

Higher Cattle Prices Mean Herd Expansion

February 2003

Chris Hurt

Eighty dollar cattle prices are back, the first time since April of 2001, and there are early indications that producers stand ready to expand the cow herd. While beef cow numbers are down a modest .5%, the number of milk cows is up .4%. Producers seem to be tilting toward expansion with the number of beef heifers being retained to be added to the herd up .8%, and up 1.1% for milk heifers. In addition, the numbers of these retained beef heifers that will calve this year are up a sharp 3%. This increase in heifer retention is coming in spite of drought conditions entrenched in the Central and Northern Plains, as well as in many of the Rocky Mountain States.

Cold weather in the first three weeks of January slowed cattle marketings and tightened beef supplies. Moderating weather since has resulted in a return to larger beef supplies, but little change in prices as prices swing seasonally higher into the late winter and early spring.

The beef herd continues to concentrate in the center of the country which now represents 52% of the beef cows compared to about 47% in 1980. The Eastern Corn Belt (Wisconsin, Illinois, Indiana, Michigan, Ohio) has had the largest percentage decline in beef cow numbers since 1980, (down 38%) totaling a 759,000 cow reduction. Today, the Eastern Corn Belt has only 3.8% of the beef cows in the U.S.

Cattle on-feed numbers are currently down 8%, and have been down at least 5% or more each month since last July. This means that the number of cattle coming out of feedlots will be limited in the first-half of 2002. Placements finally began to rise in November and December as feed prices moderated and finished cattle prices rose.

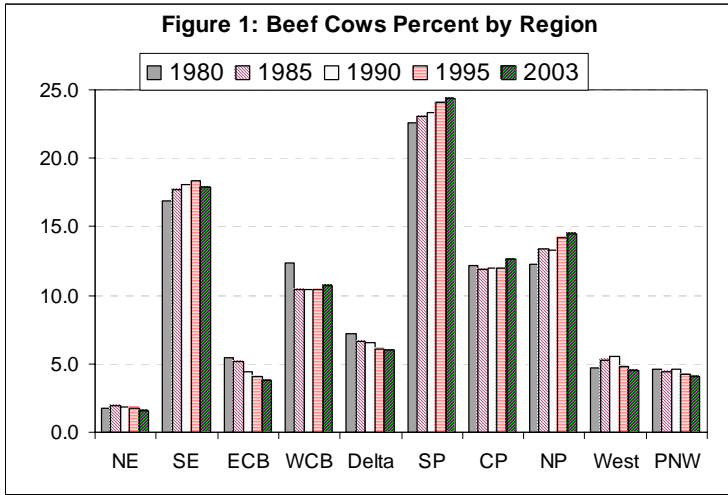
Nebraska finished steer prices are expected to average near \$75 compared to about \$67 last year. Beef production is expected to be down 3% with smaller slaughter supplies and modestly lower weights compared to 2002. Calf and feeder cattle prices are also expected to be somewhat higher than last year's average, but higher feed prices will moderate younger cattle price increases.

The Numbers

Data from the recent USDA *Cattle* report are shown in Table 1. The number of beef cows in the country was down modestly by .5%. In the Eastern Corn Belt numbers were down 1% led by declines in Illinois (down 19,000 cows) and Ohio (down 20,000 cows). Indiana, Wisconsin, and Michigan each had some increase in beef cow numbers.

Around the country, small increases in cow numbers occurred in the Western Corn Belt, the Southern Plains, and the Southeast, all other regions had decreases. The Northern and Central Plains as well as the western U.S. all had decreases due to the pervasive drought

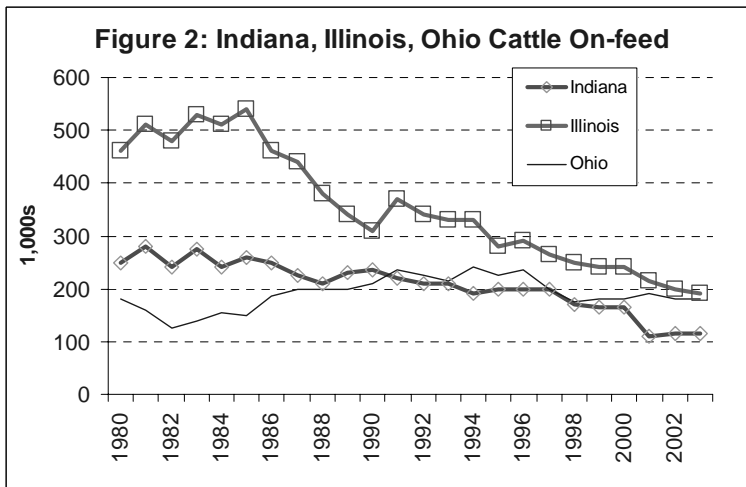
that limited pastures and forage supplies in 2002. Current drought indicators show no signs of improvement in most of those regions.



Overall, however, beef cows continue to shift toward the center of the county as shown in Figure 1. This shows the percent of the U.S. beef cows in each region. There is a growing percentage of the cows in the Southern Plains (SP); the Central Plains (CP) and the Northern Plains (NP). In 1980, the three Plain's regions accounted for 47% of the cows, while today they represent 52%. The largest

declines in terms of regional importance are in the Eastern Corn Belt (now only 3.8% of cows) and the Delta (now 6% of the cows). The continued slow shift of cows toward the center of the country is expected to continue.

Cattle on-feed numbers were down 8% as of the beginning of the year. While placements in both November and December were starting to move back upward, the number of market ready cattle coming out of feedlots will be limited in coming months.



The number of cattle being fed in Indiana, Illinois, and Ohio continues to trend lower over time. Illinois now has about 200,000 head of cattle on-feed; Ohio 180,000 head; and Indiana 115,000. Ohio numbers have remained the most stable since 1980, while those in Illinois have dropped by around 60%, and Indiana numbers are down about 55%.

For the milk herd, cow numbers were up slightly by .4%. Unfortunately, there is still no sign that producers are adjusting cow numbers downward in response to the dismal milk prices in 2002, which were the lowest since 1980. In addition to a slightly higher number of cows in production, heifers being retained for breeding stock were up 1% indicating further intended expansion. The continuation of higher milk cow numbers is a discouraging sign which indicates even larger milk supplies this year.

With declining beef cow numbers and increasing milk cow numbers, the total number of cows is only down a modest .3%. Consequently the final 2002 calf crop was down only .2%.

Supplies, Production, Prices

Anticipated beef production is developed in Tables 2a, 2b, and 3. This method uses the inventory of calves on January 1 to estimate the number of steers and heifers that will be in the slaughter mix for the year. This number is then allocated to the quarters by the relative volumes of steers and heifers slaughtered in the past three years. This method may somewhat overestimate the number of steers and heifers that will reach slaughter in the early portion of the year where on-feed numbers are going to be low.

Weights bear a special note. As mentioned, weights are a critical reason why beef production was so large in 2002 when slaughter numbers were up 1.4% and weights were up 2.3% for a total increase of 3.7%. Weights jumped upward after September 11, 2001 and have been slow to moderate. So far in 2003, carcass weights have been unchanged to down slightly. With stronger finished cattle prices throughout 2003, feeders are expected to keep weights somewhat under last year as they try to advance marketings to take advantage of the higher prices.

The number of head slaughtered in 2003 is expected to be 34.8 million down from 35.7 million in 2002. Carcass weights are expected to average 755 pounds in 2003, down modestly from 758 pounds last year.

For 2003, beef production is expected to fall by 3.1%. This is anticipated to be composed of a 2.7% decline in slaughter numbers and a .4% decrease in carcass weights. The decline by quarter is shown below and in Table 5. Supplies are expected to drop the most in the last three quarters of the year when production is expected to be down 3% or more.

Prices of Nebraska steers are expected to average in the mid-to-higher \$70s in the first quarter reaching into the low \$80s for highs especially in late March and early April. Prices are expected to then move lower seasonally into the late summer when they could drop to the very low \$70s. Recovery is expected to be strong in the last quarter of the year, with prices pushing back upward to the mid-\$70s for a last quarter average. Nebraska finished steer prices are expected to average near \$75 this year compared to about \$67 in 2002.

Higher feed prices in the first quarter of 2003 will keep calf and feeder cattle prices from being as strong as they were during the same period in 2002. However, moderating feed prices in the summer and fall will likely push calf and feeder cattle prices back above prices in the same period in the previous year. For the entire year, calf and feeder cattle prices are expected to be somewhat higher than 2002.

Beef Production				Cattle Prices (\$/cwt.)			
<u>Year</u>	<u>Qtr.</u>	<u>Mill. #'s</u>	<u>%Change Year-Ago</u>	<u>Finished Steers</u>	<u>450-500# Heifers</u>	<u>500-550# Steers</u>	<u>750-800# FeederSteers</u>
2000	I	6,653	4.0%	\$69.32	\$96.90	\$106.13	\$84.91
	II	6,699	1.1%	\$71.59	\$96.16	\$101.64	\$84.76
	III	6,914	1.1%	\$65.43	\$93.46	\$101.80	\$86.25
	IV	6,511	-0.2%	\$72.26	\$93.57	\$97.97	\$88.76
	Year	26,777	1.5%	\$69.65	\$95.02	\$101.89	\$86.17
2001	I	6,182	-7.1%	\$79.11	\$100.39	\$107.78	\$86.82
	II	6,501	-3.0%	\$76.41	\$102.17	\$107.22	\$89.47
	III	6,723	-2.8%	\$70.19	\$97.06	\$103.00	\$91.13
	IV	6,700	2.9%	\$65.13	\$90.75	\$98.21	\$85.37
	Year	26,106	-2.5%	\$72.71	\$97.59	\$104.05	\$88.20
2002	I	6,376	3.1%	\$70.19	\$94.87	\$102.35	\$81.24
	II	6,833	5.1%	\$65.58	\$87.47	\$91.76	\$77.16
	III	7,097	5.6%	\$63.50	\$81.49	\$88.38	\$78.87
	IV	6,783	1.2%	\$69.10	\$84.30	\$93.02	\$83.08
	Year	27,089	3.8%	\$67.09	\$87.03	\$93.88	\$80.09
2003	I	6,321	-0.9%	\$76.63	\$89.26	\$97.02	\$81.06
	II	6,605	-3.3%	\$76.00	\$89.90	\$96.46	\$80.75
	III	6,794	-4.3%	\$72.10	\$85.40	\$91.94	\$81.86
	IV	6,536	-3.6%	\$74.87	\$84.20	\$91.90	\$82.51
	Year	26,256	-3.1%	\$74.90	\$87.19	\$94.33	\$81.55

More detail can be found in Table 5

Implications for the Industry

The surge in cattle prices early in 2003 has likely been related to the limited number of cattle coming out of feedlots due to severe cold weather in the first three weeks of the year when the slaughter head count was down 3%. Since that time, slaughter volume has increased back above previous year levels, but cattle prices have not retreated. While some retrenchment is likely in prices in the very-short run, seasonal price highs tend to come in late March and early April. Reaching \$80 cattle in January is a rare event. That has happened only twice previous to this year. In 1993, cattle reach \$83 by early march and in 2001 they reached \$84 by mid-March.

There is much promise for a very profitable cattle year. Beef production is expected to drop by 3% this year with finished cattle prices averaging near \$75 for the year. This would be 12% higher than the \$67 level of 2002. Calves and feeder cattle should also be somewhat higher, but more expensive feed may limit price increases for younger animals. Producers have already begun a modest expansion by retaining more heifers. High cattle prices will likely cause even larger withholding in the last-half of the year. This often means some of the highest cattle prices on the cycle as heifers are diverted from slaughter and back toward breeding herds. Regardless, strong cattle prices can be anticipated into 2004 and 2005.

This year, of course, there are additional uncertainties. First, the Iraq situation. Looking back to the Gulf war in 1991, there was not a major impact on cattle prices. In general prices were weakened by the anticipation of the engagement before the actual U.S. led invasion. However, by the first day after the January 16, 1991 invasion, the livestock markets were already taking a positive stance as they moved upward. A month after the invasion, cattle futures prices were sharply higher than during the invasion week. This seems to suggest that if military action is begun and goes well in Iraq, cattle prices may be supported. On the other hand, if military action begins and it does not go well weakness in cattle prices can be anticipated.

The second issue is the threats of terrorism in this country. A massive terrorist act such as 9-11 would likely result in falling cattle prices. After 9-11-01, cattle futures sank by about \$1 per hundredweight in the first week, but were down by \$4 in a month. Further, 9-11 seemed to be the demarcation point for longer-term depressed prices in the industry. Given the lofty heights of the current cattle futures prices, the fall could be quiet rapid and of even larger magnitude.

Finally, what about the general economy? Growth is currently positive, but it is at a relatively slow growth rate that is not sufficient to keep unemployment moving downward. Consumers are cautious. A war in Iraq will be a drain on the federal budget and interest rates will rise. Economic growth will likely be slower than if there were no military conflict. If things go well in Iraq however, consumers may experience a subsequent euphoric feeling and boost consumer spending resulting in the stronger growth economist have been hoping for. How it goes in Iraq and the war on terrorism thus has much to do with the fortunes of cattle producers this year.

Greater uncertainty about upcoming events will mean weakness in cattle futures. The more certain the outcome of these events becomes, the more cattle futures prices will strengthen. While there remains much optimism for the cattle market this year, producers should seriously consider forward pricing in the cash market or use futures or options as a means of converting price uncertainty into a more certain price situation.

Drought conditions provide additional uncertainty as dry weather continues for the Great Plains, and the drought appears to be moving further east into Missouri, Iowa, and Illinois. If pasture conditions are poor again this year, cow slaughter may be higher than expected, and moderate prices somewhat. However, this would mean that an even smaller beef supply will be available in the next several years.

Table 1. Cattle Number, 1991 - 2003: Data in 1,000s: Source-USDA Cattle Reports

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	% Change vs. 2001
All cattle and calves														
January 1	98,896	99,559	99,176	100,988	102,755	103,487	101,656	99,744	99,115	98,198	97,277	96,704	96,106	-0.6
July 1	109,000	109,200	109,000	111,300	113,000	111,500	109,200	107,700	107,000	106,300	105,800	105,200		
Beef cows														
January 1	33,271	33,775	33,365	34,650	35,156	35,228	34,458	33,885	33,745	33,569	33,397	33,118	32,947	-0.5
July 1	34,400	34,550	34,900	35,600	36,100	35,600	34,800	34,400	34,150	33,950	33,900	33,750		
Milk cows														
January 1	10,156	9,913	9,658	9,528	9,487	9,416	9,318	9,199	9,133	9,190	9,183	9,112	9,152	0.4
July 1	10,000	9,850	9,700	9,500	9,500	9,400	9,300	9,200	9,150	9,250	9,100	9,150		
Heifers 500 lbs. +														
Beef replacement														
January 1	5,605	5,761	6,092	6,365	6,475	6,179	6,042	5,764	5,535	5,503	5,588	5,561	5,608	0.8
July 1	5,300	5,700	5,700	5,900	5,700	5,500	5,300	5,000	4,800	4,700	4,600	4,600		
Milk replacement														
January 1	4,220	4,202	4,176	4,144	4,141	4,104	4,058	3,986	4,069	4,000	4,057	4,060	4,104	1.1
July 1	4,200	4,200	4,000	4,000	3,900	3,700	3,600	3,600	3,700	3,700	3,600	3,700		
Other heifers 500 lbs. +														
January 1	8,357	8,142	8,550	9,068	9,275	9,949	10,212	10,051	10,170	10,147	10,131	10,057	9,890	-1.7
July 1	7,400	7,100	7,300	7,500	8,000	8,100	8,200	8,100	8,100	8,100	8,200	7,900		
Steers 500 lbs. +														
January 1	16,369	16,755	16,940	17,042	17,463	17,732	17,392	17,189	16,891	16,682	16,441	16,790	16,590	-1.2
July 1	15,100	15,100	14,900	15,200	15,400	15,100	14,800	14,600	14,400	14,300	14,600	14,500		
Bulls 500 lbs. +														
January 1	2,228	2,279	2,278	2,307	2,390	2,392	2,350	2,270	2,281	2,293	2,274	2,244	2,253	0.4
July 1	2,200	2,200	2,200	2,300	2,400	2,400	2,300	2,200	2,200	2,100	2,100	2,100		
All Calves < 500 lbs.														
January 1	18,691	18,733	18,117	17,884	18,369	18,488	17,826	17,401	17,290	16,815	16,206	15,763	15,563	-1.3
July 1	30,400	30,500	30,300	31,300	32,000	31,700	30,900	30,600	30,500	30,200	29,700	29,500		
Calf Crop	39,026	39,290	39,448	40,059	40,211	39,776	38,961	38,812	38,796	38,631	38,280	38,193		02 vs. 01 -0.2

Table 2a. Ratios of Commercial Slaughter Steers and Heifers to Beginning Cattle Inventories, 1985 to 2003

	January 1 ^A	Total Commerical	Ratio of Slaughter to
	Slaughter Supply	Steer and Heifer Slaughter	Supply
	-----Thousand Head-----	-----	-----Percent-----
1985	50,885	28,139	55.3
1986	48,488	28,613	59.0
1987	45,881	28,350	61.8
1988	44,299	28,087	63.4
1989	43,673	26,970	61.8
1990	42,970	26,664	62.1
1991	43,417	26,445	60.9
1992	43,630	26,368	60.4
1993	43,607	26,573	60.9
1994	43,994	27,614	62.8
1995	45,107	28,667	63.6
1996	46,169	28,573	61.9
1997	45,430	29,541	65.0
1998	44,641	28,893	64.7
1999	44,351	29,795	67.2
2000	43,644	30,101	69.0
2001	42,778	28,958	67.7
2002	42,610	29,361	68.9
2003	42,043	28,757 ^B	68.4 ^B

^A Steers 500 pounds and over, other heifers, and all under 500 pounds

^B Projected

Table 2b. Ratios of Commercial Slaughter Steers and Heifers to Beginning Cattle Inventories, 1985 to 2003

	January 1 Inventory	First Half	Ratio	Calves <	Second Half	Ratio
	Steers and Heifers	Steer and Heifer		500 Pounds	Steer and Heifer	
	500+ ^B	Slaughter		January 1	Slaughter	
	-----thousand head-----	-----		-----thousand head-----	-----	
1985	24,435	14,083	57.6	26,450	14,056	53.1
1986	24,057	14,219	59.1	24,431	14,394	58.9
1987	22,797	14,046	61.6	23,084	14,304	62.0
1988	23,404	13,986	59.8	20,895	14,101	67.5
1989	23,100	13,477	58.3	19,899	13,493	67.8
1990	23,939	13,425	56.1	19,031	13,239	69.6
1991	24,726	13,048	52.8	18,691	13,397	71.7
1992	24,897	13,137	52.8	18,733	13,231	70.6
1993	25,490	13,101	51.4	18,117	13,472	74.4
1994	26,110	13,576	52.0	17,884	14,038	78.5
1995	26,738	14,119	52.8	18,369	14,533	79.1
1996	27,681	14,742	53.3	18,488	13,831	74.8
1997	27,604	14,680	53.2	17,826	14,861	83.4
1998	27,240	14,460	53.1	17,401	14,447	83.0
1999	27,061	14,794	54.7	17,290	15,001	86.8
2000	26,829	15,159	56.5	16,815	14,942	88.9
2001	26,572	14,351	54.0	16,206	14,607	90.1
2002	26,847	14,502	54.0	15,763	14,859	94.3
2003 ^A	26,480	14,312	54.1	15,563	14,444	92.8

^A Projected

^B Excluding replacement heifers

Table 3. Cow Inventory, January 1 and Cow and Bull Slaughter for the Following Year

	Cow Inventory	Cow Slaughter	Ratio Slaughter /Inventory	Bull Slaughter	Ratio Bull Slaughter to Cow Slaughter
	----thousand head----			thousand head	
1980	47,865	6,334	13.2	724	11.4
1981	49,586	6,634	13.4	775	11.7
1982	50,331	7,354	14.6	818	11.1
1983	48,987	7,606	15.5	808	10.6
1984	48,603	8,617	17.7	788	9.1
1985	46,212	7,391	16.0	758	10.3
1986	44,811	7,958	17.8	715	9.0
1987	44,457	6,604	14.9	691	10.5
1988	43,494	6,331	14.6	642	10.1
1989	43,337	6,294	14.5	668	10.6
1990	43,353	5,969	13.8	658	11.0
1991	43,427	5,624	13.0	615	10.9
1992	43,688	5,839	13.4	653	11.2
1993	43,023	6,088	14.2	659	10.8
1994	44,178	5,974	13.5	643	10.8
1995	44,643	6,144	13.8	675	11.0
1996	44,644	7,172	16.1	723	10.1
1997	43,776	6,619	15.1	707	10.7
1998	43,084	5,985	13.9	606	10.1
1999	42,878	5,711	13.3	639	11.2
2000	42,759	5,522	12.9	624	11.3
2001	42,580	5,774	13.6	632	10.9
2002	42,230	5,758	13.6	611	10.6
2003 ^A	42,099	5,473	13.0	558	10.2

^A Projected

Table 4. Commercial Beef Slaughter, Production, and Dressed Weights, 1983-2003

Year	Slaughter (1,000 hd)	Weight (lb)	Production (lbs)	Slaughter (1,000 hd)	Weight (lb)	Production (lbs)
	-----January-March-----			-----April-June-----		
1983	8,735	632	5,525	8,844	627	5,549
1984	9,169	623	5,708	9,341	623	5,819
1985	8,936	637	5,691	9,023	656	5,917
1986	8,884	649	5,769	9,574	652	6,247
1987	8,765	657	5,756	8,878	646	5,737
1988	8,575	664	5,696	8,759	660	5,784
1989	8,180	676	5,529	8,694	664	5,777
1990	8,117	678	5,507	8,541	671	5,733
1991	7,858	685	5,383	8,299	686	5,694
1992	8,032	697	5,597	8,255	693	5,726
1993	7,910	677	5,357	8,469	672	5,690
1994	8,162	704	5,745	8,615	702	6,042
1995	8,418	699	5,888	9,053	699	6,325
1996	8,971	703	6,303	9,589	693	6,642
1997	8,912	686	6,112	9,307	690	6,419
1998	8,681	716	6,215	8,995	718	6,461
1999	8,733	733	6,397	9,176	722	6,627
2000	9,005	739	6,653	9,195	729	6,699
2001	8,500	727	6,182	9,033	720	6,501
2002	8,408	758	6,376	9,158	746	6,833
2003 ^A	8,395	753	6,321	8,877	744	6,605
	-----July-September-----			-----October-December-----		
1983	9,547	630	6,012	9,537	626	5,974
1984	9,559	622	5,949	9,503	624	5,933
1985	9,352	659	6,166	8,978	643	5,774
1986	9,654	650	6,275	9,180	645	5,925
1987	9,222	657	6,063	8,783	666	5,852
1988	9,199	672	6,186	8,538	674	5,575
1989	8,612	684	5,892	8,430	686	5,785
1990	8,449	689	5,814	8,112	687	5,564
1991	8,453	711	6,012	8,074	707	5,710
1992	8,451	709	5,991	8,122	696	5,654
1993	8,673	700	6,076	8,268	704	5,819
1994	8,825	723	6,377	8,629	709	6,114
1995	9,279	714	6,625	8,890	706	6,277
1996	9,123	700	6,390	8,900	684	6,084
1997	9,300	710	6,603	8,879	704	6,258
1998	9,071	732	6,638	8,737	726	6,339
1999	9,337	733	6,841	8,915	732	6,525
2000	9,256	747	6,914	8,791	741	6,511
2001	8,987	748	6,720	8,844	758	6,700
2002	9,265	766	7,097	8,900	762	6,783
2003 ^A	8,916	762	6,794	8,600	760	6,536

^A Projected for next 12 months

Table 5. Beef, Pork, Poultry Production, Nebraska Steer Prices, and Oklahoma City Feeders by Quarter

		Beef Production	Pork Production	Poultry Production	Nebraska Choice Steer Price	Oklahoma City 450-500 Heifers	Oklahoma City 5-550 Steers	Oklahoma City 750-800 Steers
-----million pounds-----				-----\$/cwt-----				
1991	I	5,383	3,901	5,821	80.89		109.37	91.16
	II	5,694	3,792	6,311	79.34		112.00	93.42
	III	6,012	3,821	6,415	70.29		101.91	87.66
	IV	5,710	4,434	6,338	70.60		94.76	81.88
1992	I	5,595	4,321	6,314	75.95		95.72	79.56
	II	5,723	4,033	6,624	77.18		93.44	80.71
	III	5,990	4,264	6,816	72.84		94.16	83.50
	IV	5,660	4,567	6,644	76.49		91.17	81.72
1993	I	5,357	4,204	6,542	80.65		99.51	85.76
	II	5,690	4,151	6,987	79.78		104.17	86.80
	III	6,076	4,140	7,027	73.77		100.08	87.99
	IV	5,819	4,535	6,970	71.23		94.83	85.27
1994	I	5,745	4,182	6,765	73.10	90.66	98.96	82.14
	II	6,042	4,240	7,238	68.79	87.79	94.16	77.63
	III	6,377	4,326	7,504	66.37	79.28	86.42	76.37
	IV	6,114	4,913	7,339	67.63	77.96	84.58	74.74
1995	I	5,888	4,488	7,343	71.51	78.30	86.81	72.62
	II	6,325	4,394	7,653	64.73	71.23	78.62	65.77
	III	6,625	4,240	7,472	62.65	63.50	68.29	65.44
	IV	6,277	4,690	7,683	66.10	56.20	64.45	67.55
1996	I	6,303	4,389	7,880	63.06	53.54	62.12	58.11
	II	6,642	4,104	7,949	60.26	50.24	59.83	56.79
	III	6,390	4,143	8,043	67.35	56.18	64.90	63.29
	IV	6,084	4,449	7,930	70.39	57.55	67.49	66.15
1997	I	6,107	4,194	7,875	66.40	70.64	81.28	69.44
	II	6,416	4,091	8,341	66.63	81.28	90.28	75.88
	III	6,603	4,194	8,275	65.65	83.97	92.65	80.44
	IV	6,258	4,767	8,259	66.56	78.81	89.90	78.98
1998	I	6,215	4,687	8,135	61.73	81.43	83.44	75.49
	II	6,461	4,429	8,316	64.11	81.54	86.71	74.00
	III	6,638	4,625	8,244	58.97	69.11	74.41	67.89
	IV	6,339	5,239	8,452	61.06	72.67	79.21	69.80
1999	I	6,397	4,865	8,501	62.43	78.03	87.35	71.93
	II	6,627	4,630	8,928	65.04	80.49	89.12	72.17
	III	6,838	4,672	8,848	65.12	82.36	87.12	77.57
	IV	6,522	5,110	8,760	69.65	85.28	93.20	83.87
2000	I	6,653	4,824	8,887	69.32	96.90	106.13	84.91
	II	6,699	4,478	9,146	71.59	96.16	101.64	84.76
	III	6,914	4,606	8,934	65.43	93.46	101.80	86.25
	IV	6,511	5,010	8,929	72.26	93.57	97.97	88.76
2001	I	6,182	4,805	8,879	79.11	100.39	107.78	86.82
	II	6,501	4,546	9,369	76.41	102.17	107.22	89.47
	III	6,723	4,548	9,276	70.19	97.06	103.00	91.13
	IV	6,700	5,239	9,317	65.13	90.75	98.21	85.37
2002	I	6,376	4,779	9,240	70.19	94.87	102.35	81.24
	II	6,833	4,800	9,697	65.58	87.47	91.76	77.16
	III	7,097	4,832	9,670	63.29	81.49	88.38	78.87
	IV ^P	6,783	5,270	9,350	69.10	84.30	93.02	83.08
2003	I	6,321	4,800	9,175	76.63	89.26	97.02	81.06
	II	6,605	4,613	9,675	76.00	89.90	96.46	80.75
	III	6,794	4,765	9,725	72.10	85.40	91.94	81.86
	IV	6,536	5,203	9,650	74.87	84.20	91.90	82.51

^P Preliminary

*Prices are point estimates, but users should look at a range of possible prices at least in a band that both adds and subtracts the following \$/cwt. These are the estimation errors:

Nebraska steers: \$2.00/cwt.; 450 to 500# heifers and 500 to 550 # steers: \$2.50/cwt.; 750 to 800 # steers: \$3.00/cwt.

This range has included about 67% of the prices from the historical price estimates.