

THE MIDWEST

Prices: Very few cattle traded this week. At the Fed Cattle Exchange 1,342 head were offered, and of that no sales occurred. Later in the week on Thursday, live cattle traded for \$108 live and for \$170-172 dressed – which was steady to last week’s prices. The choice-select spread continues to remain at \$4.40, and carcass weights jumped up another four pounds. Crazy enough, exports this week are up 20-21% higher this year than they were a year ago.

Trends: The big topic this week was the Cattle on Feed Report. The report came out and said that placements were 6% higher than what they were a year ago. The market initially acted bearish after the COF report. Monday the market was limit down, but then continued to rebound since then. No one really knows why the rally occurred other than the fact that optimism has taken the upper hand in the market place. Feeders continue to be a hot commodity! With corn prices so cheap, cattle feeders seem eager to feed more cattle in hopes of spinning a larger profit.

Look at what expert Cassie Fish had to say, “With the fed kill just barely under 520k head two weeks ago and over 510k last week and this week, the packer need to replenish live inventories often is high. If this week’s negotiated volume falls short of 100k, then packers may have to pay up next week- or pull very hard on contracts and formulas- or both. With the seasonal cutout bottom established and the rally in the rib primal underway, packer margins are set to hold above \$100 per head for the next couple of months at least. There is every reason to keep plants running, with only the performance of needed maintenance a reason to cut production.”

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Prices: Compared to last week feeder steers and heifers sold \$5-8 higher. Yearling steers were \$5-10 higher, and yearling heifers were \$2-5 higher. Weigh up and feeder cows sold for \$2-4 lower, and weigh up bulls were steady to 4 lower. Young cow calf pairs weighing around 1200 pounds, with 200-pound calves sold for \$1,500. Steer calves weighing 650 pounds sold for \$1.42-1.44, and heifers of the same weight sold for \$1.50. Steers weighing 760 pounds sold for \$1.58-1.67, and heifers weighing 726 pounds went for \$1.42-1.58.

Trends: The market is strong and cattlemen in the West are ready to get their calves to town! A lot of folks are wondering what they should do with the cows that are going to fall out of their program this fall - cows that are open, late, or just simply needs to go to town. Experts say it all really depends on your feed situation. They expect the market on cows to be better in November, December, and January, but in the west where feed isn't plentiful, you may be smarter to take them to town.