

In The Cattle Markets

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The Holiday Cattle Market

We are calling this the “Holiday” report because it will summarize events for the week ending December 19 and the holiday shortened week ending December 26. Most feeder cattle auctions were closed the week of December 21-26 and most packers shut down on December 25 and 26 with some reducing schedules on December 24.

The December USDA-NASS Cattle on Feed report, released on December 18, indicated cattle on feed on December 1 at 99.4 percent of a year ago, November fed cattle marketings at 103.6 percent, and November placements at 91.5 percent.

The magnitude of the placement decline was a surprise to some because pre-report trade expectations were for placements to be down about 5 percent. Lower placements were expected due to a smaller 2009 calf crop and fewer feeder cattle imports from Canada. The greater magnitude of decline may have been a Northern Plains and Corn Belt event. For example, North Dakota feeder cattle auction volume in November was about 75 percent of a year ago and there are several reasons for that. Mild weather and good forage conditions resulted in many calves being weaned a month later than last year when winter set in early and drought limited forage availability. In addition, a late harvest meant producers were focused on harvesting rather than working cattle. And cattle operations that graze cows on corn stalks after weaning the calves waited until the corn was harvested to wean. By the end of November, only about half the corn had been harvested in North and South Dakota. Feeder calf marketings at auctions in N.D. and S.D. did increase in December, and during the week ending December 19 the combined marketings in those two states were up 32 percent from last year. A good volume of steer calves in the Northern Plains will likely be marketed in January and February. A number of heifer calves, due to historically sharp price discounts and their lighter weights, may be backgrounded and either marketed later or retained for breeding.

The Markets

As stated earlier, this is a recap for the week ending December 19 due to the limited trading during the holiday week ending December 26.

Fed cattle prices on a live weight basis recovered \$1.61 from the yearly low posted the previous week and dressed weight prices increased 48 cents. Trade and demand was moderate in Kansas on Wednesday, light to moderate on Thursday in Nebraska, and moderate to good in the Texas Panhandle on Friday. Choice boxed beef posted a nice \$2.54 increase for the week to \$138.63 and the choice-select spread advanced almost \$1. Most feeder cattle markets followed the fed cattle and posted moderate gains except for the 5-600 lb. steers in Oklahoma that declined \$1.55 from the previous week. Corn prices on Thursday in Omaha were 13 cents

a bushel higher than the previous week. The Nebraska DDGS price moved up 80 cents a ton while the WDGS lost 80 cents.

		Week of	Week of	Week of
<i>Data Source: USDA-AMS Market News</i>		12/18/09	12/11/09	12/19/08
5-Area Fed Steer	all grades, live weight, \$/cwt	\$80.81	\$79.20	\$83.67
	all grades, dressed weight, \$/cwt	\$128.00	\$127.52	\$132.05
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$138.63	\$136.08	\$143.08
	Choice-Select Spread, \$/cwt	\$7.80	\$6.84	\$8.26
700-800 lb. Feeder Steer Price	Montana 3-market average, \$/cwt	\$91.40	\$90.76	\$86.06
	Nebraska 7-market average, \$/cwt	\$97.29	\$94.94	\$92.87
	Oklahoma 8-market average, \$/cwt	\$94.47	\$94.03	\$90.88
500-600 lb. Feeder Steer Price	Montana 3-market average, \$/cwt	\$107.36	\$105.17	\$95.01
	Nebraska 7-market average, \$/cwt	\$109.37	\$105.95	\$105.95
	Oklahoma 8-market average, \$/cwt	\$103.59	\$105.14	\$95.12
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$3.64	\$3.51	\$3.79
	DDGS Price, Nebraska, \$/ton	\$125.90	\$125.10	\$107.50
	WDGS Price, Nebraska, \$/ton	\$36.00	\$36.80	\$40.00