

# Feed Additive Under Scrutiny For Cattle Lameness



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**M**erck Animal Health, the manufacturer of Zilmax, a popular feed additive that boosts weight gain, announced they were temporarily suspending sales of Zilmax in the U.S. and Canada to study its impact on cattle mobility. Last week, Tyson announced that beginning on September 6 they would stop purchasing cattle fed Zilmax due to concerns about lameness.

USDA's August WASDE report raised their estimate of 2013 beef production by 207 million pounds (0.82 percent) and lowered their forecast of the annual average slaughter steer price by \$1/cwt. They raised their forecast of 2014 beef production by 25 million pounds and lowered their fed cattle price forecast for 2014 by \$0.50/cwt. USDA continues to forecast record annual average prices both this year and next. Total red meat and poultry production is forecast to be up 0.4 percent this year and up an additional 0.8 percent in 2014.

As of August 11, 64 percent of corn acres were rated in good or excellent condition. That is unchanged from the week before and up 41 points from a year ago. On August 11, 28 percent of pastures were rated poor or very poor. That is up 2 points from the week before, but down from 31 points poor or very poor a year ago.

Fed cattle prices were higher on light volume this week. Through Thursday, the 5-area aver-

age price for slaughter steers sold on a live weight basis was \$123.86/cwt, up \$1.49 from last week and up \$3.91 from the same week last year. Steer prices on a dressed basis averaged \$196.86/cwt this week, up \$3.86 from a week ago and up \$7.85 from a year ago.

This morning, the boxed beef cutout value for choice carcasses was \$193.99/cwt, up \$5.50 from the previous Friday and up 98 cents from a year ago. The select carcass cutout is at \$186.17/cwt, up \$4.22 for the week and up \$1.39 from the same day last year. The choice-select spread, \$7.82, was up \$1.27 for the week.

This week's cattle slaughter totaled 617,000 head, down 2.5 percent from last week and down 4.0 percent from a year ago. The average steer dressed weight for the week ending on August 3 was 866 pounds, up 4 pounds from the week before and up 4 pounds from a year ago. Year-to-date cattle slaughter is down 1.5 percent and beef production is down 0.9 percent.

Oklahoma City feeder cattle auction prices this week were \$3 to \$5 higher for steers and for heifers with prices for medium and large frame #1 steers: 400-450# \$186-\$192, 450-500# \$185-\$186, 500-550# \$177-\$186.50, 550-600# \$179.50, 600-650# \$150-\$167.50, 650-700# \$152.50-\$166, 700-750# \$148.50-\$163.50, 750-800# \$139.50-\$156.85, 800-900# \$143-\$154, and 900-1000# \$136.50-\$141.50/cwt.

The August live cattle futures contract closed at \$123.90/cwt today, up \$1.40 from last week's close. The October fed cattle contract settled at \$127.92, December at \$130.05/cwt. September feeder cattle futures ended the week at \$157.67/cwt. Δ

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