

# CATTLE MARKET NOTES

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Last week cash prices improved to \$93 to \$93.50 in about all regions. This was an increase of \$1 to \$1.50 from the prior week. Dressed prices were \$148 to \$149 – a \$2 to \$3 improvement over the previous week. This week, feeders started the week asking \$95 against bids of around \$90. Cattle futures started the week on a mostly down note, with most contracts falling sharply on Tuesday on the influence of outside markets that were largely in turmoil. By Friday, even steady cash prices were out of the question. On Friday, moderate trade developed in all regions. Cattle traded hands at \$90 to \$90.50 – off \$2.50 to \$3 from last week. Cattle slaughter is expected to be pretty large this week: 640,000 head compared to 630,000 head a week ago and 634,000 a year ago. Hog slaughter jumped back up a little this week, with this week's slaughter estimated at 2,227,000 head this week compared to 2,187,000 last week and 2,123,000 head a year ago.

With feeder futures being pummeled by higher grain futures for a good part of the week, calf prices had a bit of a tough time. Stocker prices appeared to hold up a bit better than feeder prices, but prices on all classes were lower in many locations. At Oklahoma City, prices on all classes were called \$1 to \$3 lower, with late sales at mostly \$4 lower. Receipts at OKC were large again this week but should taper off considerably next week. At Lexington, Kentucky, prices on feeder steers were steady to \$4 lower; prices on feeder heifers were \$3 to \$5 lower. Prices on stocker steers were mostly steady, and stocker heifer prices were steady to \$4 higher. At West Plains, Missouri, prices were called steady to \$3 lower in a very light test due to inclement weather. At Arkansas auctions this week, prices on all classes were called weak to \$3 lower. At Georgia auctions, feeder steer and heifer prices were \$1 to \$3 lower. Stocker steer prices were steady to \$3 lower, and stocker heifer prices were \$1 to \$3 lower.

At Mississippi auctions this week steer prices were steady, and heifer prices were \$1 to \$5 lower. Receipts were 6,294 head, up from 6,139 the same week a year ago. Steer prices at Mississippi auctions this week were reported as follows: 250-300 pounds, \$130-\$140; 300-400 pounds, \$120-\$130; 400-500 pounds, \$110-\$120; 500-600 pounds, \$100-\$110; 600-700 pounds, \$90-\$100; 700-800 pounds, \$80-\$90. Slaughter cow prices were \$5 higher this week. For the week: breakers, not reported; boners, \$50-\$60; lean (850-1,200 pounds), \$50-\$60.

Live cattle futures were generally lower this week. Higher corn futures in the early part of the week provided some support for deferred contracts; however, the general uncertainty created by the very volatile crude oil market was not too good for livestock futures this week. Lower hog futures in response to weaker cash hog bids also did not help nearby cattle contracts any. Closing prices on Friday (with change from last Friday's close in parentheses) were as follows: April \$90.52 (-3.80); June \$92.00 (-3.32); August \$96.32 (-2.25); October \$101.65 (-1.85); December \$103.17 (-1.43).

Feeder cattle futures took a pretty hard beating this week. Surging oil futures helped to pull up grain markets this week. This effect was compounded by ideas that recent corn acreage estimates from USDA may be a little on the high side. On Thursday, the March feeder contract broke below \$100 to close at its lowest level since mid-January (when the life-of-contract low was established). On Friday, though, it looked as though the corn rally had run its course, and corn contracts through July 2009 were down the daily limit. This supported feeder cattle, and all contracts closed higher on the day. Still, it was not enough to undo the damage caused earlier in the week. Feeder Cattle

futures closing prices on Friday (with change from last Friday's close in parentheses): March \$100.60 (-3.05); April \$103.97 (-2.98); May \$107.55 (-2.87); August \$111.77 (-1.23).

Corn futures started the week sharply higher, building on last week's gains largely on the strength of speculative buying. Outside markets were red hot early in the week, led by crude oil which got a boost from OPEC's decision not to expand production. Corn was also supported by concern that USDA's mid-February planting estimate of 90 million acres could turn out to be unrealistically high. On Friday, though, corn futures gave back all of the week's gains and then some, declining sharply in sympathy with soybeans (which were pushed lower by an announcement by China that it would be selling vegetable oil in the world market) and on profit taking. March corn futures closed on Friday at \$5.33 ½, down 12 ½ cents from last Friday's close.

Wholesale prices for Choice beef improved respectably through about mid-week before falling rather sharply on Thursday and Friday. Select wholesale prices were again fairly stable this week. On Friday afternoon, the Choice cutout stood at \$147.71, down \$2.10 from last Friday. The Select cutout stood at \$146.04, down 61 cents from last Friday.

## Market Summary

### Mississippi Auction Summary

Weight	Steers	Heifers	Slaughter Classes	
300-350	\$120-\$130	\$105-\$115	Breakers	not reported
350-400	\$120-\$130	\$105-\$115	Boners	\$50-\$60
400-450	\$110-\$120	\$100-\$105	Lean	\$50-\$60
450-500	\$110-\$120	\$100-\$105	Bulls, YG 1-2, <1,500 lbs	\$60-\$67
500-550	\$100-\$110	\$90-\$100	Bulls, YG 1-2, >1,500 lbs	\$64-\$73
550-600	\$100-\$110	\$90-\$100		
600-650	\$90-\$100	\$81-\$90		
650-700	\$90-\$100	\$81-\$90		
700-750	\$80-\$90	not reported		
750-800	\$80-\$90	not reported		

Note: Steer and heifer prices are for medium and large frame, numbers 1-2.

Source: USDA Agricultural Marketing Service

### Futures Prices

Month	Live Cattle	Change*	Feeder Cattle	Change*	Lean Hogs	Change*	Corn	Change*
Mar			\$ 100.60	-3.05			\$533 1/2	-12 1/2
Apr	\$ 90.52	-3.80	\$ 103.97	-2.98	\$ 57.85	-2.10		
May			\$ 107.55	-2.87	\$ 68.62	-2.18	\$547 1/4	-9 1/4
Jun	\$ 92.00	-3.32			\$ 74.10	-2.25		
Jul					\$ 78.05	+0.20	\$559	-9 1/2
Aug	\$ 96.32	-2.25	\$ 111.77	-1.23	\$ 79.57	+0.97		
Sep			\$ 111.87	-1.18			\$559	-6 1/4
Oct	\$ 101.65	-1.85	\$ 112.25	-1.25	\$ 74.42	+1.37		
Nov			\$ 112.25	-0.07				
Dec	\$ 103.17	-1.43			\$ 76.17	+0.97	\$559 1/4	-5 1/2
Jan			\$ 111.25	+0.40				
Feb	\$ 104.92	-0.03			\$ 79.50	+0.60		

Source: Chicago Mercantile Exchange and Chicago Board of Trade.

\* Change from last Friday's close.

## Price and Production Summary

	This Week	Last Week	Last Year
<b>5-Area Fed Steer Price</b>			
Live	\$ 90.87	\$ 92.19	\$ 97.78
Dressed	\$ 145.32	\$ 147.96	\$ 155.05
<b>OKC Feeder Cattle Prices</b>			
7.5-8 wt M&L #1 steer	\$ 100.39	\$ 103.11	\$ 102.10
5-5.5 wt M&L #1 steer	\$ 122.37	\$ 124.81	\$ 116.29
<b>BBCV (weekly avg.)</b>			
600-900 lb Choice cutout	\$ 150.03	\$ 149.41	\$ 155.70
600-900 lb Select cutout	\$ 147.03	\$ 146.67	\$ 147.49
<b>Other Livestock Prices</b>			
Barrows and Gilts (base price)	\$ 52.31	\$ 55.29	\$ 61.39
Pork Carcass Cutout	\$ 59.28	\$ 60.45	\$ 68.32
Georgia Dock Broilers	\$ 79.74	\$ 79.16	\$ 75.95
Georgia Dock B/S Breasts	\$ 147.50	\$ 148.00	\$ 158.50
<b>Feed Prices (\$/ton)</b>			
Whole Cottonseed	\$ 310.00	\$ 290.00	\$ 158.00
Cottonseed Meal	\$ 270.00	\$ 270.00	\$ 195.00
Corn Gluten Feed	\$ 160.00	\$ 160.00	\$ 125.00
Distillers' Dried Grains	\$ 168.00	\$ 167.00	\$ 132.50
Wheat Midds	\$ 180.00	\$ 105.00	\$ 120.00
Rice Bran	\$ 107.50	\$ 109.00	\$ 107.50
Soybean Hulls	\$ 152.00	\$ 148.00	\$ 128.00
<b>Meat Production (million lbs)</b>			
Beef	495.0	487.7	482.2
Pork	452.4	443.9	429.1
<b>Slaughter (1,000 head)</b>			
Cattle	640	630	634
Hogs	2,227	2,187	2,123
Broilers/Fryers	170,642	166,086	159,281
<b>Avg. Dressed Weight</b>			
Cattle	776	777	764
Hogs	203	203	202

Source: USDA Agricultural Marketing Service and Livestock Marketing Info. Ctr.

Note: All feed prices for Memphis market except DDG (E. Corn Belt) and Rice Bran (AR).