

Widespread Drought Hasn't Increased Cow Slaughter



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

outlook

USDA's Crop Progress report says only 22 percent of the corn crop and 30 percent of the soybean crop are in good or excellent condition. A year ago the numbers were 54 percent and 57 percent, respectively. Nationally, only 18 percent of pastures are rated as being in good or excellent condition. A year ago 36 percent were. This week's report says 1 percent of pastures in Missouri are rated as being in fair condition with 10 percent poor and 89 percent very poor.

The remnant of hurricane Isaac is bringing rain to some of the parched Midwest. Too late for corn, but it may help fall pasture growth.

Despite the widespread drought, cow slaughter is not up. During the 6 weeks ending on August 18, cow slaughter was down 4.6 percent from a year ago (beef cow slaughter was down 15.8 percent and dairy cow slaughter up 12.0 percent). In part, this is due to last summer's drought in the southern plains which sent a lot of beef cows to market. Why did last summer's drought cause such a jump in beef cow slaughter? The southern plains have mild winters and thus have minimal hay production. Northern U.S. cattlemen feed their winter hay supplies during summer droughts, which allows delayed culling of cow herds.

Beef carcass cutout values were lower this week. On Friday morning, the choice boxed beef carcass cutout value was \$189.86/cwt, down

\$3.79 from last Friday. The select carcass cutout was down \$5.22 from the previous week to \$179.59/cwt.

Fed cattle prices were mixed this week. Through Thursday, the 5-area average price for slaughter steers sold on a live weight basis was \$119.53/cwt, down 78 cents from last week, but up \$6.81/cwt from the same week last year. Steer prices on a dressed basis averaged \$188.76/cwt this week, up \$1.31 from a week ago, and up \$11.58/cwt from a year ago.

Calculations by the Livestock Marketing Information Center put cattle feeding losses above \$300 per head for fed cattle slaughtered in July. I believe that is the worst ever.

This week's cattle slaughter totaled 641,000 head, down 1.8 percent from last week and down 3.3 percent from a year ago. The average steer dressed weight for the week ending August 18 was 865 pounds, up 3 pounds from the week before and up 16 pounds from a year ago. That was the 32nd consecutive week above year-earlier.

Oklahoma City feeder cattle prices were steady to \$5 higher this week with prices for medium and large frame #1 steers: 400-450# \$188-202, 450-500# \$159-\$170, 500-550# \$152-\$165.50, 550-600# \$145-\$152.50, 600-650# \$135-\$146, 650-700# \$135-\$150.75, 700-750# \$135-\$146.50, 750-800# \$132-\$143, 800-900# \$134-\$140, and 900-1000# \$127.50-\$135/cwt.

The October live cattle futures contract settled at \$126.02/cwt, up \$1.57 from the previous Friday. December cattle closed at \$128.65/cwt, up 78 cents from the previous Friday. September feeder cattle futures ended the week at \$144.60/cwt, \$1.65 higher than last Friday.

△

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



Link Directly To: **PIONEER**



Link Directly To: **RICETEC**