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**The Unwanted Calf**

Cow-calf producers selling five-weight calves this fall are probably asking when the cattle world changed and why didn't anyone tell them. At times, it seems they have almost had to pay someone to take a 550 pound steer. For the month of October, 550 pound steers in Nebraska sold for an average price of \$89.45/cwt. During October, 450 pound steers averaged \$99.05/cwt. and 750 pound steers averaged \$84.55/cwt. That is a price slide of almost \$10/cwt. from four-weight to five-weight calves and a slide of less than \$2.50/cwt from five-weight to seven-weight calves. Over the last five years, the price slide from 450 to 550 pound steers has averaged \$7.83/cwt. and from 550 to 750 pounds the slide has been \$8.21 or \$4.10/cwt.

Why is the 550 pound steer relatively lower valued than lighter calves and also lower valued than heavier calves or light yearlings? I think the answer is two part: 1) the versatility of lighter calves and 2) the past losses to the cattle feeding sector. Lighter calves have been in demand this fall for wheat pastures and other stocker programs that may result in a yearling steer next fall. There are expectations that these yearlings may be quite valuable next fall. Heavier calves become heavier yearlings and do not work as well in these programs. Past cattle feeding losses are making feedlot buyers vary cautious this fall. If you look at the prices being paid for calves and yearlings, figure in feeding costs and compare expected market prices, the prices being paid are reflective of the current live cattle board for winter and spring contracts. The Feb and Apr boards have traded at a \$5-6 premium to the Jun board for most of October. Feedlots are willing to pay relatively more for the 750 pound steer that will finish in March as compared to the 550 pound steer that will not finish until June. The last couple of years, feedlots have bet the market would rise to cover the cost they were paying for calves. No such bets were placed this past month.

**The Markets**

Last week, slaughter cattle prices were \$1 higher in the southern plains, with the bulk of the trade occurring at mostly \$68. Prices were also higher in the north with slaughter cattle prices at mostly \$106 dressed with some late week sales at \$107-108. Boxed beef prices were steady for the week. Feeder cattle prices in the Midwest were generally \$1-2 lower compared to the previous week. Auction volume was somewhat limited this week.

	<b>Last Week</b>	<b>Previous Week</b>	<b>Last Year</b>
Kansas Fed Steer Price, live weight (35-65% Choice)	\$68.05	\$66.91	\$65.00
Neb. Fed Steer Price, dressed weight (35-65% Choice)	\$106.22	\$105.08	\$103.51
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$81.50	\$82.55	\$86.88
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$84.95	\$86.37	\$87.28
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$88.07	\$89.39	\$96.60
Choice Boxed Beef Price, 600-750 lb. carcass	\$112.18	\$112.16	\$112.33
Choice-Select Spread, 600-750 lb. carcass	\$8.07	\$9.21	\$10.26