

## THE MIDWEST

Tighter fed cattle supplies are continuing to help prices, leading to at least one source commenting, "It is nice to be on the winning sides of things for a little bit of time here lately!" Another source mentioned that feeders are "making piles of money, as they bought steers at \$105 and are now selling them just shy of finished at \$136.50." Last month, some folks thought this would be the top of the market and yet prices continue to climb. Still, there are still some who caution that the market can go down just as fast as it shot up. Everything has come in just a bit earlier this year due to an unusually hard winter in some spots and a limited feed supply. We're keeping an eye on what is to come in the summer months. The market is telling everyone to sell ahead - each month that gets further into the year will offer less for prices.

NUMBERS: Trade developed late this week. Bred heifers sold for \$1,750, while broken mouth cows went for \$1,000 to \$1,200. Weigh-up cows were at \$0.68 to \$0.72, while weigh-up bulls were at \$0.90 to \$1.00. Four-weight heifers were at \$1.60, while five-weight steers sold for \$1.75. Six-weight steers were at \$1.50, while six-weight heifers stayed 18 cents backs. Seven-weight steers stayed near \$1.42. The Fed Cattle Exchange saw 3,928 total head and sold 2,195 total head. The weighted average price was \$133.35, with the sale topping out at \$136.50 in Nebraska. Packers are offering \$215 dressed. Boxed beef had a couple of down days this week.

TRENDS: The Brazilian beef episode is on everyone's minds, reminding us why foreign beef is such a high risk for the health of the U.S. herd. Most sources expressed concern about USDA inspectors and their ability to accurately detect tainted meat coming in from Brazil.

### THE WEST

The entire cattle market is in a better place than what it was six months ago and you can really feel that optimism in the sale barns. Right now, the math is working out for folks to make money – anything will sell. We are seeing a counter reaction to normal seasonal trends. We are drawing cattle forward because the available fat cattle numbers are coming up short. Packers are anxious to buy cattle, which means that packers are buying cattle that aren't quite finished yet. Numbers are tight, which will decrease the number of available pounds, too. This situation is perfect for feeders because it means they'll spend less to fully finish out fat cattle.

**NUMBERS:** Steer and heifer calves traded \$4 to \$8 higher on comparable trades from last week. Yearling heifers traded \$2 higher, while yearling steers traded \$7 to \$10 higher than last week. Buyers are expressing higher interest with the CME futures prices sharply higher than last week. We have not seen a "futures flip" like this in quite some time!

**TRENDS:** The Brazilian beef scandal will certainly push our markets higher for quite some time. Brazil's cattle industry will suffer painful consequences from the ordeal - other countries have already banned the importation of Brazilian beef. Those markets should begin picking up more U.S. beef to make up for the loss of Brazilian imports.

### THE SOUTH

Another progressive week! Futures are building, flooding the market with optimism. Though, some folks are still a bit skeptical of the rate at which they are increasing.

**NUMBERS:** The stocker market fell off just a touch this week. Young cows sold well; calves and yearlings were up \$5 to \$10 higher than last week. Heifers were 15 cents back. Five-hundred pound calves were at \$1.50.

**TRENDS:** One source commented, "Feeders sure are making money right now. We'll also have to watch the Brazilian beef issue – that is certainly going to push imports down and exports up."

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