

## In The Cattle Markets

Darrell R. Mark, Ph.D.

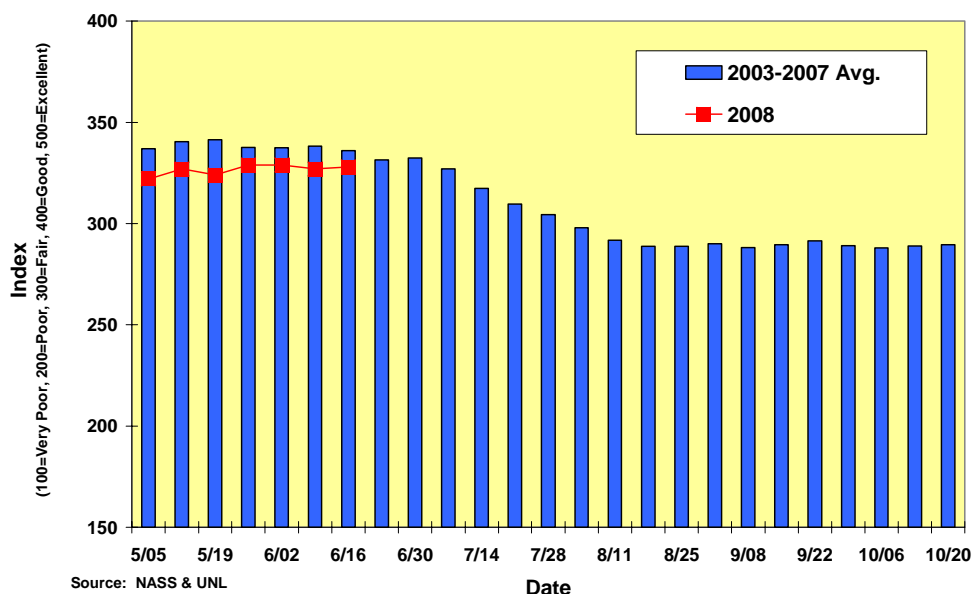
Asst. Professor, Department of Agricultural Economics, University of Nebraska–Lincoln

### Grass Conditions

In an effort to find some good news in the feedstuffs situation (which is certainly hard to come by), I thought it was time to review pasture and range conditions this week. According to USDA's Weekly Crop Progress and Condition Report, 51% of pasture and range was rated in good to excellent condition. This compares to 50% for last week as well as last year. As shown on the figure below, the weekly pasture and range condition rating was 328 (where 500=excellent and 100=very poor), down from 336 for the previous five year average.

While the U.S. rating suggests average conditions across the country, closer examination of the state average rating indicates significant differences in pasture and range conditions. For example, ample rains throughout much of Nebraska have resulted in a condition rating of 383 this week, much higher than the 326 averaged for the previous five years. But, even with a relatively good rating compared to the past, the variability in pasture and range condition across Nebraska remains. For example, while the Sandhills area is generally enjoying enough moisture to produce adequate forage, northwestern areas of the Panhandle are still suffering from a multi-year drought. Across the country, other states are primarily facing drought conditions. Georgia, Texas, North Dakota, for example, only have 25%, 31%, and 29% of their pasture and range rated as good or excellent.

### U.S. Pasture and Range Condition



## The Markets

Last week, the fed cattle market was about a dollar lower on a dressed and live weight basis in Nebraska and Kansas in a trade that developed early in the week, for the second week in a row. Live weight prices in Kansas averaged nearly \$93/cwt while dressed prices in Nebraska were just over \$147. For the week, Choice boxed beef averaged \$157.03, just slightly higher than the previous week. The spread between Choice and Select widened slightly to average \$4.12 for the week. Yearling feeder cattle prices were steady to lower in Nebraska and Kansas last week and Nebraska steer calf prices were about \$4 lower on limited volume. Clearly, the weakness in the feeder cattle market was a result of sharply higher corn prices. As a result of slow crop progress, poor condition, and flooding in Iowa and other areas of the Corn Belt, corn prices in Omaha, NE were \$0.64/bu higher through Thursday compared to the previous week. Dried distillers grain prices (basis Iowa) were down \$2.50/ton last week, but \$75/ton more than last year.

	<b>Week of 6/13/08</b>	<b>Week of 06/06/08</b>	<b>Week of 06/15/07</b>
Kansas Fed Steer Price, live weight	\$92.92	\$93.81	\$89.87
Nebraska Fed Steer Price, dressed weight	\$147.09	\$148.07	\$140.46
700-800 lb. Feeder Steer Price, KS 3 market average	\$111.75	\$113.23	\$107.18
500-600 lb. Feeder Steer Price, KS 3 market average	\$118.50	--	--
700-800 lb. Feeder Steer Price, NE 7 market average	\$110.49	\$114.74	\$109.15
500-600 lb. Feeder Steer Price, NE 7 market average	\$125.90	\$125.86	\$125.38
Choice Boxed Beef Price, 600-900 lb. carcass	\$157.03	\$156.90	\$147.63
Choice-Select Spread, 600-900 lb. carcass	\$4.12	\$4.08	\$6.79
Corn Price, Omaha, NE, \$/bu (Thursday quote)	\$6.75	\$6.11	\$4.08
DDG Wholesale Price, Iowa, \$/ton	\$172.50	\$175.00	\$97.50