

# Analysts ponder jump in premium for choice beef

By [Meatingplace Editors](#) on 3/14/2016

A strong upturn in the premium for choice beef last week could be a short-term blip or could signal the beginning of an earlier-than-normal spring season rise, analysts at the *Daily Livestock Report* [said](#).

The premium for Choice over Select noticeably widened, by \$3.82 per hundredweight on a year-over-year basis, in the weekly USDA-AMS data collected from packers, analysts said in the report, published by Steve Meyer & Len Steiner Inc.

The percentage of cattle grading Choice has increased consistently in recent years, due to the improved genetic profile of the U.S. herd, technological changes in how carcasses are graded, standardization of measurement and changes in production and feeding practices, the analysts explained.

In February 2015, more than 70 percent of carcasses achieved the Choice stamp for the first time in the weekly grading data. Now that level is common, they noted.

So far this year, more carcasses have graded Choice than in 2015. Since the majority of carcasses now grade Choice, wholesale market differentiation could increase between products graded in the lower one-third of the Choice grade versus the upper two-thirds, the analysts said.

“The U.S. grading system may need some updating so price signals are effectively relayed up and down the marketing chain, helping ensure beef produced remains in-line with ever rising customer expectations,” they concluded.