

## THE MIDWEST

Loads were light this week - folks were cleaning out their pens. Right now, we are in a wait-and-watch mode. Futures are acting defensively, event though kills have been higher, cattle are green and numbers are extremely tight. April is already here and packers will now be able to pull forward April contracts. May is just around the corner and we're expecting supplies to be fuller. We're still worried about where the fat cattle market is headed in the summer months. Carcass weights are down ten pounds this week. Boxed beef is down again - nearly \$7 to \$8 decrease in just the last couple of trading days. Currently, we have about 12-14% more meat in the market than we did at this time last year.

NUMBERS: The Fed Cattle Exchange topped off the market at \$133. A lot of cattle went unsold. Of the 3,963 total head, only 1,898 head sold. Some of the heifers consigned to the sale only had 110-days on feed, weighing 1,200-pounds. The weighted average price was \$131.17. The countryside saw bids of \$128 following the sale, compared to last week's \$130. Realistically, it would be a long shot to get to \$130 again. Sales are starting to slow up a bit, but we will really feel the slowdown in June, July, and August. Grass cattle was firmer. Replacement heifers brought \$1.30. Weigh-up cows went for an average of 70- to 74-cents, while weigh-up bulls were at 94- to 98-cents. Six-weight steers were at \$1.60, but six-weight heifers stayed 20-cents back.

TRENDS: One source lamented, "Brazilian meat packers were caught selling bad meat and in less than a week, they are cleared and exporting beef again. It's a huge slap in the face to U.S. consumers. When the U.S. had the pink slime issue, people were shut down and it cost our producers millions in lost production. When we create a high-quality and wholesome product, it's really a slap in the face to our beef producers to bring the Brazilian sh\*t back in."

### THE WEST

The cattle that brought much lower on the Fed Cattle Exchange this week were met with skepticism by buyers. One source stated, "Guys are doing gymnastics right now to try to get rid of those cattle. There's nothing wrong with the cattle, but they are more or less still feeders! A large portion coming through the sale weighed only around 1,150 pounds. Even though the cattle aren't ready for slaughter, the packers have to buy them because what else are they going to kill!" Our source went on to say, "Fats are extremely short right now and that's what is going to save our bacon this summer."

NUMBERS: Compared to last week, steer and heifer calves traded steady. Yearling steers were steady to \$2 lower, with most yearling steers carrying more flesh than the week before. Yearling heifers traded \$2 to \$4 higher, with a good representation of replacement and feeding heifers offered. The Fed Cattle Exchange looked a little softer this week, but part of that could be weather-induced. We also have to consider what was offered this week. Fat cattle brought an average of \$1.33. The beef market is starting to top out.

### THE SOUTH

Market jumped up last week and the packers stepped back into the game. We have 7% less beef in cold storage right now than we usually do at this time of year. Beef continues to move well in the retail sector simply because it is affordable.

NUMBERS: The stocker market slowed down this week - not surprising, given its huge leaps forward in the past few weeks. Top end pairs brought \$1,400 to \$1,500. Cow-calf pairs that are bred back already brought \$1,800. Steers at 750-pounds brought \$1.22 to \$1.35, while 750-pound heifers at \$1.18. Quality always prevails in the arena, and we saw that's tory play out again this week.