

# Cow Slaughter Will Continue To Run Above Year Earlier



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**P**roductivity growth in the U.S. cow herd amounted to nearly 51 percent in the last 42 years. This amounts to 1.2 percent a year. This productivity growth resulted from the growth in cattle feeding, feeding more of the cattle, feeding to heavier weights, the decline in the dairy herd relative to the beef cow herd and imports of more live feeder cattle. There are also observers who believe we have increased beef and veal production by pulling marketings forward. In other words we are increasing slaughter some each year by moving cattle through the growth and feeding cycle faster and slaughtering cattle at a younger age.

How much more growth we have is not very predictable. There are limits to how heavy we can feed cattle and percentage of calf crop fed to heavy slaughter weights. Having said that we believe we will continue to see some productivity growth for several more years.

Through mid December cow slaughter continues to run above a year earlier. Total cow slaughter for these 11.5 months was up 8.3

percent from 2007 and up 15.1 percent from 2006. Dairy cow slaughter was up 3 percent from a year earlier and up 9 percent from two years earlier. Beef slaughter for the year through mid December was up 12.2 percent from 2007 and up 19.5 percent from 2006.

The odds are high that the cow herd for January 1 2009 was below a year earlier. This data will be released by USDA on January 30.

Feeder cattle prices at Oklahoma City this week were \$4-7 per cwt higher and calves were \$5-10 per cwt higher than the last sale held at Oklahoma City on December 15.

The prices for medium- and large- frame No. 1 steers by weight groups were: 400-500 pounds \$112-119.50 per cwt, 500-600 pounds \$100-116 per cwt, 600-700-pound calves \$92.50-95.25 per cwt, 600-700-pound yearlings \$94.50-103 per cwt, 700-800 pounds \$95-99 per cwt and 800-1,000 pounds \$88.50-96.75.

Wholesale beef prices acted like a yo-yo this week with big changes both ways. Choice beef at \$145.25 per cwt Friday morning were up \$1.95 per cwt for the week. Select beef at \$137.59 per cwt were up \$1.42 per cwt from seven days earlier.

The weighted average live price for fed cattle this week for the five-market area through Thursday at \$83.97 per cwt were down \$2.03 per cwt from last week. Weighted average negotiated carcass prices for the five-market area through Thursday at \$133.62 per cwt were down \$1.32 per cwt from seven days earlier.

Slaughter this week under Federal Inspection was estimated at 601 thousand head, down 21.3 percent from a year earlier. Δ

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