

## THE MIDWEST

There is quite a bit of skepticism in the market still, despite aggressive packer purchases and a record amount of interest in the futures trading arena. Negotiated trade was big, especially by fund speculators, and this is where a lot of concern derives from. Just as quickly as the speculators jumped into they market, they will at some point jump out.

NUMBERS: Cash trade was \$2 to \$3 higher this week. Weigh-up cows and bulls were \$1 to \$3 lower. Heifer pairs brought \$1,900 to \$2,000. Fat cattle saw prices of \$132 to \$133. Dressed trade averaged \$210 to \$212.

TRENDS: The Fed Cattle Exchange was mainly a no sale again this week, especially in the North where cattle are greener. However, things really cranked up in the countryside after the FCE sale. Futures were higher this week, following the optimism of the market. One source cautioned, "Don't overthink the summer and late fall prices yet. Prices will most likely go down, but you have to remember that this is a normal trend. When we see big rallies like these, the downtrend tends to hurt more because not only do prices go down, but we also see a dip in buying and selling enthusiasm."

## THE SOUTH

One source described this week as boxing judges would - "It was a split decision this week." While most prices were up, we did see slaughter cattle down \$1 to \$4. There was a good rally all the way across the board, keeping producer morale high. This week's Cattle on Feed report is expected to be big.

NUMBERS: Calves and yearlings were \$2 to \$14 higher on the steer side of things, while heifers were \$2 to \$10 higher. Stocker cows were better. Three-weight calves brought \$2.10 to \$2.17. Steers at 400-450 pounds sold for \$1.58 to \$1.68, while heifers stayed near \$1.50. Steers at 500 pounds averaged \$1.60, while heifers stayed 13 cents back.

## THE WEST

Packers are short on ready, available fat cattle - they're calling and needing to fill inventory. Packers aren't participating in the Fed Cattle Exchange. With that sale, there is simply too much transparency and the packers lose their leverage in negotiating. Average weights on kill cattle are much lower; cattle are too green. Most sale barns in the plans are going to sales every other week for the summer season.

NUMBERS: We're expecting a good market until the middle of May. The feeder market was higher. The futures board was higher. Short-term pairs brought \$1,410. Last fall and all the way into January, short term pairs were only bringing \$750-950. Weigh-up cows were 68-74 cents per pound, while weigh-up bulls were 85-90 cents per pound - with higher quality bulls bringing closer to \$1. Steer and heifer calves traded \$4 to \$10 higher, while yearling steers and heifers traded \$4 to \$8 higher. Fancy replacement heifers weighing 809 lbs. sold for \$1,130.

TRENDS: One source commented, "A note to all guys selling calves this fall - if you're in the right scenario, just sell! Waiting for bigger and better won't always yield the best results. We will have a better idea of what the market is going to do for calves this fall after the summer holidays. If the video sales are right up your alley and you are liking what you see, hop on the train. We are getting back into uncharted territory and we will just have to wait and see what the market does. A lot will be determined by how we can process the fat cattle that are going to be coming to us in Mya. If you are in an area where you can make money - do it. Pencil things out because adding more weight isn't always the answer."