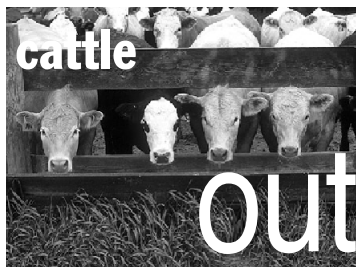


After Five-Week High, Fed Cattle Prices Dip



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The increase in fed cattle prices in recent months has been greater than the increase in retail beef prices, leaving marketing margins tighter. March slaughter steers averaged \$95.00/cwt, up \$5.10 from February and \$12.70 higher than in March 2009. Choice beef at retail averaged \$4.308 per pound in March, up 10.4 cents from February and only 0.8 cents higher than in March 2009.

It appears that progress is being made in resolving the dispute with Russia over poultry sanitation standards. If so, this is good news for meat prices. Russia is by far the biggest foreign buyer of U.S. chicken. They accounted for 24 percent of our 2009 broiler exports. Broiler exports to Russia were down 70 percent during the first two months of 2010.

After 5 weeks of higher prices, fed cattle backed down a bit this week. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$99.55/cwt, down 22 cents from a week earlier but \$10.64 higher than a year ago. Steers sold on a dressed basis this week averaged \$159.26/cwt, \$2.12 lower than the week before but \$17.05 higher than the same week of 2009. The normal seasonal pattern is for fed cattle prices to decline as we move into summer.

On Friday morning, the choice beef carcass cutout value was \$1.671/pound, up 1.97 cents for the week, and 17.81 cents higher than last year. The select cutout was up 1.68 cents from

the previous Friday to \$1.641 per pound.

Cattle futures also lost a bit this week. The April live cattle futures contract ended the week at \$98.75/cwt, down 90 cents for the week. June settled at \$94.65, down 10 cents from the week before. August settled at \$92.97/cwt down 25 cents, and the October live cattle contract ended the week at \$95.47/cwt.

This week's cattle slaughter equaled 632,000 head, up 2.6 percent from the previous week and up 3.9 percent compared to the same week last year. Year-to-date beef production is down 0.9 percent.

Feedlots appear to be staying current on marketings. Steer carcass weights averaged 813 pounds the week ending April 3. That was down 3 pounds from the week before and 26 pounds lighter than a year ago. Steer weights have been below year-earlier levels for each of the last 19 weeks.

Cash bids for feeder cattle this week were steady to \$2 higher at most locations. Missouri markets were called steady to \$5 lower. The price ranges at Oklahoma City for medium and large frame steers were: 400-450# \$142.50-150, 450-500# \$135, 500-550# \$131.50-\$136.50, 550-600# \$124-\$132.75, 600-650# \$113-\$128, 650-700# \$117-\$122, 700-750# \$113.75-\$119.50, 750-800# \$110-\$117, and 800-1000# \$99-\$110.75/cwt.

Feeder cattle futures also traded lower this week. The April contract lost \$2.57 to end the week at \$111.95. May settled at \$112.67, down \$2.70 for the week. August ended the week at \$115.27.

May corn futures gained 18.25 cents this week and settled at \$3.64 on Friday. The September corn contract ended the week at \$3.84, up 16.25 cents per bushel from the previous Friday. Δ



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