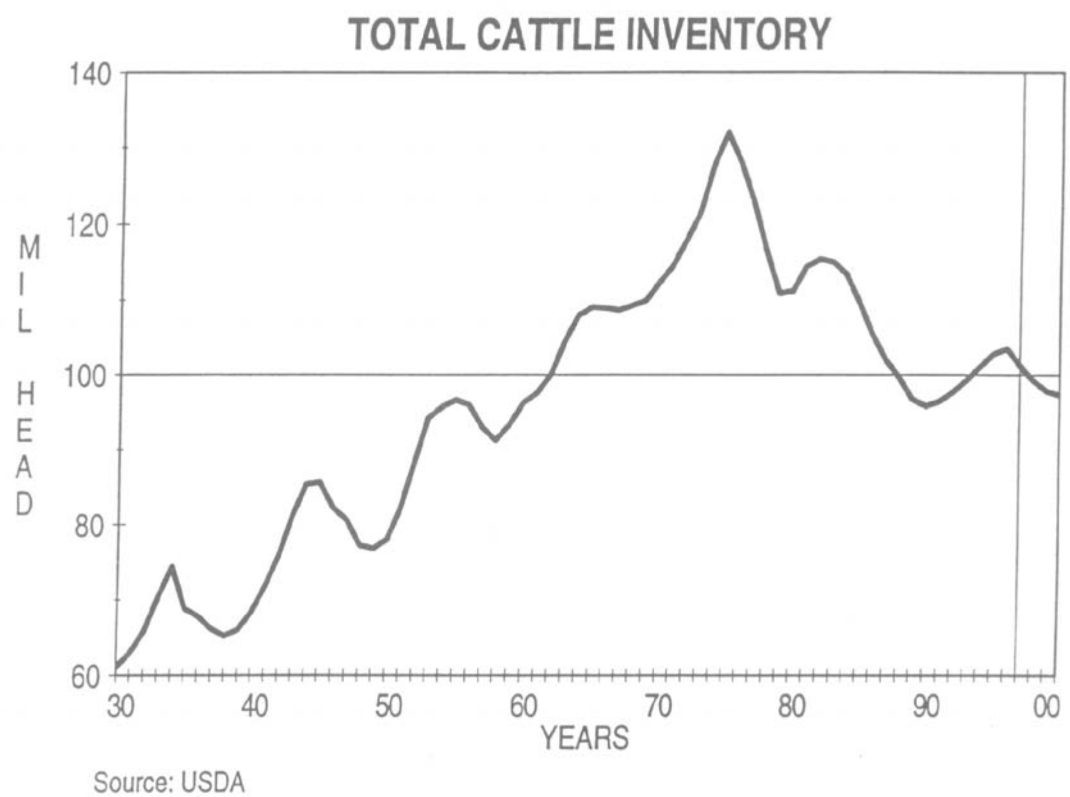
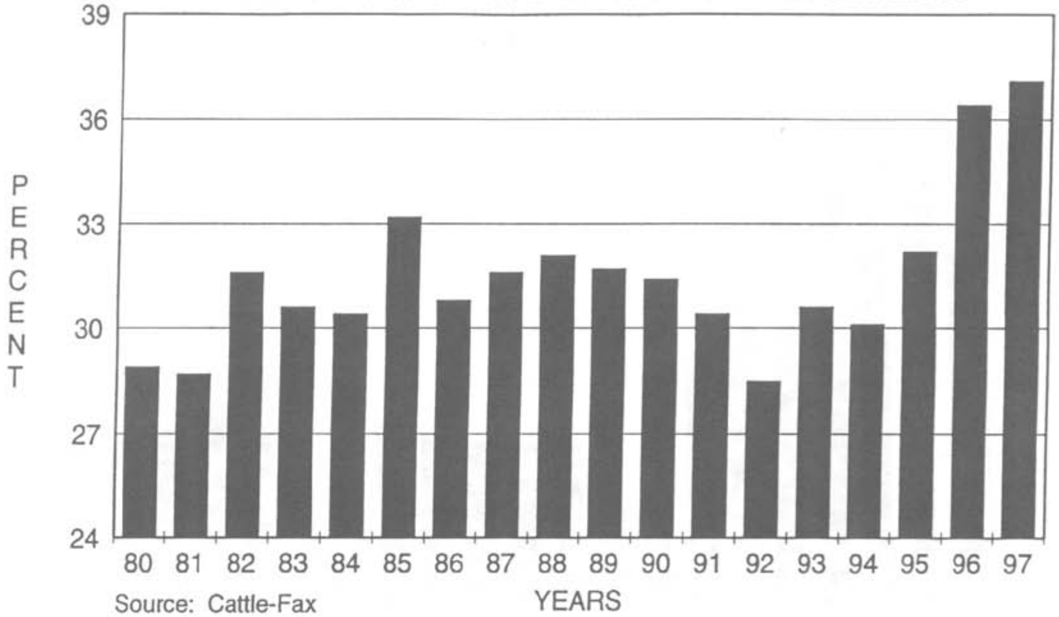
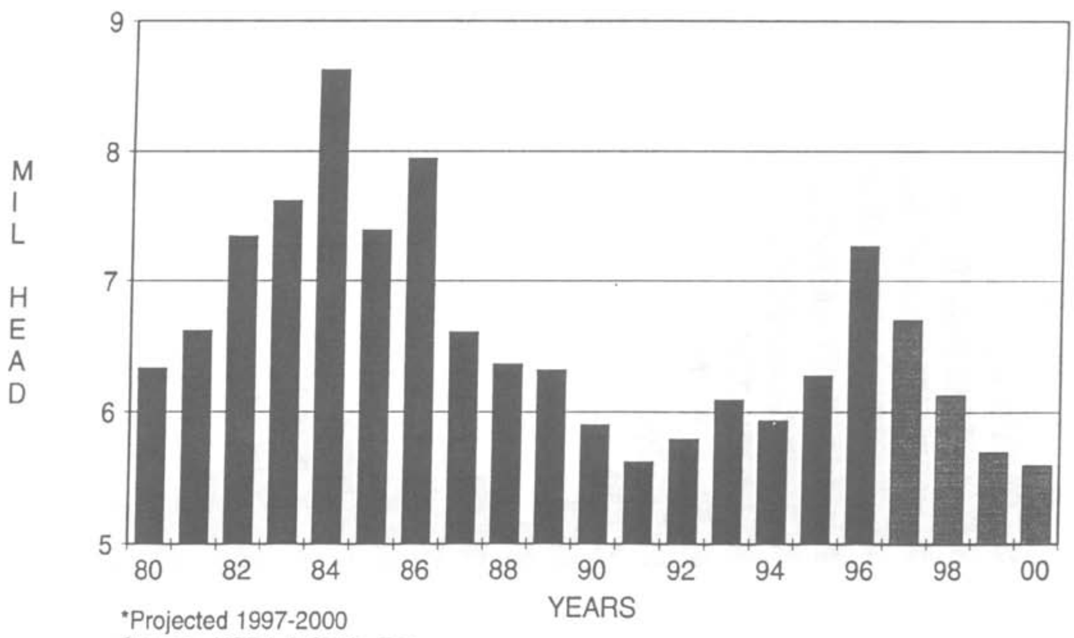


HEIFERS AS % OF TOTAL FEEDLOT PLACEMENTS*



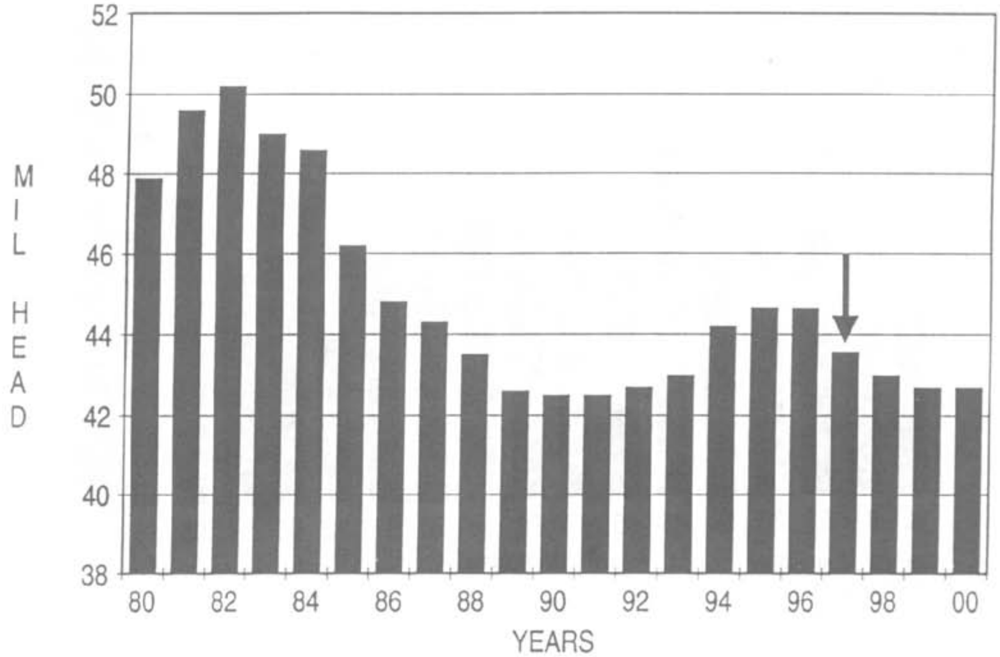
Source: Cattle-Fax
*1997 year-to-date

COW SLAUGHTER*



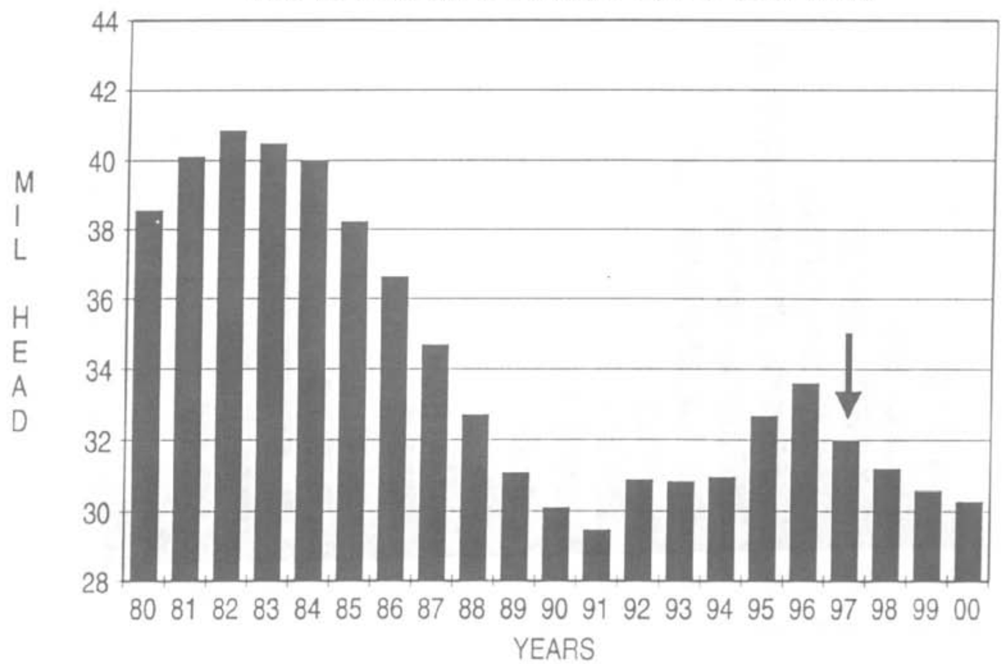
*Projected 1997-2000
Source: USDA & Cattle-Fax

TOTAL COW NUMBERS*



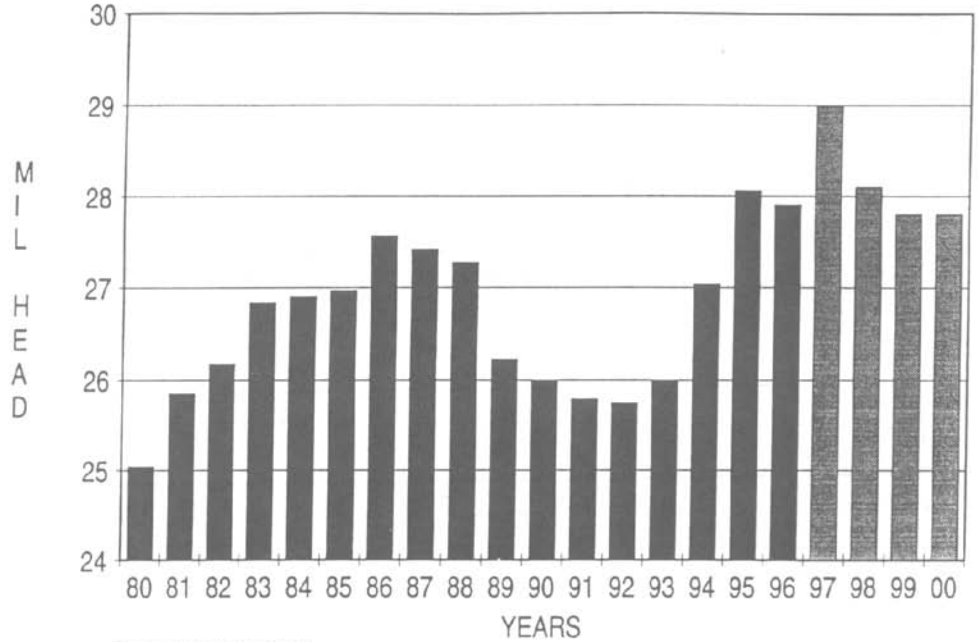
*Projected 1998-2000
Source: USDA & Cattle-Fax

FEEDER CATTLE AND CALF SUPPLY*



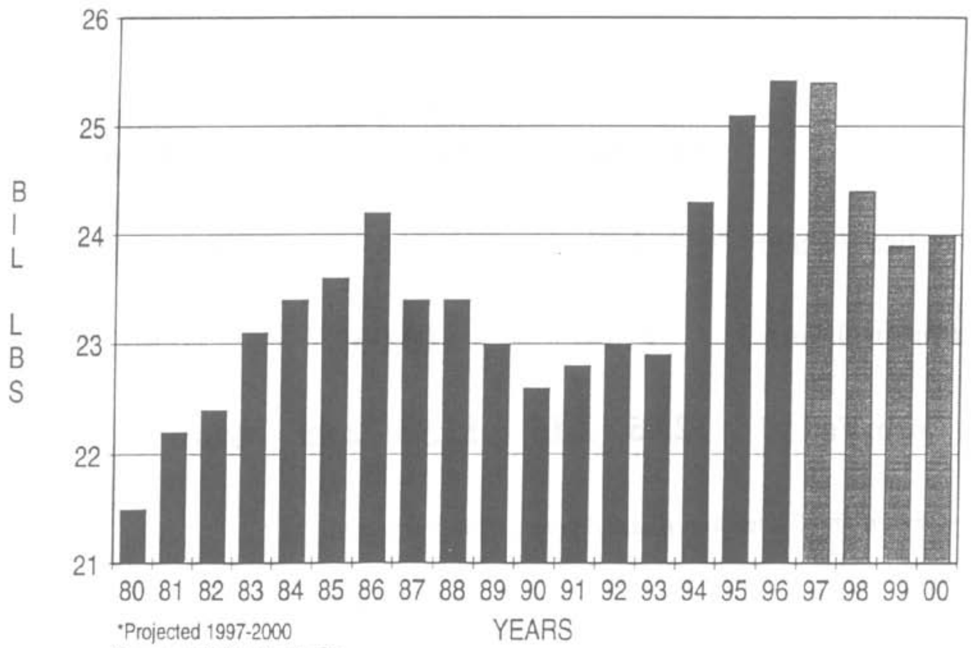
*Projected 1997-2000
Source: USDA & Cattle-Fax

STEER & HEIFER SLAUGHTER



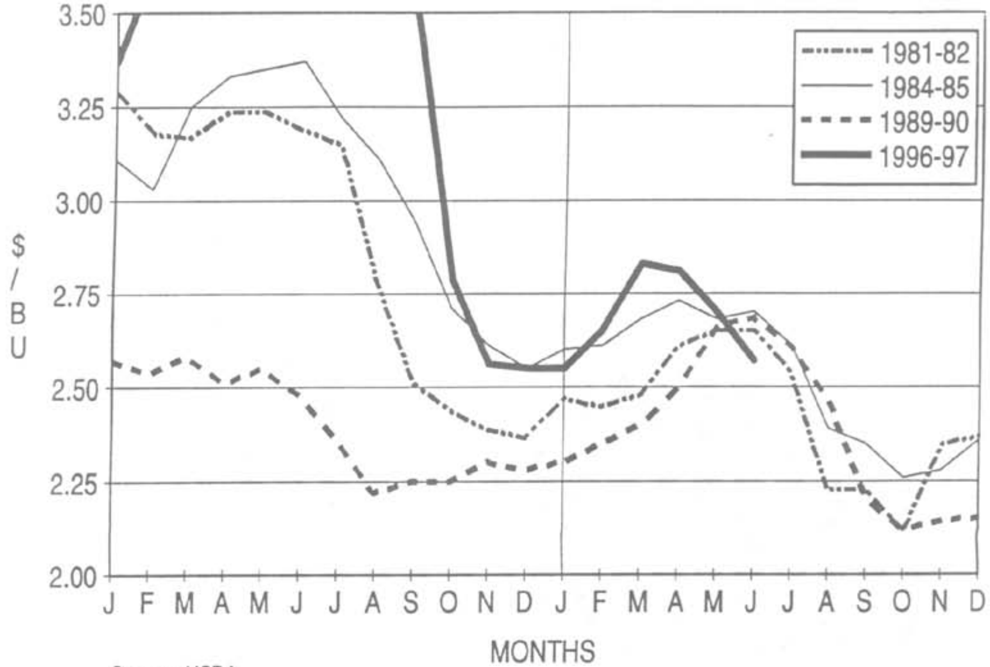
Projected 1997-2000
Source: USDA & Cattle-Fax

BEEF PRODUCTION*



*Projected 1997-2000
Source: USDA & Cattle-Fax

WHAT WILL THE 1997 CORN MARKET LOOK LIKE?



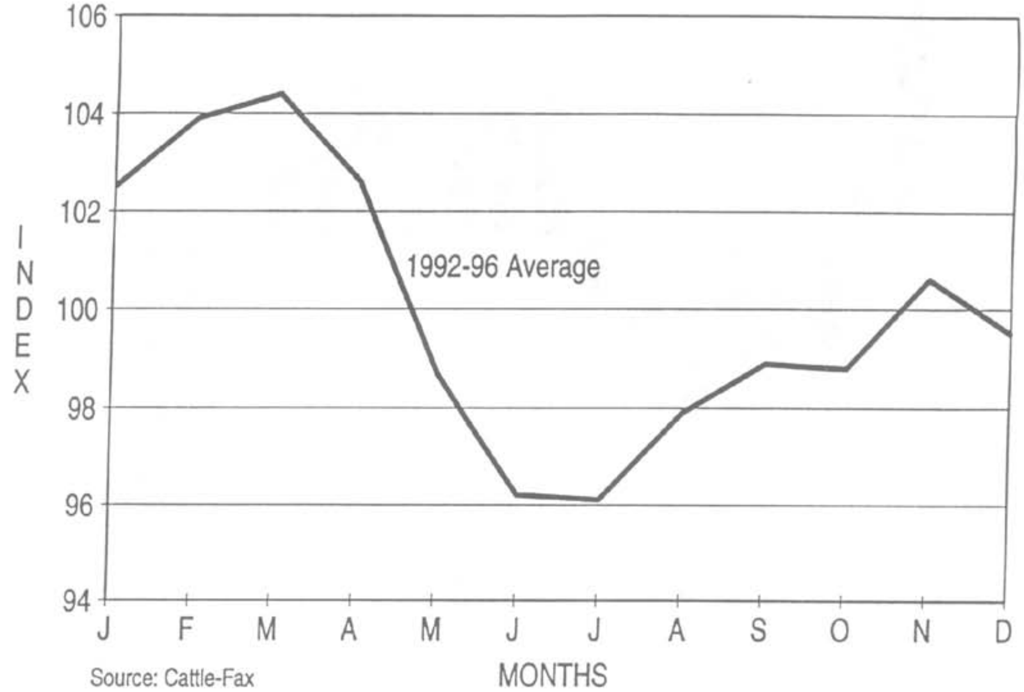
Source: USDA

1997 Corn Production and Price Situation*

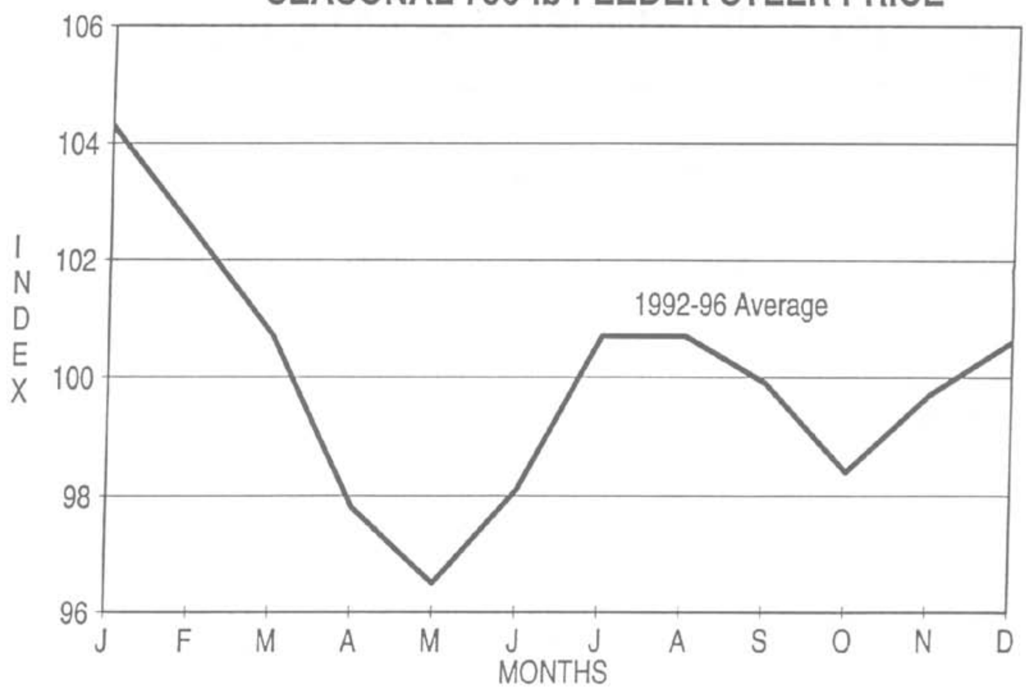
	Low Production	Average Production	High Production
Yield (bushels / acre)	**129**	**135**	**142**
Production (mil. bu)	**9,500**	**10,000**	**10,500**
Omaha Corn, Fall 97	**$2.05 - 2.15**	**$1.95 - 2.05**	**$1.85 - 1.95**

***Scenarios based on 80.2 million planted acres, 92% harvested.**

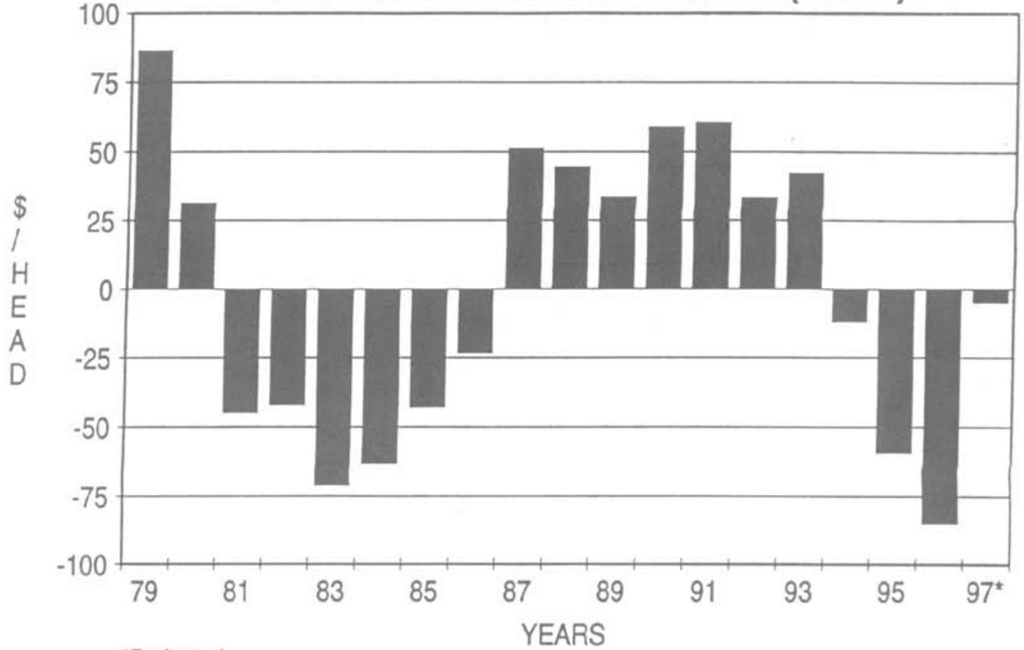
SEASONAL FED CATTLE PRICE



SEASONAL 750-lb FEEDER STEER PRICE



AVERAGE COW/CALF PROFIT (LOSS)

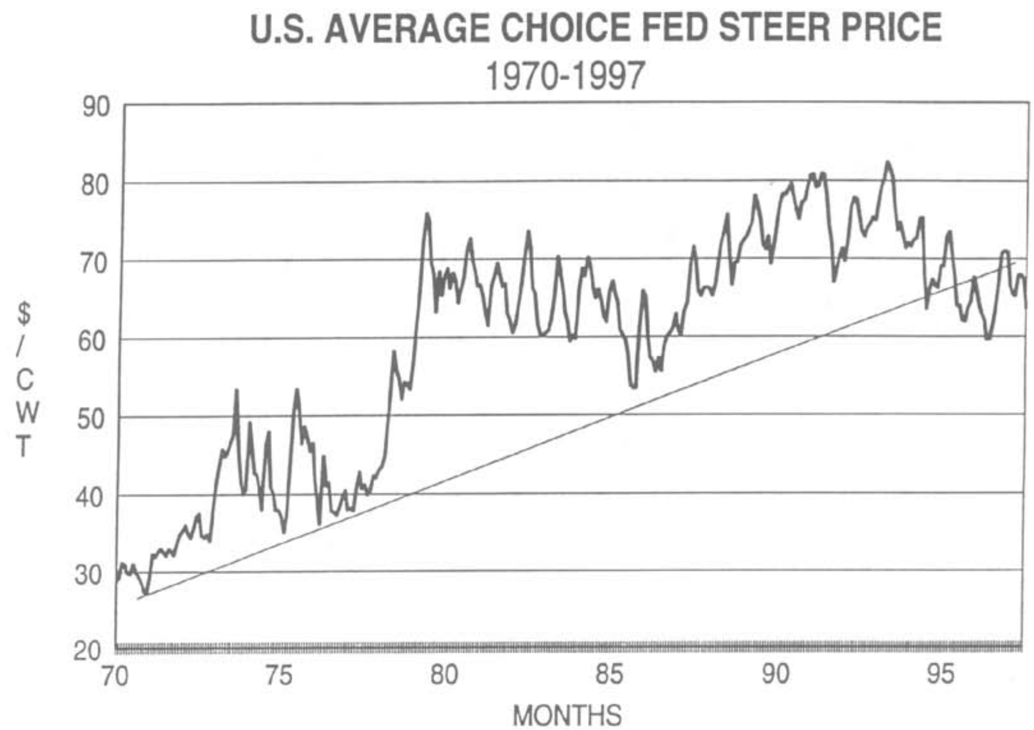


*Projected
Source: Cattle-Fax

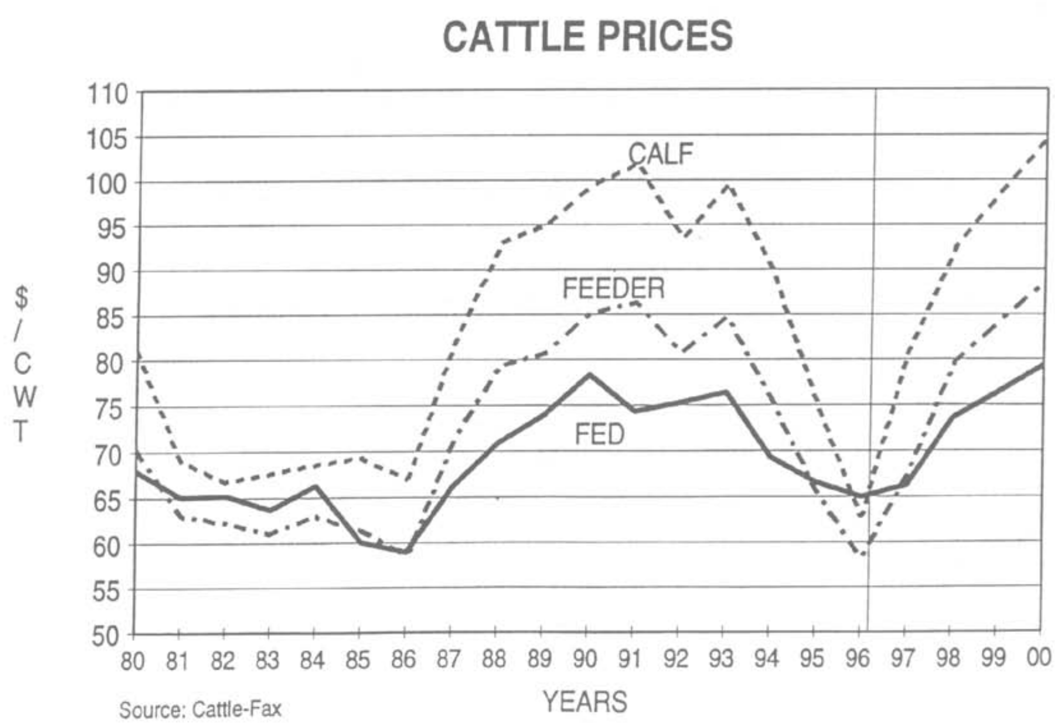
COW / CALF PRODUCER PROFITABILITY

	1994	1995	1996	1997*
Profitable	46%	21%	15%	50%
Near Breakeven	39%	43%	40%	25%
Non Profitable	15%	36%	45%	25%

*preliminary

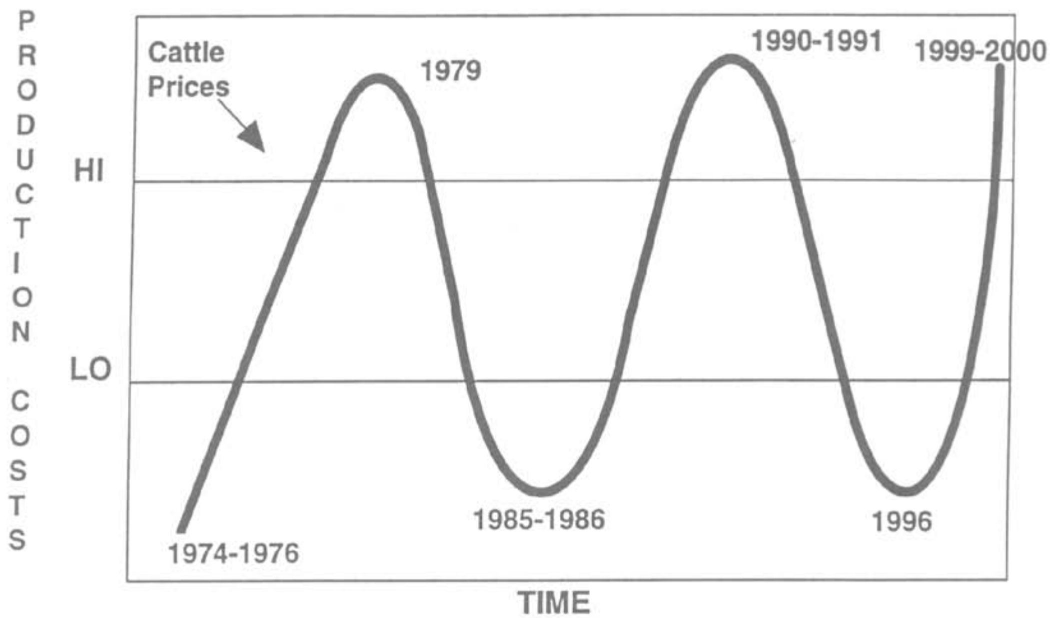


U.S. AVERAGE CHOICE FED STEER PRICE
1970-1997
$/CWT
90
80
70
60
50
40
30
20
70
75
80
85
90
95
MONTHS



CATTLE PRICES
$/CWT
110
105
100
95
90
85
80
75
70
65
60
55
50
CALF
FEEDER
FED
80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00
YEARS
Source: Cattle-Fax

THE CATTLE CYCLE



Profit Trends By Industry Segment During The Four Phases Of The Cattle Cycle

	Cow / Calf	Stocker	Feedlot
(1) Up Cycle:	Significant Profits	Moderate Profits	Moderate Profits
(2) Downward Transition:	Declining Profitability	Significant Losses	Significant Losses
(3) Down Cycle:	Significant Losses	Narrow / Negative Margins	Narrow / Negative Margins
(4) Upward Transtition:	Improving Profitability	Significant Profits	Significant Profits

1997 Outlook

- Cow Herd Liquidation Continues
- Beef Production Near 1996 Levels
- Fed Cattle Prices Stable
- Higher Feeder & Calf Prices
- Grain Prices Lower
- Top Producers Expanding
- Margin Operators: Best Profits

1998 Outlook

- Total Numbers Down 2-3 Million Head
- Beef Production Down 3 Percent
- Prices Higher On All Classes Of Cattle
- Top Producers Continue Expanding
- All Segments More Profitable

1999 Outlook

- Cattle Numbers Continue Shrink
- Beef Production Down Significantly
- Cow / Calf Profitability Much Improved
- Prices Near All-Time Highs

2000 Outlook

- Numbers And Supplies Approaching Cycle Lows
- Prices Near Highs
- Industry Has Objective Measuring System In Place
- Significant Increase In True Value Discovery
  (Branded Beef)
- Increased Percent Of Branded Beef Sold