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Cattle on Feed

The USDA Cattle on feed report for feedlots with capacity of 1,000 or more head indicated there were 11.0 million head on feed on November 1, 2003. The inventory was 3 percent above November 1, 2002 but 7 percent below November 1, 2001. Placements in feedlots during October totaled 2.78 million, 16 percent above 2002 and 3 percent above 2001. Marketings of fed cattle during October totaled 1.86 million, 6 percent below 2002 and 2 percent below 2001.

The number of cattle on feed in Kansas is at 106% of a year ago, while Texas is at 104% of a year ago. The number of cattle on feed in Colorado is only 99% of a year ago, and Nebraska cattle on feed is only at 101% of a year ago. Basis in the North should probably continue to be stronger than in the South based on these numbers.

Placements were a little larger than the trade had expected prior to the report. However, 65% of the placements were calves weighing less than 700 pounds. The marketing number was also larger than expected. This report will likely be fairly market neutral. The nearby live cattle contracts are already at a considerable premium to the deferred contracts and this report should continue that trend.

The Markets

Last week, slaughter cattle prices were \$2 lower in the southern plains, with the bulk of the trade occurring at \$98. Prices were also lower in the north with slaughter cattle prices at \$154-162. Boxed beef prices were lower for the week, and the Choice-Select spread continues to narrow from record levels. Feeder cattle prices in Kansas and Nebraska were generally lower compared to the previous week. There were numerous sales on 500-700 pound cattle.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight (35-65% Choice)	\$97.94	\$99.26	\$71.41
Neb. Fed Steer Price, dressed weight (35-65% Choice)	\$157.87	\$159.37	\$111.71
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$104.76	\$104.97	\$84.60
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$108.27	\$112.31	\$90.51
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$107.25	\$109.22	\$88.83
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$110.54	\$113.79	\$93.78
Choice Boxed Beef Price, 600-750 lb. carcass	\$167.14	\$169.41	\$119.90
Choice-Select Spread, 600-750 lb. carcass	\$18.41	\$21.46	\$5.34