

# Higher Prices Due To Winter Feeding Problems



**GLENN GRIMES AND  
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In the past 10 years omitting the year 2003 because of the outbreak of mad cow disease in Canada, which disrupted seasonal cattle prices, the price of Choice fed cattle have topped in March and held strong in April with the annual low in July. Prices from September through February have been fairly flat at or near the average price for the year.

The high prices in March and April are probably due mostly to the difficulties of feeding cattle through the winter with the moist and cold temperatures reducing rates of gain of cattle.

The news continues to be good for consumer demand for beef. For January-March, our demand index shows a gain of 0.9 percent from a year earlier. Consumer demand for pork is also up showing a gain of 3.39 percent for January-March from the same months of 2008.

The bad demand news is the demand for fed live cattle with a loss of 6.7 percent for January-March from a year earlier. The hotel and restaurant trade is very important to the beef industry and the white tablecloth restaurant traffic is down substantially based on trade reports.

Feeder steers at Oklahoma City this week were steady to \$1.00 per cwt lower with the decline on 800-900-pound cattle. Feeder heifers were \$1-3 per cwt lower and stocker cattle and calves were lightly tested and steady with a week ear-

lier.

The prices for medium and large frame Number One steers by weight groups were: 450-500 pounds at \$117-122 per cwt, 500-600 pounds at \$111-119.50 per cwt, 600-700 pounds at \$103.50-111.75 per cwt, 700-800 pounds at \$97.25-106 per cwt and 800-1,000 at \$86-98.75 per cwt.

Cow slaughter for 2009 through the week ending April 11 was up 4.7 percent, dairy cow slaughter for this period was up 14.5 percent but beef cow slaughter was down 3.4 percent from a year earlier. For the four-week period ending April 11, total cow slaughter was down 2.5 percent, dairy cow slaughter was up 1.3 percent and beef cow slaughter was down 5.9 percent compared to 12 months earlier.

Does this slowing of cow slaughter mean producers have stopped the decline in the cow herd? It depends on how many heifers are being added to the cow herd but the odds are probably high that the decline in the cow herd especially beef cow herd has slowed. We probably need to reduce the cow herd more to get production in line with demand.

Wholesale beef prices were pushed lower this week with Choice beef Friday morning at \$149.39 down \$2.64 per cwt from last Friday. Select beef at \$146.23 per cwt was down \$3.83 per cwt from seven days earlier.

Live fed cattle prices weighted average for the five-market area through Thursday at \$87.57 per cwt were down \$0.35 per cwt from a week earlier. The weighted average negotiated carcass price through Thursday for the five-market area at \$140.12 per cwt was down \$2.29 per cwt from last week.

Slaughter this week under Federal Inspection was estimated at 665 thousand head, down 5.1 percent from the same date in 2008. Δ



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