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**Cattle on Feed**

The USDA released the latest Cattle on Feed report this past Friday. There were not any surprises in the report and the market responded accordingly. Both the CME Fed and Feeder boards were fairly stable the week prior to the report and Monday and Tuesday of this week seems to be a continuation of that narrow sideways trading channel.

There were 1.6 million head of cattle placed on feed in April. This was down 2% from 2005 but 2% higher than 2004 and right at trade expectations. Fed cattle marketings were 1.8 million, just slightly below 2005 marketings and down 5% from 2004. This is the lowest April marketing number since the series began in 1996. The net result of placements and marketings was a May 1 cattle on feed inventory of 11.56 million head. This is the largest May 1 inventory since the series began in 1996 and is 9% higher than a year ago.

Cattle on feed inventories in Texas, Oklahoma and Kansas were all up more than 10% from 2005, reflecting the drought conditions there and stockers moving off from pastures and into feedlots. Northern inventories were not as large relative to last year. About 40% of the cattle placed in April were calves weighing less than 700 pounds.

**The Markets**

Slaughter cattle prices were \$1 higher in the south with active trade this week and prices were \$1-2 higher in the north this last week with active trade. Trade volume was large in both the north and south. Prices were mostly \$78 in the south and generally \$125-126 in the north. Choice boxed beef prices were higher on average this week but lost some ground late in the week. The weekly average price was \$2 higher than the prior week. The Choice-Select spread increased and remains wider than the historical level. Feeder cattle prices were steady to higher this week in Nebraska and Kansas. 7-weight steers were \$2-2.50 higher and calves were down a little in Kansas but were higher in Nebraska on a very limited volume.

	<b>Last Week</b>	<b>Previous Week</b>	<b>Last Year</b>
Kansas Fed Steer Price, live weight	\$79.14	\$78.12	\$88.85
Neb. Fed Steer Price, dressed weight	\$123.53	\$124.06	\$141.57
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$106.58	\$103.41	\$118.52
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$123.84	\$131.40	\$137.59
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$109.79	\$106.16	\$118.65
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$132.78	\$130.23	\$142.29
Choice Boxed Beef Price, 600-900 lb. carcass	\$144.93	\$146.29	\$156.25
Choice-Select Spread, 600-900 lb. carcass	\$20.11	\$19.50	\$15.36