

THE MIDWEST

Compared to past weeks, this week has been a bit of a quiet one. The futures were somewhat quiet this week which let producers grab a breath of fresh air after last week's craziness. Much of the Midwest is still experiencing extreme heat and drought. Some feedlots are starting to use drip lines and are putting out extra water tanks to help cattle from overheating.

PRICES: Thursday morning fat cattle started trading for \$118-119 in most cases. As one source said, "The packers are wanting to buy cattle...but they're wanting to buy them at their prices." Currently the choice/select spread is \$16.30, whereas two weeks ago it was \$30. Carcass weights are on the rise again, as weights have gone up eight-pounds this week.

TRENDS: Folks all over the U.S. are all hoping the same thing - they want this market to stabilize. For this time of the year it's not unusual for the market to get soft; however, with the crashing and tumbling that the market has done in the last couple of weeks, producers are needing to see some stabilization.

The BIG question now is, "What will beef demand be after the 4th?" Some sources fear that it will continue to be soft, and with packer's maintaining power in the market who knows how low prices will get. There is hope though for the market to hold its ground. With packer margins being so high right now it is very likely that they will open up a full kill schedule after the 4th of July. If that is the case, they will need more cattle to fill their schedule, thus allowing for the demand of cattle to rise. For whatever the market is or what it isn't, it's still better than what the future's board was calling for a couple months ago. A couple months ago the futures predicted that fat cattle would be well under a dollar right now.

THE WEST

Folks out West are seeing some scattered showers; however, it's going to take a lot more rain to save whatever is left of the little pasture they have. Unfortunately, many producers are still having to take some of their extra pairs to town simply because they don't have the grass to carry them over into the fall. Sale barns have seen such a flood of pairs that they are splitting the pairs, selling the calves, and pounding the cows out. Both Superior and Northern Livestock had video sales this week.

PRICES: The Northern Livestock Video Auction had a strong offering of calves to sell. Steer calves weighing 625 pounds sold for \$1.46-1.59. Steers weighing 650 pounds went for \$1.47-1.53. And 700 weight steers sold around \$1.46. In most cases delivery dates were from the middle of October to the beginning of November. The Superior Sale results are yet to come in, however they are expected to have a strong sale as well, and are offering 55,500. At the sale barns this week weigh up cows were steady at .72-.78/head. Weigh up bulls were \$2-3 lower at .85-.90/head, and drug free bulls sold for .94-.98. Pairs this week were bringing anywhere from \$1.05-1.10.

THE SOUTH

Up North, people are in desperate need of rain and down South people are almost sick of rain! The South has been getting plenty of rain the last couple of weeks and is bound to get extremely hot here shortly. Runs in the South continue to be stronger than they were a year ago at this time. One source believes that this is largely due to the fact that there are just more cattle in the South right now than normal. Folks have been retaining more heifers and are slowly weeding out the old cull cows.