

Flu Pushes Red Meat Market Lower



**GLENN GRIMES AND
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When the dust finally settled last week in the fed cattle market producers "blinked first" when nearly 92 percent of the negotiated fed cattle were marketed for the week. Fed cattle prices at \$85.69 per cwt weighted average for the five-market area was down \$1.88 per cwt from the average through Thursday.

The total red-meat market is being pushed lower due mostly to the flu for hogs and weak fed cattle demand. For January-March, the demand for live fed cattle was down 6.7 percent from a year earlier.

Even though the demand for beef at the consumer level was up a short one percent for January-March, the total consumer demand including hotel and restaurant use is believed to be down substantially.

The ratio of male to female slaughter for the first three months of 2009 is substantially below 2008 and some below the 2000-2008 ratio. Cow slaughter for the year through the week ending April 18 is 4 percent above 2008 and 7.6 percent above 2 years earlier. However, beef cow

slaughter for the year through the week ending April 18 is 3.7 percent below the 2008 value. Total cattle slaughter for January-March was down 3.6 percent from a year earlier. The odds are high that the cow herd is still being downsized at a relatively slow rate. With a high probability that feed prices have moved to a higher plateau, the herd needs to be downsized more to get production in line with demand.

Feeder cattle at Oklahoma City this week were steady to \$2 per cwt lower than a week earlier. Calves were not well tested with few sales steady to weak.

The prices for medium-and large-frame Number One steers this week by weight groups were: 450-500 pounds \$115-121 per cwt, 500-600 pounds \$112.25-119 per cwt, 600-700 pounds \$104-113 per cwt, 700-800 pounds \$100-107 per cwt and 800-1,000 pounds \$86.85-99.85 per cwt.

Wholesale beef prices were pushed lower this week with Choice beef Friday morning at \$144.99 per cwt, down \$4.40 per cwt. Select beef at \$142.25 per cwt was down \$3.98 per cwt from a week earlier.

Fed live cattle prices through Thursday for the five-market area at \$133.79 per cwt were down \$1.51 per cwt from seven days earlier. Weighted average carcass negotiated prices through Thursday at \$133.79 per cwt were down \$4.17 per cwt from a week earlier.

Slaughter this week under Federal Inspection was estimated at 652 thousand head, down 8.2 percent from a year earlier. △



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