

Darrell R. Mark, Ph.D.
Asst. Professor, Department of Agricultural Economics, University of Nebraska

2005 Slaughter Summary

Federally inspected slaughter totaled 32.36 million head in 2005, steady with 2004. However, the mix of male to female slaughter noticeably shifted during 2005. Steer slaughter, at 17.1 million head, was up 4.7% from 2004. However, 2005 heifer slaughter was down 4.4% at 9.9 million head, supporting mid-year estimates of an increase in heifers held for replacements during 2005. Similarly, breeding herd slaughter was down as well: total cow slaughter declined 5.2% and bull slaughter was down 9% in 2005. Beef cow slaughter was approximately 2.57 million head in 2005, down 6.4% whereas dairy cow slaughter was down only 3.7% at 2.3 million head.

Total female slaughter in 2005 was 14.8 million head, 46% of total federally inspected slaughter. Steer slaughter accounted for 53% of total slaughter in 2005. In other words, total slaughter numbers are mostly unchanged for 2005 because a larger steer slaughter made up for the decrease in heifer and cow slaughter. The ratio of total female to steer slaughter was 86.7% for 2005, compared to 95.2% in 2004. Past data shows that when this ratio drops below 90%, significantly rebuilding of the cattle inventory occurs.

Cattle inventory reports in 2005 confirmed the end of the previous cattle cycle and the beginning of an expansion phase. While growth shown in the 2005 reports last January and July were moderate (1% and 0.8% respectively), a slightly larger increase is possible in the Cattle Inventory report scheduled for release on January 27, 2006 based on the shift in cattle slaughter this past year. Look for a 1-2% increase in the cattle and calf inventory for January 1, 2006. Heifers held as beef cow replacements likely will see the largest increase.

The Markets

Steady to slightly lower fed cattle prices were reported last week. Live weight prices in Kansas averaged \$0.52 lower, while Nebraska dressed trade averaged about \$1 lower at \$147.66. Last week, Choice boxed beef prices declined \$1.52/cwt from the previous week and the Choice-Select spread narrowed \$1.65 to \$13.39/cwt. Feeder cattle prices were mostly lower last week in Kansas and Nebraska. Yearling steer prices averaged \$0.84 and \$3.87 in Kansas and Nebraska, respectively. Prices for steer calves were down \$4.60 on average in Kansas last week and down \$2.41 in Nebraska.

| | Last Week | Previous Week | Last Year |
|---|------------------|----------------------|------------------|
| Kansas Fed Steer Price, live weight | \$93.38 | \$93.90 | \$92.11 |
| Neb. Fed Steer Price, dressed weight | \$147.66 | \$148.67 | \$144.97 |
| 700-800 lb. Feeder Steer Price, Kansas 4 market average | \$113.58 | \$114.42 | \$106.33 |
| 500-600 lb. Feeder Steer Price, Kansas 4 market average | \$133.70 | \$138.30 | \$120.56 |
| 700-800 lb. Feeder Steer Price, Neb. 7 market average | \$114.96 | \$118.83 | \$108.54 |
| 500-600 lb. Feeder Steer Price, Neb. 7 market average | \$143.60 | \$146.01 | \$128.55 |
| Choice Boxed Beef Price, 600-900 lb. carcass | \$154.06 | \$155.58 | \$151.97 |
| Choice-Select Spread, 600-900 lb. carcass | \$13.39 | \$15.04 | \$6.54 |