

In The Cattle Markets

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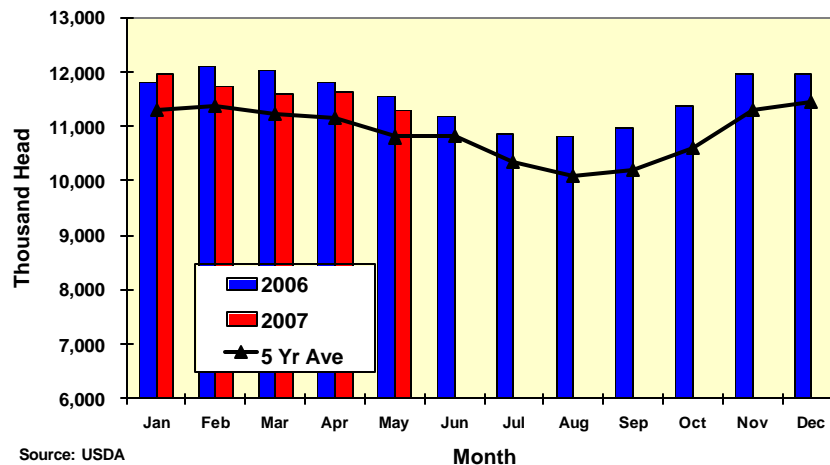
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Cattle on Feed Report Friendly

In its monthly cattle on feed report released last Friday, USDA reported the May 1 cattle on feed inventory at 11.30 million head, down 2.3% from last year and in-line with the average pre-release estimate. Net placements of cattle on feed during April at 1.47 million head were down 4.4%, also close to pre-release estimates. Placements weighing less than 700 lbs. were down 2.3% last month, while 700-799 lb. and 800+ lb. placement categories saw larger decreases of 3.2% and 4.7%. The most friendly information in the report was the 1.4% increase in April marketings. At 1.82 million head, marketings last month were about 26,000 head more than the average trade pre-release estimate. However, it is important to remember that April 2007 had one more slaughter day than April 2006; thus, marketings on an average daily basis were actually down 3.4% last month. Still, the marketings pace has been sufficient to help lower the front end supply of cattle. The number of cattle on feed for more than 120 days dropped nearly 200,000 head from April 1 to May 1. That front-end supply of cattle remains 2.7% higher than last year, however carcass weights are about 18 lbs. lighter this year.

The data in the report suggest that cattle supplies may be a little tighter over the upcoming months than previously thought. This would be supportive to prices in early summer as the market approaches its seasonal low. Look fed cattle prices to average close to \$90/cwt for the summer quarter.

**Cattle on Feed, All States,
1000+ Head Feedyards**



The Markets

Last week's dressed slaughter cattle trade in Nebraska occurred on Thursday, with prices steady to \$1.50/cwt higher than the previous week. Live sales in Kansas were made primarily on Friday, at prices steady to \$1 higher in a range from \$97.50-98.50. Choice boxed beef continued its advance last week, increasing more than \$6/cwt to average \$166.27. The Choice-Select spread narrowed slightly to \$12.98. Prices for yearling steers in Kansas and Nebraska were steady to slightly lower in the face of corn prices jumping twenty cents for the week to \$3.53/bu (basis Omaha, NE). Steer calf prices in Kansas were down \$6.63/cwt as well. However, good demand for grass cattle drove calf prices up more than \$9/cwt last week in Nebraska.

	Last Week	Previous Week	Last Year
Kansas Fed Steer Price, live weight	\$97.89	\$97.40	\$79.14
Neb. Fed Steer Price, dressed weight	\$154.36	\$154.11	\$125.23
700-800 lb. Feeder Steer Price, Kansas 4 market average	\$111.61	\$111.87	\$106.58
500-600 lb. Feeder Steer Price, Kansas 4 market average	\$122.50	\$129.13	\$123.84
700-800 lb. Feeder Steer Price, Neb. 7 market average	\$114.92	\$115.87	\$109.79
500-600 lb. Feeder Steer Price, Neb. 7 market average	\$139.82	\$130.63	\$132.79
Choice Boxed Beef Price, 600-900 lb. carcass	\$166.27	\$160.08	\$144.93
Choice-Select Spread, 600-900 lb. carcass	\$12.98	\$13.28	\$20.11
Corn Price, Omaha Nebraska, \$/bu (Thursday quote)	\$3.53	\$3.32	\$2.20
DDG Wholesale Price, Iowa, \$/ton	\$100.50	\$103.00	\$83.50