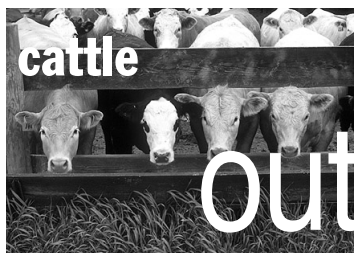


Retail Beef, Fed Cattle Demand Drop



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The November cattle on feed report said there were fewer cattle placed on feed during October than for any October since USDA began the current data series in 1996. Placements were down 12.5 percent, marketings during October were up 2.8 percent (thanks to two extra slaughter days) and the number of cattle on feed was down 5.3 percent.

There were 424 million pounds of beef in cold storage at the end of October. That was down one million pounds from the month before, but up seven million pounds from a year ago.

Retail beef demand was down 0.3 percent in September and export demand was down 5.3 percent. Fed cattle demand was down 0.9 percent.

Beef carcass cutout values were slightly lower this week. On Friday morning, the choice boxed beef carcass cutout value was \$195.75/cwt, down 24 cents from last Friday. The select carcass cutout was at \$174.21/cwt, down 9 cents for the week. The choice-select spread remains very wide at \$21.54/cwt.

Fed cattle prices were a bit higher this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$127.78/cwt, up 45 cents from last week, but down 12 cents from the same week last year.

Steer prices on a dressed basis averaged \$201.29/cwt this week, up 90 cents from a week ago, but down \$2.03 from a year ago. Steer dressed prices are above the choice cutout value.

This week's cattle slaughter totaled 635,000 head, up 8.9 percent from last week which was low due to the Thanksgiving holiday, but down 3.8 percent from a year ago. The average steer dressed weight for the week ending on November 17 was 872 pounds, down 4 pounds from last week, but up 20 pounds from a year ago. This was the 45th consecutive week with steer weights above the year-earlier level.

Oklahoma City stocker cattle prices were \$4 to \$10 higher and feeder cattle prices were \$1 to \$5 higher this week with prices for medium and large frame #1 steers: 400-450# \$173-\$196, 450-500# \$172-\$190, 500-550# \$156-\$178.50, 550-600# \$150-\$169, 600-650# \$143.25-\$158, 650-700# \$140-\$152.25, 700-750# \$142.50-\$147.50, 750-800# \$139.50-\$148.85, 800-900# \$135-\$146.25, and 900-1000# not tested.

The December live cattle futures contract closed at \$126.72/cwt, down \$2.23 from the previous Friday. February cattle settled at \$130.40/cwt, down \$2.32 for the week. April fed cattle contracts settled at \$134.57/cwt. The June fed cattle contract ended the week at \$130.77.

January feeder cattle futures ended the week at \$145.62/cwt, \$2.25 lower than last Friday. March feeders closed at \$148.42/cwt, down \$2.00 for the week. The April feeder cattle contract ended the week at \$149.92/cwt. Δ

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