

THE MIDWEST

Prices: This week at the Fed Cattle Exchange, 711 head of cattle were consigned to the sale, and of that 401 head sold for an average of \$119. Overall cash traded \$1-2 lower from last week bringing \$119-120, and dressed prices were at \$190-192. Futures were down again this week playing a big role in this week's fat cattle prices. The choice/select spread currently sits at \$6.59. Carcass weights went up again, and exports are steady with last years trade at this time.

Trends: Cold weather has swept across much of the US. Last week pens were pretty sloppy in the feedlots and cattle were beginning to pick up some mud; however, this week a cold blast has touched much of the corn belt and things are firming up. Although it's easy for folks to get disgusted with the market the last couple of weeks, the fact still remains that because so many cattle traded this all, there is light at the end of the tunnel shining towards the Spring months.

Listen to what Cassie Fish projects for the months to come, "Cattle performance in Q4 was so extraordinary due to perfect feeding weather, that plenty cattle were harvested earlier than projected. In fact, the entire fall through the year's end, the fed kill stayed elevated relative to forecasts. Fed cattle marketings, were a record in November and excellent in December, with one less kill day. The cattle feeding industry is current and fed cattle supplies are tight for the next 60-70 days. This fact increases the importance of the fed kill pace relative to availability in determining fed cattle prices in Q1. The weaker the sellers the more likely that packer margins widen, which will certainly support hefty kill levels and only further increase currentness. At some point, it becomes impossible to pull cattle forward any further in the spring, which could set up a significant rally.

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Prices: Though futures were a roller coaster ride more or less straight down this week, sale barn prices maintained steadiness. Good demand continues to be the driving force in the stands as folks are anxious to start another year.

Prices: Grass cattle sold really well this week, heifers weighing 550-600 pounds sold for \$1.52-1.63, steer calves weighing 630 pounds sold for \$1.67-1.73, and some heavier steer calves weighing 925 sold for \$1.43. Weigh up stock was higher across the board bringing anywhere from .53-.63/pound for cows, and weigh up bulls averaged anywhere from .75-.82/pound. Bred cows were a hot commodity again this week, with prices varying with age and quality. Short term cows with adequate flesh brought \$1,200. Five to six-year-old breds brought \$1,300. And three to four-year-old breds brought \$1,475.