

# Boxed Beef Prices Drop Last Week



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**A**ccording to the Bureau of Labor Statistics, the U.S. economy added no jobs during August. Not good. The number of Americans increases by about 217,000 per month. If you figure 45-50 percent of the population should hold a job, then we need to add at least 100,000 jobs per month just to keep up with population growth. The economy appears to be very weak and that should impact negatively on future meat demand.

Boxed beef prices were lower this week. Friday morning the choice boxed beef carcass cutout value was \$181.58/cwt, down \$5.04 from last week. The select carcass cutout was down \$7.38 from the previous Friday to \$173.04 per hundred pounds of carcass weight.

Fed cattle sales were very slow this week. Through Thursday, sales of only 7,235 head were reported in the 5-area total, down from 117,996 head a week earlier. The 5-area average price for slaughter steers sold through Thursday of this week on a live weight basis was \$112.72/cwt, down 23 cents from last week. Steers sold on a dressed weight basis this week averaged \$177.18/cwt, \$2.94 lower than the week before. This week in 2010 live steers averaged \$96.45/cwt while dressed prices averaged \$152.69/cwt.

This week's cattle slaughter totaled 661,000

head, down 1.6 percent from the week before and down 1.8 percent compared to the same week last year. The average steer dressed weight for the week ending August 20 was 849 pounds, up 3 pounds from the week before, 9 pounds heavier than for the same week in 2010, and above year-earlier for the 37th consecutive week.

The severe drought in the southern plains is pushing a lot of cows to slaughter. Over the last six weeks beef cow slaughter is up over 20 percent compared to a year ago. Regional slaughter data imply that all of the increase in beef cow slaughter is in the southern plains.

Cash bids for feeder cattle around the country this week mostly ranged from steady to \$6 lower than the week before. Oklahoma City auction prices this week were an outlier at steady to \$3 higher with price ranges for medium and large frame #1 steers: 400-450# \$145-\$158, 450-500# \$140-\$157.50, 500-550# \$138.50-\$149.50, 550-600# \$138-\$146, 600-650# \$140.25-\$146, 650-700# \$137-\$142, 700-750# \$135.50-\$139, 750-800# \$134.50-\$138.50, 800-900# \$130-\$132.50 and 900-1000# one group of 16 head at \$122.50/cwt.

The October fed cattle futures contract ended the week at \$114.80/cwt, down 40 cents from last week's close. December cattle lost 63 cents to end the week at \$116.47/cwt. February live cattle settled at \$119.80/cwt, down 60 cents from the previous Friday.

Corn futures ended the week slightly lower than the previous Friday.

The September feeder cattle contract lost 62 cents for the week to end at \$132.65.     Δ

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