

THE SOUTH

Folks are intently watching trade policies this week, as President Trump took steps to formally withdraw from the Trans-Pacific Partnership. One source expressed his views on the news, "Overall, trade hasn't been fair for the producers. Because we are better off than some countries, we have been expected to settle with whatever policies they come up with. I'd like to take care of our home first, and then we can start worrying about the neighbors."

NUMBERS: Prices saw a little bump from last week on yearlings and calves. Five-weight steers went for \$1.35 to \$1.40, while five-weight heifers averaged \$1.25 to \$1.30. Steers in the 750-weight range sold for anywhere from \$1.18 to \$1.24. Stocker cows have seen steady prices, but as grass becomes more readily available with the seasonal transition, we're expecting those prices to rise.

THE WEST

Start your summer and fall planning now, one source advised. Hay prices are going up across the country; you may want to start looking into other feed sources. The U.S. withdrawal from the Trans-Pacific Partnership was on everyone's mind this week, with one source commenting, "There's no doubt that Trump brought back some positive vibes. Trust the Administration on this one." Other sale barns weren't as optimistic, advising producers to be cautious, hedge on the safe side, and expect a lot of ups and downs.

NUMBERS: Fats topped the market at \$1.23 to \$1.24 this week. Folks who bought 550-weight calves in October and November are seeing great returns, with average gains around 65- to 75-cents per pound. Due to the large run of weigh-up cows and bulls earlier this year, the supply is now dwindling. The bred cow market has a direct correlation to the feeders; we expect prices for that category to go back up in March. We're anticipating a struggle this year for bull sales with the increase in the number of bulls to be marketed; however, quality and reputation will continue to sell high.

TRENDS: Quality cut-outs have been declining over the course of the last few weeks. Bad weather combined with a decrease in packer kill dates and a decline in fat cattle supply has contributed to the lesser quality.

653 Constitution Avenue NE | Washington, DC 20002 | (202)546-4064 | info@wssdc.com
cattlemarketnews.com

THE MIDWEST

Sources across the Midwest were eager to comment on the U.S. withdrawal from the Trans-Pacific Partnership. One sale barn mentioned, "Glad we're out! We should expect better trade negotiations in the future. We aren't losing ground here, we are making ground." Another chimed in, "I'm glad to see the Trump Administration is paying attention. We were constantly selling ourselves short in previous agreements."

NUMBERS: This week, weigh-up cows and bulls, and calves, were up an average of \$1 to \$2. Six-weight steers and heifers were steady to a touch higher, at prices averaging \$1.42 to \$1.50 with heifers staying back ten cents. Bred heifers saw prices of \$1,460 to \$1,585. In Nebraska, fats were offered at \$1.93 to \$1.94 dressed. The Fed Cattle Exchange was about \$1.50 higher this week; topping out at \$1.24 in Texas, averaging \$1.21 to \$1.23 in Kansas, and finishing at \$1.20 to \$1.22 in Nebraska. Sources were disappointed that the Fed Cattle Exchange didn't influence the cash trade as much as it has in weeks past. Boxed beef is up.

TRENDS: The board was trending downwards this week, reacting to apprehension and concern in the marketplace. Producers were worried the market would sink again, prompting quick sell-offs. A few February contracts sold this week. One source commented, "One of the problems with our market is that it doesn't do 'steady' - it's either up or down. Right now, folks are hanging onto to a piece of string wondering which way it will fall."

We also heard that packer margins are \$70 to \$80 in the red. Packers are shutting down Saturday kills to slow down the market, with the overall goal of driving retail prices back up. Pens are really ugly right now with lots of ruts and sloppy mud, causing cattle to move around tenderly. Carcass weights and efficiency are down.