

THE MIDWEST

We've seen a long, strung-out week of trading! One source summed up the market by saying, "The fat cattle market has just been a see-saw in the trading range the past couple of weeks. This time of year is typically boring, there are plenty of cattle to go around and the trading is easy going because the feeders don't hold too much leverage at this time."

PRICES: Trade started this week at the Fed Cattle Exchange where 2,119 head were offered, and of that, 772 head sold at an average price of \$117.68. Folks were really hoping and pushing to get bids up to \$118 but that didn't happen until later in the week when the country trade developed. Last week's negotiated trade volume was huge, with right over 50k head traded. With that being the case, this week's trade is expected to be obviously lighter, and as of late Thursday, 36k-37k head have traded. Typically speaking, once the packers have a large buy like last week, we can expect for them to be quieter in the present and up-and-coming weeks. Currently the choice/select spread is at \$9.77 and dressed cattle are being bought at \$118-190.

TRENDS: Last week's USDA Cattle on Feed report has folks' heads spinning in all directions, with it showing that it's placement numbers were 10% higher than expected. One source stated, "This scares me for a number of different reasons. First of all, you know that this means that the fat cattle market from October-September is going to be hurting. Secondly, as a feeder this does not make me want to go and dive into more calves what-so-ever unless they are all but free". However, listen to what Cassie Fish from The Beef wrote, "Fast forward to last Friday. Once again, the industry was reminded in black and white more supply is coming. The placement number in Friday's USDA Cattle-on-Feed report was 10% higher than expected. These additional cattle were somewhat spread out in the various weight categories and only Texas had less empty pens on July 1 than June 1 in the major states. Further, the industry marketed 219,000 head more than it placed despite the much-larger-placements. The last time the industry had less than 30% of the cattle on feed with 120 days on feed or more, as it did July 1, was 2004 and only 2000 and 2003 had fewer than 2017 going back 17 years. That is a good indication of front-end currentness."

THE WEST

Fires have struck much of the West and cattlemen are fighting battles by the dozen - not enough grass, short on pasture and water, and now fires are popping up left and right.. One source mentioned, "The hot weather has changed everything. More and more people are scrambling to find the best answer to this summer's tale. With the current situation that people are in, you can expect for calves to be coming to town as early as next week."

PRICES: This week, Northern Livestock Video Auction hosted their Summertime Classic sale where they offered 101,000 head of cattle, and on average were \$2-3 higher on this sale than last months. Sale barns came to report much of the same this week, with good news on prices. Weigh-up cows sold strong: fleshier weigh ups went for .68-.73/head, lower quality weigh ups sold for .63-.68/head, and weigh up bulls went anywhere from .80-\$1.00/head. Steer calves weighing 650 pounds sold at \$1.62, and 625 heifers of the same quality sold for \$1.4550. Five-year old pairs with 300-pound calves on their sides brought \$2,250-2,500.

THE SOUTH

As compared to prior weeks, this week's run was slightly smaller and the market was down just a touch. Folks in the South are sitting comfortably with forage and are just wondering what the right thing to do with their calves is.

PRICES: This week's sale was on average \$8 cheaper on calves and yearling. A lot of that has to do with the simple fact that there wasn't much quality cattle offered. Pairs ranging from four-to-eight years old with smaller calves on their sides sold for \$950-1,100. And pairs of the same age but with bigger calves went for \$1,300-1,700. Steer calves weighing 500-pounds sold for \$1.37-1.47, and heifers of the same class sold for \$1.28-1.38. Steer calves weighing 600-pounds brought \$1.30-1.38.