

THE MIDWEST

PRICES: This week prices were down by \$2-3. On Wednesday, at the Fed Cattle Exchange, 1,184 head were offered; however, no lots sold. Fat cattle sold for \$109-\$110. One of the biggest contributing factors to the downward spin in the market is the weakening futures board. Dressed prices were \$174-175, and carcass weights were up two pounds.

TRENDS: As we mentioned a couple of weeks ago, it seems as though the futures board and the cash market are staying right at a \$3 difference - which was the case again this week. There is a large push for futures to go to \$107-108. Hear what one of our sources has to say about that: "We need to hold our ground and not let cattle go for \$108. If we do, there is a large chance that the market will continue to go down rather than finding a bottom. Keep in mind that Labor Day is only a couple of weeks away, and around then we generally see the market etch back up."

Another source commented, "Right now, packers are offered every type and kind of cattle you can imagine. And they are fools not to continue buying and killing cattle for the margins that they are making right now. However, I do believe that feeders could increase their own margins right now too if they would unite together and simply demand more money. They are all but giving their fats away. Really, it is a domino effect. Feeders are selling everything that they have in fear that next week will be lower, which continues to fuel the futures into a downward spiral."

Right at about a month ago, the choice/select spread was \$30, and today is just a \$1.45. That proves just how many fat cattle there are. A month ago, feed supplies were tight and packers were killing greener cattle. Now, there's a huge supple of choice ready cattle around.

THE WEST

PRICES: Steer calves selling at 610 pounds went for \$1.60, and heifers of the same weight went for \$1.41. Steer calves weighing 745 pounds sold for \$1.4450, and heifers of the same class sold for \$1.38-1.38. Slaughter cows were \$4-5 lower this week and slaughter bulls were \$3-6 lower. Some three-year-old cows in good working condition sold for \$1,050-1,500. A group of fancy, youthful heifers went for \$1,195-1,545.

TRENDS: In the last week, part of the West has been blessed with some unexpected moisture. Grass is getting softer again and folks are hopeful that they will be able to pasture more cows this fall than what they had initially assumed. One source said, "You can expect the calf market to get soft from here on out. Guys will begin to start weaning their calves in about two weeks and then until the middle of October the calf market will be remain soft."

THE SOUTH

The South has a strong run of good quality cows this week. There was a lot of farmer interest which helped drive prices up. Fancy, bred heifers went for \$1,400-1,600. The top end of some three-to-four-year-old cows went for \$1,200-1,450. However, just like everywhere else, the calves were a little cheaper after the futures board dropped. Steers were \$5-10 lower, and heifers were \$2-10 lower. Six weight steer calves sold for \$1.28-1.45. People are more interested in yearlings right now because there is less of a chance of them getting sick and they are past the shock from weaning.