

### THE MIDWEST

Folks are on the lookout for replacement heifers this week, with a strong demand being met with a fair level of supply. Available supplies of fat cattle are tight, which gives feeders the upper hand. The warmer weather is also doing its best to help nudge the market in the right direction. However, the higher temperatures also contribute to the fact that many areas are still battling mud. There is optimism for prices nearing \$117 to \$118 in the coming week, but many buyers and feeders are still apprehensive. However, just this week we saw trades averaging \$119 to \$120 in Kansas, Texas, and Oklahoma. The packer margin is narrowing and buyers are trying to get cattle bought for cheaper. What the market is missing right now is direction.

**NUMBERS:** Nearly 4,800 cattle were consigned to the Fed Cattle Exchange this week, with prices averaging \$115.25 to \$119.25. Last week, we saw the FCE stay near \$120. This week, there were hardly any bids over \$116 and quite a few no-sales, with most of those no-sale lots originating in Nebraska. Packers are now bidding around \$116 and cash trade is late this week. Boxed beef is staying flat. Futures Board remains a little off.

**TRENDS:** Cow numbers haven't increased and there are less heifers being bred, which means fewer calves next year. The local demand for bulls is good, with prices obviously less than what they were two years ago. However, with quality and reputation, good bulls are still selling well. In fact, one source commented that he expected the bull market to be softer than what it is. We expect this fall calf run to be a little better than last year. Though, much of this will depend on how the fat cattle do in April, May, and June. Another source stated, "We will be alright if fats stay near \$113. We can still make money at that point; any lower and we are hurting."

## THE WEST

A large run of high quality feeder calves was met with a strong showing of buyers. Compared to last week, steer and heifer calves traded \$5 to \$10 higher this week. Yearling steers and heifers traded steady to \$2 lower. Lighter steers were in high demand.

## THE SOUTH

A big run led to another good sale this week, with a healthy interest in stocker cows. Yearling and calves were steady to better, at \$1 to \$3 higher than last week. Currently, the Southern markets are being driven by the local guys who are on the hunt to find cattle for their grass - or grass for their cattle, depending on which side of the fence you're on. The South has had a mild winter, but cattle can't get acclimated - which makes for bad gains. Cattle buyers are trying to buy cattle for the West and Midwest, but the local guys are making it difficult with their strong demand.