Cattle Expansion is Underway

February 2005 Chris Hurt

Cattle producers have responded to record high cattle prices by expanding the breeding herd, and more expansion is on the way. USDA reports beef cow numbers are up by .6 percent and beef replacement heifer numbers have grown by four percent over the past year. It is likely this expansion could continue for five or more years during the expansion phase of the cycle. However, the next cycle low prices would not be expected until the 2010 to 2012 period.

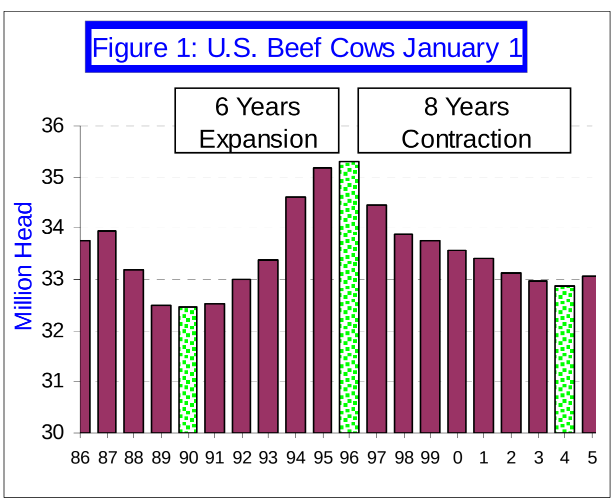
Finished cattle prices set a record in 2004 with Nebraska steers registering an average of $84.75. More importantly for brood cow operations, prices of calves were much above their previous records. As an example, Oklahoma City 500 to 550 pounds steer calves averaged $122 per hundredweight in 2004 compared to their previous record of $104 in 2001. Heifer calves weighing 450 to 500 pounds averaged $114 in 2005, with a previous record of $98 per hundredweight.

For 2005, Nebraska finished steer prices are expected to average near $83, with Oklahoma City heifer calves at $106 and steer calves at $113. While calf prices are expected to be $8 to $10 per hundredweight below last year's record, they should still provide favorable returns for producers.

The abating drought for Plains states and cheap feed with abundant forages, and low priced corn, sorghum, and soybean meal are also expected to contribute to the continued expansion of cattle numbers this year.

The Numbers

The total inventory of cattle stood at 95.8 million head, one percent higher than last year. Beef cow numbers were up .6 percent and milk cow numbers were up .2 percent. The expanding herd means that a new cattle cycle is underway. The previous cycle was a very long one at 14 years, spanning from 1990 through 2004. The seven cattle cycles since 1928 have averaged 11 years. **Figure 1** shows that beef cow numbers expanded for six years from 1990 to 1996, and then contracted for eight years from 1996 through 2004. The higher number of beef cows in 2005 begins a new expansion phase of the cycle.



The expansion of beef cows is especially noteworthy in the central and southern Plains which added 139,000 cows, and in the Corn Belt which added 136,000 cows in the last year. The eastern Corn Belt in particular had a large increase which amounted to a six percent expansion led by 32,000 more cows in Ohio, 28,000 more in Illinois, and smaller increases in both Indiana and Michigan. Beef cow numbers in the southeastern U.S. dropped by 77,000 head.

Further increases in the breeding herd can be expected throughout 2005 as well. The number of heifers being retained for addition to the breeding herd is up four percent for the beef herd and up three percent for the dairy herd. Since the expansion is just getting underway, the increase in the size of the 2005 calf crop is expected to rise a modest .7 percent. The rate of increase will likely rise in 2006 and 2007.

Beef Supplies Will Grow!

Beef supplies will be much larger in 2005. The number of cattle raised in the U.S. is expected to rise by .8 percent. Live imports from Canada, scheduled to begin in March, are expected to add an additional four percent to the U.S. inventory. Finally, weights are expected to move higher by about 1.9 percent. Thus the estimates made in this report are for production to rise by 6.6 percent. Higher weights will be driven by continued strong finished cattle prices and by low cost corn.

Canadian cattle coming to the U.S. are expected to be about 1.3 million head in the last 9 months of the year. This reflects Canadian inventories with a three percent higher population of steers and heifers over one year of age that are not headed back to the herd for breeding compared to 2002 (the last year of undisrupted movement across the border). In the last 9 months of this year, this will represent a five percent increase in slaughter numbers.

Finished cattle prices remain depressed in Canada. The most recent numbers as of this writing represent the week ended February 12. Steers in Alberta were $71(U.S.) and about $71.50(U.S.) in Ontario. This compares with $88 to $90 for similar cattle in the U.S. Opening the border to cattle of 30 months or less will cause the U.S. and Canadian prices to come into equilibrium adjusted for the transportation costs from Canada to U.S. packing plants. This will likely mean that U.S. prices would drop to around $85 and Canadian prices would increase to around $83. A similar price equilibrium can be expected for feeder cattle. Canadian 600-700 pound feeder steers were trading at $93 to $96 in southern Alberta and Saskatchewan, while Oklahoma City steers of the same weight were quoted at $113 that week.

Cattle produces are concerned that prices will plummet with the opening of the border. Plummet is perhaps a stronger word than should be used, but “dropping prices” would be acceptable. The U.S. packing industry will be expecting these additional cattle, since USDA has been steadfast in sticking to the March target date. It will most likely take two to three weeks for supply and price adjustments to work their way through markets. U.S. cash prices will likely move lower, but perhaps, not as much as many cattle producers have feared. We have to keep in mind that Canadian cattle numbers are still only 16 percent of the numbers in the U.S. So while they can impact U.S. prices, it is not likely they can destroy our prices.

Prices Will Be Lower!

Will this large supply surge greatly depress prices in 2005? The answer is closely tied to the still evolving issue of, if and when, we can restore beef exports to Japan and most other countries that have not been buying U.S. beef since the December 23, 2003 announcement of a BSE positive cow. The anticipation continues that these markets will be opened some time in the late spring or early summer. If so, there will be a home for most, if not all, of the larger beef supplies. In 2003, the U.S. exported about 10 percent of domestic beef production. Initially, we will not get that entire market share back. My estimate is we will export about six percent of domestic production in the first full year after lifting the ban. If so, this means that prices for 2005 may only be $2 to $3 lower than the $84.75 record finished steer price from 2004.

The timing of opening live cattle imports from Canada and the opening of our beef exports may cause more distortion in cattle prices than most cattle producers would like. In the March to June period, prices could be particularly vulnerable to opening of live cattle from Canada, especially in the absence of a clear date for the opening of exports to much of the world. For this analysis, I have assumed that the Canadian border would be opened on March 7th and that the Japanese market (and other countries as well) would be opened July 1. This last date is not known at this time.

Under this scenario, finished cattle prices in the first quarter are expected to average in the mid-to-higher $80s, but drop in the second quarter to the very low $80s. If exports are restored by mid-year, summer prices are expected to be in the high $70 or low $80s, with prices in the last quarter of the year rising to the low-to-mid $80s.

Beef Production				**Cattle Prices ($/cwt.)**			
Year	Qtr.	Mill. #'s	%Change Year-Ago	Finished Steers	450-500# Heifers	500-550# Steers	750-800# FeederSteers
2003	I	6,282	-1.5%	$77.82	$89.79	$97.68	$78.48
	II	6,902	1.0%	$78.49	$92.81	$99.18	$82.49
	III	7,081	-0.2%	$83.07	$95.97	$104.33	$94.90
	IV	5,973	-11.9%	$99.38	$102.37	$111.23	$103.51
	Year	**26,238**	**-3.1%**	**$84.69**	**$95.24**	**$103.11**	**$89.85**
2004	I	5,834	-7.1%	$82.16	$103.57	$111.50	$87.98
	II	6,254	-9.4%	$88.15	$116.47	$122.45	$104.58
	III	6,360	-10.2%	$83.58	$123.51	$129.12	$116.27
	IV	6,095	2.0%	$85.09	$112.94	$125.13	$110.19
	Year	**24,543**	**-6.5%**	**$84.75**	**$114.12**	**$122.05**	**$104.76**
2005	I	6,123	4.9%	$86.12	$109.69	$117.99	$95.31
	II	6,766	8.2%	$81.58	$106.59	$112.19	$94.38
	III	6,912	8.7%	$80.78	$104.02	$111.25	$98.95
	IV	6,357	4.3%	$83.83	$101.94	$110.36	$98.79
	Year	**26,157**	**6.6%**	**$83.08**	**$105.56**	**$112.95**	**$96.86**

More detail can be found in Table 5

Moderate priced feed and forages, plus a reasonably strong finished cattle market will help maintain profitable prices on calves. However, those record high $122 steer calves and $114 heifer calves from 2004 may be $8 to $10 lower as averages for 2005 as shown in the

accompanying table. Interest rates are expected to rise by about one full percentage point in 2005. This factor would trim about 75 cents per hundredweight from calf and feeder cattle prices as well.

Implications for the Industry

Expansion is underway, and will likely continue for at least the next three to five years. This means that heifers will continue to be diverted from the slaughter pool as they are used to build the breeding herd. Of the beef heifers currently heading back to the beef herd, it is expected that those which will calve in 2005 are up three percent. This will make the 2005 calf crop about .8 percent larger than last year. The point is that beef supplies will be moderate for 2005 and 2006. Expansion phases of the cattle cycle have tended to be five to seven years in length. If this one follows the historic patterns, the largest supplies and lowest prices on this cycle will not be occurring until about 2010 to 2012. This means that 2005 through 2007 are expected to remain very profitable cattle years.

Feedlot managers could be in for a bit of a wild price ride this year as trade issues could cause sizable shifts in cattle prices. Opening of the Canadian border in March is expected to depress finished cattle prices by $3 to $5 per live hundredweight over what they would have been. On the positive side, prices should move back up by these amounts when the Japanese market is opened. For the analysis in this report, it is assumed that the Japanese market would be opened July 1, 2005. However, there is no official announcement of this date at the time of writing. This likely means that feedlot managers would have a greater desire to have cattle for March through June delivery hedged or forward contracted. Some greater willingness to leave cattle unhedged for delivery periods after July 1st might be considered. However, no one can be certain when the resumption of beef sales to Japan will actually begin.

Brood cow enterprises should have another very good income year in 2005 and 2006. While calf prices will be down in 2005 by nearly $10 per hundredweight from their records last year, these will still be the second best in history with averages near $106 for heifer calves and $112 for steer calves. These price levels are expected to continue to stimulate expansion of the breeding herd.

Table 1. Cattle Number, 1991 - 2005: Data in 1,000s

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	% Change vs. 2004
All cattle and calves																
January 1	96,393	97,556	99,176	100,974	102,785	103,548	101,656	99,744	99,115	98,199	97,298	96,723	96,100	94,888	95,848	1.0
July 1	106,100	107,200	109,000	111,300	113,000	111,600	109,200	107,700	107,000	106,300	105,800	105,100	103,900	103,600		
Beef cows																
January 1	32,520	33,007	33,365	34,603	35,190	35,319	34,458	33,885	33,745	33,569	33,397	33,118	32,983	32,861	33,055	0.6
July 1	33,400	33,900	34,900	35,600	36,100	35,700	34,800	34,400	34,150	33,950	33,900	33,750	33,600	33,500		
Milk cows																
January 1	9,966	9,728	9,658	9,507	9,482	9,420	9,318	9,199	9,133	9,190	9,183	9,112	9,142	8,990	9,005	0.2
July 1	9,800	9,700	9,700	9,500	9,500	9,400	9,300	9,200	9,150	9,250	9,100	9,150	9,100	9,000		
Heifers 500 lbs. +																
Beef replacement																
January 1	5,443	5,643	6,092	6,364	6,452	6,189	6,042	5,764	5,535	5,503	5,588	5,561	5,624	5,518	5,746	4.1
July 1	5,200	5,600	5,700	5,900	5,700	5,500	5,300	5,000	4,800	4,700	4,600	4,600	4,600	4,800		
Milk replacement																
January 1	4,093	4,131	4,176	4,125	4,121	4,090	4,058	3,986	4,069	4,000	4,057	4,060	4,114	4,020	4,133	2.8
July 1	4,100	4,100	4,000	4,000	3,900	3,700	3,600	3,600	3,700	3,700	3,600	3,700	3,600	3,600		
Other heifers 500 lbs. +																
January 1	8,102	8,048	8,550	9,104	9,302	9,948	10,212	10,051	10,170	10,147	10,131	10,057	9,891	9,806	9,793	-0.1
July 1	7,200	7,000	7,300	7,500	8,000	8,100	8,200	8,100	8,100	8,100	8,200	7,900	7,700	7,550		
Steers 500 lbs. +																
January 1	15,967	16,424	16,940	17,086	17,513	17,815	17,392	17,189	16,891	16,682	16,441	16,790	16,554	16,277	16,511	1.4
July 1	14,600	14,800	14,900	15,200	15,400	15,100	14,800	14,600	14,400	14,300	14,600	14,500	14,200	14,200		
Bulls 500 lbs. +																
January 1	2,196	2,239	2,278	2,312	2,385	2,384	2,350	2,270	2,281	2,293	2,274	2,244	2,248	2,206	2,219	0.6
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	2,100	2,050		
All Calves < 500 lbs.																
January 1	18,107	18,336	18,118	17,873	18,341	18,384	17,826	17,401	17,290	16,815	16,206	15,763	15,545	15,210	15,385	1.2
July 1	29,600	29,900	30,300	31,300	32,000	31,700	30,900	30,600	30,500	30,200	29,700	29,400	29,000	28,900		
Calf Crop	38,583	38,933	39,369	40,105	40,264	39,823	38,961	38,812	38,796	38,631	38,280	38,224	37,903	37,625	37,926	0.8

Source: USDA, NASS *Cattle* reports

Calf Crop for 2005 is estimated

Table 2a. Ratios of Commercial Slaughter Steers and Heifers to Beginning Cattle Inventories, 1985 to 2005

	January 1[A] Slaughter Supply	Total Commerical Steer and Heifer Slaughter	Ratio of Slaughter to Supply
	-------------Thousand Head	---------------	------Percent------
1985	50,668	28,148	55.6
1986	48,370	28,614	59.2
1987	45,978	28,346	61.7
1988	44,581	28,099	63.0
1989	42,523	26,945	63.4
1990	41,733	26,677	63.9
1991	42,176	26,452	62.7
1992	42,808	26,370	61.6
1993	43,607	26,574	60.9
1994	44,063	27,621	62.7
1995	45,156	28,667	63.5
1996	46,147	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	41,990	28,733	68.4
2004	41,293	26,999	65.4
2005[B]	41,689	28,390	68.1

[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 2005

	January 1 Inventory Steers and Heifers 500+[B]	First Half Steer and Heifer Slaughter	Ratio	Calves < 500 Pounds January 1	Second Half Steer and Heifer Slaughter	Ratio
	------thousand head------			------thousand head------		
1985	24,295	14,083	58.0	26,373	14,056	53.3
1986	23,973	14,219	59.3	24,397	14,394	59.0
1987	22,983	14,046	61.1	22,995	14,304	62.2
1988	23,573	13,986	59.3	21,008	14,101	67.1
1989	23,062	13,477	58.4	19,461	13,493	69.3
1990	23,315	13,425	57.6	18,418	13,239	71.9
1991	24,069	13,048	54.2	18,107	13,397	74.0
1992	24,472	13,137	53.7	18,336	13,231	72.2
1993	25,490	13,101	51.4	18,118	13,472	74.4
1994	26,190	13,576	51.8	17,873	14,038	78.5
1995	26,815	14,119	52.7	18,341	14,533	79.2
1996	27,763	14,742	53.1	18,384	13,831	75.2
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	26,445	14,526	54.9	15,545	14,207	91.4
2004	26,084	13,579	52.1	15,210	13,420	88.2
2005[A]	26,304	14,204	54.0	15,385	14,186	92.2

[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	47,866	5,925	12.4	678	11.4
1981	49,622	6,237	12.6	728	11.7
1982	50,216	6,955	13.9	774	11.1
1983	48,986	7,215	14.7	768	10.6
1984	48,543	8,228	17.0	753	9.2
1985	46,182	7,075	15.3	726	10.3
1986	44,869	7,665	17.1	689	9.0
1987	44,412	6,390	14.4	666	10.4
1988	43,494	6,150	14.1	625	10.2
1989	42,625	6,147	14.4	651	10.6
1990	42,470	5,760	13.6	634	11.0
1991	42,485	5,624	13.2	615	10.9
1992	42,735	5,839	13.7	653	11.2
1993	43,023	6,088	14.2	659	10.8
1994	44,110	5,974	13.5	643	10.8
1995	44,672	6,144	13.8	675	11.0
1996	44,739	7,172	16.0	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	42,125	6,086	14.4	635	10.4
2004	41,851	5,160	12.3	563	10.9
2005[A]	42,060	5,258	12.5	565	10.8

[A] Projected

Table 4. Commercial Beef Slaughter, Production, and Dressed Weights, 1983-2005

Year	Slaughter (1,000 hd)	Weight (lb)	Production (lbs)	Slaughter (1,000 hd)	Weight (lb)	Production (lbs)
	January-March			**April-June**		
1983	8,735	633	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	694	5,726
1993	7,910	677	5,357	8,469	672	5,690
1994	8,162	704	5,745	8,615	701	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	8,352	752	6,282	9,463	729	6,902
2004	7,873	741	5,834	8,529	733	6,254
2005[A]	8,110	755	6,123	8,949	756	6,766
	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	653	5,575
1989	8,612	684	5,892	8,430	686	5,785
1990	8,449	688	5,814	8,112	686	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	701	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	705	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	9,542	742	7,081	8,097	738	5,973
2004	8,343	762	6,360	7,977	764	6,095
2005[A]	8,942	773	6,912	8,213	774	6,357

[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.----------			
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	6,783	5,255	9,418	$69.10	$84.30	$93.02	$83.08
2003	I	6,282	4,898	9,166	$77.82	$89.79	$97.68	$78.48
	II	6,902	4,741	9,714	$78.49	$92.81	$99.18	$82.49
	III	7,081	4,807	9,857	$83.07	$95.97	$104.33	$94.90
	IV	5,973	5,499	9,663	$99.38	$102.37	$111.23	$103.51
2004	I	5,834	5,130	9,510	$82.16	$103.57	$111.50	$87.98
	II	6,254	4,897	9,856	$88.15	$116.47	$122.45	$104.58
	III	6,360	5,046	10,221	$83.58	$123.51	$129.12	$116.27
	IV[P]	6,095	5,450	9,920	$85.09	$112.94	$125.13	$110.19
2005	I	6,123	5,169	9,775	$86.12	$109.69	$117.99	$95.31
	II	6,766	4,956	10,175	$81.58	$106.59	$112.19	$94.38
	III	6,912	5,147	10,475	$80.78	$104.02	$111.25	$98.95
	IV	6,357	5,506	10,275	$83.83	$101.94	$110.36	$98.79

[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.

2005 prices have more uncertainty due to when trade with Canada and Japan will begin.