

More Cattle On Feed In March Than Year Ago



**GLENN GRIMES AND
RON PLAIN**

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The USDA Prospective Plantings report issued today indicates that farmers intend to plant 95.9 million acres of corn this year, the highest level in 75 years. Though there are a lot of steps between intending for a large corn crop and actually getting one into the bin, if this many acres do get planted and are matched with reasonable yields, grain costs should decline this fall.

Last week's cattle on feed report counted 2.6 percent more cattle on feed in March vs. year ago, the 22nd consecutive month of inventory above year ago levels. This streak is expected to end sometime this year.

Though the spread between cattle grading choice and select has tightened since the first of the year, the prime to choice spread continues to widen.

Gasoline prices continue to march upward throughout the nation, keeping those in the meat industry nervous about a potentially negative impact on consumer meat demand due to higher fuel costs in the budget and rising retail meat prices.

Fed cattle prices were steady to slightly lower this week with moderate sales. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$125.72/cwt, down 87 cents from last week and

up \$4.15/cwt from the same week last year. Steer prices on a dressed basis averaged \$201.88/cwt this week, down \$1.26 from a week ago and up \$2.85 from a year ago.

Beef cutout value was lower again this week. On Friday morning, the choice boxed beef carcass cutout value was \$183.81/cwt, down \$4.59 from last week. The select carcass cutout was down \$3.41 from the previous Friday to \$183.15 per hundred pounds of carcass weight. The choice-select price spread is only \$0.65/cwt. Steer dressed prices are \$18/cwt above the choice cutout value.

This week's cattle slaughter totaled 602,000 head, unchanged from the week before and down 5.9 percent from a year ago. The average dressed weight for slaughter steers for the week ending on March 17 was 850 pounds, up 2 pounds from the week before. Year-to-date beef production is down 3.5 percent.

Feeder cattle prices were generally higher this week. Oklahoma City prices were mostly steady to \$3 higher with the ranges for medium and large frame #1 steers: 400-450# \$204.50-\$226, 450-500# \$199-\$212.25, 500-550# \$190-\$202, 550-600# \$185-\$199, 600-650# \$183-\$197.50, 650-700# \$167-\$181, 700-750# \$156-\$168.50, 750-800# \$147-\$157, 800-900# \$140-\$154, and 900-1000# \$131.75-\$145.25/cwt.

The April live cattle futures contract settled at \$121.7/cwt today, down \$2.30 compared to last Friday. The June contract closed at \$116.80/cwt, down \$4.30 for the week. August fed cattle settled at \$119.70 and October at \$126/cwt. April feeder cattle futures lost \$3.59 this week to settle at \$148.83/cwt. Δ

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