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Relative Cattle Prices

How did 2005 cattle prices compare to 2004? If 2005 represents the cattle price cycle highs, then how did those prices compare to the cycle highs in the early 1990's? The answers to those questions depend upon which market class of cattle you are talking about. Nebraska fed cattle prices for the year were about 3.5% higher than in 2004, 750 pound steers were 6.8% higher and 550 pound steers were 9.0% higher than in 2004. Cull cow prices for 2005 were about 2.5% higher than 2004 prices. It is not surprising that calf and yearling prices were relatively higher. The 2004 and 2005 calf crops were very small and with relatively cheap feed grains the demand for feeder cattle was greater than the supply.

Comparing 2005 prices to prices in the early 1990's, fed cattle were 11.5% higher, 750 pound steers were 33.6% higher and 550 pound calves were 38.4% higher. However, cull cow prices were about 2% lower than they were in 1990. The monthly average price in May 2005 was a record high for a monthly price, but the average for the year was below the average for 1990. There is not a simple answer to why cull cow values did not increase as did fed cattle and calves. With no cull cows from Canada crossing the border, one might have expected a higher cow market. However, loss of exports also forced us to grind more chuck and round into hamburger that may have otherwise gone into the export market. The hamburger market also saw some stiff price competition from cheap boneless, skinless chicken breast. Imports of Australian, New Zealand and South American beef also competes more with cow beef than it does with fed cattle.

The Markets

Slaughter cattle prices were \$3 lower in the south with trade occurring late in the week and were \$5 lower in the north this last week. Trade volume was modest and there are likely a number of lots with carry-over cattle. Prices were mostly \$92 in the south and ranged from \$144-145 in the north. Choice boxed beef prices were also lower for the week losing about \$4 per cwt. The Choice-Select spread narrowed but remains wider than the historical level. Feeder cattle prices were mixed for the week on a small volume for all weight classes. Prices for calves were steady to higher on very small volume, while heavier feeders were \$3-4 lower in Nebraska and Kansas.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight	\$91.96	\$94.82	\$90.33
Neb. Fed Steer Price, dressed weight	\$144.59	\$149.53	\$141.39
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$110.67	\$114.15	\$104.92
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$136.79	\$136.10	\$124.90
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$114.76	\$117.80	\$107.97
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$144.71	\$144.69	\$134.92
Choice Boxed Beef Price, 600-900 lb. carcass	\$151.25	\$155.95	\$142.69
Choice-Select Spread, 600-900 lb. carcass	\$12.25	\$12.61	\$4.73