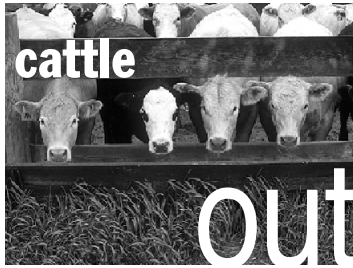


# Increased Cow Slaughter Is Evidence Of Downsizing



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**C**ow slaughter continues to rise well above a year earlier. In fact, the rate of cow slaughter has sped up in the most recent slaughter data available.

For the year through the week of September 13, total cow slaughter was up 9.6 percent, dairy cow slaughter was up 4.4 percent and beef cow slaughter was up 13.6 percent from the same period in 2007. For the four-week period ending September 13, total cow slaughter was up 15.7 percent, dairy cow slaughter was up 10.4 percent and beef cow slaughter was up 20.3 percent from 12 months earlier.

For 2008 through the week ending September 13, total cow slaughter was up 18 percent, dairy cow slaughter was up 12.5 percent and beef cow slaughter was up 30.3 percent from two years earlier.

This level of cow slaughter is strong evidence that the cow herd is being downsized at least at a relatively slow rate. With five dollar plus or minus corn prices per bushel, we need to reduce the size of the herd substantially to get supply in live with demand at the current demand for beef.

Beef demand at the consumer level for January-August was down five percent, pork was

down 4.9 percent but broiler demand was up 2.9 percent and turkey demand was up 4.6 percent from 12 months earlier. The evidence supports the belief that the weak general economy and high energy prices are contributing consumers to move to lower priced protein.

The good news is that the demand for fed cattle is close to the same level as a year ago due to larger beef exports and population growth.

Feeder steers and heifers under 800 pounds at Oklahoma City this week \$2-3 per cwt lower, cattle over 800 pounds \$4-5 per cwt lower. Steer and heifer calves \$4-5 per cwt lower with in store of \$6-8 per cwt lower than last week.

The range in price of medium and large frame No. 1 steers by weight groups at Oklahoma City this week were: 400-500 pounds \$122-129 per cwt, 500-600 pounds \$104.50-124 per cwt, 600-700 pound calves \$90-101 per cwt, 600-700 pound yearlings \$103-110 per cwt, 700-800 pounds \$103.75-110.25 per cwt and 800-1,000 pounds \$97.25-105.50 per cwt.

The weighted average live price for fed cattle through Thursday for the five-market area at \$96.00 per cwt down \$2.10 per cwt from a week earlier. The weighted average negotiated carcass price through Thursday for the five-market area at \$148.00 per cwt down \$3.85 per cwt from seven days earlier.

Wholesale beef prices Friday morning showed Choice beef at \$152.69 per cwt down \$3.24 per cwt from a week earlier. Select beef at \$146.95 per cwt down \$3.18 from Friday last week.

Slaughter this week under Federal Inspection was estimated at 630 thousand head down 6.1 percent from a year earlier. △