

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

Cattle on Feed

On Friday the USDA released the December Cattle on Feed report. The report was somewhat bullish as placements were below expectations. The trade had anticipated placements in November to be at 95% of 2003 placements and the actual placement were 1,743,000 head, only 90% of 2003 levels. November marketings were expected to be up 9% from 2003 marketings and they were actually up 6%, 1,625,000 head. The net result was cattle on feed on December 1 was even with 2003 levels, 11,344,000 head. The trade had expected on feed numbers to be about a half of a percent higher.

It appears the wet weather and muddy lot conditions in Texas and Oklahoma had an impact on placements there. Placements were only about 75% of 2003 in those states, while placements in Nebraska were even with last year and placements in Kansas were only down 8%. Calves weighing less than 700 pounds were 66% of the total placements.

While November marketings were up 6% from 2003, they were 6% below 2002 levels and 5% below the 5-year average. These relatively lower marketings, have been positive in keeping cattle prices in the mid to upper \$80's.

The Markets

Slaughter cattle prices were steady to higher than last week. An active trade occurred on Thursday at mostly \$86 in the south and prices were \$134-135 in the north. Volume was sufficient to clean up most showlists. Choice boxed beef prices were lower for the week but there was talk of improving beef demand as retailers look to January. Choice box beef prices were down over \$4. The Choice-Select spread increased and is near the historical level. Feeder cattle prices were generally steady in Kansas and Nebraska on a fairly large volume. Lighter weight calves were a little higher in Kansas, while heavier feeders were a little lower in Nebraska.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight (35-65% Choice)	\$85.85	\$84.76	\$91.02
Neb. Fed Steer Price, dressed weight (35-65% Choice)	\$134.58	\$134.21	\$148.87
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$105.53	\$105.31	\$98.46
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$122.46	\$120.57	\$111.46
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$106.53	\$109.26	\$101.45
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$123.80	\$123.70	\$114.69
Choice Boxed Beef Price, 600-750 lb. carcass	\$140.19	\$144.56	\$156.64
Choice-Select Spread, 600-750 lb. carcass	\$7.93	\$6.84	\$12.12