

April 22, 2022

Live cattle were higher this week with the trade at \$140 in the south and \$142 – 146 in the north.

Uncertainty remains in the market as participants try to determine how to balance drought-related placements, Holstein-beef cross cattle on feed, lack of placements against the latter part of the year, and maintaining equity through market volatility, higher feed cost, and seasonal demand transition. However, live cattle markets had a bullish tone this week.

This afternoon's USDA Cattle on Feed Report for April 1, 2022 contained a surprise in the form of higher actual March 2022 placements (100%) compared to expected placements (91.7%).

Given the ongoing drought conditions in the western United States it is not a surprise to see accelerated placements. Drought continues to have a strong grip on major cow/calf and cattle feeding areas. Cow herd liquidation is continuing and made more challenging as buyers grapple with higher feed costs and limited forage options.

Looking ahead to the coming week, the Senate Agriculture Committee is scheduled to hold a hearing on April 26 to review S. 4030, The Cattle Price Discovery and Transparency Act of 2022, and S.3870, The Meat and Poultry Special Investigator Act of 2022.

The House Agriculture Committee will hold a hearing the following day, April 27, to discuss cattle markets and price increases for consumers. The Chief Executive Officers of Cargill, Tyson Foods, JBS, and National Beef Packing are scheduled to participate in the hearing.

This week's Fed Cattle Exchange saw another week of strong bidding with nearly 6,000 head consigned and 641 head sold to major and regional packers. One set of cattle was bid \$147 FOB the feedyard, setting the regional market high for the week.

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