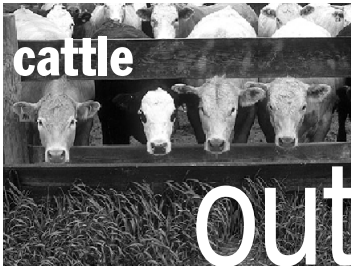


Beef Processors, Retailers Only Industry Segment To Benefit From Higher Retail Prices



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Retail choice beef prices in July were down 2.3 percent from June and down 3.7 percent from July of 2008. However, the average retail beef prices for January – July this year were 1.7 percent above 12 months earlier.

The beef processors and retailers were the only segment of the beef industry that benefited from the higher retail prices. The processor and retailer margin for January – July was up 9.6 percent from 2008. The packers' margin for these seven months was down 2.3 percent, and fed cattle prices were 10.3 percent below 12 months earlier.

Beef and veal exports in carcass weight equivalent for June were up 3.2 percent from June 2008. For January – June, beef and veal exports were up 2.9 percent from 12 months earlier.

Beef and veal imports for January – June were up 12 percent from a year earlier in carcass weight equivalent.

For these six months, net beef imports at 6.4 percent in 2009 were up from 4.3 percent in the first six months of 2008. This contributes to a part of the weakness in fed cattle prices this year compared to last year.

Feeder cattle imports from Mexico for January - June were up 22.4 percent from last year. However, live cattle imports from Canada were down 32.5 percent from the same months of 2008. Total cattle imports for January – June were down 16.8 percent from a year earlier.

The value of beef and veal exports plus variety meats for January - June amounted to \$89.98

per animal slaughtered, down from \$91.27 per head from 12 months earlier.

The trade estimate is for the August cattle on feed number to come in down 3.6 percent. Placements of cattle on feed during July to be up 6.5 percent and marketings during July to be down 4.8 percent.

Feeder cattle prices this week at Oklahoma City were steady to \$2.00 per cwt lower and steer and heifer calves were \$2-3 per cwt higher than a week earlier.

The prices for medium- and large-frame Number One steers at Oklahoma City this week were: 400-500 pounds \$110-123.50 per cwt, 500-600 pounds \$106-116.50 per cwt, 600-700-pound calves \$94-101 per cwt, 600-700-pound yearlings \$101-108.50 per cwt, 700-800 pounds \$98-105.75 per cwt, and 800-1,000 pounds \$87.75-100 per cwt.

Wholesale beef prices Friday morning at \$142.25 for choice beef was up \$0.94 per cwt, and Select beef at \$135.23 per cwt was up \$0.46 per cwt from seven days earlier.

Weighted average live fed cattle prices through Thursday at \$82.08 per cwt for the five-market area were up \$0.10 per cwt from a week earlier. Weighted average negotiated carcass prices at \$130.76 per cwt were up \$0.08 per cwt from seven days earlier.

Slaughter this week under Federal Inspection was estimated at 653 thousand head, down 3.1 percent from last year.

The August 1 Cattle on Feed report came in a little more bearish than the trade estimate. The on feed number was down 2.3 percent, the trade estimate was for the on feed number to be down 3.6 percent. Placements on feed during July were up 12.5 percent. The trade estimate was for the placement number to be up 6.5 percent. Fed marketings during July was down 5.4 percent. The trade estimate was for a 4.8 percent decline. Δ

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