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Cattle on Feed

The USDA releases the Cattle on Feed report on Friday and it was bullish for summer fed cattle prices. There were 10.75 million head of cattle on feed on April 1. This was about even with the number on feed in 2003 but was 7% lower than in 2002. If there was a surprise in the report it was in the placements. The trade had anticipated that placements would have been down 5% from 2003 but actual placements were down 11% from 2003. Marketings were 9% higher than a year ago, but the trade had expected an 8% increase partially due to two additional marketing days this past March.

Placements were particularly light in the southern plains where Texas and Oklahoma were down 18% and 21% from 2003, respectively. Placements in the Colorado, Nebraska and Kansas were down 6%, 8% and 10%, respectively. Also of interest was the weight breakdown of the placements. Placements for cattle weighing less than 600 pounds were 29% higher than in 2003, while placements of 6-weight, 7-weight and 8-weight cattle were down 11%, 14% and 26%, respectively. This placement pattern will be supportive of higher fed cattle prices this summer. The placements are also reflective of just how tight the supply of feeder cattle outside of feedlots is.

One last item of interest from the report: the percentage of steers on feed was down 2% while the percentage of heifers on feed was up 4%. That mix would not suggest any beef cow herd rebuilding is taking place.

The Markets

Slaughter cattle prices ended the week steady in the southern plains, with trade occurring at \$84-89. Prices were \$5 higher in the north with an active trade on Wednesday and then prices declined later in the week. Choice boxed beef prices were higher again this week and the Choice -Select spread continues to increase. Feeder cattle prices were generally steady to higher in Kansas and were higher in Nebraska on most weight of feeders. Calf volume is relatively light.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight (35-65% Choice)	\$86.01	\$86.07	\$79.68
Neb. Fed Steer Price, dressed weight (35-65% Choice)	\$142.37	\$137.27	\$126.65
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$97.49	\$94.79	\$81.33
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$114.10	\$114.74	\$96.53
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$101.22	\$94.25	\$84.08
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$120.35	\$118.04	\$104.46
Choice Boxed Beef Price, 600-750 lb. carcass	\$161.77	\$150.80	\$135.21
Choice-Select Spread, 600-750 lb. carcass	\$17.53	\$15.32	\$11.76