

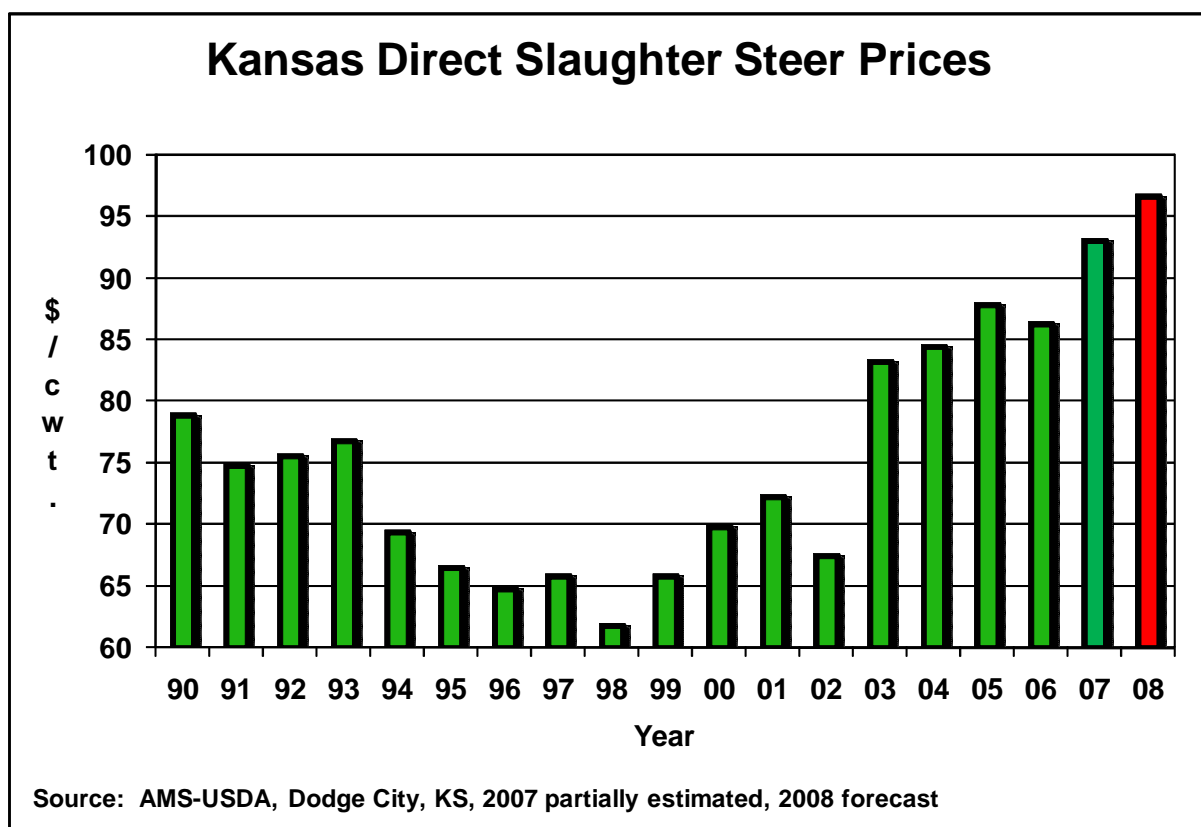
## In The Cattle Markets

James Mintert, Ph.D.

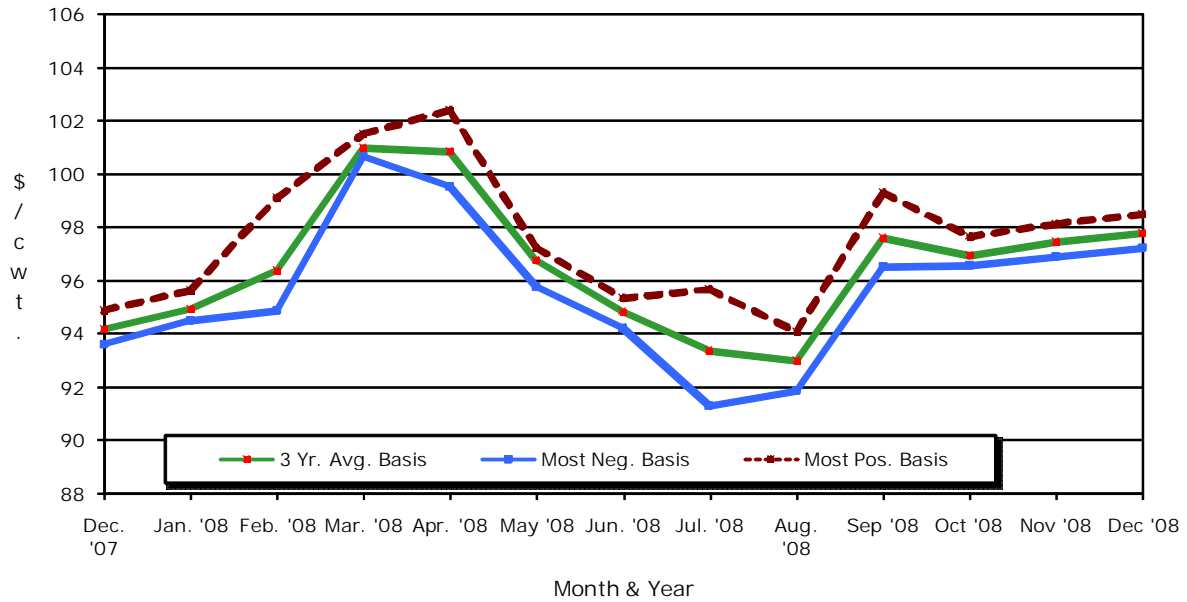
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### Annual Average Slaughter Cattle Prices Set New Record in '07

Kansas annual average slaughter steer prices are on track to set a new record high in '07. In fact, 2007 will be the first year in history that slaughter cattle prices averaged above \$90 per cwt. From 2003 to 2006 Kansas slaughter steers annual average price averaged between \$83 to approximately \$88, which was significantly higher than the prior four years when annual average prices ranged from about \$66 to \$72 per cwt. This year Kansas slaughter steer prices are on track to average between \$93 and \$93.50, an increase of about 8% compared to 2006's price average. And prices are expected to increase again in 2008. Recent Chicago Mercantile Exchange futures prices, adjusted for three year average basis levels, suggest that Kansas slaughter steer prices could average near \$97/cwt. in 2008.



## Mid-Month Futures Based Price Forecasts Kansas Slaughter Steers



Source: USDA, CME, & James Mintert, K-State Ag. Economics  
Based on 11.29.07 CME Live Cattle settlement prices

KSU Dept. of Ag Econ  
www.agmanager.info

### The Markets

Slaughter cattle prices in Kansas and Nebraska strengthened in front of the Thanksgiving holiday, averaging \$95.33/cwt. live in Kansas and for dressed steers \$149.93/cwt in Nebraska. Trade this week (week ending December 1) has mostly been steady, ranging from \$95 to \$95.50/cwt. in Kansas and \$150/cwt. in Nebraska. Weekly average Choice and Select boxed beef prices increased Thanksgiving week and again this week, breaking through \$150/cwt. the week ending December 1. The weekly average Choice-Select spread also increased. Thanksgiving week the Choice-Select spread averaged \$13.31/cwt. and it averaged above \$15/cwt. the week ending December 1, its widest level since late December 2006.

	Week of 11/23/07	Week of 11/16/07	Week of 11/24/06
Kansas Fed Steer Price, live weight	\$95.33	\$93.01	\$87.94
Nebraska Fed Steer Price, dressed weight	\$149.93	\$146.58	\$138.53
700-800 lb. Feeder Steer Price, KS 3 market average	--	\$110.82	--
500-600 lb. Feeder Steer Price, KS 3 market average	--	\$121.11	--
700-800 lb. Feeder Steer Price, NE 7 market average	\$115.34	\$112.84	\$106.52
500-600 lb. Feeder Steer Price, NE 7 market average	\$125.26	\$122.16	\$119.64
Choice Boxed Beef Price, 600-900 lb. carcass	\$147.63	\$143.50	\$141.76
Choice-Select Spread, 600-900 lb. carcass	\$13.31	\$11.24	\$12.91
Corn Price, Omaha, NE, \$/bu (Thursday quote)	\$3.77	\$3.58	\$3.37
DDG Wholesale Price, Iowa, \$/ton	\$140.50	\$135.00	\$112.50