

# August 9th Highest Month For Retail Prices



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**D**omestic beef demand during July was up 1.8 percent compared to a year earlier, but export demand for U.S. beef was down 14.9 percent. Export demand has declined each month this year. Why? Record beef prices may have something to do with the decline. Slaughter steer demand was down 3.2 percent in July. August demand calculations have to wait until next month when August trade data are released.

Retail beef prices averaged \$4.945 per pound during August. That was down 6.8 cents from July, up 7.3 cents from August 2011, and the ninth highest month ever.

The 5 area average live price for slaughter steers in August was \$120.30/cwt, up \$4.70 from July, and up \$6.70 from August 2011.

The beef packer gross margin dropped to \$119 last week, the lowest in five weeks.

Beef carcass cutout values were higher this week. On Friday morning, the choice boxed beef carcass cutout value was \$193.88/cwt, up \$2.44 from last Friday and up \$10.10 from a year ago. This week the select carcass cutout was up \$3.40 from the previous week to \$184.19/cwt.

Fed cattle prices were slightly lower this week.

Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$125.29/cwt, down 62 cents from last week, but up \$9.42 from the same week last year. Steer prices on a dressed basis averaged \$195.02/cwt this week, down 39 cents from a week ago, but up \$11.91 from a year ago.

Cattle slaughter totaled 623,000 head this week, down 3.7 percent from the week before and down 5.9 percent from the same week last year. The average steer dressed weight for the week ending September 8 was 870 pounds, up 5 pounds from the week before and up 15 pounds from a year ago. This was the 35th consecutive week above year-earlier.

Oklahoma City feeder cattle prices were called steady to \$3 higher this week with prices for medium and large frame #1 steers: 400-450# \$183-\$199, 450-500# \$164.50-\$177.50, 500-550# \$152.25-\$177, 550-600# \$148-\$158.50, 600-650# \$143-\$154, 650-700# \$141-\$156.75, 700-750# \$142-\$150.50, 750-800# \$135.50-\$142.50, 800-900# \$128-\$141, and 900-1000# \$127-\$132/cwt.

The October live cattle futures contract settled at \$125.52/cwt, down \$1.53 from the previous Friday. December cattle closed at \$128.47/cwt, down \$1.45 from the previous Friday. February fed cattle contracts settled at \$131.92/cwt.

September feeder cattle futures ended the week at \$143.80/cwt, \$1.20 lower than last Friday. October feeder cattle contracts ended the week at \$147.22, up 60 cents from the week before. November feeders settled at \$148.70/cwt.

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