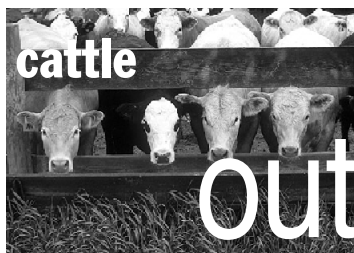


# Fed Cattle Prices Highest Since Mid-May



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**G**rocery store beef prices dropped a bit in July, but were still above year-earlier levels. The average price of choice beef at retail was \$4.444 per pound in July, down 4.7 cents from June, but up 26.5 cents from 12 months earlier. June 2010 beef prices were the highest since October 2008. The higher beef prices are caused in large part by a very tight beef supply. USDA is forecasting 2010 per capita beef consumption will be the lowest since 1952.

Higher retail beef prices are translating into higher fed cattle prices. This week fed cattle prices rose to the highest level since mid May. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$98.60/cwt, up \$4.54 from a week earlier and \$16.52 higher than a year ago. Steers sold on a dressed weight basis averaged \$154.55/cwt this week, \$5.05 higher than the week before and \$13.77 higher than last year.

The beef cutout value this week rose to the highest level since early June. On Friday morning, the choice boxed beef carcass cutout value was \$1.6129/pound, up 6.64 cents for the week and 19.04 cents higher than last year. The select cutout was up 3.8 cents from the previous Friday to \$1.5425 per pound.

This week's cattle slaughter totaled 667,000 head, up 3.7 percent from the previous week and up 1.4 percent compared to the same week last year. This was the largest weekly slaughter since June. Year-to-date, beef production is down 0.6 percent.

Steer carcass weights averaged 844 pounds during the week ending August 8.

That was up 7 pounds from the week before, but 8 pounds lighter than a year ago.

This was the 37th consecutive week with steer weights below year earlier levels.

Cash bids for feeder cattle this week were mostly in the range of \$2 lower to \$2 higher with Missouri reporting instances of prices \$4 higher than last week. The price ranges at Oklahoma City for medium and large frame steers were: 400-450# \$129-\$139.50, 450-500# \$121-\$126, 500-550# \$111-\$130, 550-600# \$111-\$124.50, 600-650# \$112-\$120.85, 650-700# \$108-\$119.25, 700-750# \$105-\$119, 750-800# \$112-\$118, and 800-1000# \$97.50-\$112.60/cwt.

The August fed cattle futures contract ended the week at \$99.60/cwt, up \$5.28 from a week earlier. The October contract closed at \$99.25/cwt and the December contract settled at \$100.55. Ever contract month from now through December 2011 ended the week above \$98/cwt.

USDA's August cattle on feed report said placements during July were down 5.9 percent compared to a year ago while marketings were down 1.7 percent. The number on feed at the start of the month is up 2.4 percent compared to August 1, 2009.  $\Delta$

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