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The accompanying table provides an historical account of the August cattle futures' expiration price versus the respective June cattle futures' price at expiration. June cattle futures expired at \$85.50 this year. Since 1990, eleven years witnessed the August futures at expiration above the respective June futures' expiration price. The average gain was \$2.09/cwt or 3.3%. The years 1996 and 2003 are excluded from this calculation. The supply pattern this year does not match the "bullish" summer patterns of 1996 and 2003. A similar 3.3% percentage gain this year would have the August futures expire at \$88.32/cwt. Six years since 1990 saw the August futures expire below their respective June futures' expiration price. The average decline was \$2.08/cwt or 3.0%. A similar decline of 3.0% this year would establish an August futures' target price at expiration of \$82.94/cwt.

### Historical Profile: August Futures EXPIRATION Price versus June Futures Expiration Price

Exp Price	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	AVG
June Futures	\$76.65	\$71.87	\$72.25	\$75.50	\$62.87	\$64.12	\$63.02	\$64.70	\$62.97	\$63.75	\$67.47	\$71.52	\$63.40	\$73.22	\$87.25	\$82.77	\$84.55	\$85.50	
Exp Price	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
August Futures	\$77.30	\$71.50	\$74.77	\$74.12	\$68.10	\$61.95	\$69.12	\$66.37	\$58.70	\$66.85	\$66.22	\$71.80	\$64.72	\$84.35	\$84.22	\$83.25	\$90.22	???	
Advancing Years	\$0.65		\$2.52		\$5.23		\$6.10	\$1.67		\$3.10		\$0.28	\$1.32	\$11.13		\$0.48	\$5.67		\$2.09
% Change	0.8%		3.5%		8.3%		9.7%	2.6%		4.9%		0.4%	2.1%	15.2%		0.6%	6.7%		3.3%
Declining Years		-\$0.37		-\$1.38		-\$2.17			-\$4.27		-\$1.25				-\$3.03				-\$2.08
% Change		-0.5%		-1.8%		-3.4%			-6.8%		-1.9%				-3.5%				-3.0%

The current fed cattle supply pattern would suggest there is limited likelihood that August futures at expiration could muster more than an average gain of 3.3% (\$88.32/cwt) from the June cattle futures' expiration price of \$85.50/cwt.

*Stay informed; always manage your financial risk.*

Thanks,  
Andy & Bob