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**Feedlot Returns**

Calf prices were at record high levels last fall and I know at the time many of them were placed on feed, it did not appear they would be profitable to feed. Yet, here we are in the middle of May and those calves are now being harvested. It appears that the feedlots are realizing a nice return on those calves. A 550 pound steer that was placed on feed in mid October at a price of \$126 per cwt. (the average for Nebraska auction markets) would have an initial cost of \$693 per head. If the calf gained 3 pounds per day for 217 days, then it would now weigh 1200 pounds. If the total cost per pound of gain were \$0.50, then total feeding costs would have been \$325 per head. The total cost for the 1200 pound steer would be \$1,018. Break-even selling price would be \$84.83 per cwt. (\$1,018/1200). The current fed cattle market is \$90 per cwt.

At the time those calves were placed on feed, the CME June Live Cattle contract was trading in the low \$80 range. It is presently trading near \$87. That increase in the market was the difference between selling calf feds at a loss versus a profit. Today, if you look at the price for 500-600 pound steers, and the price for fall Live Cattle contracts, you can not “pencil” a profit into feeding those calves. Will the fall fed cattle market be as kind to cattle feeders as this spring’s market has been?

**The Markets**

Slaughter cattle prices were steady to lower in the south with trade occurring on Friday and \$2 lower in the north with active trade on Friday this last week. Trade volume was adequate to clear most showlists. Prices were \$90-90.50 in the south and generally ranged from \$142-143 in the north. Choice boxed beef prices were lower for the week on a large volume of trade. The Choice-Select spread decreased but remains above the historical level. Feeder cattle prices were steady in Kansas and were higher in Nebraska on a moderate volume. Lighter weight calves were lower in Kansas but were higher in Nebraska on a small volume.

	<b>Last Week</b>	<b>Previous Week</b>	<b>Last Year</b>
Kansas Fed Steer Price, live weight	\$90.22	\$90.64	\$86.90
Neb. Fed Steer Price, dressed weight	\$142.60	\$144.62	\$141.71
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$114.60	\$114.19	\$107.10
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$135.64	\$139.71	\$122.26
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$121.30	\$116.83	\$113.24
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$148.59	\$146.34	\$126.51
Choice Boxed Beef Price, 600-900 lb. carcass	\$155.63	\$162.00	\$159.37
Choice-Select Spread, 600-900 lb. carcass	\$15.90	\$16.53	\$21.17