

Fed Cattle Prices Were Mixed Last Week



**DR. RON PLAIN AND
DR SCOTT BROWN**
Agricultural Economists,
University of Missouri

This week's economic news was not encouraging for domestic meat demand. The U.S. economy grew by 1.1 percent in the first quarter of 2013 and 1.7 percent in the second quarter. Growth rates above 2 percent are needed. During July, 162,000 jobs were added nationally. The long term trend in job growth is 230,000 per month.

Northern Beef Packers in Aberdeen, South Dakota has closed its doors and filed for bankruptcy just nine months after beginning operations. With low cattle numbers and tight packer margins, it was a bad time to build a new cattle slaughter plant. Crop growing conditions are much better than a year ago. As of July 28, 63 percent of corn acres were rated in good or excellent condition. That is unchanged from the week before, but up 39 points from a year ago. 28 percent of U.S. pastures were rated in poor or very poor condition on July 28, down from 57 percent poor or very poor a year ago.

Cash corn prices in Omaha were \$5.72 per bushel at the start of August, down \$1.25 from two weeks earlier. Corn futures continue to decline. The September corn contract ended the week at \$4.76/bu, down 16 cents from 7 days earlier. December corn closed at \$4.6375, down 12 cents for the week.

Fed cattle prices were mixed this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was

\$119.52/cwt, down 8 cents from last week, but up \$1.94 from the same week last year. Steer prices on a dressed basis averaged \$190.18/cwt this week, up \$2.27 from a week ago and up \$5.24 from a year ago.

This morning, the boxed beef cutout value for choice carcasses was \$186.78/cwt, down 13 cents from the previous Friday, but up \$8.09 from a year ago. This was the tenth consecutive week with lower choice cutout. The select carcass cutout is at \$180.99/cwt, down \$1.89 for the week. After being down for eight weeks in a row, the choice-select price spread increased \$1.66 this week to \$5.79/cwt.

This week's cattle slaughter totaled 629,000 head, down 1.9 percent from last week and down 2.3 percent from a year ago. The average steer dressed weight for the week ending on July 20 was 866 pounds, up 4 pounds from the week before and up 7 pounds from a year ago.

Oklahoma City feeder cattle auction prices this week were \$2 to \$4 higher for steers and steady to \$3 higher for heifers with prices for medium and large frame #1 steers: 450-500# \$177, 500-550# \$179-\$190, 550-600# \$149-\$186, 600-650# \$146-\$165, 650-700# \$144-\$165, 700-750# \$143-\$156, 750-800# \$137.50-\$154.75, 800-900# \$140-\$150.50, and 900-1000# \$127-\$138/cwt.

The August live cattle futures contract closed at \$120.65/cwt today, down \$1.15 from last week's close. The October fed cattle contract lost \$1.38 from last Friday to settle at \$124.47/cwt. December closed at \$127.00/cwt. August feeder cattle futures settled at \$153.72/cwt, up \$1.12 for the week. September feeder cattle ended the week at \$157.00/cwt. △

DR. RON PLAIN AND DR. SCOTT BROWN: Agricultural Economists, University of Missouri

syngenta[®]

Link Directly To: **SYNGENTA**