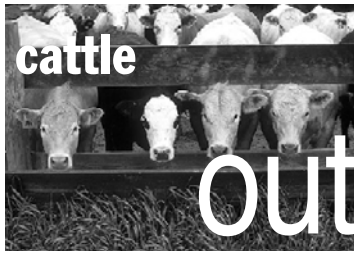


Average Retail Choice Beef Price Slips In August



**GLENN GRIMES AND
RON PLAIN**

Agricultural Economists,
University of Missouri

USDA's monthly cattle on feed report said the number of cattle placed on feed during August was up 7.1 percent from a year ago. Marketings of fed cattle were up 6.8 percent from August 2009 thanks in large part to one extra slaughter day. The September 1 number in large feed yards was up 2.7 percent compared to a year ago. These numbers are a little bearish as both placements and the total on feed are above pre-release trade estimates.

The consumer price index continues to show a low rate of inflation. The August CPI was only 1.1 percent higher than a year earlier.

The average retail price of choice beef during August was \$4.374/pound, down 7.0 cents from July, but 15.8 cents higher than in August 2009. August retail beef prices were the lowest since March.

Beef marketing margins are tighter than a year-ago. Packer margins were 6.2 cents per pound lower than in August 2009 and distribution-retailing margins were 6.6 cents per pound lower. Slaughter steer prices were \$13.80/cwt higher on a live weight basis this August than last.

The boxed beef cutout fell for the third week in a row. On Friday morning, the choice boxed beef carcass cutout value was \$1.5682/pound, down 4.15 cents for the week but 15.64 cents

higher than last year. The select cutout was down 1.58 cents from the previous Friday to \$1.5167 per pound.

Despite weakness in the cutout, fed cattle prices were steady to a bit higher this week. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$97.57/cwt, up 65 cents from a week earlier and \$14.02 higher than a year ago.

Steers sold on a dressed weight basis this week averaged \$153.81/cwt, 91 cents higher than the week before and \$24.10 higher than last year.

This week's cattle slaughter totaled 675,000 head, up 15.8 percent from the previous week which was low because of the Labor Day holiday, and up 4.7 percent compared to the same week last year.

Steer carcass weights averaged 846 pounds during the week ending September 4. That was up 4 pounds from the week before, but 15 pounds lighter than a year ago. This was the 45th consecutive week with steer weights below year earlier levels.

Cash bids for feeder cattle this week were mostly in the range of \$1 to \$4 lower. This week at Oklahoma City price ranges for medium and large frame #1 steers were: 400-450# \$127-\$138, 450-500# \$122.75-\$128, 500-550# \$114-\$124.50, 550-600# \$114-\$118.50, 600-650# \$106-\$116.50, 650-700# \$105-\$117.25, 700-750# \$110-\$115.50, 750-800# \$110.25-\$114.50, and 800-1000# \$99.25-\$111.50/cwt.

The October fed cattle futures contract ended the week at \$99.40/cwt, up \$2.32 from a week earlier. The December contract closed at \$101.95/cwt and the February contract settled at \$103.00. Δ

GLENN GRIMES AND RON PLAIN: Agricultural Economists, University of Missouri



Link Directly To: **AGRIGOLD**



Link Directly To: **SORGHUM CHECKOFF**