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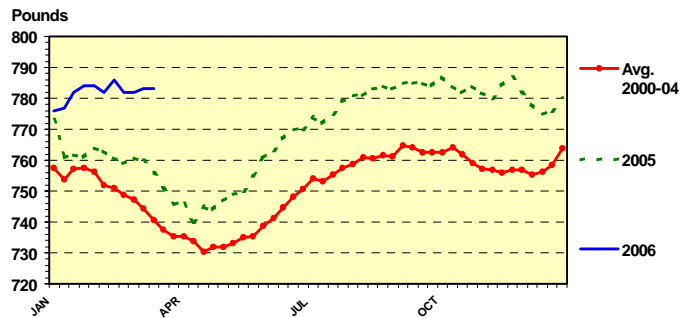
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No Seasonal Drop In Cattle Weights

What happens when corn is relatively cheap and fed cattle prices show some weakness? Cattle feeders often feed cattle to heavier weights and try to hold out for a stronger market. Those factors, along with excellent cattle feeding performance this past winter, has contributed to carcass weights this past week running as much as 27 lbs. higher than last year and 42 lbs. heavier than the previous five-year average. As the graph below suggests, this trend is counter-seasonal. Based on the five-year average, federally inspected cattle dressed weights typically decrease 3.6% from the beginning of the year until the seasonal low occurs in the third week of April. By mid-March, normally about 2.2% of this seasonal decrease would have occurred. Instead, cattle dressed weights have increased about 1%, or 7 lbs., since the beginning of the year.

Heavier carcass weights are concerning as we draw near to the expected seasonal increase in federally inspected cattle slaughter. Seasonally, slaughter numbers bottom near the beginning of April and quickly increase (about 17%) to the beginning of June. While year-to-date slaughter is 7.8% lower than the five-year average, it is up 1.1%, or 73,000 head, from 2005. And, with placements of cattle on feed up 7.9% in the fourth quarter of 2005, it appears that slaughter numbers will continue higher this year as well. With higher carcass weights and larger slaughter numbers, beef production in 2006's second quarter could increase 5-6% from 2005. And, that suggests we won't see \$90 fed cattle prices for a while.

CATTLE DRESSED WEIGHT
Federally Inspected, Weekly



The Markets

Fed cattle prices were steady last week, with live weight prices in Kansas averaging \$86.13 and dressed weight prices in Nebraska averaging \$136.40. Choice boxed beef prices declined more than \$3/cwt from the previous week to average \$145.11. The Choice-Select spread widened \$0.57 to \$11.21/cwt. Last week, yearling steer prices were down nearly \$3/cwt in Nebraska last week, but were about \$2.50/cwt higher in Kansas. Steer calf prices advanced another \$2/cwt in Nebraska last week, but were \$2 lower in Kansas.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight	\$86.13	\$86.14	\$90.05
Neb. Fed Steer Price, dressed weight	\$136.40	\$136.58	\$147.90
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$105.74	\$103.19	\$108.85
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$131.08	\$133.10	\$135.86
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$106.12	\$108.92	\$115.55
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$138.18	\$136.20	\$138.83
Choice Boxed Beef Price, 600-900 lb. carcass	\$145.11	\$148.22	\$156.72
Choice-Select Spread, 600-900 lb. carcass	\$11.21	\$10.64	\$6.36