

## THE MIDWEST

"It was a dang good week," one source stated. Another source said, "this market makes you feel good to go to work again." Citing great buyer enthusiasm and participation, nearly every sale barn reported strong prices this week. Historically, we see prices peak this week or next depending on the number of hogs killed during the beginning of December. The market should level off and become a bit softer in mid-December before picking up again near the holidays. The Fed Cattle Exchange saw lower than expected prices this week. Some speculate it was an attempt by the packers to keep a lid on pricing. Yet, when the packers were unable to get enough cattle bought on the Exchange, they had to head to the countryside and give producers the prices they deserved. The end result was a market that followed true cash fundamentals.

NUMBERS: The Fed Cattle Exchange saw prices between \$1.08 to \$1.09, which is weaker than expected with last week's fat cattle sales nearing \$1.10. Prices varied through the countryside, with Nebraska at \$109 -112 and Colorado seeing highs of \$113. Nearly 7,000 head of cattle were listed. The December futures board is currently at \$110, whereas June stands steady at \$101. In sale barns, three-year-old quality bred cows brought highs of \$2,300 this week. Average three-year-old cows sold between \$1,400 to \$1.600. Broken-mouthed cows were the only disappointing category to sell this week, at \$787 to \$835. We saw 650-weight steers at \$1.33-1.34. Steers at 450-weight were \$4-10 higher than last week. Steers between 450- and 650-weight were steady to \$5 higher than last week.

TRENDS: Producers are holding onto cattle, especially the 800 pound calves. When those animals hit the market, we are likely to see prices decrease due to the supply influx. Fat cattle weights remain too big, nearing 1,375-1,400 pounds. Stay cautious when hedging, as the June futures board is currently coming in lower than December. Still, we predict a strong market in early and late spring.

## THE WEST

Fat cattle ruled the conversation this week in the West. Markets saw sharply higher fat cattle prices, with an increase of \$3-4. Buyers are making their way to the auction yards, which helps both the market and the overall moral of producers. Packer profit is at an all-time high, causing packers to kill cattle whenever they can to take advantage of these high retail prices. As a result, there are less fat cattle available in the short-term market.