Surge in Cattle, Beef Prices Halts On Heightened Buyer Resistance

One of the sharpest price advances in live cattle and wholesale beef was halted yesterday after highs of two years or more were set on Tuesday.

Live cattle prices tumbled as much as $1.50 per 100 pounds, the first decline in three weeks. Beef prices fell as much as 1 1/2 cents a pound.

Buyers had been scrambling for short supplies that triggered price gains of more than 40% in a little over two weeks. Buyers resistance became more pronounced yesterday at the highs and some meat went unsold, market sources said. Demand from chain store buyers was almost absent. Retailers were concerned that consumer resistance would develop when the current high wholesale prices were reflected at the meat counters. There also were reports that chains were buying broilers because of the high prices of red meat.

Buyers reduced bids for wholesale beef products as much as two cents a pound.

PACKERS were reluctant to reduce their prices to those levels and trading was near a standstill, market sources said. Choice steers were quoted nominally at 81 1/2 cents a pound, down 1 1/2 cents from the previous day, when prices showed a cumulative, two-month advance of 26 1/2 cents a pound.

Slightly larger cattle supplies and weakness in beef prices slowed packer buying of live cattle at several terminals, Omaha and Sioux City cattle sold as much as $1.50 per 100 pounds, lower; with $81 paid at Omaha. At Joliet, Ill., however, buying interest continued strong after thin supplies of cattle on Tuesday. Prices there rose $1.50 per 100 pounds to $33. Cattle available for slaughter at the 11 major terminals totaled 17,900 head, 1,500 more than a week before.

Live hog prices dropped as much as $1 per 100 pounds at many Midwest terminals. Farmers delivered only 33,800 hogs to the major terminals, down nearly 25% from the week earlier. However, packer buying slowed for the reduced supplies because of a lack of aggressive demand for some wholesale pork items.

Among the few pork products in good demand were loins, which rose as much as 3 1/4 cents a pound, to 83 1/4 cents, for cuts weighing 17 to 20 pounds. Loins weighing 14 pounds and under rose as much as two cents a pound, to 82 cents. Hams were slightly higher and most pork belly prices were just under Tuesday’s quotations.

Live cattle futures on the Chicago Mercantile Exchange rose about 1 1/2 cent a pound, while pork belly contracts fell the daily 1 1/2-cent-a-pound limit and live hog futures were mixed.

GRAIN AND SOYBEANS: Late profit-taking trimmed early advances prompted by rains in the Midwest that slowed farm field operations. Wheat futures ended 5 1/4 cents a bushel higher after rising as much as 9 1/4 cents. Corn futures fell from gains of 3 1/2 cents to close 4 1/2-cent-a-bushel lower. Cuts were mixed after rising the rising the six-cent-a-bushel daily limit. Soybeans also ended mixed, following a 13-cent-a-bushel gain. Soybean oil was mixed after nearly rising the one-cent-a-pound limit. Several nations are in the market as possible buyers of U.S. wheat, but after the orders are filled “it looks like we will be out of the wheat export business for the rest of the season ending June 30,” said export sources. They said they expected continued active competition from the Common Market area, where the wheat surplus exceeds 150 million bushels. One exporter said Rumania and Hungary are offering large quantities of wheat in the export market.

PRECIOUS METALS: Traders with price-chart considerations dominated activity in silver futures on the Commodity Exchange Inc. in New York, brokers said. Prices opened higher than most traders had expected and this prompted further demand for contracts. Gains at one point ranged to more than 10 cents an ounce before profit-taking appeared to ease prices from best levels. Gold futures on the same exchange closed as much as $1.30 an ounce higher. Platinum futures ended $2 an ounce higher. Silver coins rose as much as $85 per $1,000-face-value bag.

SUGAR: Prices turned higher. Analysts said traders bought contracts mainly because they thought the market had been oversold in a prolonged decline. Prices of raw sugar have drooped below 20 cents a pound from the record 66 cents of last November. Talk that Cuba had sold Russia a large quantity of sugar and expectations that Jordan and Greece will place orders for refined sugar in the world market also stimulated demand for futures contracts, brokers said.

COCOA: Futures prices fell from early two-cent-a-pound limit gains and closed as much as 7/8 cent higher yesterday. Firmness in the London cocoa market and improved demand for cocoa beans from candy makers prompted traders to buy cocoa futures, brokers said. Some dealers sold cocoa futures to hedge purchases of cocoa beans from producing countries, market sources said.

POATOEs: Traders who had previously sold the May 1975 Maine potato futures contracts short became buyers yesterday for the most part as that month expired, brokers said. As a result, the contract went off the board with advances of as much as 44 cents per 100 pounds. Market sources thought that rising prices of potatoes in cash markets prompted traders who were short to buy offsetting contracts and liquidate positions rather than deliver the potatoes against May contracts. Other months closed with advances of as much as 14 cents per 100 pounds.

Sperry Univac's Swedish Order
BLUE BELL, Pa. - The Sperry Univac division of Sperry Rand Corp. said it received an order from the Swedish state power board for an 1110 computer system, valued at about $3 million.