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Fewer Small Feedyards In 2004 & The Big Feedyards Get Bigger

90,176 feedlots had a combined inventory of 13.7 million head in 2004 and marketed 26.2 million head, according to USDA Cattle on Feed reports. The total number of feedlots decreased by 3,029 (3.2%) since 2003, but inventory fell only a half percent. Feedlots with a capacity of 1,000+ head accounted for 82.2% of all feedlots, up from 81.5% of the total in 2003.

The general trend towards fewer, larger feedlots continued in 2004. The number of feedyards with 1,000-3,999 head and 4,000-15,999 head declined by 1.4% and 2.6%, respectively. The inventory for the 1,000-3,999 head feedyards increased by 3%; however the inventory of the 4,000-15,999 head feedyards decreased by 4%. The number of feedlots with 16,000-31,999 head and 32,000+ head were up 0.7% and 3.3%, respectively, leading to inventory increases of 1.8% and 1.2%, respectively. The average size of the feedyards with 1,000+ capacities was 5,193 head in 2004, up from 5,103 head in 2003. With a total capacity of 16.6 million head and an inventory 11.3 million head in 2004, the 1,000+ head feedyards were about 68.1% full, similar to last year. Iowa saw the largest decrease (15) in the number of 1,000+ head feedyards; however, cattle inventory increased by 88,000 head for the remaining Iowa feedyards. Texas feedyards realized the largest reduction in inventory numbers with a decrease of 130,000 head.

2004 saw a reduction of 3,000 feedyards with capacities less than 1,000 head. The 88,000 feedlots with less than 1,000 head had an inventory of 2.4 million head in 2004, down 4.3% from 2003. This puts the average inventory of these feedyards at 27.8 head (compared to 28.1 in 2003). Iowa and Minnesota lost 1,000 and 1,100 small feedyards each. The number of small feedyards increased in Illinois, Indiana, and Wisconsin.

The Markets

Kansas slaughter cattle prices were down \$1/cwt last week, with the bulk of last week's trade at \$87. In Nebraska, dressed sales were \$2 lower last week. Choice boxed beef dropped more than \$4/cwt from the previous week, but remains about \$9/cwt higher than a year ago. Last week the Choice-Select spread declined another \$0.70/cwt. Prices for yearling feeder steers and calves were about \$1-2 lower last week in Nebraska and Kansas.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight	\$86.88	\$87.94	\$81.90
Neb. Fed Steer Price, dressed weight	\$136.88	\$138.84	\$131.77
700-800 lb. Feeder Steer Price, Kansas 3 market average	\$102.59	\$103.19	\$89.92
500-600 lb. Feeder Steer Price, Kansas 3 market average	\$126.81	\$127.73	\$108.40
700-800 lb. Feeder Steer Price, Neb. 9 market average	\$105.40	\$106.90	\$92.55
500-600 lb. Feeder Steer Price, Neb. 9 market average	\$131.24	\$133.53	\$117.07
Choice Boxed Beef Price, 600-900 lb. carcass	\$139.24	\$143.53	\$130.40
Choice-Select Spread, 600-900 lb. carcass	\$2.46	\$3.16	\$7.67