

In The Cattle Markets

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Beef Price Action Before Christmas

While there have been some ups and downs, the Choice beef cutout has generally trended lower since it hit its peak back in June. The weekly average peak in mid-June was \$339.93 per cwt. but the Choice cutout has averaged right at \$300.00 per cwt for the year, 13.6 percent more than last year. While the cattle and calf markets have been on a wilder ride lately, the weekly cutout has ranged from \$307 to \$297 since mid-September. Underlying the cutout value are individual primal cuts that have their own seasonality to them driven by holidays, changing seasons, and supplies.

The primal rib value hit \$573 per cwt last week, its highest value of the year, and higher than the \$515 per cwt last year at this time. The primal rib typically increases this time of year heading into the holidays. Wholesale ribeyes have increased as well, hitting \$13.46 per pound last week.

The loin primal hit its peak at \$495.95 per cwt back in mid-year, as is normal. The primal loin value was \$388.14 per cwt last week and has crept up a little over the last few weeks. Wholesale strip loins also peaked in mid-year at \$10.58 per pound.

Primal chucks and rounds have fallen dramatically in value since the end of October. The round has declined from \$271 per cwt to \$230 last week. Over the same period, the chuck has declined from \$265 to 238 per cwt. While lower, they remain well above last year.

Short plates and flanks have declined sharply, much like the chuck and round. The short plate has been on a remarkable run this year, from highs over \$270 per cwt to \$169 per cwt last week. In mid-year, the short plate was the 3rd highest value primal following only the rib and loin. Flank values had a similar run this year, peaking mid-year at \$234 before declining steadily to \$131 per cwt last week. The flank is the only primal currently with a value lower than last year's at this time.

Overall, primal beef values are exhibiting their regular seasonal price behavior. The middle meats, largely the rib, are increasing in value while the end meats are declining in value. For the year, each primal has averaged from 3.4 percent (brisket) to 15.1 percent (loin) more than last year.

The Markets

Beef cow culling has surged as evidenced by federally inspected beef cow slaughter. The last two weeks have seen slaughter in excess of 80,000 head per week and have been larger than a year ago at this time. Increased slaughter has contributed to seasonally lower cull cow prices,

even though higher cull prices are encouraging more sales. The Choice-Select spread continues to be historically wide. Fed cattle prices slid some more from the prior week.

<i>Data Source: USDA-AMS Market News</i>		Week of 12/1/23	Week of 11/24/23	Week of 12/2/22
5-Area Fed Steer	all grades, live weight, \$/cwt	\$174.45	\$176.77	\$156.42
	all grades, dressed weight, \$/cwt	\$274.59	\$278.73	\$248.55
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$297.79	\$296.65	\$253.53
	Choice-Select Spread, \$/cwt	\$32.09	\$27.62	\$27.75
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$225.65	\$215.00	\$182.76
	Nebraska 7-market, \$/cwt	\$239.75	\$248.71	\$197.25
	Oklahoma 8-market, \$/cwt	\$224.63	\$223.95	\$176.96
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	\$274.65	\$269.21	\$204.20
	Nebraska 7-market, \$/cwt	\$282.17	\$291.53	\$216.64
	Oklahoma 8-market, \$/cwt	\$283.59	\$286.02	\$197.84
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$4.71	--	\$7.18
	DDGS, Nebraska, \$/ton	\$227.00	--	\$269.67