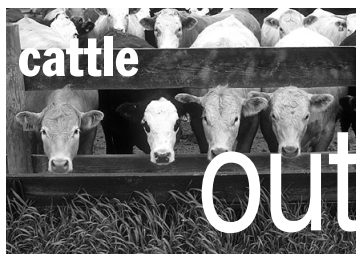


Retail Beef Prices Reach Record High In September



**GLENN GRIMES AND
RON PLAIN**

Agricultural Economists,
University of Missouri

outlook

USDA's October cattle on feed report was slightly bearish. It said that the number of cattle placed on feed during September was up 0.2 percent and marketings were up 0.6 percent, leaving the number on feed October 1 up 4.9 percent compared to a year earlier. The pre-release trade forecast expected placements to be down 3.5 percent, marketings up 0.6 percent, and the October 1 on-feed number to be up 3.9 percent.

Retail beef prices were record high during September for the second consecutive month. Choice beef in grocery stores averaged \$4.914 per pound, up 4.2 cents from August and 48.9 cents higher than in September 2010.

The September 5-area live weight price for slaughter steers averaged \$117.50/cwt.

The U.S. dollar reached a record low against the Japanese Yen this week with only 76 yen needed to buy a dollar. The dollar is the weakest against the Chinese Yuan of anytime since 1993. A weak dollar helps boost U.S. exports, but makes imports more costly. Both U.S. beef and pork exports are expected to set annual records this year.

Friday morning the choice boxed beef carcass cutout value was \$184.00/cwt, down \$1.27 from last week. The select carcass cutout was down 84 cents from the previous Friday to

\$167.72 per hundred pounds of carcass weight. The choice-select spread, \$16.28, is very large.

Despite lower cutout value, fed cattle prices were higher this week. The 5-area average price for slaughter steers sold through Thursday of this week on a live weight basis was \$120.73/cwt, up \$1.73 from last week. Steers sold on a dressed weight basis averaged \$190.60/cwt, \$2.82 higher than the week before. This week last year live steer prices averaged \$100.83/cwt and dressed steers averaged \$159.09/cwt.

This week's cattle slaughter totaled 651,000 head, up 0.2 percent from the week before and down 2.7 percent compared to the same week last year. The average steer dressed weight for the week ending October 8 was 858 pounds, up 3 pounds from the week before and down 1 pound from a year ago. This was the first week with steer weights below year-ago since early December.

Cash bids for feeder cattle around the country this week were mostly steady to \$6 higher. Prices this week at Oklahoma City were steady to \$8 higher with price ranges for medium and large frame #1 steers: 400-450# \$154-\$165, 450-500# \$148-\$158, 500-550# \$144-\$154, 550-600# \$136-\$145.75, 600-650# \$130-\$147.50, 650-700# \$127-\$146.75, 700-750# \$125-\$144.50, 750-800# \$138-\$140, 800-900# \$131.25-\$138.50 and 900-1000# \$127-\$130.

The October live cattle futures contract ended the week at \$121.97/cwt, up 27 cents from last week's close. December fed cattle lost \$1.05 to end the week at \$122.15/cwt. February live cattle futures settled at \$124.80/cwt, down 57 cents from last Friday. △

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



PIONEER
A DUPONT COMPANY

Link Directly To: **PIONEER**