



# ILLINOIS FARM AND FOOD OUTLOOK

## COLLEGE OF AGRICULTURE DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

July 23, 1975

### FED CATTLE IN SHORT SUPPLY DURING SUMMER

CATTLE ON FEED in the 23 major feeding states on July 1 numbered 8,542,000 as reported by the U.S. Department of Agriculture. This was 15 percent less than the 10,047,000 on feed a year ago, and sharply under the record high of 12,729,000 in 1973. However, cattle feeders indicated they expected to market only 5 percent fewer fed cattle than one year ago. There were 5,695,000 steers and steer calves on feed, 22 percent less than a year ago. But the 2,782,000 heifers and heifer calves represented an increase of 3 percent from last year. Fed beef will remain in short supply during much of the summer; but non-fed slaughter is likely to increase sizeably.

### WEIGHT OF CATTLE ON FEED

The heavier weight classes of cattle were down the most. Steers over 1,100 pounds were down 52 percent. Heifers over 900 pounds were down 14 percent. Most of these cattle have now been marketed. Steers in the 900- to 1,099-pound weight class and heifers weighing 700 to 899 pounds totaled 3,108,000--17 percent less than a year ago. These cattle will provide the bulk of the marketings for July and August. Steers weighing 700 to 899 pounds and heifers weighing 500 to 699 pounds numbered 3,240,000--were down 5 percent from a year ago. These cattle will be moving to market in the late summer and early fall.

### PLACEMENTS OF CATTLE ON FEED INCREASE

The cattle placed on feed from April through June totaled 5,535,000. This was an increase of 17 percent over the number placed on feed during the same period last year. The decline in cattle feeding has bottomed out, and is now on the up-swing. Strong market prices of cattle and prospects of a large feed supply are likely to continue to hasten placements. With total inventories of cattle at a record level, feeder cattle are in adequate supply.

### NON-FED SLAUGHTER WILL INCREASE

The average price of choice cattle increased sharply this spring. Much of this was the result of the scarcity of choice cattle, but reduced total slaughter and increased consumer incomes also supported the rise. Even though more cattle

were being slaughtered than last year, beef supplies dropped below those of a year ago because of the lighter weight of cattle.

Pasture conditions have generally been very good, and cattle could be held on pasture. At the end of summer, many will have to move. Non-fed slaughter will increase. Slaughter this fall will exceed that of last year.

The prices of Choice cattle will probably decline slowly this summer, as beef supplies increase. Prices of Choice cattle may be in the mid-forties at the end of the summer. But the average price for Choice cattle will be well above the figure of about \$44 per hundred which they averaged last year.

In March when the advance in cattle prices started, the level of retail beef prices was at the lowest point in more than two years. Retail beef prices lagged as cattle prices increased. They are likely to have peaked now, but will remain near the current level through the balance of the summer, and will decline with the increased beef supply this fall.

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