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Corn Prices

The corn market has been fairly volatile the past few weeks as the market primarily responds to short term weather reports. Hot and dry weather reports cause the market to jump, while rain brings the market back down. However, there has been an upward trend in the market since the first of May. DEC corn was trading around \$2.22 per bushel in late April and early May. By the end of May, DEC corn was trading in a range of \$2.35-2.40. Prices on the DEC board declined somewhat in early June, but have recently climbed above \$2.50 per bushel. A \$0.30 per bushel increase in corn price will add about a nickel to the feed cost per pound of gain. That will vary by ration and feed efficiency of the cattle.

How much impact will this have on the price feedlots would like to pay for feeders? To maintain the same feeding margin with this higher cost of gain, a 550 pound steer would need to be purchased for more than \$6 per cwt. less and a 750 pound steer would need to be purchased for about \$4 per cwt. less. Feeder cattle are currently priced at record high price levels. Higher corn prices will likely pressure these prices lower. Those buying and selling feeder cattle need to watch the corn market closely and alter marketing goals accordingly.

The Markets

Slaughter cattle prices were two dollars lower in the south with trade occurring on Friday and \$2-3 lower in the north with active trade on Tuesday and Wednesday this last week. Trade volume was adequate to clear most showlists in the North. Prices ranged from \$83-84 in the south and were mostly \$132 in the north. Choice boxed beef prices were 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 \$1-4 lower in Kansas and were generally steady to higher in Nebraska. There was very limited feeder cattle trade in both states.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight	\$83.75	\$85.87	\$86.99
Neb. Fed Steer Price, dressed weight	\$131.98	\$134.78	\$137.49
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$114.75	\$115.70	\$116.51
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$130.75	\$134.94	NS
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$120.81	\$119.01	\$114.42
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$155.51	\$144.58	\$130.96
Choice Boxed Beef Price, 600-900 lb. carcass	\$139.62	\$144.00	\$146.72
Choice-Select Spread, 600-900 lb. carcass	\$4.97	\$7.50	\$7.56