

# Weather, tight supplies drive U.S. cattle prices to new high

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By Theopolis Waters

CHICAGO, Nov 14 (Reuters) - Prices for slaughter-ready or cash cattle in the U.S. Plains hit an all-time high on Friday, fueled by an early winter storm at a time of the smallest herd since the early 1950s.

Some beef packers paid record cattle prices of \$171 to \$172 per hundredweight (cwt) in parts of Kansas and Nebraska. That topped the previous high of \$170 set three weeks ago and was up as much as \$5 from last week's sales.

This week, early wintry weather blew across the Midwest packing heavy snow in the northern Plains along with bitterly cold temperatures that stretched as far south as Texas.

"We got an added boost from the weather market," said Jim Robb, director of the Colorado-based Livestock Marketing Information Center.

Frigid temperatures made it difficult to sort cattle, said analysts. And, treacherous driving conditions snarled transportation of cattle to packing plants, they said.

Inclement weather forced packers to spend more for cattle after they tried to by them hand-to-mouth in recent weeks to realign their deeply red margins, said Robb.

Beef packer margins were a negative \$83.95 per head, compared with a negative \$83.00 on Thursday and a negative \$109.70 a week earlier, according to Colorado-based analytics firm Hedgersedge.com.

The storm crimped already scarce supplies, the result of several years of drought that damaged crops for feeding, which shrunk the herd to its lowest level in 63 years.

"Packers are chasing the market that has these very tight cattle supplies. And, in the big picture, packer margins are struggling but they still need cattle," said Robb. (Reporting By Theopolis Waters; Editing by Marguerita Choy)