

THE MIDWEST

Prices: This week at the Fed Cattle Exchange there was only a handful of cattle offered, around 388 head, and of those consigned no trades occurred. If you had the chance to read any market report this week you most likely heard something along the lines of, “The weathers cold, but the prices are not,” early in the week, and then come Friday you heard something along the lines of, “Crash, boom disappointment.” Fat cattle were expected to trade \$2-4 higher this week, but then the futures slammed the door and prices went lower. Fat cattle traded for \$122-123, a solid \$1-2 lower from last week. Carcass weights went up three pounds this week. The choice/select spread sits at \$7.19. And export demand/ and sales were lower.

Trends: And as always, we are left answering the question of, Why? Analysis this week are just as surprised in the sudden turn of the market as we are. In fact, many of the folks I spoke to indicated that they didn't see this coming either. There are a handful of reason why the market could have given up momentum: 1) carcass weights are up three pounds, 2) export demand and sales are lower, 3) the supply of cattle is tight, and packers aren't wanting to have to dive in and buy more, 4) packer's profitability. In fact, a couple of reports have indicated that in the next couple of weeks packers will not be utilizing Saturdays anymore, thus that has the ripple down effect of them not needing as many cattle on a per week basis, and another gentleman that I spoke with this week indicated that they are currently pulling cattle contracts forward which supports the fact that they are not wanting to have to buy cattle right now. Needless to say, conversation was fun this week! But the best advice I heard to remember when looking forward was, “How about we just trade cattle, and not emotions.” The market has a bit of a bearish attitude, because of Friday's limit down. But experts report that there in no need to have a bearish attitude especially for the months of January through April. It's essential that we keep good prices, continue to stay current, and winter weather should help pull carcass weights down.

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Prices: Sale barns across the West saw good demand, and good prices this week! Steer calves coming in at 630 pounds sold for \$1.67-1.73, steer calves weighing 780 pounds sold for 1.43-1.49, and in most cases heifers sold .10-.12 cents back. Weigh up cows sold for .58-.62/pound, and weigh up bulls averaged anywhere from .77-.84/pound.

Trends: There is going to be a lot of cattle moved in the next couple weeks. Experts expect that because this fall's run was so large, that numbers will drop off come this spring, but prices shouldn't be affected. Excitement and demand are both plentiful in the sale barns right now, as lot of people are interested in bred cows!