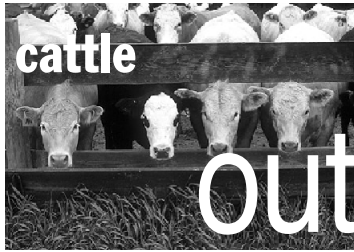


Choice Boxed Beef Carcass Cutout Value Drops



**GLENN GRIMES AND
RON PLAIN**

Agricultural Economists,
University of Missouri

Gold traded above \$1,320 per ounce today, the sixth record high in six days and nearly 6 percent higher than at the start of September. The U.S. dollar has been dropping in value against foreign currencies rather quickly of late. Compared to a month earlier, the U.S. dollar ended September 3 percent lower against the Canadian dollar, 4 percent lower against the Mexican peso and 7 percent lower against the European euro. A weaker dollar helps our exports which is good news for grain, oilseed and meat prices. But, a weak dollar makes the things we import more expensive, which should mean higher energy and fertilizer prices. November crude oil futures started October 8 percent higher than a month earlier.

USDA's September 30 grain stocks report found a lot more corn than the trade was expecting. This put downward pressure on grain prices. December corn futures ended the week 56 cents lower at \$4.65'6. November soybeans also 69 cents this week to settle at \$10.57 per bushel. December soybean meal ended the week at \$289.90/ton, down \$27.10 from the previous Friday.

The beef cutout value was lower this week. On Friday morning, the choice boxed beef carcass cutout value was \$1.5428/pound, down 3.43 cents for the week but 19.33 cents higher than last year. The select cutout was down 2.97 cents from the previous Friday to \$1.4665 per pound.

Fed cattle prices were a little lower this week. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$96.60/cwt, down 94 cents from a week earlier but \$14.53 higher than a year ago. Steers sold on a dressed weight basis this week averaged \$152.83/cwt, 52 cents lower than the week before but \$25.20 higher than last year.

This week's cattle slaughter totaled 656,000 head, down 1.1 percent from the previous week, but up 2.5 percent compared to the same week last year.

Steer carcass weights averaged 853 pounds during the week ending September 11. That was up 2 pounds from the week before, but 14 pounds lighter than a year ago. This was the 47th consecutive week with steer weights below year earlier levels.

Cash bids for feeder cattle this week were mixed with most feeders in a range of \$2 higher to \$4 lower. This week at Oklahoma City price ranges for medium and large frame #1 steers were: 400-450# \$129.50-\$134.50, 450-500# \$120-\$127, 500-550# \$114-\$119.75, 550-600# \$110-\$119, 600-650# \$102-\$114, 650-700# \$110.50-\$117, 700-750# \$110.50-\$114.75, 750-800# \$110-\$113.50, and 800-1000# \$104.25-\$109.50cwt.

The October fed cattle futures contract ended the week at \$95.95/cwt, down 7 cents from a week earlier. The December contract closed at \$98.35/cwt, up 23 cents from the previous Friday the February contract settled at \$100.02.

The October feeder cattle futures contract gained \$3.13 this week to settle at \$111.80/cwt. Δ

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