

Cow Slaughter Exceeds Last Year's Numbers



**GLENN GRIMES AND
RON PLAIN**

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Cow slaughter for the year of 2008 through the week ending March 22 was up 3.6 percent from 2007 and up 19.4 percent from the same weeks in 2006. Dairy cow slaughter for the period was up 1.7 percent from 2007 and up 14.9 percent from 2006. Beef cow slaughter for this period in 2008 was up 5.3 percent from 2007 and up 23.3 percent from 2006.

For the four weeks ending March 22, all cow slaughter this year was up 1.4 percent from twelve months earlier. Dairy cow slaughter was up 1.3 percent and beef cow slaughter was up 1.6 percent from the same period in 2007.

The male-female slaughter ratio for January and February of 2008 was quite close to this ratio a year earlier.

This data all supports the belief that cattle producers are continuing to reduce the cow herd because of high feed costs. How much the total cow herd will need to be reduced is not completely predictable but the reduction phase is likely to last for some time.

Average slaughter weights of carcass for all cattle the week ending March 22 was up ten pounds from a year earlier. Steer carcass weights at 826 pounds were up 18 pounds and heifer carcass weights at 765 pounds were up 11 pounds from twelve months earlier.

Beef production for January and February 2008 was up 3.7 percent from 2007 and the heavier slaughter weights contributed to the gain.

Wholesale beef prices this Friday morning showed Choice beef at \$143.20 per cwt up \$6.07 per cwt compared to a week earlier. Se-

lect beef at \$142.03 per cwt was up \$5.54 per cwt from seven days earlier.

Fed cattle trade was quite large through Thursday last week, therefore the full week price was quite close to the price through the first four days of the week.

The weighted average price for live fed cattle for the five-market area at \$86.60 per cwt through Thursday up \$0.75 per cwt from last week. The weighted average carcass price for fed cattle through Thursday for the five-market area is at \$139.00 up \$0.75 per cwt from seven days earlier. Did not have a good market test because only 8.4 thousand head in negotiated trade through January.

Feeder cattle 600-700 pounds were \$2-3 per cwt higher and over 700 pounds was steady to \$2 higher after a steady opening. Steer and heifer calves were steady to \$2 per cwt lower this week then last week at Oklahoma City.

The range in prices by weight groups for medium and large frame Number One steers were: 400-500 pounds \$120-131.50 per cwt, 500-600 pounds \$113.50-126 per cwt, 600-700 pounds \$107.25-118.25 per cwt, 700-800 pounds \$86.75-105.50 per cwt and 800-1000 pounds \$75-87.75 per cwt.

Four to five hundred weight steers at Oklahoma City were \$6-7 per cwt below a year earlier and 700-800 pounds were \$16-17 per cwt less than last year this week at Oklahoma City. Most of this decline in feeder cattle price is a result of higher corn prices.

Slaughter this week under Federal Inspection was estimated at 645 thousand head, up 5.2 percent from a year earlier.

The cattle industry received bad news Thursday morning. USDA increased the total corn use for the 2007-2008 market year to exceed last year's record corn production by 36 million bushels and ending stocks are now projected to be 21 million bushels below a year earlier. How high will corn prices be in the next year? It now looks like they will probably exceed \$6 per bushel. The cattle industry now needs to get more serious about reducing herd size. Δ