

Choice Retail Beef Prices Up 27.6¢ From May '12



**GLENN GRIMES AND
RON PLAIN**

Agricultural Economists,
University of Missouri

outlook

Today's cattle on feed report said the number on feed at the start of June was 10.736 million head, up 1,000 head from the month before but down 3.1 percent compared to a year ago. The report was a bit bearish as placements were higher than pre-release trade estimates and marketings were lower.

Choice retail beef prices averaged \$5.241 per pound in grocery stores during May. That was down 2.3 cents from April, but up 27.6 from May 2012. All fresh beef averaged \$4.877 per pound in May. The record for retail beef prices was set in March 2013 at \$5.30 per pound.

The 5 area average price for slaughter steers in May was \$127.50/cwt. That tied the record set the month before and was up \$6.40 from May 2012.

As of June 16, 64 percent of corn acres were rated in good or excellent condition. That is up 1 percentage point from the week before and also up 1 point from a year ago. 23 percent of U.S. pastures were rated in poor or very poor condition on June 16, down from 28 percent poor or very poor a year ago.

Fed cattle prices were lower this week on good volume. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$121.37/cwt, down \$2.84 from last week, but up \$3.57 from the same week last year. Steer prices on a dressed basis averaged \$193.57/cwt this week, down 74 cents from a

week ago, but up \$5.70 from a year ago.

This morning, the boxed beef cutout value for choice carcasses was \$199.54/cwt, down 61 cents from the previous Friday, but up \$2.64 from a year ago. The select carcass cutout is at \$186.41/cwt, up \$2.86 for the week. The choice-select price spread dropped \$3.46 this week to \$13.14/cwt.

This week's cattle slaughter totaled 659,000 head, up 2.3 percent from last week and up 0.8 percent from a year ago. The average steer dressed weight for the week ending on June 8 was 853 pounds, up 3 pounds from the week before and up 5 pounds from a year ago. The last time steer weights were below the year-earlier level was the week ending January 7, 2012. Year-to-date cattle slaughter is down 1.5 percent, but year-to-date beef production is down only 1.0 percent.

Oklahoma City feeder cattle auction prices this week were steady to \$3 higher with prices for medium and large frame #1 steers: 400-450# \$170, 450-500# \$168-\$175.50, 500-550# \$159.50-\$170, 550-600# \$150.25-\$166.50, 600-650# \$140.50-\$153, 650-700# \$137.50-\$146, 700-750# \$133-\$142, 750-800# \$134-\$141.35, 800-900# \$130-\$139, and 900-1000# \$120-\$127/cwt.

The June live cattle futures contract closed at \$121.25/cwt today, up \$2.25 from last week's close. The August fed cattle contract gained \$3.28 from last Friday to settle at \$121.60/cwt. October fed cattle futures settled at \$125.12/cwt and December at \$127.10/cwt. August feeder cattle futures settled at \$146.92/cwt, up \$3.52 for the week. The September contract gained \$2.93 from last Friday to close at \$149.93/cwt. Δ

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