

THE MIDWEST

We aren't sure if the weather or the prices have cattlemen in better spirits, but optimism is circulating through sale barns across the countryside. Supplies of fat cattle remain tight, driving prices up. Carcass weights are down 8-10 pounds from last year at this time. Exports remain strong. With all these contributing factors, local cattlemen are thinking about spending some money and are on the hunt for cows and grass.

PRICES: The cash trade was \$5 higher on fats, hanging mainly around \$124-125 this week. Dressed prices were around \$196. Lighter cattle were steady, bigger cattle were a little lower, and older cows were met with good demand. The weigh-up market was \$3-5 higher this week. Young bred cows sold for \$1,600 to \$1,700. Middle-aged cows saw an average of \$1,300 to \$1,500. Bred heifers went for \$1,400 to \$1,600.

TRENDS: The board tapered off a bit on Friday, in anticipation for the release of the Cattle on Feed Report. We're expecting the report to be about 10% higher again, similar to the last release. But remember...the last report showed just about the same numbers as we expect in this week's report and while it did affect the market for a day or so, the market swung right back and we saw the new high for the year.

THE WEST

The cattle market is feeling optimistic this week. One source commented, "Packers are calling us this time - not the other way around! They are needing to get their hands on come cattle FAST." Another source cautioned that this high will last for another 60 days or so before reaching its peak. We're seeing a lot of heifers go back to breeding. Folks are culling hard right now and replacing with younger stock. With input costs at what they are, you just can't afford to keep an old cow that won't raise as good of a calf as she once did.

PRICES: Steer and heifer calves were steady to \$3 lower, while yearling steers and heifers saw prices \$2 to \$4 over last week. The market saw a high demand for yearlings.

TRENDS: Snow is on the way for Montana, Wyoming, and potentially Nebraska and Iowa. This changing weather will be bullish for the cattle market.

THE SOUTH

The supply of fat cattle is tight at the moment, creating a situation where packers are finding themselves short on inventory. Everyone is patiently waiting for the Cattle on Feed Report; we're expecting another set of bullish numbers. The board leapt forward this week, but we still need to keep paying attention to the Fed Cattle Exchange. Prices trended upwards in all classes this week, with calves nearing \$1 to \$3 over last week.

Best advice for folks right now: "Make 'em good and send 'em on!"