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Cattle On Feed

The USDA released the monthly Cattle on Feed report on Friday, September 19. The marketing number for August was 2,075 thousand head. This was three percent smaller than August 2002, but was inline with pre-report expectations. The number of cattle placed in August in 1,000 head capacity yards was 2,374 thousand head. This was up 7 percent from the prior year, and was three percent higher than pre-report estimates. As a result of August placements and marketings, the September 1 on feed number is 9,590 thousand head. That is a three percent reduction relative to last year and a nine percent reduction from 2001. The September 1, on feed number was also inline with pre-report estimates.

Placements into Oklahoma and Texas feed yards were 14 and 16 percent higher than the previous year, respectively, while placements into Kansas and Nebraska feed yards were up only two and six percent, respectively. Placements in August were evenly split between cattle weighing less than 700 and cattle weighing over 700 pounds.

Due to the current supply/demand situation, this report will not likely influence the market very much. The Live Cattle contracts were mixed on Monday, following this report but by Tuesday's opening all contracts were higher.

The Markets

Slaughter cattle prices were higher again this week establishing new record highs. The southern plains markets were \$1 higher, with the bulk of the trade occurring at \$89-90. Prices were \$2 higher in the north on smaller volume with slaughter cattle prices at \$144-145 dressed. Choice boxed beef prices were higher for the week while Select prices were lower. The Choice -Select spread is also record high. Feeder cattle trade was active and stronger in Kansas and Nebraska. Prices were generally steady to a couple of dollars higher on feeder cattle and calves.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight (35-65% Choice)	\$89.53	\$88.84	\$66.76
Neb. Fed Steer Price, dressed weight (35-65% Choice)	144.07	\$142.03	\$103.59
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$103.48	\$102.97	\$82.40
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$110.47	\$109.36	\$91.69
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$104.20	\$104.71	\$85.29
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$112.09	\$113.91	\$89.30
Choice Boxed Beef Price, 600-750 lb. carcass	\$161.87	\$156.12	\$113.67
Choice-Select Spread, 600-750 lb. carcass	\$26.57	\$17.55	\$8.47