

THE MIDWEST

Prices: It appears that this week is going to be another slow one. The Fed Cattle Exchange sold cattle for an average of \$108 this week, where 1,732 head were consigned, and of that 784 head sold. It appears to be a continued standoff between the packers and feeders, where packers are bidding \$107-108 and feeders wanting \$110-112. Experts expect that trade won't develop until late this week until Friday afternoon or sometime on Saturday. Sideways traded is expected to continue for the next two-three weeks. The market isn't expected to take any significant leap or bound in either direction; unless pushed by the board, but rather maintain steadiness. The choice/select spread has jumped up to \$8.47, indicating that boxed beef has found a bottom and that there is a higher premium for quality cuts of meat. Carcass weights went down two pounds this week, and exports are 17% higher this week than they were a year ago.

Trends: The big topic this week was about the back months being strong than the front months. Currently, December's live cattle futures board sits at \$116.50, and April's board stands at \$120.225. One of the contributing factors as to why our market is good right now is because we are staying current and our cattle aren't too big. The concern now is that folks will hold cattle that are ready to be sold in December until April and flood the market with fats simply too big.

Listen to what expert Cassie Fish had to say this week, "The most important fundamental take-aways that will influence the market over the next 8-10 weeks are the size of the fed kill and the amount of boxed beef sold-aheads. Both have been exemplary. The fed kill pace in September has been the largest of the year and the largest for any September since 2010. Front-end cattle supplies have regained currentness, even during a time of large offerings. Certainly, the industry has more work to do, but given packer margins and a solid sold-ahead position, fed kills will likely stay elevated over the coming weeks, even with some maintenance being performed as it is this week."

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Prices: Weigh up cows sold between .61-.65/head, and weigh up bulls brought .79-.80/head. Feeders and yearlings were extremely strong. Steers weighing 1,050 pounds sold for \$1.4525, and heavy weight heifers weighing 972 pounds sold for \$1.31. Steer calves weighing 660 pounds sold for \$1.35, and heifers of the same class sold for \$1.56. Young cows weighing 1,200-1,400 pounds sold for \$1,200-1,500. Middle aged cows sold for \$1,400. And short-term cows sold for \$775-975.

Trends: Attitudes in the West are positive and strong as we roll into the October run with a strong market. One question that an expert posed though is it better to market your calves now or wait until a later market? Come the middle of October the calf run will be in full swing, and at that point will the market continue to remain strong or will it weaken will the large supply of calves? Experts said it all comes down to feed.... If you have the feed take the risk... If you don't have the feed, play the safe card and get the price that you can!