

Boxed Beef Prices

Boxed beef prices were \$132.98 for Choice and \$125.27 for Select on August 22, 2005. The choice select spread is up from a week ago. While in many instances the widening is due to increasing supplies of select cattle relative to choice, there are reports of packers having difficulty finding ample numbers of choice cattle. Final Labor Day needs are being filled so there should be a little better buyer interest this week. This is likely to remain in place over the next couple of days.

Consumer Demand

Beef demand is down slightly and it shows in the retail beef prices, which were lower by 19.1 cents than July 2004 and 18.6 cents from June 2004. Two "explanations" for the decline in meat demand have been postulated: the fading popularity of the Atkins Diet and high gasoline prices.

Corn

On August 12, the USDA released its first crop production report for the 2005 crop year. A key number in this report was the U.S. yield estimate for corn. The U.S. 2005 corn yield estimate was 139.2 bu/ac. This is below the 27 year trend yield of 143 bu/ac and a whopping 21.2 bushels below last year's yield. The estimate for Wisconsin was at 130 bu/ac, as compared with 136 bu/ac in 2004. The question becomes, how has the yield potential changed since August 1. These production estimates will be updated each month through November.

Fed Cattle Market

The 5-area fed cattle prices declined last week. The daily weighted average price for slaughter steers sold through last Thursday was \$79.09/cwt on a live weight basis, down 90 cents from the week earlier and \$7.84 lower than a year ago. Steers sold on a dressed basis averaged \$124.78/cwt, \$2.38 lower than the week before, and \$12.05 lower than the same week of 2004. Fed cattle prices were mostly \$1 lower last week at \$79. The 5 area price was \$79.09 live versus \$79.99 two weeks ago.

Wisconsin fed cattle trade occurred last week at steady to stronger prices. The weekly weighted average price for Choice Slaughter Steers on a live weight basis was \$80.39; for Select Slaughter Steers on a live weight basis, \$77.91. The weekly weighted average price for Choice Slaughter Holstein Steers on a live weight basis was \$73.04; for Select Slaughter Holstein Steers on a live weight basis, \$67.29.

Market when the cattle are ready. The Canadian inflow has been put in the market and the Japanese seem in no hurry to open trade. There may be a gradual improvement in cash prices as we go through the fall, but probably not enough to justify fat cattle.

Feeder Cattle Market

Feeder cattle prices were steady to lower at most markets last week. The price ranges on the Oklahoma City report for medium and large frame steers were: 450-500# \$128.75-\$141, 500-550# \$124-\$143, 550-600# \$117.25-\$131, 600-700# \$109.25-\$120, 700-800# \$108-\$116, and 800-1000# \$102.25-\$107.50/cwt. I have no Wisconsin feeder cattle information for last week.

