

Prices For Heavy Weight Feeder Steers Steady



**GLENN GRIMES AND
RON PLAIN**

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The seasonality in heavy-weight (750-800 pounds) feeder steers shows a low in February and a high in September for the 10-year period of 1999-2008.

The first five months of the calendar year show heavy-weight feeder steers averaging a little less than 96 percent of the annual average. The June-December period of the year averages some above 102 percent of the annual average.

The weakness in feeder cattle in the first five months of the year is due mostly to the lower priced fed cattle during late spring and early fall. The higher price for these heavier-weight feeders is due, at least in part, to the stronger fed cattle prices in late fall and winter.

Prices for heavy-weight feeder steers this year are following fairly close to the past 10 years. For February, 750-800-pound feeder steers at Oklahoma City averaged \$91.95 per cwt. For August, the price for 750-800-pound feeder steers at Oklahoma City was \$100.72 per cwt.

The expected near-record corn crop will keep corn prices under some downward pressure and should be positive to feeder cattle prices as we go through the fall. However, demand for beef especially in the hotel and restaurant trade will not be positive for feeder cattle prices. Therefore, heavier-weight feeder cattle may have reached a peak in the summer for 2009 when 750-800-pound feeder steers averaged \$102 per

cwt. If the fed cattle prices are close to what the futures market for live cattle suggested, the price of heavy-weight feeders will stay fairly strong as we go through the fall.

Total cow slaughter for the week ending August 29 under Federal Inspection at 124 thousand head was down 2.4 percent from a year earlier. Beef cow slaughter at 59.6 thousand head was down 16.3 percent from 12 months earlier. Dairy cow slaughter was up 15.2 percent from the same date in 2008.

We expect the beef cow herd on January 1, 2010, to be down 1-1.5 percent from 2009, and the dairy cow herd to be down 2-2.5 percent from a year earlier.

There was no feeder cattle sale on Monday this week at Oklahoma City because of the Labor Day holiday. Feeder calf prices for cattle weighing less than 600 pounds in Missouri last week were steady to \$2 per cwt higher than a week earlier. Cattle weighing over 600 pounds were steady to \$2 per cwt lower and Holsteins were steady to \$1 per cwt higher than seven days earlier.

Wholesale beef prices Friday morning showed Choice beef at \$141.41 per cwt, down \$0.81 per cwt from last Friday. Select beef at \$133.73 per cwt was down \$0.47 per cwt from last week.

The weighted average price for live fed cattle through Thursday for the five-market area was \$82.83 per cwt, up \$0.19 from seven days earlier. The weighted average negotiated carcass price for the week through Thursday for the five-market area at \$130.43 per cwt was up \$0.70 per cwt from last week.

Slaughter this week under Federal Inspection was estimated at 562 thousand head, down sharply because Labor Day was celebrated in a different week last year. Δ

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