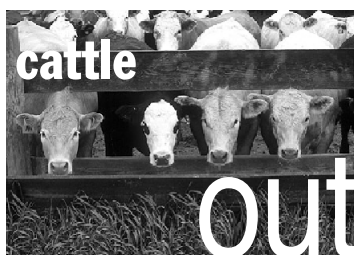


# Cow Slaughter High Despite Strong Cattle Prices



**GLENN GRIMES AND  
RON PLAIN**

Agricultural Economists,  
University of Missouri

**C**ompared to their June forecast, USDA's July corn supply and demand estimates are for smaller stocks and lower, but still record, corn production. They are now forecasting a corn price close to \$3.55/bu for the marketing year ending on August 31 and a price close to \$3.75 for the marketing year beginning September 1.

Despite strong cattle prices and a profitable bottom line for many producers, cow slaughter continues to be high. During the first half of 2010, beef cow slaughter was up 12 percent. Slaughter of dairy cows was down compared to a year ago, but total cow slaughter was up 4 percent. It appears very likely that the 2011 calf crop will be smaller than this year which is expected to be smaller than the 2009 calf crop.

The boxed beef cutout declined this week. On Friday morning, the choice boxed beef carcass cutout value was \$1.5448/pound, down 1.24 cents for the week, but 17.08 cents higher than last year. The select cutout was down 2.27 cents from the previous Friday to \$1.4473 per pound. The choice-select spread of nearly 10 cents is the widest since December 2008.

Fed cattle prices rose this week. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live

weight basis was \$91.83/cwt, up 79 cents from a week earlier and \$10.51 higher than a year ago. Steers sold on a dressed weight basis this week averaged \$148.24/cwt, \$2.67 higher than the week before and \$18.86 higher than last year.

This week's cattle slaughter totaled 598,000 head, down 10 percent from the previous week and down 5.7 percent compared to the same week last year which did not include July 4. Year-to-date, beef production is down 1.2 percent and pork production is down 4.1 percent.

Steer carcass weights averaged 824 pounds during the week ending June 26. That was up 4 pounds from the week before, but 8 pounds lighter than a year ago. This was the 31st consecutive week with steer weights below year earlier levels.

Cash bids for feeder cattle this week were mostly in the range of steady to \$5 higher. Because of the Independence Day holiday Oklahoma City did not have a sale this week. The price ranges on the Missouri combined report for medium and large frame steers were: 400-450# \$127-\$147.50, 450-500# \$122.50-\$145.50, 500-550# \$119-\$139, 550-600# \$115-\$141, 600-650# \$116-\$135.25, 650-700# \$108-\$133, 700-750# \$108-\$126, 750-800# \$109.50-\$118.10, and 800-1000# \$96-\$117.10/cwt.

The August fed cattle futures contract ended the week at \$90.20/cwt, up 73 cents compared to the previous Friday. The October contract gained 48 cents this week to end at \$91.40/cwt. The December contract settled at \$94.10 and February ended the week at \$95.70. Δ

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

**ONEER.**  
A DUPONT COMPANY

Link Directly To: **PIONEER**