

# More Beef Predicted, But Grain Stocks Remain Same



**GLENN GRIMES AND  
RON PLAIN**

Agricultural Economists,  
University of Missouri

**U**SDA's February WASDE report was not encouraging. They are now predicting that 2013 beef production will be only 3.2 percent lower than last year. Last month they predicted 4.3 percent less beef in 2013. The latest forecast for all red meat and poultry production is for a decline of 0.4 percent this year rather than a drop of 1.3 percent as estimated in January or a decline of 2.6 percent in their December forecast. USDA is now predicting that U.S. 2013 pork production will be up 0.7 percent, broiler production up 0.7 percent, and turkey production up 1.0 percent compared to last year. USDA left unchanged their forecast of 2013 cattle, hog, and turkey prices, but raised their broiler price forecast by 2 cents per pound.

Despite forecasting more meat, USDA didn't increase their estimate of grain to be fed. They increased wheat feeding by 25 million, reduced sorghum feeding by 25 million bushels, and left corn unchanged.

USDA increase their estimate of foreign corn production by 0.4 percent with 0.8 million metric tons more in Mexico, 1.5 mmt more in Brazil, and 1 mmt less in Argentina.

For U.S. corn, USDA reduced their export estimate to 900 million bushels and lowered their seasonal average corn price estimate by 20 cents. They are now at an average of \$7.20 per bushel for the 2012-13 corn marketing year.

Through Thursday, the 5-area average price

for slaughter steers sold on a live weight basis was \$126.52/cwt, up \$1.56 from last week and up \$3.27 from the same week last year. On a dressed weight basis steers averaged \$198.41/cwt this week, up 78 cents from the week before and up \$3.41 from a year ago.

Beef carcass cutout values were mixed this week. On Friday morning, the choice boxed beef carcass cutout value was \$182.27/cwt, down \$1.72 from last Friday and down \$4.14 from a year ago. The select carcass cutout was \$180.07/cwt, up 51 cents for the week, but down \$1.76 year-over-year.

This week's cattle slaughter totaled 593,000 head, down 4.5 percent from the week before and down 1.0 percent from the same week last year. The average steer dressed weight for the week ending on January 26 was 873 pounds, up 2 pounds from the week before and up 18 pounds from a year ago. This was the 55th consecutive week with steer weights above the year-earlier level.

Feeder cattle prices at this week's Oklahoma City auction were \$3 lower to \$3 higher than last week. Their price ranges for medium and large frame #1 steers were: 400-450# \$200-\$205, 450-500# \$188.50-\$205, 500-550# \$173-\$188, 550-600# \$166-\$175, 600-650# \$153-\$167, 650-700# \$151.25-\$157.00, 700-750# \$142-\$153.25, 750-800# \$141-\$147.50, 800-900# \$134.50-\$143.25, and 900-1000# \$135-\$138/cwt.

The February fed cattle futures contract ended the week at \$126.45, down 65 cents from the week before. The April contract lost \$2.05 this week to settle at \$130.12 on Friday. March feeder cattle futures lost \$4.20 this week to end at \$145.00/cwt.  $\Delta$

*GLENN GRIMES AND RON PLAIN: Agricultural Economists, University of Missouri*

**AGROTAIN**

Link Directly To: **AGROTAIN**



Link Directly To: **VERMEER**