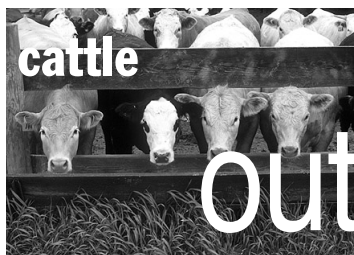


# Beef Production Expected Lower For 2014



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**U**SDA has raised their forecast of 2013 beef production to 25.437 billion pounds, up 1.3 percent from their May forecast, but down 1.8 percent from the 2012 actual. They are predicting 2014 beef production will be down 5.2 percent from 2013. The midpoint of their price forecast range for slaughter steers on a live weight basis is \$127.50/cwt for 2013 and \$132/cwt in 2014.

USDA's June crop update lowered forecast corn yield by 1.5 bushels per acre to 156.5 and raised the expected seasonal average price by 10 cents per bushel. The midpoints of their price range are \$4.80 for corn and \$10.75 for soybeans during the upcoming marketing year.

As of June 9, 63 percent of corn acres were rated in good or excellent condition, the same as the week before, but down from 66 percent a year ago. 24 percent of U.S. pastures were rated in poor or very poor condition on June 9, down from 27 percent a year ago.

During the first 22 weeks of 2013, beef cow slaughter was up 3.7 percent and dairy cow slaughter was up 3.4 percent compared to a year ago. During this same period, steer slaughter was down 0.9 percent and heifer slaughter was down 4.1 percent.

Fed cattle prices were mixed this week on continued light volume. Through Thursday, the 5-area average price for slaughter steers sold on a

live weight basis was \$124.21/cwt, up 81 cents from last week and up \$4.73 from the same week last year. Steer prices on a dressed basis averaged \$194.31/cwt this week, down \$1.49 from a week ago, but up \$2.99 from a year ago.

This morning, the boxed beef cutout value for choice carcasses was \$200.15/cwt, down \$1.79 from the previous Friday, but up \$1.57 from a year ago. The select carcass cutout is at \$183.55/cwt, down 46 cents for the week. The choice-select price spread is \$16.60/cwt.

This week's cattle slaughter totaled 644,000 head, the same as last week and 1.7 percent from a year ago. The average steer dressed weight for the week ending on June 1 was 850 pounds, up 4 pounds from the week before and the same as a year ago. This was the first week since January 7, 2012 that steer weights weren't above the year-earlier level.

Oklahoma City feeder cattle auction prices this week were steady to \$3 higher with prices for medium and large frame #1 steers: 400-450# \$162, 450-500# \$156-\$168, 500-550# \$157-\$171.25, 550-600# \$149.50-\$161.10, 600-650# \$139-\$154, 650-700# \$137.50-\$145.50, 700-750# \$128-\$138.50, 750-800# \$131.75-\$138.50, 800-900# \$123-\$137.75, and 900-1000# \$118.25-\$125.50/cwt.

The June live cattle futures contract closed at \$119.00/cwt today, down \$1.12 from last week's close. The August fed cattle contract lost 90 cents from last Friday to settle at \$118.32/cwt. October fed cattle futures settled at \$121.87/cwt and December at \$124.57/cwt. August feeder cattle futures settled at \$143.40/cwt, down 22 cents for the week. The September contract gained 42 cents from last Friday to close at \$146.22/cwt.  $\Delta$

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