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Corn & Feeder Cattle Prices

The corn market has been declining sharply in the last couple of weeks. This has likely added support to feeder cattle prices. December corn was priced around \$2.55 per bushel in March. The contract then rallied to \$2.85 per bushel in mid May and again closed at that level on June 2nd. Since that time the contract has declined back to the \$2.55 per bushel level. Good support around \$2.62 per bushel was taken out last week, and this week the contract appears to still be under pressure. Favorable weather in much of the Corn Belt is growing this crop and pressuring prices lower. A decline of \$.30 per bushel in the price of corn probably adds \$2 per cwt. to an 8-weight feeder and \$4 per cwt. to a 6-weight calf price.

This past week, Superior Livestock held a video auction in Des Moines, IA. Prices for 7-weight steers for August and September delivery averaged around \$115 per cwt. for the south central region, which included Kansas. Steer calf prices for 5-weights for October and November delivery averaged around \$123 per cwt. in the south central region and around \$126 per cwt. in the north central region. If the price of corn remains at the present level or declines further, then I would expect we might see a couple more dollars in the price of feeders and calves this fall.

The Markets

Slaughter cattle prices were lower in the south with active trade this week developing late in the week and prices were \$3 per cwt. lower in the north this last week with active trade on Wednesday. Trade volume was large in both the north and south. Prices were mostly \$80 per cwt. in the south and were \$125 per cwt. in the north. Choice boxed beef prices were lower on average this week. The weekly average price was just over \$1 per cwt. lower than the prior week. The Choice-Select spread decreased but remains wider than the historical level. Feeder cattle prices were steady to higher this week in Nebraska and Kansas. 7-weight steers were firmer in Kansas and were \$1 per cwt. higher in Nebraska and calves were a couple of dollars higher in Kansas and no trend could be determined in Nebraska due to the lack of trade last week.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight	\$80.20	\$83.04	\$83.75
Neb. Fed Steer Price, dressed weight	\$124.87	\$128.52	\$131.98
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$110.60	\$110.02	\$114.75
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$127.77	\$125.00	\$130.75
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$115.46	\$114.50	\$120.81
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$132.70	--	\$155.51
Choice Boxed Beef Price, 600-900 lb. carcass	\$152.09	\$150.99	\$139.62
Choice-Select Spread, 600-900 lb. carcass	\$22.83	\$20.70	\$4.97