

THE MIDWEST

Packers are buying a lot of cattle with long delivery times to fill their inventory, perhaps hoping to push prices back down. The Midwest is feeling bitterly cold temperatures this week, slowing the movement of cattle into the marketplace. We've seen higher demand for boxed beef.

Bottom line is that the market stayed steady this week and we held our rally gain.

NUMBERS: The Fed Cattle Exchange saw an average price of \$115 to \$118 this week, inciting buyer enthusiasm following the sale. Producers saw prices of over \$118 after the conclusion of the Fed Cattle Exchange sale, especially in the Plains region. Since its inception, the Fed Cattle Exchange has been an effective tool of telling us what cattle are really worth. On the other hand, the Futures Board stands unresponsive to the higher cash prices at nearly \$2 to \$3 lower.

THE SOUTH

The South started this year off in the right direction, as prices were considerably better than the pre-holiday slump. Calves were about \$10 higher, while slaughter cows and bulls stayed steady. Six-weight steers sold for \$1.31; six-weight heifers sold for a little lower, at \$1.06. We should see an influx of cows coming into the marketplace early next week. All in all, market activities continue to inspire optimism.

THE WEST

What's your New Year's Resolution? Some producers are already thinking ahead to their fall calf crops, in hopes that the marketing decisions they make today will bring profits in the months ahead. Looking towards the summer, we're expecting large runs of cattle to be sold or contracted in June, July, August and September. These fats will most likely be too fat, or "over finished", due to cheap corn prices. Expect prices to dip during this time as a direct result of more cattle, more pounds, and higher numbers of chicken and pork. As this is typically when cow-calf producers choose to contract or sell their cattle online, make sure you're being diligent in your upcoming business decisions. How will you add value to your calf crop to ensure the best price at market?

NUMBERS: Compared to three weeks ago, steer and heifer calves traded \$5 higher this week. Feeder steers weighing 650 pounds sold for \$1.39 to \$1.47, while feeder heifers weighing 650 pounds saw prices of \$1.24 to \$1.29.

TRUMP TALK: One source had some fun comparing President-elect Donald Trump to the Fed Cattle Exchange: "Why do folks like the Fed Cattle Exchange? Well, it's because it shows what cattle are really worth, it shows transparency and it cannot be manipulated by the packers. The Trump Administration will be much like the Fed Cattle Exchange - transparent, strong, and true."