

THE MIDWEST

Optimism is starting to return with higher prices this week. Packers killed more cattle this week as a direct result and due to fewer formula and contracted cattle available. There has been a lot of good packer inquiry this past week with 3-4 packers looking for cattle, which results in greater competition—always a good thing. Questions remain how the upcoming election will affect prices, usually a reaction in the agriculture community following the results. With Thanksgiving coming up, less cattle will be killed, driving the prices up. Feedlot guys are still struggling though, with very thin margins, the opportunity to hedge just isn't there.

Fat cattle are still losing money, but it appears a bottom has been established. 7,000 calves sold in one location and another big week ahead. Preconditioned feeder cattle sold higher. The quality of calves continues to improve, we're seeing better feeding rations, routines, vaccine programs and genetics. A forecast for a good market in the spring of 2017, but maybe not the same case for the Summer of 2017 as more tonnage of cattle, cheaper feed and more numbers will leave the whole market on edge.

With the bred cow market coming up, we'll continue to see lower prices for bred cows. There just isn't any sense in paying a high dollar for a cow if the calf will sell for cheap.

NUMBERS: With prices up, 6wt calves sold \$1.27-\$1.32; 5wt calves at \$1.35-\$1.42; heifers remained at about 10 cents back. Fat cattle are trading \$2 higher this week at \$1.03-\$1.05. Exports have been extremely good this past week.