

## THE MIDWEST

The frigid temperatures continued to affect the movement of cattle; however, the market did take off higher this week. We hope to see that momentum build into the first quarter of 2017. Supplies should stay tight. The meat dollar held strong through the holiday season, even with the increased production of chicken and pork.

NUMBERS: Bred cows were up this week, with middle-aged cows selling for around \$1,500. Young cows were also up, around \$1,700. Short-term cows stayed around \$900. The feeder cattle market is strong this week – look for pries \$6 to \$8 higher than expected. The Fed Cattle Exchange did not have a lot of movement this week. Trade in the Plains averaged \$112.50 to \$114. Trade in the North went for \$110.50 to \$113.50, while the South saw fats going for \$110. On Thursday, trade developed into the higher end of \$115 to \$116 which is more than we expected for this week. Following the sale, packers began offering \$115 for fat cattle.

TRENDS: Futures are strong this week, enticing producers to hedge. With the current market volatility, the \$20 futures high surely helps.

### THE WEST

The holiday season placed some strain on the market this week, but prices were generally up. The cold slowed the movement of cattle, but expect a lot more fat cattle to come through after Christmas. Yearling fats and bred cows were the hot commodity in Wyoming this week. Fat cattle are expected to keep a pretty penny until around April. Feeder cattle should be higher in the next 90 to 120 days. There is still quite a bit of optimism in the cattle market and good export demand in the greater global market despite a higher U.S. dollar. The bottom line is that quality sells regardless of the current state of the marketplace. Buyers will go out of their way to purchase quality cattle.

NUMBERS: Short-term cows stayed steady this week around \$900. Broken-mouth cows were at \$1,000 to \$1,050. Solid-mouth cows averaged \$1,400. Average 3-year-old cows sold for \$1,700, with higher quality cows selling for up to \$2,250.

TRENDS: Right now, producers are profiting \$50 to \$110 per head on fat steers; this is the best we've seen in the past 14 months. Be on the lookout for seasonal price drops when calves hit the market in May, June, July and August.

### THE SOUTH

Southern markets are feeling the pressure of Brazilian beef imports. The influx of additional beef in the pipeline ultimately puts more pressure on U.S. cattle producers in how they market their product. Fortunately, the U.S. cattle industry produces an incomparable and exceptional product that cannot be imitated by Brazilian beef producers. Locals are hoping that a Trump Administration will take notice of the problems faced by producers in the areas of global trade and market fundamentals.

NUMBERS: Calves took a jump in price this week, at nearly 5-10 cents higher. Stocker cows are still holding onto a weaker market due to the lack of adequate pasture and extreme drought throughout the Southeastern region.