

Dillon Feuz, Ph.D.
Assoc. Professor, Department of Agricultural Economics, University of Nebraska

Cattle On Feed

The USDA released the monthly Cattle on Feed report on Friday, June 20. and it should be friendly to cattle prices. The marketing number for May was 2,228 thousand head. This was three percent larger than May 2002, but was fully expected by the trade. The number of cattle placed in May in 1,000 head capacity yards was 2,297 thousand head. This was up one percent from the prior year, but was three percent lower than in 2001. This level of placement should be supportive of higher prices in deferred Live Cattle contracts. The trade had anticipated that placements into feedlots would be up four percent from the prior year. As a result of May placements and marketings, the June 1 on feed number is 10,534 thousand head. That is a four percent reduction relative to last year and is essentially unchanged from last month.

Two-thirds of the placements in May were for cattle weighing over 700 pounds. There was about an equal number of 700-799 pound calves and 800 pounds and over calves. Placements into Colorado and Texas feed yards were down five and four percent, respectively, relative to last year, while placements into Kansas and Nebraska feed yards were up six and three percent, respectively.

The Live Cattle contracts all closed higher on Monday, following this report. The Aug board was up \$0.90 while Oct and Dec live cattle each closed \$0.77 higher.

The Markets

Slaughter cattle prices were sharply lower in the southern plains, with the bulk of the trade occurring at \$74-75. Prices were \$5-6 lower in the north with slaughter cattle prices at \$117-119 dressed. Choice boxed beef prices were lower for the week and the Choice -Select spread decreased. Feeder cattle trade was very light in Kansas and no sales were reported in Nebraska. Prices were generally lower on the few feeder cattle that did trade in Kansas.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight (35-65% Choice)	\$74.27	\$77.04	\$64.59
Neb. Fed Steer Price, dressed weight (35-65% Choice)	\$117.90	\$123.27	\$101.84
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$85.18	\$86.40	\$79.55
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$96.00	\$100.00	\$86.61
700-800 lb. Feeder Steer Price, Neb. 7 market average	NS	\$88.15	\$82.08
500-600 lb. Feeder Steer Price, Neb. 7 market average	NS	\$102.65	NS
Choice Boxed Beef Price, 600-750 lb. carcass	\$137.67	\$144.95	\$113.55
Choice-Select Spread, 600-750 lb. carcass	\$11.59	\$15.25	\$5.55