

Despite Weather, USDA Says Corn Acreage Is Up



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

This report is being written early this week because of the Independence Day holiday. The big news this week was USDA's June plantings report. USDA said actual corn acres planted in 2009 is 87.0 million acres, up 2.0 million from their March estimate and the second largest acreage since 1946. Soybean acreage was u

As would be expected with declining corn prices, feeder cattle futures move higher this week. The August contract ended the week at \$103.45/cwt, up \$4.48 from last Friday. October gained \$3.90 to settle at \$102.47/cwt.

Cash bids for feeder cattle were mostly higher following USDA's acreage report. The price ranges at Oklahoma City for medium and large frame steers were: 400-450# \$115.50-117, 500-550# \$106-\$113, 550-600# \$102-\$108.50, 600-650# \$104.50-\$107, 650-700# \$100.50-\$106, 700-750# \$100.25-\$103.75, 750-800# \$96.50-\$101.50, and 800-1000# \$89.75-\$100.25/cwt. Seven weight steers are about \$10/cwt lower than this time last year, despite corn prices being half of what they were at this time last year. Corn prices started July 2008 above \$7/bushel in most of the country.

Fed cattle prices were little changed this week. The 5-area daily weighted average price for

slaughter steers sold through Wednesday on a live weight basis was \$80.64/cwt, down 15 cents from a week earlier and \$19.57 lower than a year ago. Steers sold on a dressed basis averaged \$131.00/cwt, 16 cents higher than the week before but \$28.69 lower than the same week of 2008.

Choice boxed beef cutout values also were steady this week. On Thursday morning, the choice carcass cutout value was \$1.3793/pound, down 1.16 cents for the week and 33.68 cents lower than a year ago. The select cutout was up 0.1 cents from the previous Friday to \$1.3236 per pound.

Federally inspected cattle slaughter for this week is predicted by trade estimates to total roughly 620,000 head, up 5 percent compared to a year ago, due to the fourth falling on a Saturday this year.

The dairy herd buyout program is having an impact on cow slaughter. Through the week ending June 20, 2009 dairy cow slaughter was up 15.8 percent. For the last 5 weeks it has been up 31.4 percent. Beef cow slaughter is down 7.6 percent for the year and down 15.9 percent for the last 5 weeks.

Steer carcass weight averaged 832 pounds for the week ending June 20, up 4 pounds from the same week in 2008, which is the closest they have been to year-earlier levels since December.

The August live cattle futures contract ended the week at \$84.87/cwt, up \$2.47 for the week. October settled at \$90.22, up \$2.10 from the week before. December settled at \$90.05/cwt and the February live cattle contract ended the week at \$90.10. △

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