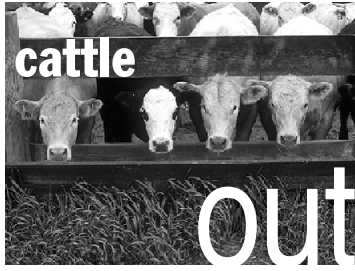


# Weak Consumer Demand Pushes Cattle Prices Lower



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**F**ed cattle prices for the full week last week were pushed between two and three dollars per cwt below a week earlier.

A significant part of the weakening is due to a weak domestic consumer demand, which was down five percent for January-August from a year earlier.

The male-female slaughter ratio for August was at 1:11 was substantially below a year earlier 1:22 and the 10 year average of 1:18. The smaller ratio indicates a larger share of the slaughter ratio is female, another indication that producers are reducing the size of the breeding herd. Remember the beef cow breeding herd was down a little on both January 1 and July 1 of this year compared to a year earlier.

The corn price in the futures market this week at \$4.00 plus some change was down close to 50 percent from the high in June. These lower

prices need to be looked at closely as a buying opportunity for cattle feeders.

Feeder cattle and calves took a hard hit this week at Oklahoma City with prices down \$5-\$10 per cwt from a week earlier.

The price range by weight groups for medium and large frame No. 1 steers at Oklahoma City this week were: 400-500 pounds \$107.50-119.50 per cwt, 500-600 pounds \$103-113 per cwt, 600-700- pound calves \$85-94.25 per cwt, 600-700 pound yearlings \$96.50-102.25 per cwt, 700-800 pounds \$95.50-99.50 per cwt and 800-900 pounds \$93-96 per cwt.

Wholesale beef cutout prices took a roller coaster ride this week with a \$4 per cwt increase in Choice beef on Monday, then over a \$6 decline on Wednesday. On Friday morning, Choice beef at \$149.86 per cwt was down \$2.83 per cwt for the week. Select beef at \$143.64 per cwt was down \$3.31 per cwt from seven days earlier.

Some of this uncertainty in the financial markets carried over into the cattle market this week with the weighted average price the five-market at \$91.50 per cwt down \$4.50 per cwt from Thursday last week. The weighted average negotiated carcass price for the five-market area through Thursday at \$140.85 down \$7.15 per cwt from seven days earlier.

Slaughter this week under Federal Inspection was estimated at 650 thousand head, up 1.7 percent from a year earlier. Δ