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**Cattle Weights and Beef Production**

Through the first half of the year, beef slaughter has been about 4% larger than in 2005. While feedlots have remained fairly current through the first six months of 2006, cattle weights have still been heavier than a year ago and heavier than the five year average. From January through June steer carcass weights have averaged 837 pounds for the 5-state marketing region. That compares to 822 pounds last year and 812 pounds for the five year average. The extra 15 pounds of weight relative to last year is almost a two percent increase and the 25 pounds added weight over the five year average is a three percent increase. With the added weight on fed steers and heifers, total beef production is up 6.5% relative to last year.

Normally an increase in supply of that magnitude would lead to a substantial price reduction in the market place. Yet, the USDA Choice Boxed Beef Cutout Value is nearly identical to a year ago: an average for the first 6 months of \$148.89 in 2006 and \$148.65 in 2005. However, the USDA Select Boxed Beef Cutout Value is five percent lower, averaging \$133.45 in 2006 compared to \$140.48 in 2005. For those who have been searching for a reason for the historically wide Choice-Select spread, perhaps the answer is simply too much beef. It appears that most of the Choice product is finding willing consumers, but to move all of the Select product consumers have had to be encouraged with lower prices.

**The Markets**

Slaughter cattle prices were lower in the south with active trade this week developing on Friday and prices were steady in the north this last week with active trade on Friday as well. Trade volume was large in both the north and south. Prices were mostly \$83-\$83.50 in the south and were \$131-132 in the north. Choice boxed beef prices were steady to lower this week. The weekly average price declined less than \$0.50 compared to the prior week. The Choice-Select spread decreased slightly but remains wider than the historical level. Feeder cattle prices were higher this week in Nebraska and were not reported for Kansas. Calf prices were also higher in Nebraska on very limited volume.

	<b>Last Week</b>	<b>Previous Week</b>	<b>Last Year</b>
Kansas Fed Steer Price, live weight	\$83.19	\$84.03	\$82.15
Neb. Fed Steer Price, dressed weight	\$131.53	\$131.58	\$128.92
700-800 lb. Feeder Steer Price, Kansas 4 market average	--	\$117.82	--
500-600 lb. Feeder Steer Price, Kansas 4 market average	--	\$129.79	--
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$125.11	\$121.26	\$120.75
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$144.38	\$139.85	\$150.80
Choice Boxed Beef Price, 600-900 lb. carcass	\$153.43	\$153.71	\$135.61
Choice-Select Spread, 600-900 lb. carcass	\$22.26	\$22.85	\$3.41