

THE MIDWEST

Prices: This week was a wild one! Early this week packers were offering bids of \$111, but feeders weren't overly excited about that. On Wednesday at the Fed Cattle Exchange, there was 897 head of cattle consigned, and of that no trades occurred. For the most part feeders were hoping to get \$115-116, and based on where the futures were, bids of \$114-116 were in range. It wasn't until Friday afternoon that the standoff dissipated and packers offered a prettier penny. Come Friday afternoon fat cattle traded for \$117, and then upwards to \$119 in Colorado and western Nebraska. Experts alluded to the fact that this trade was largely driven by the fact that the feeders were holding tightly onto their cattle, and that packers needed them badly. Along with the supply and demand side of the market drive, experts have reported that a large amount of funds have been invested into the market as well, thus helping strengthen the future's board.

Carcass weights are down one pound from last week, and currently the choice select spread is sitting at \$10.82.

Trends: As always... the big question is, why? After talking to experts this week, one man had to say this, "I could spend all day analyzing why the cattle market moves in the different ways it does. However, the cattle market is hard to get a grasp on and always make sense of. What I do know about this week though is that there has been a significant amount of funds added to the market place. Secondly, we need to be careful not to get too greedy. And if we just step back, and think about this from a simple point of view, the general tone in the whole economy is up and up. Demand is for beef is stronger than we could have ever hoped for, we have two major holiday seasons right around the corner, and exports are currently 10% higher today than what they were this week a year ago." And then he went to say, "You can make this as simple or as complex as you want, but right now we need to be thankful that our beef is sought at a high demand, we are covering our expenses, and that it looks like this rally could quite potentially continue all the way into next spring."

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Prices: The calf market remains steady, and the news of selling fat cattle for higher prices will surely help. Soggy steer calves weighing 800 pounds sold for \$1.52. Fancy angus steer calves weighing 650-675 pounds sold for \$1.72-1.75. Steer calves weighing 500 pounds sold for \$1.85-1.87. And steer calves weighing 450 pounds sold for \$1.90-2.00. Red angus heifer calves weighing 460 pounds sold for \$1.85. Broken mouth cows between the ages of seven and ten sold for \$800-1,050. Weigh up cows sold for .65-.70/pound, and weigh up bulls brought .75-.80/pound.

Trends: In a lot of sales barns across the country calves are still rolling into the town. Bigger calves have been a hot commodity, but largely that was expected because of the shortage of yearlings after the drought this year. Heifer calves are doing extremely well, and a lot of folks are looking down the road and getting good quality heifers calves picked up! Experts expect that the calves will continue to be met with good demand, for the number of buyers is equally as strong as the number of sellers in many of the barns this fall.