

# Carcass Cutout Values Were Mixed Last Week



**GLENN GRIMES AND  
RON PLAIN**

Agricultural Economists,  
University of Missouri

**A**t the end of September, winter wheat plantings were 3 percentage points below average (40 percent planted vs 43 percent planted) and the amount emerged was 4 percentage points below average. Given corn prices at \$7.50/bu, wheat pasture offers much lower cost of gain when it is available.

Beef packer gross margins the week ending September 28 averaged \$159 per steer. The last 8 weeks they have averaged \$153 per steer which is well above the 52 week average of \$110 per head, but right on the 8 year average which is also \$153 per head. Look for packer margins to decline seasonally as we move closer to the end of the year.

Beef carcass cutout values were mixed this week. On Friday morning, the choice boxed beef carcass cutout value was \$190.24/cwt, up 94 cents from last Friday and up \$5.32 from a year ago. This week the select carcass cutout was down \$2.43 from the previous week to \$175.82/cwt. The choice-select spread is \$14.41, the widest since July 9. Seasonally, the choice-select spread tends to get wider until late December.

Fed cattle prices were uneven this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$123.57/cwt, up \$1.11 from last week and up \$2.60 from the same week last year. Steer

prices on a dressed basis averaged \$189.84/cwt this week, down \$1.15 from a week ago and down 6 cents from a year ago. This is the first week dressed steer prices have been below year-earlier since the week ending on April 8 and only the second time since early January 2010.

Cattle slaughter totaled 620,000 head this week, down 4.8 percent from the week before and down 7.3 percent from the same week last year. This is the biggest year-over-year decline since mid April. Cattle slaughter has been below year-ago every week this year except for the week ending on January 14. The average steer dressed weight for the week ending September 22 was 874 pounds, up 5 pounds from the week before and up 19 pounds from a year ago. This was the 37th consecutive week steer weights have been above the year-earlier level.

Oklahoma City stocker cattle prices were \$2 to \$4 higher this week. Feeder cattle prices were not well tested. Prices for medium and large frame #1 steers: 400-450# \$160-\$177.50, 450-500# \$157.50-\$178, 500-550# \$147-\$169.50, 550-600# \$145.50-\$167, 600-650# \$140-\$152, 650-700# \$138-\$150, 700-750# \$134-\$146, 750-800# \$139.50-\$145, 800-900# \$133-\$142.50, and 900-1000# \$126/cwt.

The October live cattle futures contract settled at \$123.05/cwt, up 98 cents from the previous Friday. December cattle closed at \$126.20/cwt, up \$1.50 for the week. February fed cattle contracts settled at \$129.75/cwt, up \$1.33.

October feeder cattle futures ended the week at \$144.82/cwt, \$1.02 higher than last Friday. November feeder cattle contracts ended the week at \$146.20, up \$1.85 from the week before. January feeders settled at \$149.00/cwt. Δ

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



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