

Cattle Slaughter Up, Prices Rise



**GLENN GRIMES AND
RON PLAIN**

Agricultural Economists,
University of Missouri

outlook

Fed cattle prices set new record highs this week. Sales volume was moderate. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$128.92/cwt, up \$2.45 from last week, up \$16.08/cwt from the same week last year, and \$1.02 above the old record high set the week ending December 2, 2011. Steer prices on a dressed basis averaged \$205.02/cwt this week, up \$3.88 from a week ago, up \$24.69 from a year ago, and up \$1.70 from the previous record also set the week ending last December 2.

The beef cutout value, for both choice and select carcasses, also reached new record highs this week, breaking the old records set just last week. On Friday morning, the choice boxed beef carcass cutout value was \$197.83/cwt, up 57 cents from last week. The select carcass cutout was up \$1.30 from the previous Friday to \$194.71 per hundred pounds of carcass weight.

The choice-select price spread, \$3.12/cwt this week, is the tightest since August 19 of last year. The spread is often small at this time of year. The spread was over \$10/cwt from mid September until early January, and at times in October and November was above \$19/cwt. A small choice-select price spread is sometimes

an indicator of weak beef demand.

This week's cattle slaughter totaled 621,000 head, up 4.9 percent from the week before, but down 3.7 percent compared to a year ago. The average dressed weight for slaughter steers for the week ending on February 18 was 854 pounds, down 1 pound from the week before, but up 20 pounds from a year earlier. Weights have been above year-earlier for six straight weeks. Year-to-date beef production is down 4.9 percent.

Feeder cattle prices were mostly steady to \$5 lower at auctions across the country this week. Oklahoma City prices were steady to \$2 lower on feeder cattle with the ranges for medium and large frame #1 steers: 400-450# \$200-\$210, 450-500# \$185-\$199.50, 500-550# \$184.50-\$197, 550-600# \$178-\$196.75, 600-650# \$167.50-\$182.50, 650-700# \$160.50-\$171, 700-750# \$156.25-\$162.75, 750-800# \$152.75-\$157, 800-900# \$138-\$155.50, and 900-1000# \$135.25-\$142.25/cwt.

The April live cattle futures contract settled at \$129.95/cwt today, up 45 cents compared to last Friday. The June contract closed at \$127.27/cwt, down 48 cents for the week. August fed cattle settled at \$129.65 and October at \$134.32/cwt.

Feeder cattle futures contracts had modest gains this week. The March contract ended the week at \$158.10/cwt, up 43 cents from the previous Friday. April feeder cattle settled at \$161.32, up \$1.05 for the week. May was 90 cents higher this week ending at \$162.85/cwt. Δ

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