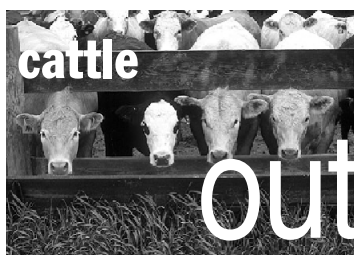


Fed Cattle Marketing Rises In September



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The October cattle on feed report had no big surprises. USDA said the number of cattle on feed at the start of October was up 2.9 percent compared to a year earlier. The trade forecast was for the inventory to be up 2.7 percent. There were 2.9 percent more steers on feed and 2.8 percent more heifers on feed than on October 1, 2009.

Fed cattle marketings were up 2.0 percent in September. The trade predicted marketings would be up 1.9 percent. September steer and heifer slaughter was up 1.9 percent. Placements into feed yards were up 3.1 percent, 1 percent higher than the pre-release trade estimate. During the first nine months of the year, placements were up 4.7 percent compared to January-September 2009.

The amount of beef in cold storage at the end of September was up 2.6 percent compared to the month before but down 7.3 percent compared to September 30, 2009. Stocks increased by 10.2 million pounds during September which was 1.4 million pounds less than is typical for that month. Stocks of frozen chicken were 12 percent higher at the end of September but turkey stocks were 23 percent lower than on September 30, 2009.

The boxed beef cutout declined a bit this week. On Friday morning the choice boxed beef carcass cutout value was \$1.6084/pound, down 0.14 cents for the week. The select cutout was down 1.3 cents from the previous Friday to

\$1.5375 per pound.

Fed cattle prices were lower this week. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$99.96/cwt, down 87 cents from a week earlier but \$13.12 higher than the same week in 2009. Steers sold on a dressed weight basis this week averaged \$156.86/cwt, \$2.23 lower than the week before.

This week's cattle slaughter totaled 668,000 head, up 0.9 percent from the previous week and up 2.3 percent compared to the same week last year. This was the 16th consecutive week with cattle slaughter above the year-earlier level.

Steer carcass weights averaged 861 pounds during the week ending October 16. That was up 2 pounds from the week before, but 7 pounds lighter than a year ago. This was the 47th consecutive week with steer weights below year-earlier levels.

Cash bids for feeder cattle this week were mostly in the range of steady to \$4 higher. This week Oklahoma City price ranges for medium and large frame #1 steers were: 400-450# \$133-\$140, 450-500# \$132-\$137, 500-550# \$124-\$130, 550-600# \$117-\$120.50, 600-650# \$106-\$115.75, 650-700# \$102-\$113.50, 700-750# \$110-\$114.25, 750-800# \$108.75-\$113, and 800-1000# \$103.75-\$112.50/cwt.

The December fed cattle futures contract ended the week at \$98.82/cwt, \$2.88 lower than the week before. The February contracted closed out the week at \$102.17/cwt and April settled at \$104.85/cwt.

December corn futures ended the week at \$5.82/bushel, up 22 cents from the previous Friday. Δ

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