

THE MIDWEST

Many would call this week, "The Waiting Game" as packers and feeders are in the middle of another stand-off.

PRICES: Trade started this week at the Fed Cattle Exchange at \$118-118.50 for live cattle. At the sale, 2,912 head were offered, and of that, 708 head sold. After the FCE, feeders stuck to their guns and the behavior maintained more or less the same. On Thursday, there were bid offers at \$117, and then later into the day on Thursday three packers put bids out for \$118; however, none were taken. Some folks think the market will be \$1 lower, and yet others believe that we will see that come late Friday prices will be better at \$119-120. Nevertheless, Cassie Fish explained it best as, "This week's negotiated trade volume will be as important as this week's price, for if packers don't buy deeply, their needs to replenish inventory next week will be greater- giving odds that next week's price will be stronger than this week's. This week's slaughter is estimated at 630-633k and next week will be as large or larger."

So the question remains.... will the packers buy or not? And what effects does that have on the market and weeks to come?

TRENDS: Folks talked a lot this week about their frustration with the futures board. One source expressed, "The futures board is just a speculator's game right now. When fat cattle hit a high of \$119, they all sell. And when fat cattle hit a low of \$114, they all buy-in hoping to make money. I don't find this game funny, or even amusing. The buttons that they are clicking on the computer affect my livelihood. With electronic trading completely running the market, people are left to operate in the blind...People can't get a grasp on what the market is going to do because it no longer holds any relevance to the actual cattle."

THE WEST

Hot weather, and fast-moving fires continues to be the story told from the West. This week's sales were largely populated with weigh-up cows as folks are kicking cows back because of the severity of the drought.

PRICES: Weigh up cows were a little softer this week because of the large number offered. Weigh up cows were \$1-2 softer this week, at .68-.74/head. Weigh-up bulls went for .88-.92/head, and drug-free bulls sold for .98-1.00/head. Steer calves weighing 660 pounds sold for \$1.42, and heifers of the same class were 12-cents back at \$1.30.

THE SOUTH

No activity to report this week.