

In The Cattle Markets

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Wholesale Beef Prices and Cattle Prices

While fed cattle prices have jumped again, hitting \$170 per cwt in some markets for the last week of March, wholesale beef prices have not increased along with cattle prices. The Choice beef cutout averaged \$280.51 per cwt last week, up about \$14 per cwt compared to the same time last year. The cutout has declined about \$8 per cwt over the last 5 weeks.

Wholesale prices for a few cuts reveal some interesting ups and downs. Ribeyes, strip loins, and full tenderloin prices have all declined over the last month. Boneless ribeyes averaged \$9.83 per pound last week after hitting \$10.69 earlier in the month. Ribeyes have often hit a seasonal peak in recent years around the Memorial Day holiday as a grilling feature. While a little early for that peak, tight supplies in the first quarter of the year probably contributed to some higher prices. Strip loins have fallen back to \$7.57 per pound, about equal to last year, after reaching \$8.77 a few weeks ago. The peak in strips is also a little earlier than usual and likely due to tighter supplies as fewer fed cattle go to market.

Tighter supplies of fed cattle and the sharp decline in beef cows going to slaughter have contributed to rapidly escalating wholesale boneless beef prices. Ninety percent lean boneless beef has increased steadily this year from \$2.45 per pound in January to \$2.74 per pound last week. That is only about 9 cents per pound lower than last year at this time. Large beef cow slaughter kept lean boneless beef prices declining through most of 2022. That is likely to be reversed as beef cow slaughter has sharply declined so far this year. Weekly slaughter in mid-March was 61,000 head compared to 75,000 head the same week last year. That was also the smallest non-holiday weekly beef cow slaughter since April 2021. Fifty percent lean boneless beef prices hit \$1.44 per pound last week as fed cattle beef production tightened.

Falling wholesale steak cut prices and rising wholesale boneless beef might suggest some changes in consumer purchases to come. USDA weekly beef featuring data indicated 69 percent of surveyed grocery stores running some kind of feature last week compared to about 62 percent the same week last year.

The Markets

Local Texas auction markets were mixed last week with a few reporting some higher prices and others steady to lower prices. Prices have stabilized in the last couple of weeks following several weeks of increases like other markets around the country. More Spring rains would be welcome across many areas of the state. The Choice-Select spread remains relatively narrow. The sharp increase in fed cattle prices last week brought the feeder steer to fed steer price ratio closer to a more normal levels.

<i>Data Source: USDA-AMS Market News</i>		Week of 3/31/23	Week of 3/24/23	Week of 4/1/22
5-Area Fed Steer	all grades, live weight, \$/cwt	\$168.74	\$164.41	\$139.32
	all grades, dressed weight, \$/cwt	\$270.36	\$265.06	\$222.61
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$280.51	\$280.98	\$266.19
	Choice-Select Spread, \$/cwt	\$10.88	\$10.39	\$7.49
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$201.58	\$196.63	\$169.46
	Nebraska 7-market, \$/cwt	\$206.90	\$198.10	\$168.39
	Oklahoma 8-market, \$/cwt	\$192.74	\$189.33	\$162.09
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	\$255.15	\$255.88	\$205.77
	Nebraska 7-market, \$/cwt	\$247.53	\$250.02	\$201.41
	Oklahoma 8-market, \$/cwt	\$238.42	\$236.38	\$199.50
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$6.81	\$6.65	\$7.46
	DDGS, Nebraska, \$/ton	\$272.00	\$272.40	\$305.00