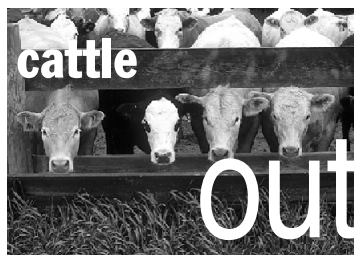


Large Feedlot Fed Cattle Marketing Drops



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USDA's June cattle on feed inventory came in close to that predicted by the pre-release trade estimates. The number of cattle on feed at the start of June was up 0.8 percent compared to June 2009, the same as the average of pre-release trade forecasts. The June inventory is the second lowest on-feed number for any June since 1999.

Placements of cattle on feed during May were up a whopping 23.4 percent, which wasn't far from the average trade forecast of up 22.3 percent. The big percent increase was due to very low placements in May 2009. Despite the big percent increase, May placements were the fourth lowest in the last 13 years.

Marketings of fed cattle from large feed yards during May were down 4.3 percent according to USDA. May marketings were the lowest for any May since USDA began the current data series in December 1995. Steer and heifer slaughter during May was down 4.8 percent.

Stocks of beef in cold storage on May 31 was down 1.5 percent from a month earlier and down 13.9 percent.

The boxed beef cutout rose a tiny bit this week. On Friday morning, the choice boxed beef carcass cutout value was \$1.5425/pound, up 0.07 cents for the week and 15.16 cents higher than last year. The select cutout was up 0.37

cents from the previous Friday to \$1.4647 per pound.

Fed cattle prices were slightly 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 \$90.98/cwt, down 5 cents from a week earlier, but \$10.24 higher than a year ago. Steers sold on a dressed weight basis this week averaged \$146.09/cwt, 38 cents lower than the week before, but \$16.48 higher than last year.

This week's cattle slaughter totaled 667,000 head, unchanged from the previous week and down 0.4 percent compared to the same week last year.

Steer carcass weights averaged 818 pounds during the week ending June 12. That was up 1 pound from the week before, but 14 pounds lighter than a year ago. This was the 29th consecutive week with steer weights below year earlier levels.

Cash bids for feeder cattle were mostly steady to a few dollars higher at most auctions this week. Oklahoma City was called steady to \$2 higher. The price ranges at Oklahoma City for medium and large frame steers were: 400-500# \$135-\$148, 500-550# \$128.50-\$137, 550-600# \$120.50-\$129.50, 600-650# \$107.50-\$122.10, 650-700# \$109.50-\$119.50, 700-800# \$111-\$117.75 and 800-1000# \$98.75-\$113/cwt.

The June fed cattle futures contract ended the week at \$90.95/cwt, up \$1.65 compared to the previous Friday. The August contract gained \$1.17 this week to end at \$89.37/cwt. The October contract settled at \$91.07 and December ended the week at \$93.25. Δ

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