

THE MIDWEST

Prices: Things didn't really get under way until late in week. On Wednesday at the Fed Cattle Exchange, one pen traded at \$104.75, and the others went unsold. Once again, this week packers fought hard to keep prices low, and feeders fought just as hard to hold their ground. Packers put in their bids at \$103, and feeders sought out \$107-108. This week's large trade of negotiated cattle was the biggest trade in three weeks. Interestingly enough, mid-week the choice/select spread inversed (meaning that at one point select meat cuts were priced higher than choice) but then leveled out and remains at \$4.28. Carcass weights are up another three pounds, however we can expect this type of increase until the 1st of November. Exports are down a touch this week; being 73% of what they were a year ago, however exports still remain 12% ahead of what they were at this time a year ago.

Trends: Currently Tyson is buying cattle with time, and will take them into next week. This indicates that they are killing cattle regularly, and quickly and are relatively close to the knife. In much of Kansas and Nebraska feeders have been experiencing hot, and dry weather which is causing problems with ammonia in their calves. As a whole experts believe that a bottom has been established and that much of this market is going to depend on how much of a rally the board can develop.

Listen to what expert Cassie Fish had to say about Friday, "Major packers fought very hard late Friday and even Saturday morning, to keep from paying more than \$106 and as a result, the average price was \$105.88, just under a buck higher than the prior couple of weeks. Regional packers, who own much less inventory week to week, found it easier to give \$107 and even \$108 on a few good ones in Iowa and Nebraska. Excellent packer margins remain the incentive to give a little more, Iowa's strength raises the question that perhaps the Corn Belt is reaching the backside of their ample numbers. Iowa had a big trade of 24k and Nebraska 36.5k, with Kansas third at 22.5k.

Last week's tedious and hard-fought negotiated total trade was 105,000 head. Packers bought the most cattle in 3 weeks, putting them in a better inventory position. Though last week's 642k kill, one of the year's biggest, means a +510 fed kill, so significant inventory is being worked through. This week's kill is expected to be 640-645k."

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Prices: Spayed heifers weighing 825 pounds sold strong at \$1.4810. Open heifers were steady this week to a touch stronger. Heifers weighing 950 pounds sold for \$1.36, and heifers weighing 1,025 pounds sold for \$1.3075. Steer calves weighing 625 pounds sold for \$1.56, and heifers of the same went sold for \$1.61. Weigh up bulls sold for .74-.82/head. Middle aged cows with light calves on their sides sold for \$1,100-1,475.

Trends: Sale barn owners in the West are anxiously awaiting the expected big run of calves that's sure to come the 1st of October. Experts say that buyers are ready for them because of the shortage of yearlings in the country this year, and if they have the pounds to pack the scare they are sure to sell high.

The South

Prices: Slaughter cows and bulls were slightly cheaper, stocker cows were steady, and reputation cows were higher as expected. Calves and yearlings shot straight up. Steer calves were \$5-28 higher, heifers were \$2-25 higher. Steer calves weighing 250-300 pounds sold for \$2.20, and heifers of the same weight sold for \$1.90. Steers weighing 450-500 pounds went for \$1.6750-1.81, and heifers \$1.41-1.50.

Trends: Hurricane Irma didn't affect Northern Florida, or Eastern Mississippi, and in fact those folks could use some more rain! Rye grass is in full swing, and sale barns are expecting a big run of calves in the weeks to come.