

THE MIDWEST

It was the same dismal story this week! Truly, it's been quite the downward free-fall this last week, and the market is probably going to continue to get lower. Many sources explained that they didn't even think it would break this hard into the trickling slope.

PRICES: The Fed Cattle Exchange started the trading this week with only a handful of fats selling for \$123, but most were no-sales. After the FCE, trade in the countryside was being offered early for \$121-123, however, come Thursday, prices dipped down to a low of \$119. Early this week, dressed prices were \$195-196, but then dropped to \$190 on Thursday. One source spoke to Tyson who said, "The big wall of cattle that were supposed to hit the market in May have hit now!" In just a short two weeks, the cash market has dropped a substantial \$29.

TRENDS: Sources across the board are singing the same song: 1) how long are packers going to hold out for, 2) what role does the JBS mess have on this market? Packers everywhere are sitting on their hands and simply telling folks that they are full. One source said, "I sold a pen of cattle to the packer a week or so ago and he called me up this week and said if I want to shop around for a better price I sure can. I thought to myself, 'A better price!? The market has dropped a hard \$29 in the last two weeks!' Needless to say, he's taking the cattle but it makes you worried about when they will need cattle next."

With all the commotion about JBS, and the question of what direction they are going to move in in the future, sources have explained the same concerns. First of all, this hurts the feedlots and feeder market. Secondly, this is the problem (and what happens) when there are so few corporations playing in the market. Thirdly, in the end this could be good for the market, or it could be bad for the market. The frustrating thing is that how do you know if you are ever getting the true story on these situations? Carcass weights went unchanged this week, and for the first time in a long time - exports this past week were lower than a year ago.

THE WEST

Parts of Montana, Wyoming, and South Dakota have been lucky enough to get some much-needed moisture! However, with how strong the drought is, it's going to take a lot more rain to really help producers out. Hay prices across the West have skyrocketed.

PRICES: Really good replacement heifers weighing 900 pounds sold for \$1.38-1.39. Six weight steers brought \$1.52-1.53. Fancy two-three-year-old red angus pairs sold for a whopping \$2,500. This week weigh up cattle were steady: cows \$0.72-0.78/head, drug-free bulls \$1.00-1.05/head, and regular bulls \$0.90-0.95/head.

TRENDS: With Superior's Corn Belt Classic last week folks across the country were jumping to get a look at calf prices. Sources said, "With futures all over the board, it's time for folks to really do their homework. See at what price it is you make money, and market accordingly to obtain that." In the countryside of things at sale barns prices looked better this week, largely due to the encouraging moral that the moisture brought!

THE SOUTH

Numbers this week were good in the South. Slaughter cows sold for \$0.71-0.74/head. Calves were \$3-15 cheaper for steers, and \$1-14 cheaper for heifers. Stockers cows were all over the board depending on kind and quality. However, no one is overly eager to get into more cows with prices and future taking the hit they are.