

# Barbecues trigger stampede in cattle prices

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Americans face higher beef prices for their traditional end-of-summer Labor Day barbecues following a late-night stampede by meat packers this week that helped send cattle futures to their highest levels in nearly two years.

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Negotiations between slaughterhouses and feedyard operators with cattle to sell took on a frantic tone this week, with talks stretching late into the night on Wednesday – a rare occurrence for cattlemen used to wrapping up their affairs by sundown.

“[Wednesday] night may have been the latest bidding I have ever seen,” said John Jossierand, president of AzTx Cattle in Hereford, Texas, which operates facilities that can feed 250,000 cattle at a time. By Thursday, the frenzy spread to the Chicago Mercantile Exchange, where live cattle trading volume broke records and futures prices jumped to \$1 a pound, the highest level in 22 months.

The tumultuous trading came after rallies in markets for other agricultural commodities have raised fears about global food price [inflation](#). [Wheat prices have soared](#) as a drought in Russia destroys grain crops. CME pork bellies, used for bacon, have hit all-time highs this month.

“There is growing concern that food prices are going to head north,” said Bob Goldin of Technomic, a Chicago food industry consultant. US cattle supplies have declined as ranchers culled herds to offset losses during the recession and calves emerged from the hard winter with less meat on their bones than usual.

However, exports from the US, the world's largest producer, are expected to rise 13 per cent this year, led by shipments to Japan and South Korea. Americans also appear to be regaining a taste for beef after cutting back during the economic downturn.

“What's exciting is beef demand has stabilised into the summer,” said Rich Nelson, director of research at Allendale, a futures broker in McHenry, Illinois.

Meat packers bought heavily this week to secure supplies for the September 6 Labor Day holiday, Mr Nelson said.

By Thursday, meat packers had bought 201,000 head of cattle across the central US, up 11 per cent from the previous week, the agriculture department said.

Cargill, [JBS](#), National Beef and [Tyson Foods](#) account for three-quarters of US beef packing activity, analysts say.