

Cattle Prices Jump Sixth Week In Row



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outlook

It appears that the U.S. and Brazil have reached an agreement to settle our long running cotton dispute. Brazil has agreed to forego \$830 million of WTO approved retaliation for U.S. cotton subsidies in return for cash, a modification of our export loan program, and perhaps, the right to send more meat to the U.S. The U.S. government is agreeing to recognize the southern Brazilian state of Santa Catarina as being free of free of foot and mouth disease and to study whether fresh beef can be imported from Brazil. It is too soon to tell how much this settlement will add to U.S. meat imports.

Cattle prices are higher for the fifth week in a row. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$99.77/cwt, up \$3.53 from a week earlier and \$13.76 higher than a year ago. Steers sold on a dressed basis this week averaged \$161.38/cwt, \$5.61 higher than the week before and \$24.12 higher than the same week of 2009. These are the highest weekly average prices since Independence Day week of 2008, which was the last time we had \$100 fed cattle.

On Friday morning, the choice carcass cutout value was \$1.6513/pound, up 2.32 cents for the week, and 26.65 cents higher than last year. The select cutout was up 1.08 cents from the previous Friday to \$1.6242 per pound.

Cattle futures also had a good week. The April live cattle futures contract ended the week at \$99.65/cwt, up \$3.00 for the week. June settled at \$94.75, up \$1.23 from the week before. August settled at \$93.22/cwt up \$1.25, and the October live cattle contract ended the week at \$95.97.

This week's cattle slaughter equaled 616,000 head, down 3.3 percent from the previous week but up 2.8 percent compared to the same week last year.

It's beautiful spring day in Missouri, but slaughter weights are a reminder that it was a cold, snowy winter in feedlot country. Steer weights have been below year-earlier levels for each of the last 18 weeks. Steer carcass weights averaged 816 pounds the last full week of March. That was down 4 pounds from the week before and 30 pounds lighter than a year ago.

Cash bids for feeder cattle this week were steady to \$3 higher at most locations with a few markets more than \$5 higher. The price ranges at Oklahoma City for medium and large frame steers were: 400-450# \$140-147, 450-500# \$136-147, 500-550# \$131-\$139.75, 550-600# \$125.50-\$133.50, 600-650# \$117.50-\$129.25, 650-700# \$113-\$118.50, 700-750# \$114.25-\$117, 750-800# \$108-\$112, and 800-1000# \$95.50-\$110.25/cwt.

Feeder cattle futures also moved higher this week. The April contract gained \$4.15 to end the week at \$114.52. May settled at \$115.37, up \$2.67 for the week. August ended the week at \$116.92.

May corn futures gained 1.25 cents this week and settled at \$3.45'6 on Friday. The September corn contract ended the week at \$3.67'6, up 1.75 cents per bushel from the previous Friday.

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