

Record Year Forecast For Cattle Prices



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Retail beef prices were record high in February for the second month in a row. The average price of choice beef in grocery stores was \$4.618 per pound. That was up 7.5 cents from the month before and up 41.4 cents from February 2010. The farmer's share of the consumer's beef dollar was 49.1 percent, the highest since April 2007. The futures market is forecasting a record year for cattle prices. That will only occur if we keep setting records on retail beef prices.

The destruction caused by the earthquake and tsunami in Japan was the big market mover this week. Japan is the third largest foreign buyer of U.S. beef after Mexico and Canada. Last year, 1.3 percent of U.S. beef production was exported to Japan. Both livestock and grain futures were sharply lower at the start of the week. Corn futures recovered their loss later in the week, cattle futures did not.

The April fed cattle futures contract ended the week at \$111.65/cwt, down \$5.47 from a week ago. The June contract closed out the week down \$5.15 from seven days earlier at \$111.80/cwt. August ended the week at \$114.15/cwt.

Fed cattle prices dropped back from last week's record high to be only the second highest week ever. The 5-area daily weighted average price for slaughter steers sold through Thursday of this week on a live weight basis was

\$114.29/cwt, down \$3.63 from last week's record. Steers sold on a dressed weight basis this week averaged \$184.78/cwt, \$4.55 lower than the week before. This week last year, slaughter steer prices averaged \$94.25/cwt live and \$151.83/cwt dressed.

The boxed beef cutout value set a new record high this week. On Friday morning the choice boxed beef carcass cutout value was \$187.01/cwt, up \$6.18 for the week. The select cutout was up \$6.17/cwt from the previous Friday to \$185.87 per hundred pounds of carcass weight.

This week's cattle slaughter totaled 618,000 head, down 3.0 percent from the week before and down 0.3% compared to the same week last year. Steer carcass weights averaged 829 pounds during the week ending March 5. That was down 1 pound from the week before but 4 pounds heavier than a year ago.

Cash bids for feeder cattle around the country this week were mostly \$2 lower to \$5 higher. Oklahoma City prices were steady to \$3 higher than the previous week. The price ranges for medium and large frame #1 steers were: 400-450# \$161-\$171, 450-500# \$160.50-\$167.50, 500-550# \$155.75-\$160, 550-600# \$151-\$159.75, 600-650# \$146.50-\$153.25, 650-700# \$138-\$147.50, 700-750# \$127-\$135, 750-800# \$125.25-\$132.35, 800-900# \$118-\$125.50, and 900-1000# \$117.25-\$119.75/cwt.

The number of cattle on feed at the start of March was up 5.0 percent compared to a year ago. Placements of cattle into feed yards during March were down 0.6 percent and marketings were up 4.5 percent. These numbers are close to trade forecasts. Δ

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