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**Summer Placements Fall Sharply, But Sluggish Marketings Keep On Feed Above 2003's**

Tight feeder cattle supplies helped push placements of cattle on feed down sharply compared to last year. Net placements of cattle on feed fell 14% below a year ago during July and fell 12% below 2003's during August. Over the last four months cattle feeders placed 6.3% fewer cattle on feed than last year. The biggest placement decline during that four month period was among the heavy weight cattle weighing over 800 pounds, which fell 14% below 2003's. Despite the placements reduction, the on feed inventory on September 1st was still 1.4% larger than last year because fed cattle marketings from June through August averaged 11% below 2003's. The sluggish marketing pace of this summer implies that fed cattle supplies will rise in the weeks ahead and will keep fed cattle prices under pressure.

Kansas slaughter steer prices during the July-September quarter averaged near \$83/cwt., about \$4/cwt. (4.5%) below the spring quarter, but still 3% higher than last summer. Through late September, Kansas slaughter steer prices during 2004 averaged \$84, 6.5% higher than a year ago. But the year-to-year increases in slaughter cattle prices have come to an end. During the first three weeks of September slaughter steer prices averaged 7% below a year ago. This fall prices are likely to average in the mid-\$80's, about 10 to 11% below last year's record high average as domestic per capita beef supplies are expected to rise well above 2003's.

**In The Markets**

Slaughter cattle prices in Kansas and Nebraska were both stronger last week, increasing nearly \$3/cwt. (live weight) in Kansas. Boxed beef prices were also stronger last week, rising over \$2.50 per hundredweight. Cattle trading activity this week has been light so far, but boxed beef trade this week has continued to strengthen. Feeder cattle prices last week strengthened as 700-800 lb. feeders rose more than \$2/cwt. in both Kansas and Nebraska. After showing signs of strengthening in late August and early September, the Choice-Select price spread has greatly flattened out the last two weeks.

	<b>Last Week</b>	<b>Previous Week</b>	<b>Last Year</b>
Kansas Fed Steer Price, live weight (35-65% Choice)	\$84.80	\$81.95	\$89.53
Neb. Fed Steer Price, dressed weight (35-65% Choice)	\$132.67	\$127.60	\$144.07
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$117.65	\$115.19	\$103.48
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$127.32	\$126.42	\$110.47
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$120.77	\$118.72	\$104.21
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$129.72	\$128.57	\$112.09
Choice Boxed Beef Price, 600-750 lb. carcass	\$133.96	\$130.81	\$161.87
Choice-Select Spread, 600-750 lb. carcass	\$4.32	\$4.21	\$26.57