

Another Recession Would Be Hard On Beef Industry



**GLENN GRIMES AND
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outlook

Beef production in 2012 was the lowest since 2005 and 2013 beef production is expected to be down another 5 percent or so. Production is likely to decline again in 2014. The per capita beef supply in 2013 is expected to be the lowest since 1952. Consequently, cattle prices are expected to set more records in the coming year. Just how high beef prices rise will depend in part on the strength of the U.S. economy. Another recession would be very hard on meat demand. An economic slowdown would be especially bad for beef since it is the most expensive of the major meats.

This week fed cattle prices were lower on light holiday volume. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$126.31/cwt, down 75 cents from last week, but up \$5.31 from the same week last year. No quote was available for dressed steer prices.

Beef carcass cutout values were higher this week. On Friday morning, the choice boxed beef carcass cutout value was \$194.82/cwt, up \$1.39 from last Friday and up \$4.48 from a year ago. The select carcass cutout was

\$182.15/cwt, up \$1.85 for the week and up \$2.87 year-over-year.

Because of the New Year's holiday, this week's cattle slaughter totaled only 519,000 head, up 8.4 percent from the week before, but down 7.5 percent from a year ago.

The average steer dressed weight for the week ending on December 22 was 873 pounds, down 7 pounds from the week before, but up 24 pounds from a year ago.

This was the 50th consecutive week with steer weights above the year-earlier level.

Because of the New Year's holiday, there was no feeder cattle sale at Oklahoma City this week. Price ranges at Missouri auctions this week for medium and large frame #1 steers were: 400-450# \$174-\$200, 450-500# \$166-\$195, 500-550# \$158-\$186.50, 550-600# \$152-\$177, 600-650# \$145-\$175, 650-700# \$145-\$169, 700-750# \$139-\$158, 750-800# \$140-\$156, 800-900# \$136.50-\$151.25, and 900-1000# \$130-\$142.40/cwt.

The February live cattle futures contract closed at \$132.95/cwt, down 62 cents from the previous Friday. April cattle settled at \$136.77/cwt, down 45 cents for the week. June fed cattle contracts ended the week at \$131.92/cwt, the same as the previous Friday's close.

The January feeder cattle futures contract ended the week at \$153.17, up \$1.15 for the week. March feeder cattle settled at \$156.32/cwt. △

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