

THE MIDWEST

Prices: This week at the Fed Cattle Exchange 969 head of cattle were consigned to the sale, and of that 617 head sold for an average of \$119.21. Fats traded \$5 lower this week at \$118. For the most part, the board has been the driver for this downturn as funds begin to liquidate. Next week it wouldn't be unlikely to see the board down even more, then trailed by lower bids to follow suit. Carcass weights remained steady this week. Exports are up 58% higher for this week than what they were for this week a year ago. And the choice-select spread sits at \$19.39.

Trends: The good weather has been a blessing to feedlots in the Midwest. Great gains and high consumption rates make for happy feeders. As we continue to move forward into quarter four the weather could be what drives, and/or what changes fat cattle prices. Analysis indicated that if temperatures drop and a cold blizzard rolls in, carcass weights will drop as well, thus driving prices up. One source said, "As we continue to etch away at 2017 and begin to look at 2018, there are still a lot of cattle that are coming out and being sold. And to add to that matter, there will be a pile of cattle ready for harvest come December and the first part of January. Packers are getting worried about how they are going to keep up with it all, as it is right now they are already working six days a week." This week the USDA announced that the AMS National Weekly Fed Cattle Comprehensive report will now include weighted average negotiated cattle prices for 1-14 and 15-30 day delivery periods. The new section titled "Weekly Negotiated Avg. Price by Delivery Period" indicates negotiated prices and volumes for the beef and dairy cattle sold on a national basis with live sales converted to dressed.

To see the report, go to <https://www.ams.usda.gov/mnreports/lswfedcc.pdf>

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Prices: This week offered another large run of cattle at the sales barns in the Western region of the states. Five weight steer calves average anywhere from a \$1.85-2.00. Six weight steer calves brought \$1.65-1.75. Steer calves weighing 450 pounds brought \$1.80-2.05. And in most classes heifers remained 10 cents back. Bred heifers weighing 950-1,100 pounds sold for \$1,450-1,800. Young, cows between three- four years old sold a little softer for \$1,750. Five-eight year old cows sold for \$1,150-1,400. Weigh up cows were steady to \$1 higher for the fleshier type and kind, bringing .60-.68/pound, heiferettes sold for \$1.20, and weigh up bulls brought anywhere from .80-.85/pound.

Trends: It's sometimes hard to get cattlemen to share their wealth of knowledge, but this week the coffee was brewed just right and the analysis were ready to chat! As we look at this fall's run, the demand for cattle has been absolutely amazing. This fall has been one that hasn't followed the books though. Typically speaking the fall run is considered the whole month of October through the second week of November. This year; however, a lot more cattle traded in September and October, and continue to trade into November. Sale barns have been having huge sales for weeks on end, and prices haven't left anyone kicking the bucket! One source said, "There are guys left and right bringing cattle way out in front of the board. If only one person was doing it I'd think they were crazy, but when everyone's doing it, you have to realize that there is some money to be made in March in April. And not to mention, because so many cattle have traded this fall, if you have a heavy calf after the first of the year, you're going to flat get paid for them, simply because there won't be many of them around. But every coin has two sides. With a large number of cattle that traded this fall, and feedlots in the Midwest being full, what does that mean for the fat cattle market of 2018, August through September? It's going to be rough boys... So with that being said, you may want to get marking next year's calves on your mind now that way when summer rolls around your hands aren't tied."

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