

# Tuesday's Futures Market Showed Very Modest Gains



**GLENN GRIMES AND  
RON PLAIN**

Agricultural Economists,  
University of Missouri

## outlook

The May 1 Cattle on Feed report came in relatively close to trade expectations. The number on feed was down 2.9 percent, and the trade estimate was for a 3 percent decline. Placements on feed during April were up 4.2 percent, and the trade estimate was for a 6.3 percent increase. Marketings during April were down 6.9 percent, and the trade estimate was for a decline of 5.8 percent. The futures market on Tuesday showed very modest gains of \$0.05 to \$0.625 per cwt in prices on all but the October contract, which was down \$0.10 per cwt.

Weights of cattle placed on feed during April were lighter than a year earlier for the first time in quite some time. The number placed weighing less than 600 pounds was up 12.7 percent, the number placed weighing 600-699 pounds was up 13.3 percent, 700-799 pounds was down 5.4 percent and weighing 800-pounds-plus was up 1.9 percent compared to a year earlier.

Demand for beef at the consumer level for January-April was down slightly by 0.2 percent from the same months of 2008. The weakness in beef demand appears to be in the hotel and restaurant trade. The demand for live fed cattle

was down 6.6 percent for January-April compared to 12 months earlier. This index reflects the importance of the hotel and restaurant trade.

Retail beef prices in April were down 0.6 percent from March but up 2.4 percent from April of 2008. Retail Choice beef prices for January-April were up 3.6 percent from a year earlier.

The processor-retailer was the segment of the beef industry that gained from the higher retail prices, plus some. The packers' margin for January-April was down 2.7 percent from 12 months earlier, and fed cattle prices were 7.8 percent below the same months in 2008.

The Oklahoma City stockyards were closed Monday for the Memorial Day holiday. With no sale on Monday and a small run on Tuesday, feeder cattle and calf prices were not well tested but a firm undervalue in price was noted.

Weighted average fed cattle prices for the five-market area through Thursday for steers were \$84.51 per cwt, down \$0.42 per cwt from a week earlier.

The weighted average negotiated carcass prices for steers for the five-market area through Thursday at \$135.22 per cwt were down \$0.99 per cwt from seven days earlier.

The wholesale price for beef Friday morning showed Choice beef at \$144.35 per cwt, down \$1.45 per cwt from last week. Select beef at \$139.14 per cwt was down \$1.39 per cwt from a week earlier.

Slaughter this week under Federal Inspection was estimated at 617 thousand head, down 1 percent from the same date last year. Δ

*GLENN GRIMES AND RON PLAIN: Agricultural Economists, University of Missouri*



Link Directly To: **VERMEER**