

# Five Market Live Cattle Price Pushed Up



**GLENN GRIMES AND  
RON PLAIN**

Agricultural Economists,  
University of Missouri

**W**hen live fed cattle trade was complete last week the five market live price was pushed up to \$97.05, up \$2.26 per cwt from a week earlier. The carcass price for negotiated cattle for the five market area was also higher; up \$2.05 per cwt at \$153.55 per cwt for the weighted average.

The 2008 American Agricultural Economics Association Annual Outlook Survey shows beef production up 1.3 percent for the third quarter of 2008, down 1.8 percent for the fourth quarter, down 0.5 percent for the first quarter of 2009, down 2.5 percent for the second quarter and same as a year earlier in both the third and fourth quarter of 2009.

Prices for Choice steers by quarter forecast by the participants were: third quarter 2008 \$96.55 per cwt, fourth quarter \$100.42 per cwt, first quarter 2009 \$100.36 per cwt, \$103.16 for the second quarter of 2009, \$98.72 per cwt for the third quarter and \$102.72 per cwt for the fourth quarter of 2009.

There forecasts indicate the current live cattle futures should be sold by cattle feeders.

The forecast prices for 750-800 pound medium frame Number One steers at Oklahoma City averaged \$105.13 per cwt for 2008 and \$107.28 per cwt for 2009. Even with higher feed prices, these price levels are likely to hold the cattle herd close to current levels. In other words, unless we have a drought in beef cow

country, the herd is not likely to reduce very fast at this price level for feeder cattle.

Cow slaughter for 2008 through July 19 was up 7 percent from a year earlier. Dairy cow slaughter was up 2.2 percent and beef cow slaughter up 10.5 percent from 12 months earlier. For the 4 week period ending July 19 total cow slaughter was up 16.2 percent, dairy cow slaughter up 5.9 percent and beef cow slaughter up 23.8 percent from the same week in 2007. A portion of the increase in cow slaughter recently is

seasonal, but one cannot rule out some increase in the rate of reducing the size of the cow herd with the need for acres for corn and soybean.

Feeder cattle and calves were \$1-3 per cwt higher this week at Oklahoma City. Limited test steer and heifer calves were steady.

The range in prices by weight groups for medium and large frame Number One steers were: 400-500 pounds \$124.50-127, 500-600 pounds \$111.50-123, 600-700 pounds calves \$105-114 per cwt, 600-700 pounds yearlings \$113-115.75 per cwt, 700-800 pounds \$111-117 per cwt and 800-1000 pounds \$105-113.25 per cwt. The spread in prices from light to heavy weight currently is quite narrow due to high feed prices.

Fed cattle prices live for the five market area this week through Thursday at \$99.55 per cwt up \$4.47 per cwt from seven days earlier. The weighted average carcass price for negotiated cattle at \$158.15 per cwt was up \$6.90 per cwt from a week earlier.

The wholesale price for beef Friday morning showed Choice beef at \$162.21 per cwt up \$3.85 per cwt from last week. Select beef at \$156.03 per cwt was up \$4.37 per cwt from seven days earlier.

Slaughter this week under Federal Inspection at 668 thousand head was down 0.6 percent from a year earlier. Δ