

Slaughter Steers Up 5 Cents For Week



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Livestock futures were sharply lower on Wednesday with the release of USDA's Broiler Hatchery report. Because of high feed costs, most analysts have been expecting poultry production to be down in 2013. But, USDA says the number of broiler-type eggs set the week ending January 5 was up 1.6 percent from a year ago. This was the fourth consecutive week with egg set above the year-ago level. The bearish news continued today with USDA's January production and price estimates. USDA changed their forecast for 2013 beef production from down 5.0 percent compared to last year to down 4.3 percent. USDA changed their pork production forecast from down 1.7 percent to up 0.2 percent. Broiler production in 2013 is now predicted to be down 0.4 percent rather than down 1.3 percent. Their forecast of turkey production changed from down 3.2 percent to up 0.3 percent. Total red meat and poultry production in 2013 is now predicted to be 1.3 percent lower than in 2012 rather than down 2.6 percent. USDA increased their estimate of feed and residual for grains by 395 million bushels.

Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$126.36/cwt, up 5 cents from last week and up \$2.70 from the same week last year. On a dressed weight basis steers averaged \$204.10/cwt this week.

Beef carcass cutout values were mixed this week. On Friday morning, the choice boxed beef

carcass cutout value was \$194.22/cwt, down 60 cents from last Friday, but up \$10 from a year ago. The select carcass cutout was \$183.81/cwt, up \$1.66 for the week and up \$8.16 year-over-year.

This week's cattle slaughter totaled 624,000 head, up 20.2 percent from the week before, which was light because of New Years Day, but down 3.4 percent from the same week last year.

The average steer dressed weight for the week ending on December 29 was 873 pounds, unchanged from the week before, but up 26 pounds from a year ago. This was the 51st consecutive week with steer weights above the year-earlier level.

Feeder cattle prices generally have been stronger in early 2013. Price ranges at Oklahoma City auctions this week for medium and large frame #1 steers were: 400-450# \$184-\$203, 450-500# \$174-\$190.50, 500-550# \$171-\$186, 550-600# \$161.50-\$180, 600-650# \$148-\$166, 650-700# \$150-\$164, 700-750# \$148-\$156, 750-800# \$146-\$153.25, 800-900# \$138.50-\$152.85, and 900-1000# \$140-\$144.50/cwt.

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The February live cattle futures contract closed at \$130.60/cwt, down \$2.35 from the previous Friday. April cattle settled at \$134.55/cwt, down \$2.22 for the week. June fed cattle contracts ended the week at \$129.70/cwt. Δ

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