

Beef Cattle Prices Going With The Flow Of The Economy

LEXINGTON, KY.

Live cattle prices continue to move largely in tandem with the U.S. economy. University of Kentucky Livestock Marketing Specialist Kenny Burdine said Kentucky cattle producers quickly are approaching the historical peak in calf prices that usually occurs in late April or early May.

“Five weight steers are still averaging a little over \$1 per pound, with yearling prices in the mid-to-upper \$80s on a state average basis,” he said. “The overall health of the U.S. economy continues to affect beef demand and hence, live cattle prices. Fortunately, Kentucky feeder calf prices have rallied from levels seen during the first of the year.”

The annual prospective plantings report recently was released, and Burdine said it did have an impact on cattle prices. Specifically, planted corn acreage was estimated to decrease by just under 1 million acres.

“I think this was largely expected, although

the increase in soybean acreage was likely less than expected,” he explained. “Producers are making planting decisions now, and that will set the basic supply side for the 2009 corn crop. From there, we will focus on planting progress, weather and demand to drive corn prices, which will have a major impact on feeder cattle this year.”

Burdine went on to discuss the 2007 Census of Agriculture numbers.

“According to the 2007 Census, the average beef cow herd in Kentucky is just a little over 30 cows with over 83 percent of herds having fewer than 49 cows,” he said. “Kentucky was estimated to still have more than 5 million acres of grazing land, which includes a significant amount of pastured cropland and woodland. Additionally, we know the Kentucky beef herd has gotten a bit smaller since the census was conducted. Many cattle producers were forced to liquidate cows again during 2008 due to drought and basic profitability challenges.” Δ

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