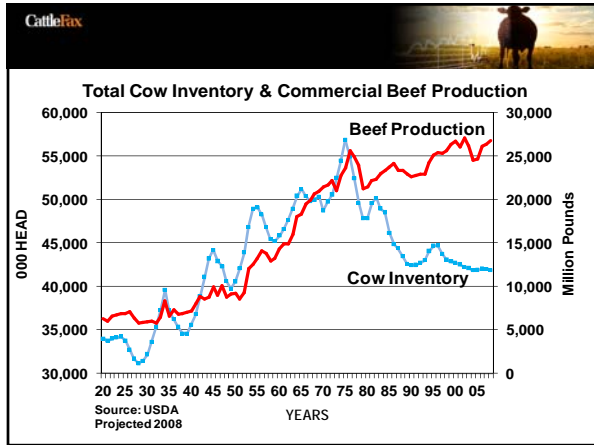


CattleFax
Cattle Industry Outlook
Mid-South Stocker Conference
February, 2008

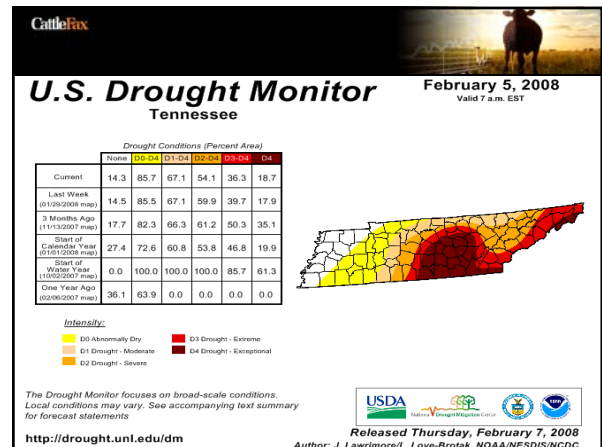
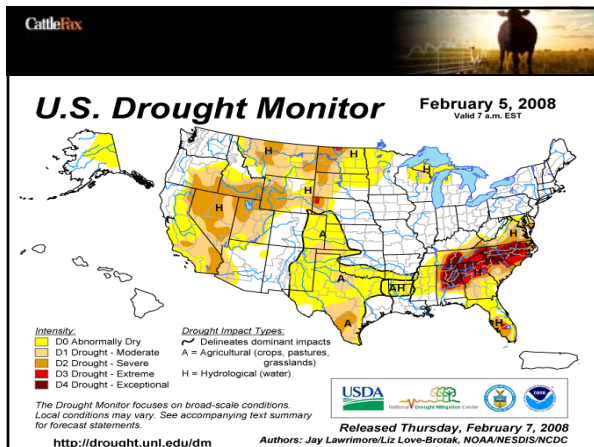
CattleFax

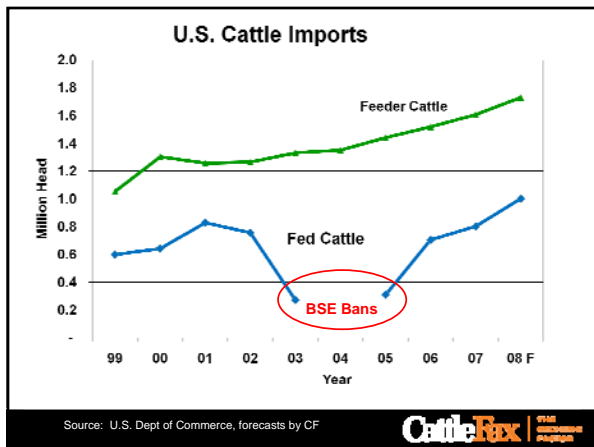
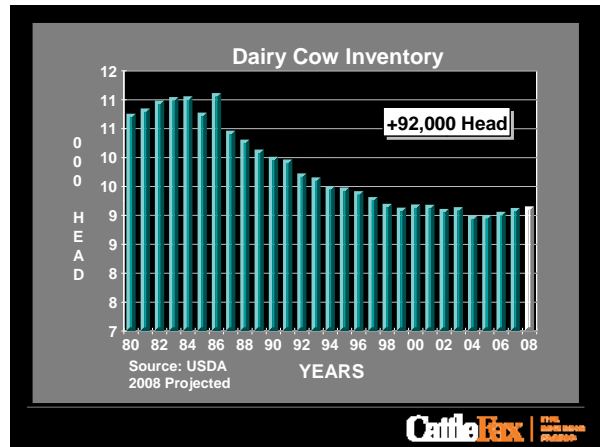
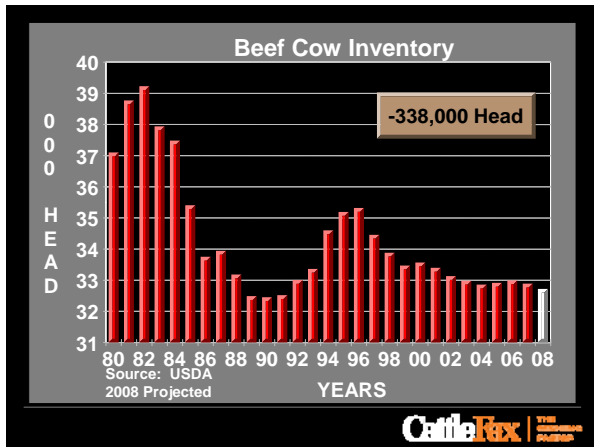
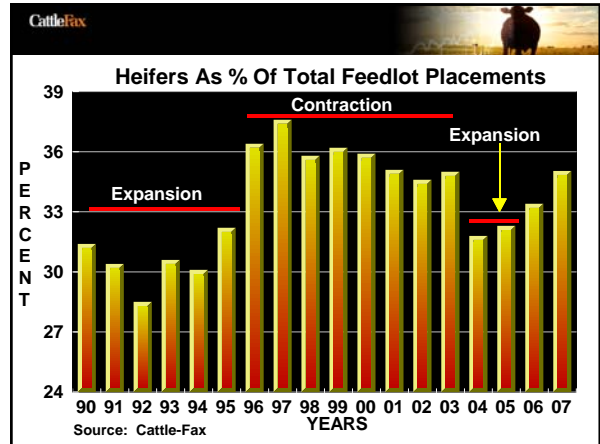
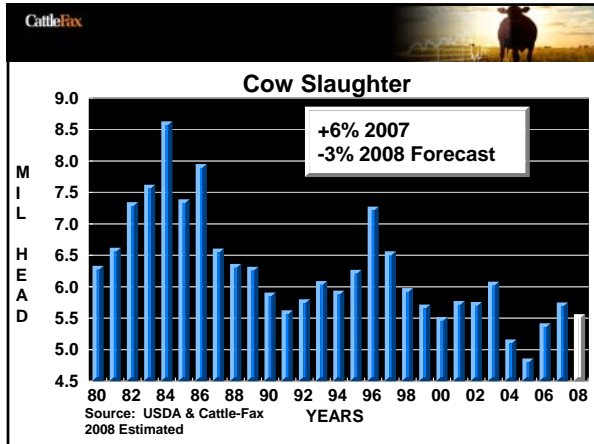
Price Comparison

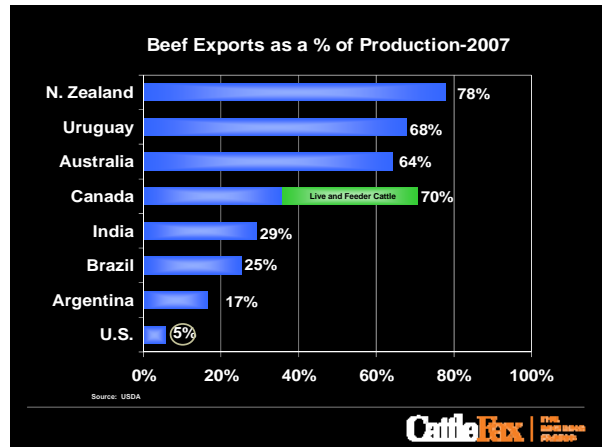
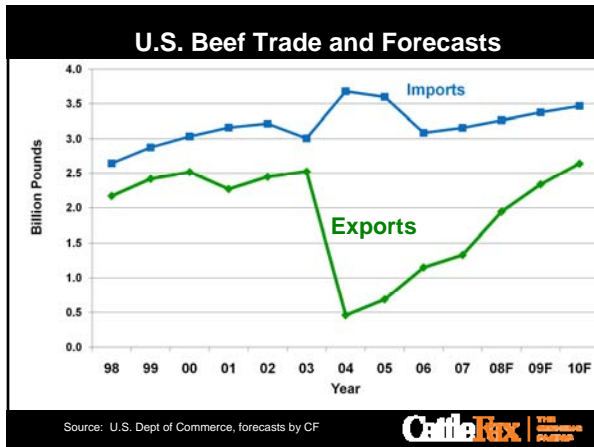
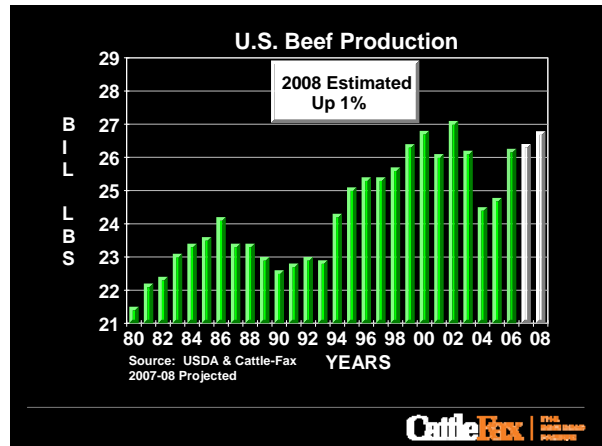
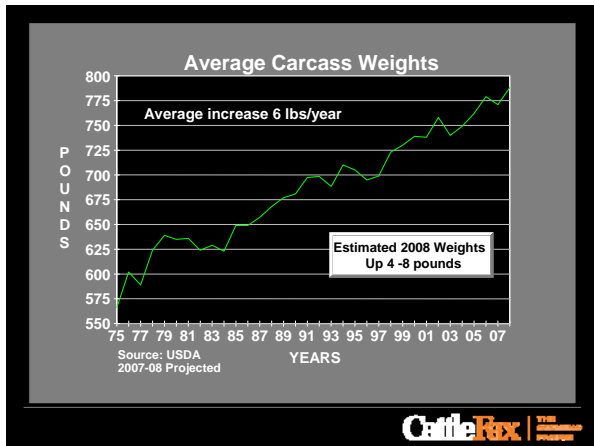
	2006	2007	\$\$ Change
Avg. Beef Cut-Out	\$139.65	\$144.95	+5.30
Fed Steer Price	\$85.89	\$92.66	+6.77
750 lb Feeder Steer Price	\$107.40	\$106.17	-1.23
550 lb Steer Calf Price	\$125.48	\$119.62	-5.86
Utility Sltr Cow Price	\$49.24	\$50.68	+1.44



- CattleFax**
- Key Factors**
- Weather
 - Land Values
 - Ethanol
 - Alternative Land Uses
 - Urban Sprawl
 - Government Policy
 - Age of Producer
 - Profits/Losses



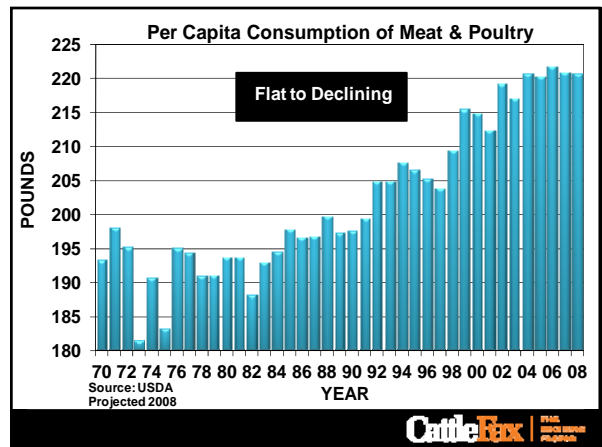


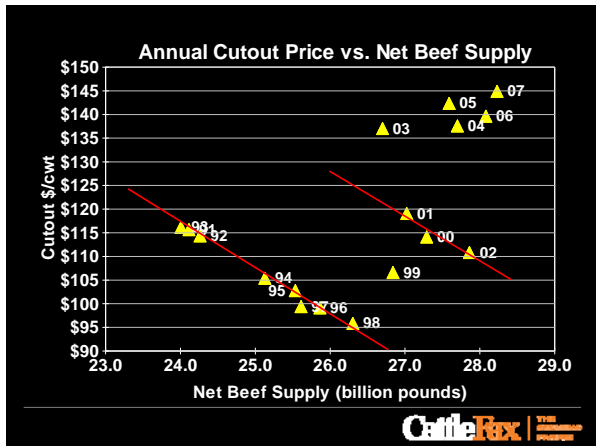


U.S. Niche' in the Global Beef Market

"High Quality Fed Beef"

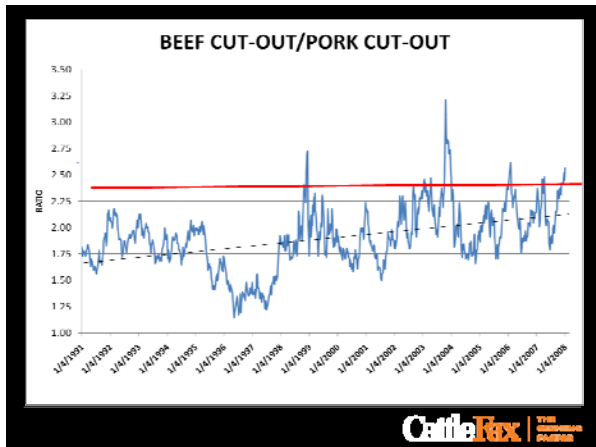
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Annual	Avg. Prices	2006 cwt	2007 cwt	% Change
CH	Cutout	\$146.74	\$149.83	+2.1%
SE	Cutout	\$132.56	\$140.08	+5.7%
CH	Rib primal	\$234.70	\$228.06	-2.8%
CH	Loin primal	\$237.83	\$232.39	-2.3%
CH	Chuck primal	\$101.46	\$110.17	+8.6%
CH	Round primal	\$119.64	\$125.96	+5.3%
90%	Lean trim	\$132.25	\$136.78	+3.4%
50%	Lean trim	\$46.37	\$57.26	+23.05%
Pork	cutout	\$67.52	\$67.55	0.00%
Chicken	breast	\$120.87	\$152.71	+26.3%
Chicken	leg quarter	\$27.79	\$43.01	+54.8%

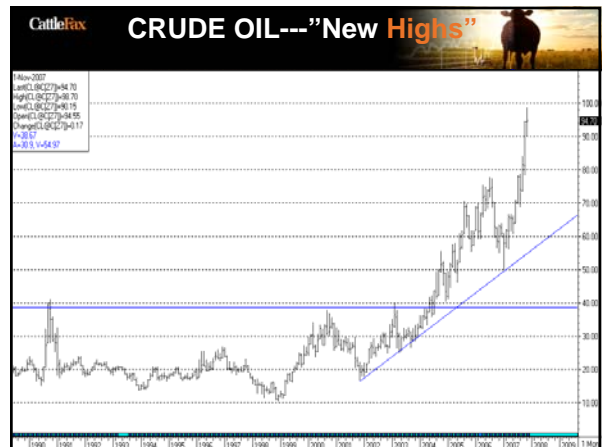
CattleFax | THE CATTLE MARKET REPORT

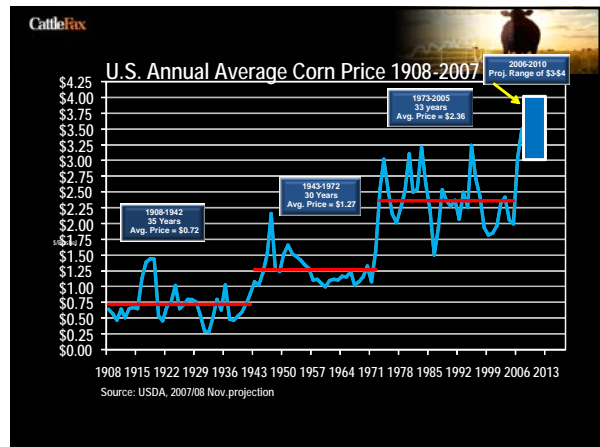
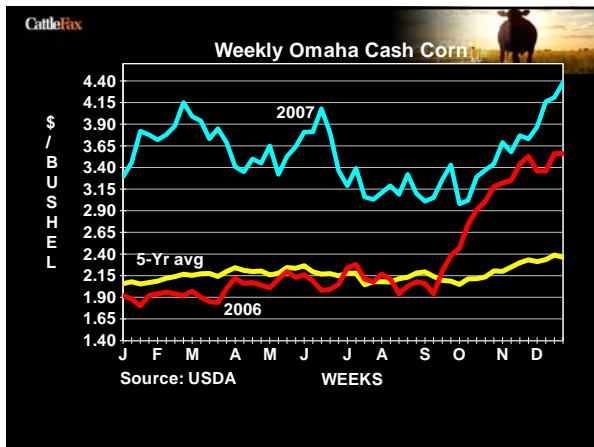
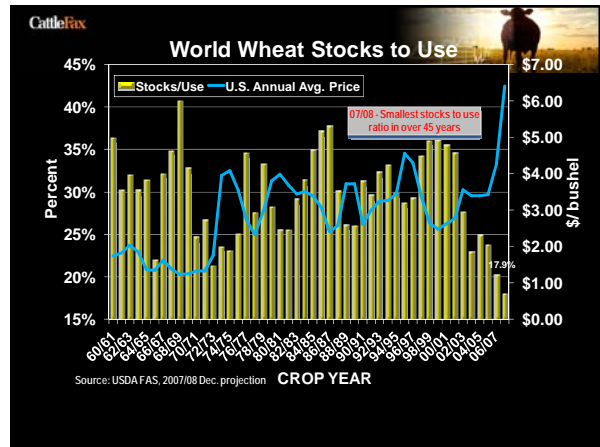
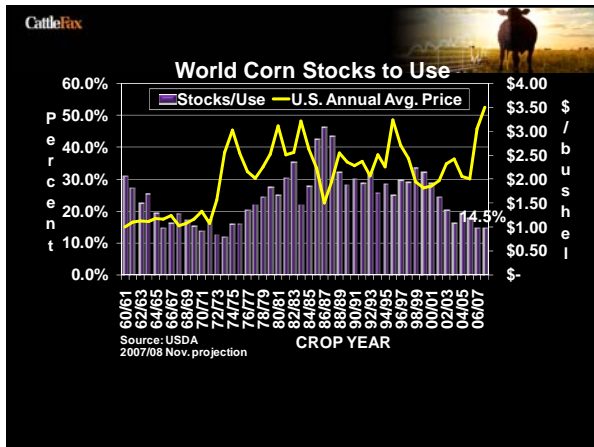
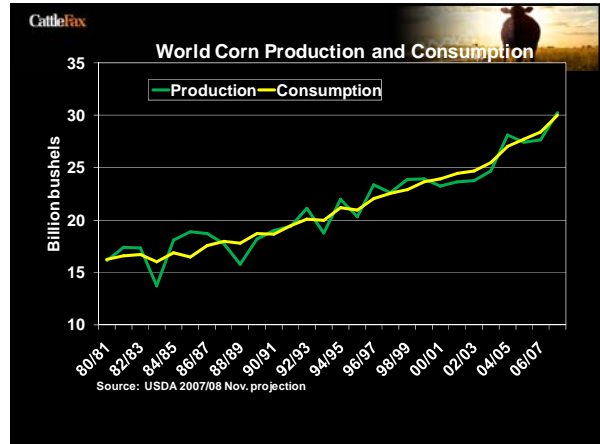
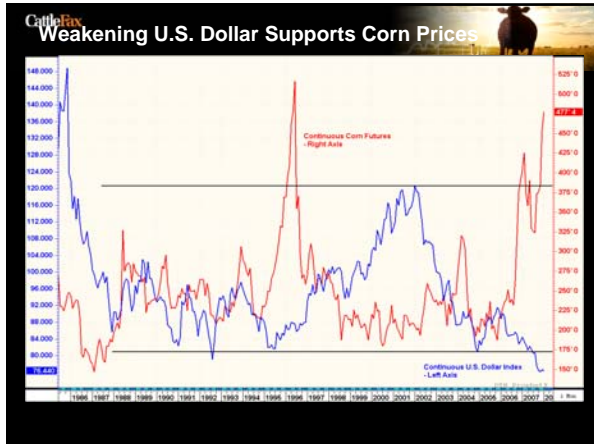


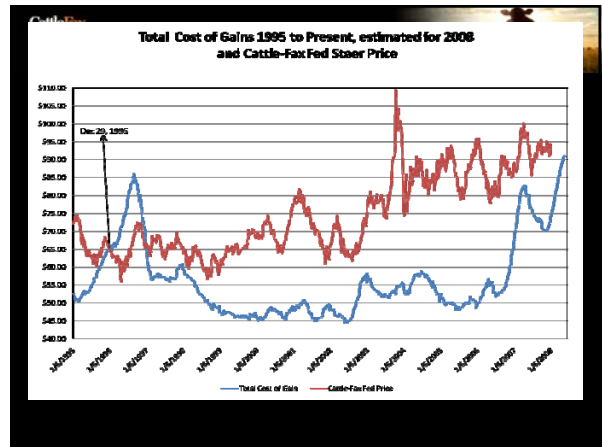
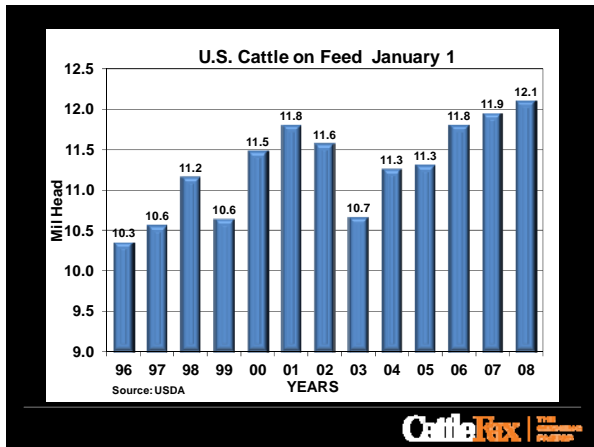
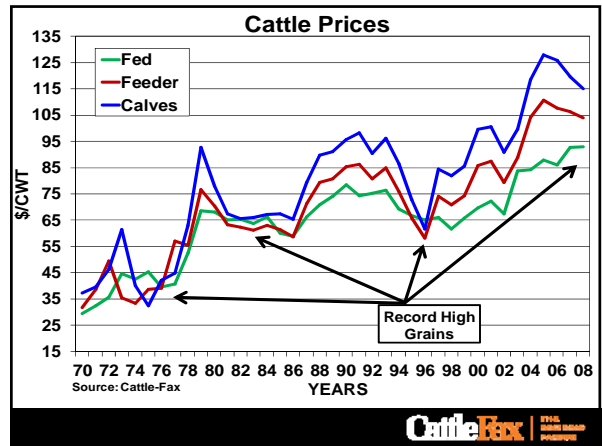
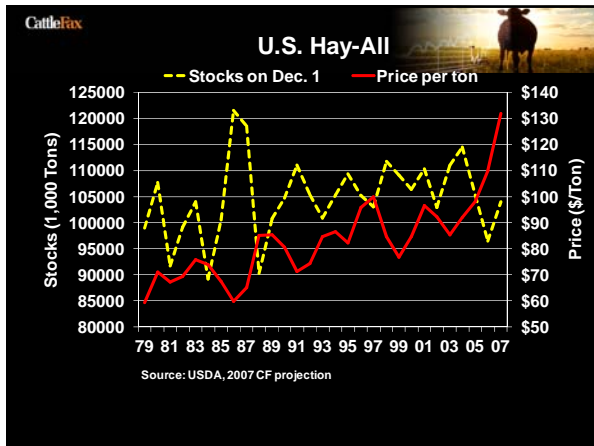
Retail Prices 2007 vs. 2006

	December	2007
Choice Beef	\$4.11 +4.9%	\$4.16 +4.6%
All Fresh Beef	\$3.74 +3.3%	\$3.76 +4.0%
Pork	\$2.86 +3.3%	\$2.87 +2.3%
Broilers	\$1.69 +8.2%	\$1.65 +5.1%
Turkey	\$1.01 +1.9%	\$1.14 +3.3%

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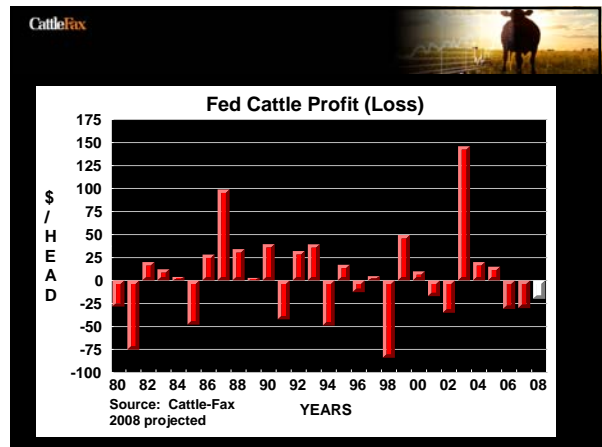


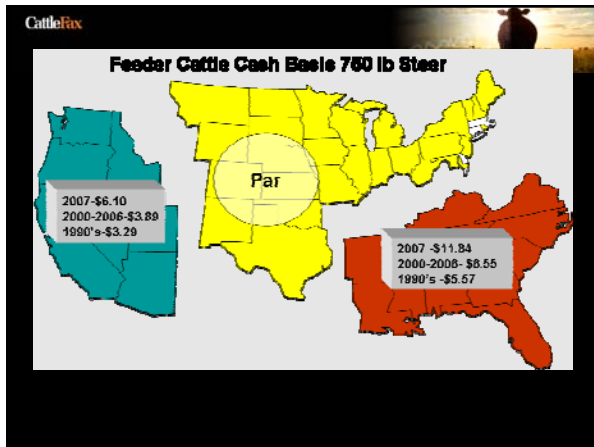
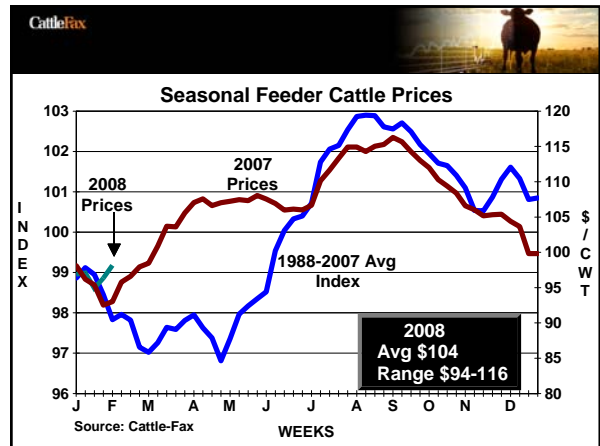
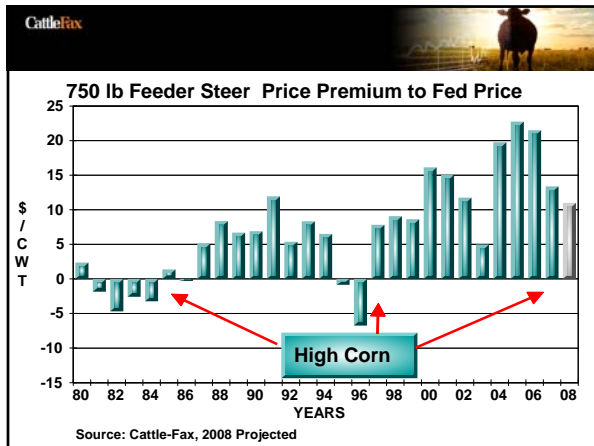




Fed Cattle Outlook 2008

- Average \$92 and \$94
- Range from \$85 to \$102
- Biggest yoy production increase in first half(+4%)
- Corn prices will determine the timing
- Biggest yoy decline in production second half(-1%)
- Strongest prices on the year in Q4



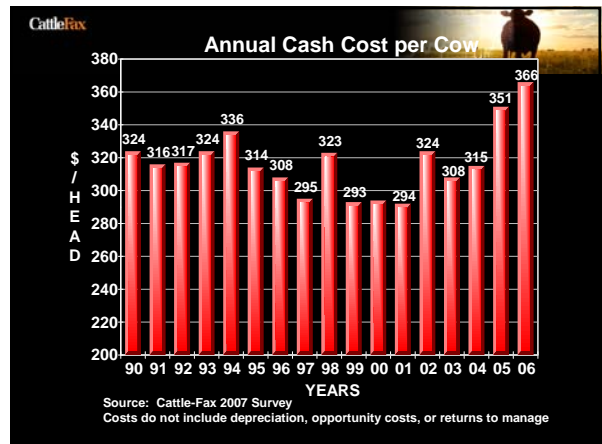
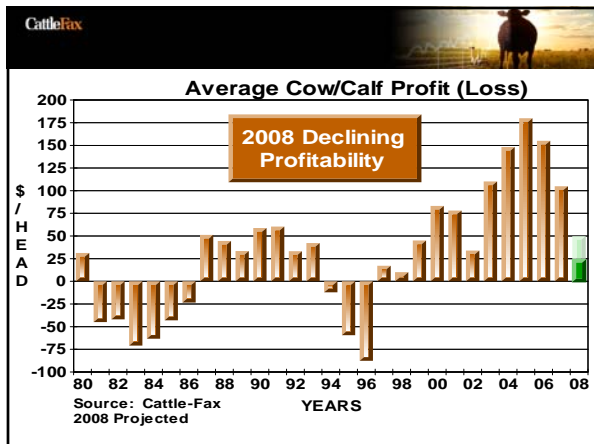
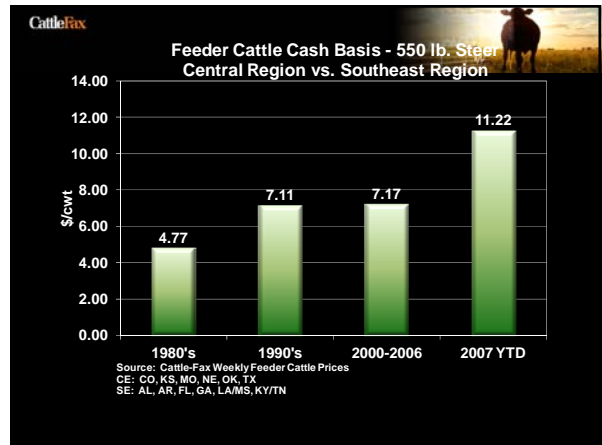
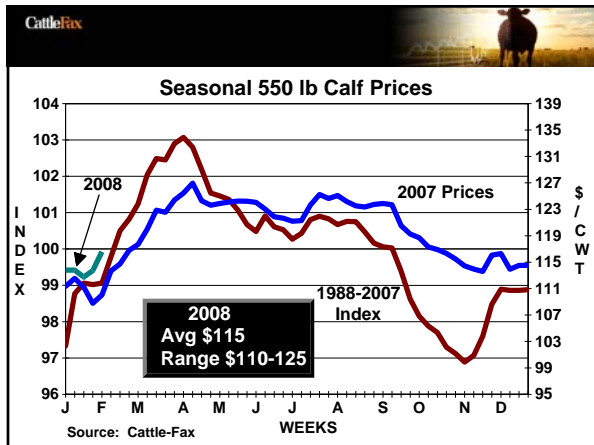
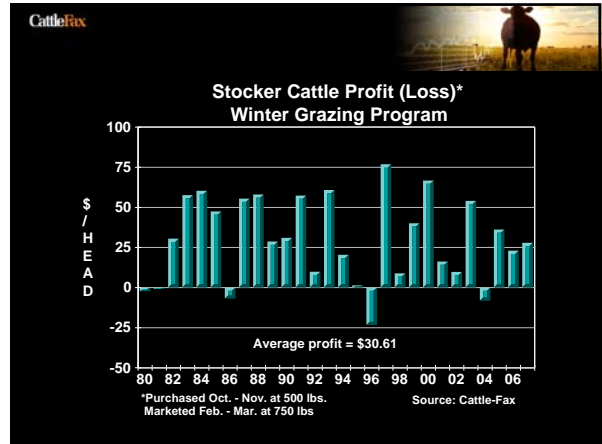
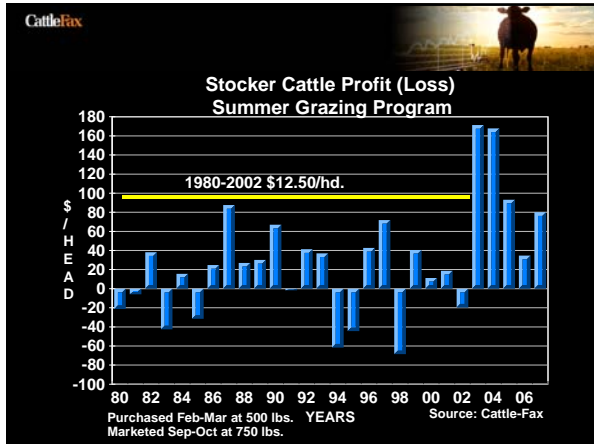


- Role of Stocker Operator**
- Inventory shock absorber
 - Add low cost of gain
 - Warehouse cattle
 - Add value and improve quality


- Stocker Operator Profitability**
- Sell roughage
 - Sell management
 - Work on "buy/sell"

Value of 250lb Gain (\$/lb)

1990-1993	\$0.55
1994-2002	\$0.47
2003-2006	\$0.60
2007	\$0.68




CattleFix



HIGH-RETURN vs. LOW-RETURN: \$151 per head

	Dollars	Percent
Cow Costs	\$98	65%
Production	\$53	35%


CattleFix



Habits of High - Return Producers

1. Below average annual cow costs
2. Lower feed costs
3. Lower than average calf breakeven prices
4. Lower interest expense (less debt)
5. Lower general operating expense
6. Higher averaging weaning weights
7. Higher conception rates
8. More pounds weaned per cow exposed


CattleFix



High Return Producers Don't Cheat When it Comes to:

1. Animal Health
2. Nutrition
3. Genetics

CattleFix



Bull Prices +\$132

herd size avg.	2006	2005
500<	\$2890	\$2799
150-499	\$2819	\$2624
150>	\$2601	\$2507

CattleFix



Steep Slope to Profitability

- + Natural Programs +\$3-\$7/cwt
Premium Programs
- + Source & Age Verified +\$10-\$25/hd
- + Pre-Conditioned Weaned/Healthy +\$4-\$8/cwt
- + Performance History (Feedlot/Carcass) +\$2-\$5/cwt

Average Cattle = Average Price

Under Managed Cattle

CattleFix



Managing the Cattle Cycle in Down Market Years

- ◆ Recognize price seasonality will change
- ◆ Focus on optimizing cost and production
- ◆ Adding weight (post-weaning) may pay dividends
- ◆ Analyze forward selling opportunities
- ◆ Consider risk management options

CattleFax

Slaughter Cow Extended Ownership

Cull Cow

ADG: 1.5
Nov.-Feb.; 95 days

Adv: 23 of 23 years
Avg: \$64

1125 lbs

CattleFax

We Have A New CattleFax Brand

CattleFax

THE DECIDING
FACTOR

CattleFax

And A New Media Platform

The screenshot shows the CattleFax website interface with a navigation menu, a main article titled 'Eleventh Year of Profit', and a sidebar with 'NEW XT-400' and 'CATTLE PRODUCER' sections.

CattleFax

www.cattlefax.com

CattleFax
40
FORTY YEARS
1968-2008

Jan Feb

CattleFax
Thank you