

# AGRICULTURAL GUIDE

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Livestock Prices

## Seasonal prices for meat animals

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Part of the change in livestock prices is a seasonal fluctuation that repeats itself each year. For some classes of livestock, these seasonal price swings have been consistent for a number of years; for others, the seasonal pattern has changed.

Seasonal ups and downs result mostly from seasonal variations in marketings. Innovations in livestock production and marketing alter the seasonal patterns. For any given year, a cyclical change in price may override the seasonal pattern.

Seasonal price changes are important to consider when developing or making adjustments in a livestock production program. The following charts present the average monthly price variations for several classes of livestock for 1976-85.

### Slaughter steers

During the past 10 years, the seasonal pattern for choice slaughter steers (Figure 1) has had a high in May and a low in November. September and October prices have averaged only slightly higher than November. Good grade steers (Figure 2) have followed a similar pattern. The low, however, occurs in September.

Since cattle feeding is a year-round business, you can make adjustments to increase or decrease marketings in any particular period. Consequently, the seasonal pattern for fed slaughter cattle probably will be unstable in the future. The slower feedlot gains associated with winter feeding probably will contribute to stronger prices in the spring on average.

### Slaughter cows

The seasonal trend in slaughter cow prices (Figure 3) has been consistent for the past several years. In spring, when grass is abundant, marketings are seasonally low, and prices are usually at their annual peak. During the 1976-85 period, the high was in April and the low was in November and December.

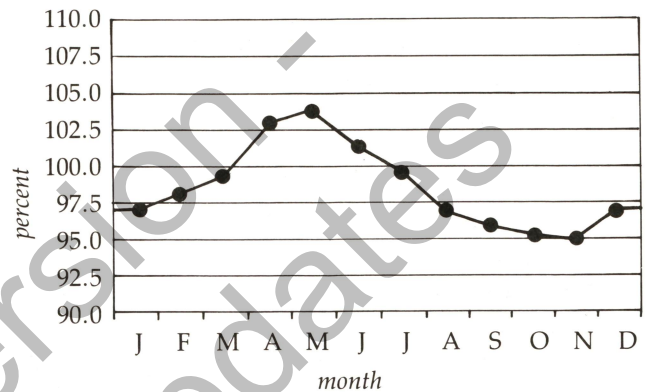


Figure 1: Slaughter Steers, Choice, 900-1100#, Monthly Average as % of Annual Average (1976-1985), Omaha

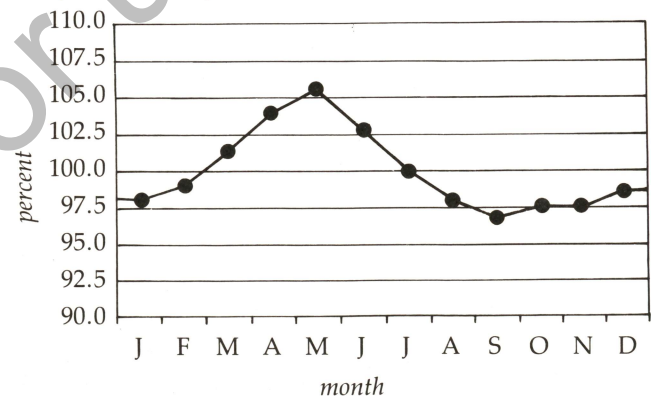


Figure 2: Slaughter Steers, Good, 900-1100#, Monthly Average as % of Annual Average (1976-85), Omaha.

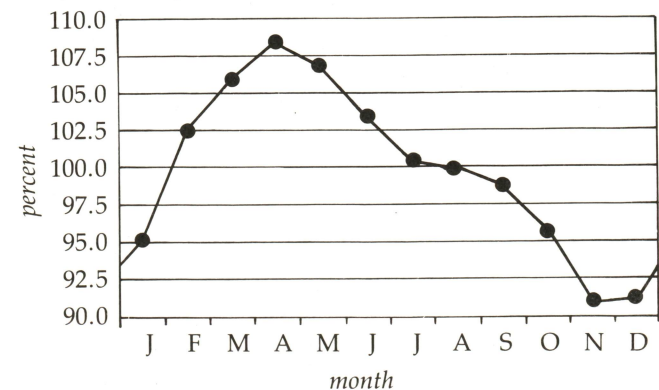


Figure 3: Utility Cows, Monthly Average as % of Annual Average (1976-1985), Omaha.

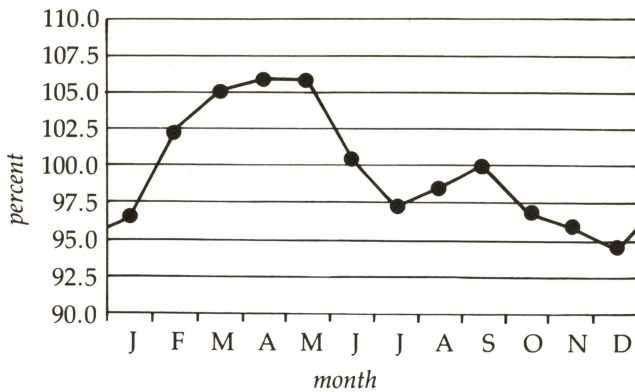


Figure 4: Choice Steer Calves, 400-500#, Monthly Average as % of Annual Average, (1975-85), Kansas City.

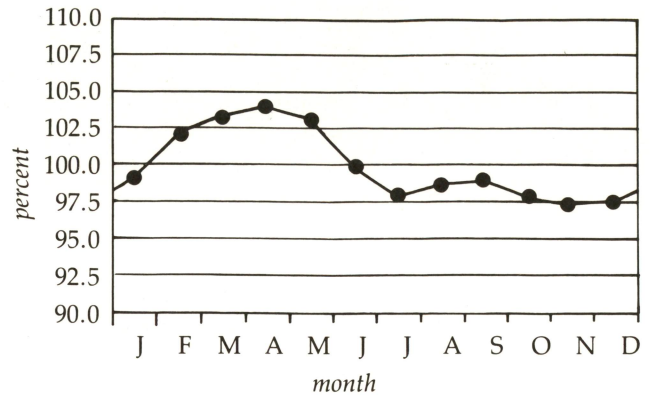


Figure 5: Choice Feeder Steers, 600-700#, Monthly Average as % of Annual Average, (1975-1985), Kansas City.

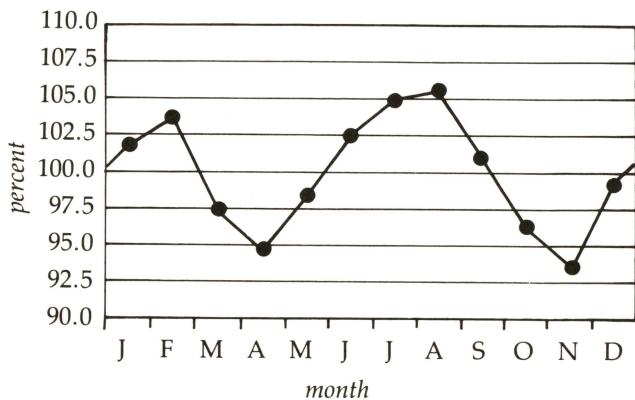


Figure 6: Barrows & Gilts, All Weights, Monthly Average as % of Annual Average, (1976-85), 7 Markets.

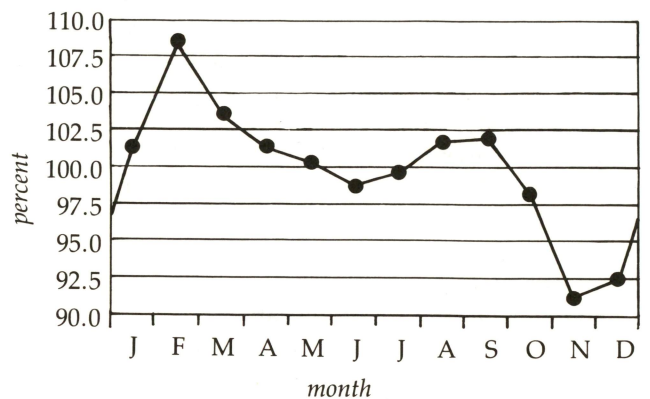


Figure 7: Sows, All Weights, Monthly Average as % of Annual Average (1976-1985), 7 Markets.

## Feeder steers

Feeder steer prices have consistently followed the seasonal price pattern shown in Figures 4 and 5. The high has been in spring when grass is plentiful and the low has been in late fall and early winter when marketings off grass are large. In the past 10 years, however, a secondary low in July and a secondary high in September have developed. This summer low in July may be associated with the low rates of summer gain on fescue pastures and the possible increase in fall calving.

## Barrows and gilts

Prices of barrows and gilts (Figure 6) have a more consistent seasonal pattern than slaughter steers, and the fluctuation from the high to the low has been wider. However, the fluctuation has decreased in recent years.

During the 1976-85 period, the high was in August.

July followed closely. The low was in November. For this 1976-85 period, a secondary peak in February and a secondary low in April appeared. The April low was only about 1 percentage point above the November low. With more producers using a continuous farrowing system, the magnitude of the seasonal fluctuation from high to low is expected to decrease in the future.

## Slaughter sows

The seasonal pattern for slaughter sows (Figure 7) has changed considerably in recent years. The yearly high has changed from August to February. The winter demand for sausage and the low number of sows marketed after the difficult winter farrowing period contribute to the winter price peak. The secondary peak in September, which is a month later than the seasonal high for most slaughter hogs, is probably also associated with a relatively low supply of market sows.

## Feeder pigs

Feeder pigs (Figure 8) have a relatively regular seasonal price pattern. As with other classes of livestock, a cyclical change in price will override the seasonal pattern at times. The seasonal fluctuation for feeder pigs is quite wide, averaging more than 30 percentage points during the 1976-85 period.

The high was in March and the low in July. A secondary high in August and a secondary low in December appeared, with December less than 1 percentage point above July. The high in March was probably due to the short supply of pigs and the anticipated summer high for slaughter hogs four to five months later.

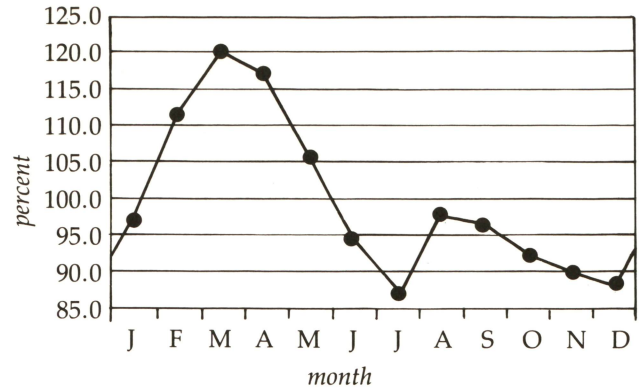


Figure 8: Feeder Pigs, 50-60#, Monthly Average as % of Annual Average (1975-1985), M.F.A. Tel-O-Auction.

## Slaughter lambs

The general seasonal pattern for slaughter lambs (Figure 9) has changed little during the past 35 years. The high has been in the spring when the first spring lambs are marketed and the low has been in late fall.

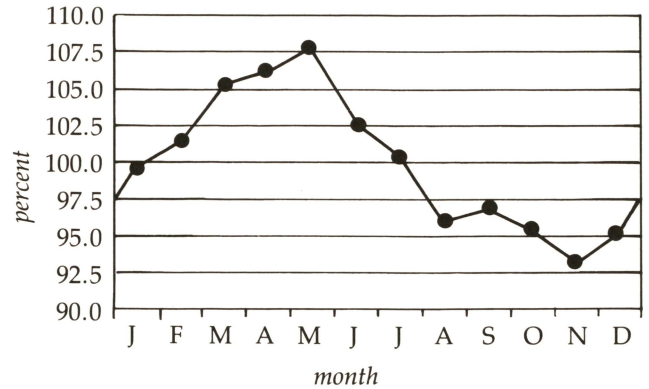


Figure 9: Choice Slaughter Lambs, Monthly Average as % of Annual Average (1976-85), South St. Paul.

**Note:** Most classes of slaughter animals are at or near the seasonal low in November.

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