

# May Cattle On Feed Inventory Rises To 7.4 Percent



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**R**etail beef prices set a new record last month. The average price of choice beef in grocery stores during April was \$4.821 per pound, up 7.4 cents from March and 38.1 cents higher than in April 2010. This was the fourth consecutive month with record beef prices. The 5 area average price for slaughter steers in April was \$119.80/cwt, a record for the fifth consecutive month. The farmers' share of the retail beef dollar was 51.1 percent in March and 52.1 percent in April. These were the first months above 50 percent since January 2006.

USDA's May Cattle on Feed report today said the number of cattle placed on feed during April was up 9.9 percent and the number marketed during April was down 2.7 percent, leaving the May 1 on feed inventory up 7.4 percent. The trade forecast was for the number of cattle on feed to be up 6.5 percent at the start of May.

Pasture conditions are not good for springtime which is one reason the number of cattle being placed on feed is so high. In mid May only 52 percent of U.S. pasture and range conditions were rated good or excellent. A year ago, 64 percent of pastures were rated good or excellent. Pasture conditions are especially bad in the southern plains. Pastures rated poor or very poor account for 71 percent of the pastures in Texas, 80 percent in New Mexico, and 50 percent in Oklahoma.

Boxed beef prices are slightly higher after five

weeks of decline. Friday morning the choice boxed beef carcass cutout value was \$175.08/cwt, up 24 cents from last week. The select carcass cutout was up 52 cents from the previous Friday to \$171.46 per hundred pounds of carcass weight.

Fed cattle prices are lower for the fourth week in a row. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was \$108.36/cwt, down \$4.81 from last week. Steers sold on a dressed weight basis this week averaged \$176.75/cwt, \$6.40 lower than the week before. This week in 2010 the average 5-area live price for steers was \$97.05/cwt and the carcass price was \$154.70/cwt.

This week's cattle slaughter totaled 654,000 head, up 0.2 percent from the week before, but down 4.5 percent compared to the same week last year. The average steer dressed weight for the week ending May 7 was 816 pounds, up 1 pound from the week before and 10 pounds heavier than for the same week in 2010.

Cash bids for feeder cattle around the country this week were mostly \$1 to \$4 lower than last week. However, Oklahoma City prices were \$2 to \$3 higher on stocker cattle and steady on feeder cattle with price ranges for medium and large frame #1 steers: 400-450# \$151-\$166.50, 450-500# \$150-\$162, 500-550# \$147-\$158.50, 550-600# \$137-\$147, 600-650# \$135-\$144.50, 650-700# \$126-\$140.50, 700-750# \$127.75-\$134.25, 750-800# \$123.50-\$131, 800-900# \$119.75-\$130 and 900-1000# \$118-\$122.75/cwt.

The June fed cattle futures contract ended the week at \$104.975/cwt, down \$4.03 from last week's close. The August contract closed out the week at \$107.10/cwt. △

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