

## THE MIDWEST

The market has been slower this week and weaker as expected. One source cautioned that, "the market has turned over, the board has gone South, and we can expect things to get sticky through the next summer months. This Spring people have been lucky and able to make money with selling cattle at lower carcass weights and getting them out of the feedlot as soon as possible. However, that might not be the song we sing into these next up-and-coming months," one source cautioned. "People are now getting into cattle high enough that they are going to have to fight to make money. Which then brings us back to the slippery slope of over feeding cattle, and selling them too cheap."

Prices: 1,621 head sold this week through the Fed Cattle Exchange averaging \$133. In the plains fats averaged \$133-134, a solid \$4-5 lower than last week. Fat cattle ready for delivery mid-June are being contracted at \$130. There is a substantial \$25 difference right now between the choice-select spread - which simply comes down to the fact that a large number of cattle do not have the days on feed necessary for choice grading. Carcass weights are on average 30-32 lbs. lower than from a year ago, and down 11lbs. from just last week.

Trends: "Overall the trend has turned negative. We now have to wait, see, and expect a general decline. This is usual for the summer months so this should come as no surprise to folks. We need to be hoping that the \$4-5 breaks lower are all but done, and that from here on out we will only see \$1 declines or stabilization in the market," explained one source. "It's hard to get a read on just what this summer will be like... Typically after the Spring high has developed you can expect the market to go down and for the board to be relatively close to actual prices. Needless to say, this year does not fit that mold. There are a number of factors that you expect to drive the market down right now: fat cattle numbers are on the rise, packers are tightening their wallets, and seasonally it's just what happens. However, with the new proposal of sending beef to China, and carcass weights dropping maybe it won't decline as much as everyone believes."

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As of lately, the Western region has been getting some much-needed moisture to help prolong summer grass. One source expressed in frustration that, "one day the board hits the high limit, the next day it hits the low limit –and to be quite frank, at this time not a lot of people have much faith in the board and what it's representing."

Prices: Heiferettes brought 80-90 cents/pound, cull bulls brought 95-\$1.05/pound. Fancy first calf heifer pairs scored \$2,425, whereas older pairs average between \$1,400-1,600.

## THE SOUTH

"Overall this week's market has been a winner for us," chimed in one source! There was an offering of decent stocker cows. The highest quality stocker cows brought \$1,200, and the lower end average between \$750-900. Steers weighing 400 lbs. brought \$1.55-1.60. Six weight steers averaged \$1.30-1.50, and heifers were \$1.25-1.40.

"This week farmers hit the fields pretty hard, which probably contributed to our bidding section being minimal. Right now, folks are trying to simply maintain herds, and grow their calves. The past week parts of the South have been getting some scattered moisture. And all-in-all the moral is still positive around here," shared another source.