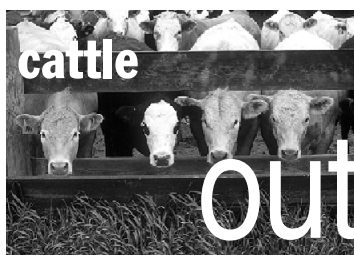


# High Grain Prices Affect Livestock Producers



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## outlook

**T**he big news this week was USDA's October crop report. Although USDA raised their estimate of 2010 corn acres planted and harvested by 258 thousand acres, they cut their forecast of 2010 production by 496 million bushels with the estimated yield now at 155.8 bushels per acre, down 6.7 b/a from last month's forecast. USDA's estimate of beginning stocks is up 322 million bushels from a month ago but their estimate of ending stocks on August 31, 2011 is only 902 million bushels, down 214 million bushels from last month's forecast and the lowest ending stocks since 1997. USDA now forecasts an average farm price for this year's corn crop of \$5.00/bushel plus or minus 40 cents. The current record price is \$4.20 for the 2007 crop.

For soybeans, USDA lowered their estimate of acres planted and harvested by 1.2 million and cut their forecast of yield by 0.3 bushels per acre. They are now forecasting an average farm price for soybeans of \$10.75/bushel plus or minus 75 cents. That is 65 cents above the record price of the 2007 crop.

The beef cutout value was lower this week. On Friday morning, the choice boxed beef carcass cutout value was \$1.5134/pound, down 2.94 cents for the week but 15.50 cents higher than last year. The select cutout was down 2.70 cents from the previous Friday to \$1.4395 per pound.

Fed cattle prices were lower this week. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$94.84/cwt, down \$1.76 cents from a week earlier but \$13.99 higher than a year ago. Steers sold on a dressed weight basis this week averaged \$150.37/cwt, \$2.46 cents lower than the week before but \$25.36 higher than last year.

This week's cattle slaughter totaled 664,000 head, up 1.2 percent from the previous week and up 5.1 percent compared to the same week last year. Steer carcass weights averaged 852 pounds during the week ending September 11. That was down 1 pound from the week before and 15 pounds lighter than a year ago. This was the 48th consecutive week with steer weights below year earlier levels.

Cash bids for feeder cattle this week were mixed with most feeders in a range of steady to \$2 higher. This week at Oklahoma City price ranges for medium and large frame #1 steers were: 400-450# \$124-\$128.50, 450-500# \$122.50-\$129, 500-550# \$118.25-\$125, 550-600# \$112-\$120.25, 600-650# \$101-\$116.25, 650-700# \$100-\$114.75, 700-750# \$107-\$115.25, 750-800# \$107-\$115.50, and 800-1000# \$103.25-\$111.10cwt.

The October fed cattle futures contract ended the week at \$95.55/cwt, down 40 cents from a week earlier. The December contract closed at \$98.87/cwt, up 52 cents from the previous Friday. The February contract settled at \$101.20. The October feeder cattle futures contract lost \$4.08 this week to settle at \$107.72/cwt.

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