

## THE MIDWEST

To label this week as “surprise” would be no exaggeration! For the last month or so, folks have been hoping and praying that this market would stabilize, as most realize that a downward trend is normal right now. And maybe this week was exactly that...

**PRICES:** This week, trade started off strong with the Fed Cattle Exchange; 2,665 head were offered and of that, 1,907 sold for an average price of \$117.34-118.45. After that, trade went rapid in the country side while feeders were able to maintain the price jump seen from the FCE and get \$2-3 more out of packers this week, averaging anywhere from \$118-120. One source mentioned, “The market is extremely current and so, when this week went higher, we ran out of sellers. We have been pulling cattle ahead all summer, and even through this spring, and the large wall of cattle everyone expected to hit the market simply isn’t there.” This week’s 106,000 head of negotiated cattle was the largest trading week since May!

**TRENDS:** One source put it simply, “This market is crazy and hard to even begin to explain!” Sources had two good explanations as to why the cattle market went up this week: 1) The bean and corn market went crashing down which sent cattle prices straight up. This gives farmers the initiative to go and buy feeder cattle that way they can use up their cheap corn without having to essentially give it away. 2) We have been so fortunate this year in regard to exports. Currently we are up 12% in exports from where we were last year at this time. And to add to this note, Cassie Fish with The Beef Read made an interesting observation, “This week’s kill will be 633-635k, and the rest of July will see a similar level, as will August, as long as demand does not falter and profitability exists throughout the supply chain. 2017 has been a testament to the power of global red meat demand in the face of large U.S. supply.”

### THE WEST

Drought...fire.... more drought....and more fire has been the reality of so many producers in the West this year. Folks in the western part of the U.S. are still struggling to prolong grass and are hoping and praying that they will be able to hold onto their calves for another couple of months. However, we are already starting to see through many of the video sales that it simply isn't the reality this year. Unfortunately, cattlemen, especially in Eastern Montana and South Dakota, are putting their calves up for sale with immediate delivery in hopes that they can keep their cows with whatever grass they have left.

PRICES: Weigh-up cows and bulls were \$2-5 softer this week; weigh-up cows sold for .68-.74/head, and bulls brought anywhere from .88-1.00/head. First calf heifer pairs went for \$2,100. Middle-aged cows with calves on their side sold for \$1,850-1,900. And short-term cows went for \$1,500-1,700. At the sale barn, 650-pound steers are bringing \$1.60 and heifers of the same class are selling 20 cents cheaper at \$1.39.

### THE SOUTH

Again, folks got along better than anticipated in the South this week. Most people are pleased with how things have been maintained and know that things could have, or still could be, a lot worse. Moisture and grass aren't a problem this year; however, getting hay put up in-between showers with enough time to cure is.