

Cattle Numbers Lowest Since 1952



**GLENN GRIMES AND
RON PLAIN**

Agricultural Economists,
University of Missouri

USDA's January cattle inventory report said the number of cattle and calves in the U.S. at the start of the year totaled 89.3 million head. This is down 1.6 percent from a year ago and the lowest since 1952. USDA lowered their estimate of the 2012 calf crop from 34.5 million head to 34.279 million. It was the smallest calf crop since 1949. This year's calf crop should be smaller than the year before for the 18th consecutive year. The number of beef cows is down 2.9 percent, but the number of beef replacement heifers is up 1.9 percent. The number of dairy cows is down 0.1 percent and the number of dairy replacement heifers is down 1.5 percent.

For over 6 years U.S. beef shipments to Japan have been restricted to beef from cattle slaughtered at 20 months of age or less. Starting today, Japan has opened their market to beef from U.S. cattle slaughtered at 30 months or less.

Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$124.96/cwt, up \$2.43 from last week and up \$1.19 from the same week last year. On a dressed weight basis steers averaged \$197.63/cwt this week, down 30 cents from the week before and down \$2.37 from a year ago.

Beef carcass cutout values were lower this week. On Friday morning, the choice boxed beef carcass cutout value was \$183.99/cwt, down

\$3.61 from last Friday, but up 87 cents from a year ago. The select carcass cutout was \$179.56/cwt, down \$2.62 for the week, but up \$1.42 year-over-year. Over the last ten weeks, the choice-select price spread has decline from \$21.69/cwt to \$4.43/cwt.

This week's cattle slaughter totaled 621,000 head, down 0.6 percent from the week before and up 5.1 percent from the same week last year. The average steer dressed weight for the week ending on January 19 was 871 pounds, down 1 pound from the week before, but up 17 pounds from a year ago. This was the 54th consecutive week with steer weights above the year-earlier level.

Feeder cattle prices at this week's Oklahoma City auction were steady to \$4 higher than last week. Their price ranges for medium and large frame #1 steers were: 400-450# \$205-\$215, 450-500# \$182.50-\$203, 500-550# \$164-\$185, 550-600# \$163-\$172, 600-650# \$153-\$166, 650-700# \$150-\$154.25, 700-750# \$146.25-\$152, 750-800# \$142.50-\$147.25, 800-900# \$139.50-\$146, and 900-1000# \$133.50-\$139.50/cwt.

The January cattle on feed report said December placements were 4.6 percent lower than pre-release trade forecasts and December marketings were 5.1 percent higher than forecasts leaving the number on feed 1.2 percent lower than expected. This led to a positive week for cattle futures. The February live cattle futures contract closed at \$127.10/cwt, up 80 cents from the previous Friday. April cattle settled at \$132.17/cwt, up \$1.42 for the week. June fed cattle contracts ended the week at \$127.75/cwt.

The March feeder cattle futures contract gained \$1.25 this week to end at \$149.20/cwt. April feeders settled at \$152.12/cwt. Δ

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

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