

THE MIDWEST

Prices: This week at the Fed Cattle Exchange there was 304 head of cattle consigned to the sale, and of that 108 head sold for an average of \$119.75. This week didn't deliver a huge volume of cash trading but come Friday afternoon cattle traded live at \$122-123.50, and dressed cattle sold for \$195 – which was a solid \$3-4 higher than last week's \$119-120. Carcass weights went down 2-3 pounds this week, obviously aided by the colder weather. And the choice/select spread sits at \$4.70.

Trends: It's a new week and its another stand off! After a couple of weeks seeing straight red on the futures board, the CME rebounded almost limit up on Wednesday giving seller's the incentive to hold onto their cattle, and making buyers scratch their head on whether or not to buy. Come late Friday afternoon, packers did have to buy some cattle, but are holding out to hopefully get their hands on lower priced cattle in the weeks to come. As Cassie Fish said, "Tis the season of tight fed cattle supplies and squeezed packer margins. This tension will likely exist for another 4 weeks. Packers are hinting hard at reducing plant hours and cattle feeders are holding out for more money than last week."

After talking to a number of cattle feeders this week, feedlots continue to be very aggressive, and though we've entered the new year it still takes a pretty penny to get feeders bought! After two solid weeks of a red board, seeing green on the board this week has definitely given feeders a new sense of optimism. The cold weather was appreciated for a number of reasons: 1) it obviously helped bring the weights down on fat cattle, 2) as cattle pens get sloppy, packers push more to buy cattle dressed rather than live so they don't have to pay the extra weight for that mud.

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Prices: Ladies and gentlemen, the bred cows have come to town! Across the board short term cows are bringing \$950-1,050. Middle aged cows are bringing \$1,050-1,400. And three-year olds are bringing \$1,100-1,600. Weigh up cows brought .55-.62/head, and weigh up bulls brought .75-.83/head. Steer calves In the west weighing 500-600 pounds sold for \$1.55-1.84. Steer calves weighing 700-750 pounds sold for \$1.40-1.55, and the heavier steer calves weighing 800-850 pounds sold for \$1.37-1.47. Heifers were .10-.15 cents back in most classes. Steer calves in the central plains are similar in price, steer calves weighing 450 pounds sold for \$1.84, steer calves weighing 680 pounds sold for \$1.60, and the heavier steer calves weighing 817 pounds sold for \$1.51 – heifers were .10-.20 cents back.

Trends: There are three things folks out West talk about: the market, the weather, and moisture. Its been flat cold out in the Western region of the US, and ask always we have to talk about, “Where’s this thing headed?” And one expert wasn’t afraid to say, “that you know I’ve been doing this for 40+ years now, and to be quite honest its harder than it was 20 years ago. The market place is more complex and you have to consider more factors than you did years ago.” Experts continue to be worried about moisture, and what grass they are going to have this summer to turn out on. Secondly, there’s no denying that June and July looks ugly for fat cattle. As of today, their best advice is to get marketing your calves for this upcoming summer on your mind now that way come this summer you aren’t caught with your hands tied.