

THE SOUTH

Another average week with a bit of a mixed market. One source noticed lots of local buyer participation, with specific interest in stocker cows. In calves and yearlings, quality dominated purchasing decisions. There was a bit of optimism that shone through, with folks eager for a better market. For the upcoming months, expect the market to pick up a little bit in the spring and to drop back down again through the summer.

NUMBERS: Good quality stocker cows sold for around \$1,200 this week, with lower quality selling for an average of \$900. Five-weight steers were around \$1.40, heifers were 10 cents back. Three-weight steers were around \$1.60, heifers around \$1.50 to \$1.55.

THE MIDWEST

This week saw a steady market. The availability of fat cattle remains short, which is helping prices stay up right now. Carcass weights are hanging around 14-pounds lighter than last year. Beef demand is currently sluggish, but that is normal for February. In March, we're expecting higher demand, which will hopefully be followed by higher prices. Boxed beef prices have followed that sluggish demand, with prices that are "concerning" a few of our sources.

NUMBERS: February futures are around \$117, while prices beyond June are lingering near \$101. The Fed Cattle Exchange saw prices averaging \$115 to \$120, with most transactions occurring on the higher end of that spectrum. Cash trade followed suit, nearing \$120 in the plains region. In Nebraska, prices dipped down to \$115 due to heavier, muddied cattle. Packers are paying more for cattle without mud. Bred heifers weighing around 975-pounds brought around \$1,450 to \$1,485. Six-year old cows on the thinner side sold for around \$1,325, while 7-9 year old cows saw prices closer to \$1,200. Short-term cows went for around \$975.

TRENDS: One source mused on the idea that markets operate in a ten-year cycle. Prices will stay low for 2-3 years, with the high point reached around the 5th year. "Give or take, it's a pretty honest cycle, affected by inventory numbers and weather."

THE WEST

Quite a few factors are influencing the cattle market this week, and nearly every week: exports, imports, and the relative strength or weakness of the dollar. Currently, due to imports, there is more meat in our market especially considering the record high hog numbers. With our inventory sitting where it is, one source expects that Trump will cut back on imports. He went on to say that imports have cut our market in half. Americans need to be put first, and anything we can export, we should. It might take some time, but better trade deals are just around the corner.

Packers are in need of fat cattle and are willing to take most anything in the yards. They have been eager to get meat bought in slaughter cows, which will then tap down the total number of cows. With expensive feed costs and decent slaughter cow prices, we've seen more and more slaughter cows being hauled into town. This means that packers won't have the option of buying many slaughter cows next year. Instead, they will have to buy more calves, driving their prices up.

NUMBERS: This week saw a nice showing of feeder cattle presented with a lot of class and quality, in addition to a fair-sized cow special. Steer and heifer calves traded \$2 to \$6 higher this week. Yearling steers and heifers were steady to \$3 higher. One source commented, "With the futures board being lower, the market didn't really show that correlation. Sounds like that's what's happening across the board, though."

TRENDS: Hay prices have skyrocketed, and feed availability remains scarce. One source suggested selling any extra calves, open heifers, or stragglers in order to cheapen up feed costs. Calves just aren't bringing money in right now, so be easy on your culls. We're seeing bull and bred cow and heifer sales all being determined by quality and reputation. Even in the sale barns, folks notice differences in quality and pay accordingly.