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**Fed Cattle Prices**

For the last six weeks, the fed cattle market has been \$1-2 lower each week. Prices in Nebraska have fallen from a high in early April of \$95 per cwt. to under \$85 per cwt. this past week. The question is how much lower will prices fall or have we reached a bottom. I doubt we have reached bottom yet, but I think we will not go much lower.

Over the last 5 years, the average price decline from the spring high in March or April to the summer low has been \$11 per cwt. In 2001, the decline was \$13 per cwt. and in 2003 the decline was only \$8 per cwt. On a percentage basis, the average decline has been 13.7%. In 2002, the decline was 16.2% and in 2003 the decline was 10%. On a dollar basis, one might expect prices to decline another \$1 (the average decline) or another \$3 (the largest decline). If you consider present price levels and look at the percentage declines of the past, then one might expect prices to decline \$3 (the average decline) or perhaps decline another \$5 (the largest percentage decline). If history repeats, than the fed cattle low price this summer in Nebraska should be between \$80 and \$83. I don't think there will be any major changes in trade flows over the next three months (there may be some announcements, both political and judicial, but no major changes to volumes). Therefore, where the price bottom occurs may hinge in large part on how aggressive feedlots are with marketings. If cattle get too large or too fat in the next couple of months, than \$80 is likely the result. However, if lots can stay relatively current, then we may only see prices slip a dollar or two from present levels.

**The Markets**

Slaughter cattle prices were a dollar lower in the south with trade occurring on Thursday and Friday and \$3-4 lower in the north with active trade on Wednesday and Thursday this last week. Trade volume was adequate to clear most showlists in the North. Prices were mostly at \$86 in the south and ranged from \$134-136 in the north. Choice boxed beef prices were sharply lower for the week on a large volume of trade. The Choice-Select spread decreased and is below the historical level. Feeder cattle prices were \$2 lower in Kansas and lighter weight calves were \$3 lower. No trade was reported from Nebraska auctions for calves or yearlings.

	<b>Last Week</b>	<b>Previous Week</b>	<b>Last Year</b>
Kansas Fed Steer Price, live weight	\$85.78	\$86.88	\$89.38
Neb. Fed Steer Price, dressed weight	\$134.72	\$138.14	\$143.62
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$113.92	\$115.58	\$111.45
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$132.27	\$135.71	\$124.75
700-800 lb. Feeder Steer Price, Neb. 7 market average	NA	\$120.66	\$116.97
500-600 lb. Feeder Steer Price, Neb. 7 market average	NA	\$152.70	\$139.56
Choice Boxed Beef Price, 600-900 lb. carcass	\$146.13	\$153.39	\$150.58
Choice-Select Spread, 600-900 lb. carcass	\$9.00	\$12.47	\$16.32