

85 Percent Of Mo. Pastures Rated Poor



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outlook

For the week ending August 5, 2012, USDA estimates that pasture and range conditions continue to deteriorate. 59 percent of U.S. pasture and range area is now rated poor or very poor. This level of poor or very poor compares to 38 percent one year ago. The third largest beef cow state, Missouri, has 85 percent of range and pasture rated very poor and 14 percent rated poor. Lack of forage in critical cattle areas will affect cattle inventories in the coming months.

USDA increased corn and soybean meal price estimates significantly in the August report. The corn price mid-point went from \$5.90 per bushel in the July report to \$8.20 per bushel in the August report. The soybean meal price mid-point gained \$95 per ton in the August report to reach \$475 per ton. These feed costs will drive livestock industry changes well into 2013.

U.S. beef and veal exports tallied 209.4 million pounds in June 2012, up slightly from May 2012 but down 33 million pounds from June 2011. Year to date beef exports are down 11 percent relative to a year ago. Beef exports to South Korea in June 2012 fell below 20 million pounds for the first time since September 2010. Beef exports to Mexico continued to weaken to 26.4 million pounds in June 2012, a level not seen since early 2005.

The beef carcass cutout value managed a good

increase this week. On Friday morning, the choice boxed beef carcass cutout value was \$184.29/cwt, up \$6.15 from the previous Friday. The select carcass cutout was up \$5.97 from the previous week to \$177.60/cwt.

Fed cattle prices were higher again this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$119.16/cwt, up \$1.58 from last week and up \$3.04/cwt from the same week last year. Steer prices on a dressed basis averaged \$188.78/cwt this week, up \$3.84 from a week ago and up \$4.01/cwt from a year ago.

This week's cattle slaughter totaled 639,000 head, down 1.2 percent from last week, and down 3.1 percent from a year ago. The average steer dressed weight for the week ending on July 28 was 862 pounds, up 3 pounds from last week before, up 17 pounds from a year ago. Weights have been above year ago levels every week since January 7.

Oklahoma City feeder cattle prices were steady to \$4 lower this week with prices for medium and large frame #1 steers: 450-500# \$156-\$159, 500-550# \$149-\$150.50, 550-600# \$142-\$147, 600-650# \$137-\$153, 650-700# \$133-\$142, 700-750# \$135-\$141, 750-800# \$128-\$139.25, 800-900# \$127-\$134.50, and 900-1000# \$122-\$128.25/cwt.

The August live cattle futures contract settled at \$120.625/cwt, up 65 cents from the previous Friday. The October contract settled at \$125.65/cwt, up \$1.275. December closed at \$128.45/cwt, up \$1.175 from the previous Friday.

August feeder cattle futures ended the week at \$139.75/cwt, \$0.80 higher than last Friday. October feeders ended the week at \$141.05/cwt.

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