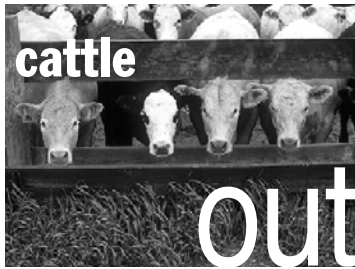


Lower Feed Prices Helps Hold Feeder Calf Prices Steady



**GLENN GRIMES AND
RON PLAIN**

Agricultural Economists,
University of Missouri

outlook

The October estimate of the 2009 corn crop is for a production of 13.018 billion bushels, very close to the record of 13.038 billion bushels in 2007. The yield per acre for corn is 164.2 bushels, a record by a bunch. The previous record was 160 bushels per acre in 2004.

The USDA midpoint estimate for corn prices for the 2009-2010 marketing year is \$3.30 per bushel, the same as in September but down \$0.76 per bushel from the 2008-2009 marketing year.

The 2009 soybean crop is estimated to be a record high at 3.25 billion bushels. The midpoint estimate for soybean prices in 2009-2010 marketing year is \$9.00 per bushel, down from \$9.97 per bushel for the 2008-2009 marketing year.

The USDA midpoint estimate for soybean meal prices is \$275 per ton compared to \$331.17 per ton for the 2008-2009 marketing year.

These lower feed prices will assist in holding feeder cattle prices close to a year earlier even with the lower fed cattle prices.

Beef exports in August were down 24.5 percent from a year earlier. For the first eight months of 2009, beef exports were down 4.1 percent from twelve months earlier. Beef imports for January-August were up 11.9 percent from the same period in 2008.

Net beef imports as a percent of beef production at 4.1 percent up from 2.6 percent a year earlier. This is one of the main reasons why the demand for live fed cattle is down more than the consumer demand for beef so far in 2009.

The value of beef and beef variety meat exports for January-August was \$90.65 per head slaughtered, down from \$101.32 per head a

year earlier.

Feeder steers and heifers were steady and steer and heifer calves were steady to \$2 per cwt higher at Oklahoma City this week compared to last week.

The range in prices by weight groups in medium- and large-frame Number One steers were: 400-500 pounds \$106-120.50 per cwt, 500-600 pounds \$98.25- 113.75 per cwt, 600-700 pound calves \$87.25- 94.25 per cwt, 600-700 pound yearlings \$87.50-100 per cwt and 700-800 pounds \$81-87.75 per cwt.

Wholesale beef prices showed Choice beef Friday morning at \$135.84 per cwt, up \$1.70 per cwt from a week earlier. Select beef at \$132.65 per cwt was up \$3.76 per cwt from seven days earlier.

The weighted average live steer price through Thursday for the five-market area was \$81.71 per cwt, up \$0.36 per cwt from last week.

The weighted average negotiated carcass price through Thursday for the five-market area at \$125.19 per cwt was up \$0.18 per cwt from a week earlier.

Slaughter this week under Federal Inspection was estimated at 629 thousand head, down 0.3 percent from a year earlier.

The trade estimates are in for the October 1 Cattle on Feed report to come in above a year earlier for the first time since April 2008. The forecast is for the on-feed number to be 100.3 percent, placed on feed during September to be at 105.5 percent, and fed marketings during September to be at 97.8 percent of a year earlier.

The October report came in very close to the trade estimates. The on feed number was at 100.6 percent of a year earlier. The trade estimate was for 100.3. Cattle placed on feed during September were up 104.7 percent of 2008. The trade estimate was for 105.5 percent of twelve months earlier. Feed marketing during September at 96.4 percent of last year compared to trade estimates of 97.8.

If traders were trading the trade estimates, we would look for very limited movement in the futures market on Monday. Δ

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