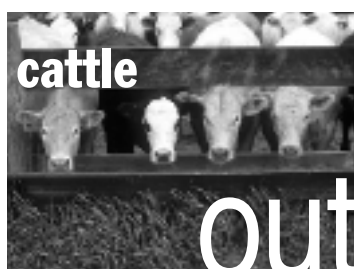


Beef Demand At Consumer Level Down Last Year



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

outlook

The number of cattle placed on feed in July through November was down five percent.

However, all of the decline was in cattle weighing less than 700 pounds. The number of cattle placed on feed in July-November weighing less than 600 pounds was down 29.6 percent the number weighing 600-699 was down 10.2 percent, the number weighing 700-799 pounds was up 1.9 percent and the number weighing over 800 pounds was up 8.9 percent. For November, the number placed on feed weighing less than 600 pounds was down 17.5 percent, the number weighing 600-699 pounds was down 4.5 percent the number placed weighing 700-799 pounds was up 7.1 percent and number weighing over 800 pounds was up 2.8 percent from last year.

There has been some speculation that the number of feeder cattle in the U.S. inventory has been overestimated because of the five percent reduction in placement during the last five

months. The weights that cattle have been when placed would suggest the number of feeder cattle in the inventory may not be any smaller than the estimate because all of the reductions in placements have been cattle weighing less than 700 pounds. The less than 700-pound cattle placed on feed have been down 20.5 percent while the number placed on feed weighing over 700 pounds has been up 5.6 percent.

Beef demand at the consumer level for January-November was down about 5 percent from a year earlier. For these same 11 months live fed cattle demand was down from 2007 but only about one percent. The stronger fed live cattle demand is due to the 35 percent increase in beef exports.

There was no sale this week at Oklahoma City because of the holiday.

Wholesale beef prices this Friday morning at \$143.40 for Choice beef was up \$209 per cwt from two weeks earlier. Select beef at \$136.07 per cwt was up \$0.72 from two weeks earlier.

The weighted average live fed cattle prices for the five-market area for the week through Wednesday at \$86.00 per cwt, was up \$1.48 per cwt from a week earlier. The weighted average carcass price for the five-market area for the week through Wednesday at \$135.05 was up \$0.60 per cwt from seven days earlier.

Slaughter this week under Federal Inspection was estimated at \$474 thousand head, down 2.3 percent from a year earlier. Δ



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