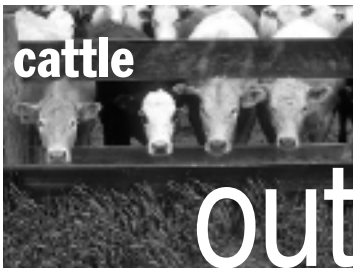


# Dairy, Beef Producers Are Reducing Herds



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**T**otal cow slaughter for 2009 through the week ending February 28 was up 9.5 percent from a year earlier. All of the increase plus some was dairy cow slaughter up 22.9 percent from 2008. The dairy cow slaughter so far this year is up 25.2 percent from 2007 and up a whopping 40.4 percent from 2006.

Beef cow slaughter through the week ending February 28, 2009, was up 5.9 percent from the same period in 2007 and up 41.9 percent from 2006. Therefore, it looks like we are reducing the dairy cow herd quite rapidly this year and continuing to reduce the beef cow herd at a more moderate rate than the decline in the dairy herd. Dairy producers are experiencing more financial stress than even the beef cow producers.

USDA increased the carryover of corn into the 2009-10 marketing year by 50 million bushels for the March estimate. The average estimated price paid to farmers for corn per bushel was increased to a midpoint average of \$4.10 per bushel, up from \$3.90 per bushel in February.

Feeder steers at Oklahoma City this week

were steady to \$1 per cwt lower with exception of 700-800-pound steers ending \$1 per cwt higher. Feeder heifers were \$1-3 per cwt lower than last week. Stocker cattle and calves were steady.

The prices by weight groups for medium and large frame Number One steers at Oklahoma City were: 400-500 pounds at \$109.50-121.50 per cwt, 500-600 pounds at \$100-111.50 per cwt, 600-700 pounds at \$99-109.25 per cwt, 700-800 pounds at \$88-101.50 per cwt and 800-1,000 pounds at \$77.25- 88 per cwt.

The wholesale beef price this Friday morning for Choice at \$136.60 per cwt was up \$1.59 per cwt from last week. Select beef at \$135.45 per cwt was up \$0.61 per cwt from seven days earlier.

The spread between Choice and Select beef at only \$1.15 per cwt is very narrow. This is probably because of at least two reasons: the first being the weakness in food sales at restaurants, and the second being the weakness in fed cattle prices that producers keep hoping will improve so they hold the cattle for another week.

The weighted average price for live fed cattle for the five-market area through Thursday at \$80.69 per cwt was down \$0.78 per cwt from a week earlier. The weighted average price for negotiated carcass prices for the five-market area through Thursday at \$129.53 per cwt was down \$0.21 per cwt from seven days earlier.

Slaughter this week under Federal Inspection was estimated at 623 thousand head, down 2.4 percent from a year earlier. △



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