

Beef Industry Looks Upbeat But With Renewed Challenges

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Another year of favorable returns are expected for brood cow producers. Larger beef and dairy herds mean growing beef supplies and lower prices for finished cattle and calves, especially with the unfortunate interruption of exports to Asia. Challenges for the year include the restoration of these exports as well as drought concerns in the Central and Southern Plains and into the Corn Belt.

Beef production is expected to increase by about four percent with slaughter numbers being somewhat over two percent higher and the rest of the increase in production coming from higher weights.

Finished steer prices are expected to drop one to two dollars from last year's average of \$87 per hundredweight. Prices for steer calves during the fall of 2006 are expected to be in the \$120 to \$130 per hundredweight range and heifers in the \$110 to \$120 range. These prices would be lower than in the fall of 2005 by about \$5 to \$10.

Expansion is expected to continue for several more years, at least until 2010 with the largest production on the cycle projected for 2010 to 2012. Calf and finished cattle prices should remain strong for several more years.

The Numbers

Table 1 provides national data from the *Cattle* report for both beef and dairy animals. Beef producers continued to expand the breeding herd for a second year. Beef cow numbers increased by one percent during 2005 after a small rise in 2004. The total number of cows increased by 338,000 head and was concentrated in the Western Corn Belt where Missouri increased by 115,000 cows and Iowa by 40,000. Also noted increases were in the Southern Plains states of Oklahoma (+ 60,000 head); in Texas (+43,000 head); as well as the Central Plains states of Colorado, Nebraska, and Kansas which increased by a total of 97,000 cows.

Beef cow numbers in the Eastern Corn Belt remained stable as a region in the past year. However, decreases in Illinois (-14,000 cows) and Indiana (-8,000 cows) were offset by increases in Michigan (+15,000), Wisconsin (+5,000) and Ohio (+3,000 cows). Over the past three years, beef cow numbers in the Eastern Corn Belt have been growing with the addition of 83,000 cows. This three year growth has been led by Ohio (+37,000), Illinois (+20,000), Michigan (+19,000) and Wisconsin (+15,000). Only Indiana has experienced a decrease (-8,000) in the past three years.

Nationally, even more expansion can be expected in 2006. The number of beef heifers being retained for replacements to go back into breeding herds was up by nearly four

percent. This rate of retention should allow the beef cow herd to increase by near one percent over the coming year.

The geographic patterns of heifer retention are parallel to the growth in cow numbers. Texas and Oklahoma have retained an additional 105,000 heifers compared to a year-ago, and Missouri and Iowa have retained an additional 70,000 heifers. In the Eastern Corn Belt, retention numbers are equal to last year indicating that the herd will not be participating in the national growth of the beef cow herd this year.

Dairy cow numbers increased by .6 percent in response to strong milk prices in 2005 when the U.S. all milk price averaged \$15.14 per hundredweight. Regionally, the largest increases in total cows were in the Pacific Northwest (+41,000); Southern Plains (+29,000); the West (+29,000); and the Eastern Corn Belt (+19,000). Individual states in the Eastern Corn Belt were: Ohio (+7,000); Michigan (+5,000); Wisconsin (+5,000); Indiana (+3,000); and only Illinois was down (-1,000). Much like the beef herd, heifer retention for herd replacements were up four percent and will allow an increase in the number of milk cows by nearly one percent this year.

The 2006 calf crop is expected to be higher by about .7 percent. This modest increase means that calves and feeder cattle will remain in short supply throughout the year.

Beef Supplies and Prices

Beef supplies in 2005 were up only .6 percent with the head count down about one percent and weights nearly two percent greater. For 2006, slaughter numbers are expected to be up somewhat over two percent with weights somewhat less than two percent higher. This means beef supplies are expected to rise by about four percent for the year.

The growth in the cattle herd in 2005 resulted in cow and heifer slaughter being down six percent. Cow slaughter numbers will rise a bit in 2006 because the size of the brood cow herd has risen, but will remain low in comparison to previous years, (see Table 3). Estimated slaughter numbers and beef production by quarter are shown in Table 4.

Can cattle prices maintain the record highs of 2005 when Nebraska finished steers averaged \$87.18 and Oklahoma City 500-550 pound steer calves reached \$132 per hundredweight? With supplies growing by four percent this year, the answer should be NO! Finished steer prices on the Plains are expected to average near \$86 this year, a modest reduction from last year's highs. By quarter, prices are expected to be in the higher \$80s for a first quarter average, mid-\$80s in the second quarter, around \$80 for a third quarter average and back to the higher \$80s or very low \$90s in the last quarter. Production and prices are shown below and in Table 5.

Calf prices are expected to be from \$3 to \$8 per hundredweight lower this year compared to last year. In 2005, 500-550 pound Oklahoma City steer calves averaged \$132 per hundredweight. For 2006, prices are expected to average closer to \$125, a \$7 decrease. In

the fall of 2005, steer calves averaged about \$131. By fall of 2006, these prices are expected to be more in the \$120 to \$130 price range.

Heifer prices (Oklahoma City 450-500 pounds) have tended to run about \$8 lower than steer calf prices. In the fall of 2005, these heifers averaged \$125 per hundredweight and are expected to average in the \$110 to \$120 range for the fall of 2006. Eastern Corn Belt calf prices may run \$2 to \$5 per hundredweight lower than Oklahoma City. (See Table 5 for detail by quarter).

It is also important to recognize there remain fairly large forecast errors around these computer model generated “point price” estimates. So, decision makers should take a wider range of possible prices into consideration when planning and developing budgets.

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>
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	5,838	-7.1%	\$82.16	\$103.57	\$111.50	\$87.98
	II	6,253	-9.4%	\$88.15	\$116.47	\$122.45	\$104.58
	III	6,360	-10.2%	\$83.58	\$123.51	\$129.12	\$116.27
	IV	6,097	2.1%	\$85.09	\$112.94	\$125.13	\$110.19
Year		24,548	-6.4%	\$84.75	\$114.12	\$122.05	\$104.76
2005	I	5,727	-1.9%	\$89.09	\$122.70	\$129.75	\$104.09
	II	6,192	-1.0%	\$87.96	\$124.70	\$136.05	\$113.36
	III	6,566	3.2%	\$81.41	\$124.40	\$131.48	\$111.50
	IV	6,209	1.8%	\$90.27	\$125.09	\$131.17	\$114.84
Year		24,694	0.6%	\$87.18	\$124.22	\$132.11	\$110.95
2006	I	6,034	5.4%	\$89.66	\$123.00	\$131.46	\$106.13
	II	6,630	7.1%	\$84.55	\$117.91	\$125.10	\$105.08
	III	6,835	4.1%	\$80.14	\$113.48	\$120.65	\$106.52
	IV	6,199	-0.2%	\$90.81	\$114.36	\$122.88	\$109.04
Year		25,698	4.1%	\$86.29	\$117.19	\$125.02	\$106.69

More detail can be found in Table 5

Cattle Issues for 2006

One unresolved issue at this point is the Asian market. The inappropriate shipment of veal to Japan early in 2006 has unfortunately closed those markets to U.S. exports once again. After it took two years to reopen the Japanese market from our first BSE case in December of 2003, most are hesitant to predict when we can resolve our current trade restrictions. Price estimates in this report are based upon not having the Asian export

market in 2006. Of course, if that market were to reopen sometime this year, price predictions would move upward. If those markets were to open by April 1, it would likely increase price estimates enough for finished cattle prices to exceed the record prices of 2005. This issue is now in the hands of our government officials, but a quick re-opening does not seem to be likely.

Another factor to watch closely this year is the drought currently in the Southern Plains. In addition, the NOAA is calling for intensification of the drought in that area and a broadening of the drought into the Central Plains and Western Corn Belt by this spring. The largest portion of the beef cow expansion is occurring in this same region, especially the states of Texas, Oklahoma, Missouri, and Iowa. In addition, NOAA is now saying that a La Nina has developed in the Pacific Ocean and will continue into the spring and perhaps into the summer. La Nina is the cooling of the waters in the eastern Pacific Ocean and is associated with dryness from the Southwest to the Midwest. In the Midwest, odds are somewhat more favorable for dryness in the Western Corn Belt compared to the Eastern Corn Belt.

The cattle industry has suffered through recent droughts. Drought in the Western Plains and Mountain states in the first half of this decade resulted in reduction of cow herds and cattle numbers in those regions. Similar conditions in the Southwest, Southern and Central Plains, as well as in the Western Corn Belt, could keep cow slaughter higher than expected this year, resulting in greater beef supplies and lower prices than expected. Alternatively, since cows are so valuable now, rather than be destined for slaughter, they may simply be resold to producers in regions with more abundant forages such as the Southeast, the Northwest, and even the Eastern Corn Belt.

Potential dryness in the Corn Belt is a major issue for cattle feeders as they consider the increasing risk of higher corn and meal prices. Large surpluses for both corn and soybeans have kept prices low. For corn however, 2006 appears to a transition year when corn usage grows rapidly, and corn production drops with less acreage and growing weather concerns. Soybean and meal prices on the other hand continue to face the hurdle of already large inventories in the U.S. and the world, but also more 2006 acres in the U.S. While usage will grow, I expect ending stocks to grow as well.

These issue (and some others) have resulted in what may be considerable “risk premiums” in both the corn and soybean markets for the 2006 crop values. My guess is that December corn futures have about a \$.50 per bushel premium for the uncertainties associated with weather and other potential events. By this, I mean that December corn futures would be expected to be about \$.50 lower by harvest if 2006 growing season weather ends up being close to normal. For soybeans this may be near \$1.00 per bushel. This means that October 2006 soybean meal futures currently trading around \$190 per ton may be closer to \$160 to \$165 by the fall of 2006 if U.S. weather is close to normal this summer.

Also keep in mind that no one can precisely know what the weather, and other events, will be this summer. So, livestock producers who want to avoid much of the “risk”

associated with uncertain weather (and other events) can rid themselves of these uncertainties by buying new crop futures now, or buying new crop call options now. Conversely, corn and soybean producers are hesitant sellers of new crop futures and options because they are increasingly concerned that dry conditions might not provide them with normal yields. As a result, new crop futures and option premiums tend to build in a “risk premium” at this time of year.

Livestock feeders who buy corn and meal are most often advised to not be buyers of new crop corn and meal at this time of year when they have to pay such a high “risk premium.” This is because in most years, the fears being discussed in the spring do not develop. In the crops from 1950 to 2005 corn yields have dropped 10 percent or more below trend only 13 percent of the time and soybean yields 16 percent of the time. With large endings stocks from the 2005 crop available this fall, 10 percent declines in corn and bean yields this summer would cause higher prices, but not devastatingly so.

The bottom line for the cattle industry is that 2006 will be another year of high prices. Cow calf producers will be well rewarded with very profitable calf price levels which are likely to continue to fan the desires for greater expansion. The current expansion is expected to extend until around 2010 with the largest beef production on this cycle coming in about 2010 to 2012. This likely means several more years of favorable prices as cow slaughter remains low and heifer retention high.

Table 1. Cattle Number, 1993 - 2006: Data in 1,000s

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% Change vs. 2004
All cattle and calves															
January 1	99,176	100,974	102,785	103,548	101,656	99,744	99,115	98,199	97,298	96,723	96,100	94,888	95,438	97,102	1.7%
July 1	109,000	111,300	113,000	111,600	109,200	107,700	107,000	106,300	105,800	105,100	103,900	103,600	104,500		
Beef cows															
January 1	33,365	34,603	35,190	35,319	34,458	33,885	33,745	33,569	33,397	33,118	32,983	32,861	32,915	33,253	1.0%
July 1	34,900	35,600	36,100	35,700	34,800	34,400	34,150	33,950	33,900	33,750	33,600	33,500	33,750		
Milk cows															
January 1	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	9,058	0.6%
July 1	9,700	9,500	9,500	9,400	9,300	9,200	9,150	9,250	9,100	9,150	9,100	9,000	9,050		
Heifers 500 lbs. + Beef replacement															
January 1	6,092	6,364	6,452	6,189	6,042	5,764	5,535	5,503	5,588	5,561	5,624	5,518	5,691	5,905	3.8%
July 1	5,700	5,900	5,700	5,500	5,300	5,000	4,800	4,700	4,600	4,600	4,600	4,800	5,000		
Milk replacement															
January 1	4,176	4,125	4,121	4,090	4,058	3,986	4,069	4,000	4,057	4,060	4,114	4,020	4,118	4,278	3.9%
July 1	4,000	4,000	3,900	3,700	3,600	3,600	3,700	3,700	3,600	3,700	3,600	3,600	3,700		
Other heifers 500 lbs. +															
January 1	8,550	9,104	9,302	9,948	10,212	10,051	10,170	10,147	10,131	10,057	9,891	9,806	9,763	9,795	0.3%
July 1	7,300	7,500	8,000	8,100	8,200	8,100	8,100	8,100	8,200	7,900	7,700	7,550	7,500		
Steers 500 lbs. +															
January 1	16,940	17,086	17,513	17,815	17,392	17,189	16,891	16,682	16,441	16,790	16,554	16,277	16,476	16,923	2.7%
July 1	14,900	15,200	15,400	15,100	14,800	14,600	14,400	14,300	14,600	14,500	14,200	14,200	14,400		
Bulls 500 lbs. +															
January 1	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	2,263	2.0%
July 1	2,200	2,300	2,400	2,400	2,300	2,200	2,200	2,100	2,100	2,100	2,100	2,050	2,100		
All Calves < 500 lbs.															
January 1	18,118	17,873	18,341	18,384	17,826	17,401	17,290	16,815	16,206	15,763	15,545	15,210	15,250	15,626	2.5%
July 1	30,300	31,300	32,000	31,700	30,900	30,600	30,500	30,200	29,700	29,400	29,000	28,900	29,000		
Calf Crop	39,369	40,105	40,264	39,823	38,961	38,812	38,796	38,631	38,280	38,224	37,903	37,505	37,780	38,040	0.7%

Source: USDA, NASS *Cattle* reports

Table 2a. Ratios of Commercial Slaughter Steers and Heifers to Beginning Cattle Inventories, 1985 to 2006

	January 1 ^A	Total Commerical	Ratio of Slaughter to
	Slaughter Supply	Steer and Heifer Slaughter	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	41,489	27,022	65.1
2006 ^P	42,344	27,524	65.0

^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 2006

	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	24,295	14,090	58.0	26,373	14,058	53.3
1986	23,973	14,219	59.3	24,397	14,395	59.0
1987	22,983	14,045	61.1	22,995	14,301	62.2
1988	23,573	13,993	59.4	21,008	14,106	67.1
1989	23,062	13,473	58.4	19,461	13,472	69.2
1990	23,315	13,426	57.6	18,418	13,251	71.9
1991	24,069	13,055	54.2	18,107	13,397	74.0
1992	24,472	13,138	53.7	18,336	13,232	72.2
1993	25,490	13,101	51.4	18,118	13,473	74.4
1994	26,190	13,585	51.9	17,873	14,036	78.5
1995	26,815	14,119	52.7	18,341	14,548	79.3
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	14,446	53.0	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	26,083	13,579	52.1	15,210	13,420	88.2
2005	26,239	13,243	54.0	15,250	13,779	90.4
2006 ^A	26,718	14,338	53.7	15,626	14,062	89.9

^A Projected

^B Excluding replacement heifers

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

	Cow		Ratio	Bull Slaughter thousand head	Ratio Bull Slaughter to Cow Slaughter
	Inventory ----thousand head----	Slaughter	Slaughter /Inventory		
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	42,229	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	41,920	4,869	11.6	514	10.6
2006 ^A	42,311	5,035	11.9	534	10.6

^A Projected

Table 4. Commercial Beef Slaughter, Production, and Dressed Weights

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	8,530	733	6,254
2005	7,592	754	5,727	8,289	747	6,192
2006 ^A	7,836	770	6,034	8,655	766	6,630
	-----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	8,344	762	6,360	7,978	764	6,096
2005	8,487	774	6,566	8,011	775	6,209
2006 ^A	8,685	787	6,835	7,917	783	6,199

^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.-----			
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	5,838	5,130	9,504	\$82.16	\$103.57	\$111.50	\$87.98
	II	6,253	4,897	9,858	\$88.15	\$116.47	\$122.45	\$104.58
	III	6,360	5,047	10,229	\$83.58	\$123.51	\$129.12	\$116.27
	IV	6,097	5,435	9,926	\$85.09	\$112.94	\$125.13	\$110.19
2005	I	5,727	5,136	9,891	\$89.09	\$122.70	\$129.75	\$104.09
	II	6,192	5,022	10,334	\$87.96	\$124.70	\$136.05	\$113.36
	III	6,566	4,999	10,306	\$81.41	\$124.40	\$131.48	\$111.50
	IV	6,209	5,510	10,275	\$90.27	\$125.09	\$131.17	\$114.84
2006	I	6,034	5,204	10,160	\$89.66	\$123.00	\$131.46	\$106.13
	II	6,630	5,077	10,530	\$84.55	\$117.91	\$125.10	\$105.08
	III	6,835	5,170	10,710	\$80.14	\$113.48	\$120.65	\$106.52
	IV	6,199	5,655	10,500	\$90.81	\$114.36	\$122.88	\$109.04

^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.

2006 prices have more uncertainty due to when trade with Asia will begin.