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## In The Cattle Markets

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### Fed Steer Marketings Ramp Up Seasonally

Steer slaughter has begun to ramp up, seasonally, over the last month. Slaughter is up about 9 percent from mid-March to mid-April. The almost 30,000 head per week increase is relatively close to the increase in slaughter seen over the last five years, on average, and last year.

One of the interesting notes in the cattle market over the last year has been the relatively low level of steer slaughter. While the cow herd and the calf crop have continued to grow, steer slaughter over the last 52 weeks is 1.5 percent below the previous 52 weeks. So far this year, steer slaughter is about 2.7 percent below a year ago. Over time, steer slaughter should, roughly, match the growth in the calf crop. Unlike heifers, there's not much else to do with a steer.

Steer dressed weights normally decline until late May to early June. Weights this year have followed that seasonal pattern, but have been below last year's weights until the last couple of weeks. Weights averaged 857 pounds for the last reported week, about same as last year. The cattle on feed report has indicated more cattle on feed than a year ago and extremely large numbers on feed longer than 120 days. With some good weather, it's likely that weights will outpace last year's level, adding to beef production. The quarterly cattle on feed report did indicate fewer steers on feed on April 1, 2019 than a year ago. But, steer slaughter ramping up seasonally and heavier weights does imply growing beef production into the summer.

Increases in beef production have come from heifer and cow slaughter. Fed heifer slaughter is 11 percent higher than a year ago over the last four weeks, and 9 percent higher for this year. Driven by the financial wreck in the dairy industry, dairy cow slaughter has been the highest since the dairy herd buyout days of the 1980s, at over 70,000 head per week in March. Dairy cow slaughter has finally resulted in milk production falling below a year ago providing some hope for higher milk prices.

Over the next few weeks watch for increasing steer slaughter and increasing steer and heifer dressed weights. Reduced dairy cow slaughter and higher cow beef cutout values may provide some hope for higher cull cow prices in coming weeks.

### The Markets

Rains have sharply reduced the drought impacted area in Texas according to the Drought Monitor map. Rains and warm weather have grass growing rapidly and fueled steady to higher calf prices in local markets. The Choice-Select spread widened at the end of the week as Select prices declined a little more than Choice.

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 5/3/19</b>	<b>Week of 4/26/19</b>	<b>Week of 5/4/18</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$123.76	\$126.69	\$124.81
	all grades, dressed weight, \$/cwt	\$198.92	\$204.58	\$193.65
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$230.27	\$233.49	\$226.80
	Choice-Select Spread, \$/cwt	\$13.91	\$12.83	\$19.12
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$147.19	\$152.91	\$156.32
	Nebraska 7-market, \$/cwt	\$153.07	\$161.24	\$152.57
	Oklahoma 8-market, \$/cwt	\$144.02	\$149.95	\$146.06
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$179.90	\$184.83	\$184.67
	Nebraska 7-market, \$/cwt	\$181.35	\$191.38	\$191.85
	Oklahoma 8-market, \$/cwt	\$169.67	\$177.08	\$169.15
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.67	\$3.54	\$3.85
	DDGS, Nebraska, \$/ton	\$123.50	\$131.50	\$170.00