

Fed Cattle Prices Lower Sixth Week In Row



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The U.S. economy continues to perform poorly. Non-farm payrolls increased by only 54,000 jobs during May, the smallest increase in eight months. The unemployment rate increased from 9.0 percent in April to 9.1 percent in May. The livestock industry has cut production to boost prices so they can pay their record feed bills. Both retail beef and retail pork prices were record high in April. Unfortunately, a weak economy makes record meat prices very difficult to sustainable. Part of the economy's problem is high energy prices. The average price of gasoline in May was \$3.96 per gallon, up 10.8 cents from April, up \$1.07 from May 2010 and the third highest month ever. Increased consumer spending on gasoline tends to hurt consumer spending on meat.

Tyson Foods has announced their Dakota City, Nebraska cattle plant will not operate on Saturday and Monday so employees can deal with problems caused by flooding on the Missouri River.

Fed cattle prices were lower for the sixth week in a row. The trend is down at this time of year and this week's drop was quite small. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$104.85/cwt, down 26 cents from last week. Steers sold on a dressed weight basis this week averaged \$170.22/cwt, 34 cents lower than the week before. This week in 2010 the average 5-area live price for steers

was \$94.55/cwt and the carcass price was \$154.37/cwt.

Boxed beef prices held steady this week. Friday morning the choice boxed beef carcass cutout value was \$177.73/cwt, up 43 cents from last week. The select carcass cutout was down 14 cents from the previous Friday to \$172.02 per hundred pounds of carcass weight.

This week's cattle slaughter totaled 617,000 head, down 8.6 percent from the week before and down 1.6 percent compared to the same week last year. The average steer dressed weight for the week ending May 21 was 819 pounds, down 3 pound from the week before, but 11 pounds heavier than for the same week in 2010.

During the first 20 weeks of the year, cow slaughter was up 0.6 percent compared to the same period last year with dairy cow slaughter up 6.7 percent and beef cow slaughter down 4.4 percent.

Cash bids for feeder cattle around the country this week generally ranged from \$3 higher to \$5 lower than last week. Because of the Memorial Day holiday, Oklahoma City did not have a feeder cattle sale this week. Missouri auction prices this week were steady to \$3 lower with price ranges for medium and large frame #1 steers: 400-450# \$141-\$160, 450-500# \$126-\$160, 500-550# \$124-\$156, 550-600# \$121-\$151.25, 600-650# \$115-\$144, 650-700# \$119-\$133.85, 700-750# \$115.25-\$132, 750-800# \$108-\$136.60, 800-900# \$111-\$127.35 and 900-1000# \$110.60-\$113.35/cwt.

The June fed cattle futures contract ended the week at \$104.17/cwt, up 7 cents from last week's close. August ended the week at \$105.10/cwt, the October contract closed at \$111.15. Δ

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