

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

Cattle on Feed

The USDA released the Monthly Cattle on Feed report this last Friday. January placements were 1.885 million head up 7% from 2004 but 10% lower than 2003. Cattle marketed through January were at 1.776 million head, which was even with a year ago. This was a little bigger marketing number than the trade had expected. Total cattle on feed for February 1, 2005 was 11.334 million head, which was 2% larger than a year ago. Placements in northern feedlots were a little more aggressive than placements in the southern plains feedlots. This report was viewed as fairly neutral to the markets to slightly friendly.

Most of the attention in the market place continues to focus on the Canadian border. It appears that the USDA remains firm in their commitment to reopen the border to cattle under 30 months of age on March 7. At this point, it is very unlikely that congress could agree on anything that would change this rule. However, there are two pending lawsuits: A Montana judge will hear a case on March 2 that seeks to keep the border closed to live animals and there is another case pending that seeks to open the border to all cattle and beef, not just animals that are less than 30 months of age. To paraphrase a familiar saying, 'It ain't over til the Montana Judge rules.'

The Markets

Slaughter cattle prices were \$1-2 lower in the south and \$3 lower in the north this last week. Trade volume was light in most areas. Prices were mostly \$88 in the south and prices ranged from \$138-140 in the north. Choice boxed beef prices were lower for the week. Choice box beef prices were down \$3. The Choice-Select spread decreased and is narrower than the historical level. Feeder cattle prices were steady in Kansas and lower in Nebraska on a fairly large volume. Lighter weight calves were a higher in Kansas and steady in Nebraska on a small volume.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight (35-65% Choice)	\$87.94	\$89.71	\$78.91
Neb. Fed Steer Price, dressed weight (35-65% Choice)	\$138.84	\$141.76	\$125.61
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$103.19	\$103.68	\$88.97
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$127.73	\$122.34	\$106.53
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$106.90	\$108.15	\$90.98
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$133.52	\$133.75	\$114.05
Choice Boxed Beef Price, 600-750 lb. carcass	\$143.54	\$146.60	\$125.74
Choice-Select Spread, 600-750 lb. carcass	\$3.16	\$3.52	\$5.69