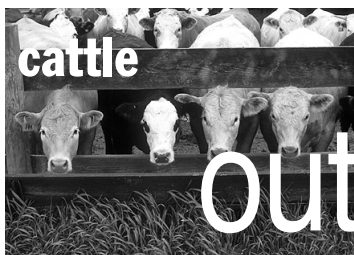


# Continued Dry Weather Forecasts Boost Corn Futures



**GLENN GRIMES AND  
RON PLAIN**

Agricultural Economists,  
University of Missouri

**U**SDA's annual publication "Meat Animal Production, Disposition and Income" tells us that 5 states had a 2011 value of cattle production in excess of \$2 billion: Texas, Nebraska, Kansas, Oklahoma and California. The total for the U.S. was a record \$45.176 billion, up \$8.2 billion from the year before.

USDA says 72 percent of the corn crop was in good or excellent condition on June 3. That compares to 72 percent good or excellent the week before and 67 percent a year ago. The Crop Progress report says 94 percent of the soybean crop was planted by June 3 compared to an average of only 75 percent on that date. Nationally, 22 percent of pastures were rated poor or very poor in early June. That compares to 22 percent poor or very poor the week before and 24 percent a year ago.

Forecasts of continued dry weather in the southern corn belt boosted corn futures this week. July corn futures ended the week at \$5.98/bu, up 47 cents from the previous Friday. December corn settled at \$5.44/bu, up 34 cents for the week.

This week's beef carcass cutout value was lower. On Friday morning, the choice boxed beef carcass cutout value was \$197.26/cwt, down 9 cents from the previous Friday. The select carcass cutout was down \$3.11 from the previous week to \$182.71/cwt of carcass weight. The choice-select spread is now \$14.55/cwt, the

most since December 30.

Fed cattle prices were slightly higher this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$122.79/cwt, up 89 cents from last week and up \$16.59/cwt from the same week last year. Steer prices on a dressed basis averaged \$195.58/cwt this week, up 80 cents from a week ago and up \$22.06 from a year ago.

This week's cattle slaughter totaled 652,000 head, up 9.4 percent from the week before (which was light because of Memorial Day) but down 4.3 percent from a year ago. The average dressed weight for steers for the week ending on May 26 was 839 pounds, down 2 pounds from the week before, up 19 pounds from a year ago, and above a year earlier for the 20th week in a row. Year-to-date beef production is down 2.8 percent.

Oklahoma City feeder cattle this week had price ranges for medium and large frame #1 steers of: 400-450# \$201, 450-500# \$188-\$198, 500-550# \$182-\$188.50, 550-600# \$171-\$184.50, 600-650# \$157-\$175, 650-700# \$153-\$166, 700-750# \$154.50-\$162.50, 750-800# \$153-\$158, 800-900# \$140-\$154.75, and 900-1000# \$132-143/cwt.

Fed cattle futures ended the week higher. The June live cattle contract settled at \$119.87, up \$2.17 from the previous Friday. The August contract gained \$1.22 this week to end at \$120.82. October ended the week at \$125.25 and December at \$128.62/cwt.

The August feeder cattle contract settled at \$159.37/cwt, up \$2.30 from the previous Friday. September feeder cattle gained \$1.85 this week to close at \$160.52. October settled at \$161.45/cwt. Δ

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