

Live Cattle Price Rises Last Week



**GLENN GRIMES AND
RON PLAIN**

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The packer blinked first Friday of last week when most of the trade in negotiated cattle occurred. The five-market live price for the week at \$84.73 per cwt for steers was up \$1.50 per cwt for the week ending March 28, 2009, and up \$2.02 from Thursday of last week. Most of the gain in price was for live cattle. The negotiated carcass price for steers for the five-market area at \$134.61 per cwt was up \$1.94 per cwt from March 28 and up \$0.52 from last week through Thursday.

Cow slaughter for 2009 through the week ending March 21 was up 6.7 percent from a year earlier. Dairy cow slaughter for this period was up 18.3 percent, but beef cow slaughter was down 2.7 percent from 12 months earlier. For the four-week period ending March 21, total cow slaughter was up but only 1.2 percent from the same period in 2008. Dairy cow slaughter for the period was up 18.3 percent, but beef cow slaughter was down 2.7 percent from 12 months earlier. Dairy cow slaughter was up but less than 50 percent of the total year-to-date at a 7.5 percent gain from a year earlier. Beef cow slaughter for this four-week period was down by 5.8 percent from the same period in 2008.

This data shows a slowdown in the reduction of the dairy herd, which is a result of milk

prices substantially less than cost of production. Why the slowdown is occurring is not clear. The beef cow slaughter indicates beef producers have slowed the decline in the herd if not stopped it.

Additional reductions in both the dairy and beef industries are required to get prices at profitable levels.

Feeder steers and steer calves at Oklahoma City this week were \$3-5 per cwt higher and feeder heifers and heifer calves were \$2-3 per cwt higher than a week earlier.

The prices for medium- and large-frame Number One steers by weight groups were: 400-500 pounds \$114-127.50 per cwt, 500-600 pounds \$108-117 per cwt, 600-700 pounds \$100-109.25 per cwt, 700-800 pounds \$97.25-105.25 per cwt and 800-1,000 pounds \$83-95.50 per cwt.

Wholesale beef showed modest strength this week but the margin between Choice and Select beef remains very narrow. Choice beef Friday morning at \$138.48 per cwt up \$2.59 per cwt from a week earlier. Select beef at \$138.35 per cwt up \$2.92 per cwt from seven days earlier. Substantial additive gains in beef prices are necessary to get the cattle feeding business in a profitable mode.

Fed cattle prices live this week through Thursday for the five-market had a weighted average price of \$86.01 per cwt up \$3.30 per cwt from a week earlier. The weighted average negotiated carcass price of \$137.26 per cwt through Thursday for the five-market area was up \$3.17 per cwt from seven days earlier.

Slaughter this week under Federal Inspection 600 thousand head was down 7.7 percent from a year earlier. △

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