

By [Michael Fielding](#) on 3/25/2013

In an unusual move, the price of higher-quality choice beef last week dipped to a discount to select cuts, reflecting soft consumer demand and the impact of cold, snowy weather persisting into spring, analysts said.

On Friday, the choice boxed beef cutout price was \$192.17 per hundredweight, down 81 cents from the day before, and below the price for select beef cuts at \$193.04, according to USDA data. Beef packers are discounting choice beef product to move product as a result of soft demand for all fresh red meat, said Linn Group analyst John Ginzel.

"It's a short-term phenomenon of a burdensome fresh meat supply, and the packers are trying to clear their inventories," Ginzel said. A few factors are at work in causing the price inversion, which will likely correct itself quickly, analysts said.

A slow pork export market is depressing fresh pork prices, making pork more attractive than beef to consumers, who are also feeling the pinch of higher taxes, Ginzel said.

"The supply side data show we are producing less choice than a year ago. It is clearly the demand side," said James Robb, director of the Livestock Marketing Information Center. "It's telling you demand for the most expensive meat is still struggling."

Robb attributed the inversion to competitively priced pork and chicken and harsh late-winter weather that delayed the start of the grilling season, when consumers tend to purchase choice steaks, and also dampened restaurant demand.

"It will straighten out very quickly if buyers recognize they can buy choice cheaper than select," Robb said.