

Hotel, Restaurant And Consumer Demand For Beef Down



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Agricultural Economists,

outlook

Demand for beef at the consumer level for January-May was down 0.9 percent. However, the total demand for beef in the U.S. was probably down more than the 0.9 percent because of weak hotel and restaurant demand.

Demand for pork at the consumer level was up 1.5 percent, for broilers down 5.3 percent and for turkey up 4.2 percent.

Demand for live fed cattle was down 8.7 percent in January-May compared to a year earlier. The weaker demand for fed cattle than consumer beef demand was believed to be caused by larger net beef imports and the weak hotel and restaurant trade.

Live hog demand for January-May was down 4.9 percent. The weak live hog demand was due mostly to smaller exports this year than last year.

Cash fed cattle prices at the current time are \$7-8 per cwt below a year earlier. As a result, 750-800 pound feeder steers are \$11-12 per cwt lower than this time last year. Steer calves weighing 450-500 pounds are also \$10-12 per cwt below a year earlier.

Total cow slaughter for the year through the week ending June 27 was up 1.7 percent, dairy cow slaughter was up 15.8 percent but beef cow slaughter was down 8.5 percent from 12

months earlier. For the four-week period ending June 27, total cow slaughter was up 1.4 percent, dairy cow slaughter was up a whopping 36 percent, but beef cow slaughter was down 19.4 percent. The large dairy cow slaughter is due to the dairy buyout program. The smaller beef cow slaughter is believed to be due to good pastures and ranges especially in the Midwest and southeastern states.

Feeder steers and heifers at Oklahoma City this week were \$1-2 per cwt higher than a week earlier. Stocker cattle and calves were not well tested but few sales noted with a steady to high undertone compared to seven days earlier.

The prices by weight groups for medium- and large-frame number One Steers this week at Oklahoma City were: 450-500 pounds \$110-117.25 per cwt, 500-600 pounds \$105-116 per cwt, 600-650-pound calves \$102-105.75 per cwt, 650-700-pound yearlings \$104-105 per cwt, 700-800 pounds \$101-105 per cwt and 800-1,000 pounds \$94.25-101.50 per cwt.

The live fed cattle weighted average price for the five-market area through Thursday at \$81.28 per cwt was up \$0.64 per cwt from a week earlier. The weighted average negotiated carcass price for the five-market area through Thursday at \$129.39 per cwt was down \$1.61 per cwt from seven days earlier.

Wholesale Choice beef prices Friday morning at \$137.40 per cwt were down \$0.53 per cwt from last Friday. Select beef at \$132.51 per cwt was up \$0.15 per cwt from a week earlier.

Slaughter this week under Federal Inspection was estimated at 628 thousand head, down 10.2 percent from 12 months earlier. Δ

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