

July 1, 2022

Sale schedule for next week (all sales start at 10:00 AM Central):

- **Wednesday, July 6**
- **Thursday, July 7**

The South traded at mostly \$137 – \$138, steady with last week in a quiet, pre-holiday trade. The North traded at \$145 - \$150 live and \$230 - \$238 dressed, also steady with last week.

This week's Fed Cattle Exchange saw 4,600 head consigned and receiving bids from national and regional packers.

The June 2022 Live Cattle contract settled at \$138.00 on Thursday. The divergence of cash prices between northern and southern feedyards and the lack of futures price convergence has created headaches for many feedyard risk managers. Basis management is clearly a priority for many feedyards looking to fill pens with late summer and fall calves.

Average dressed weights continued to decline and are now below 2020 and 2021. With high corn prices, extreme drought, and lighter placement weights, the trend is expected to continue through the fall.

The second quarter of the year closed with a whimper compared to the optimism seen just six months ago. Looking back, every measure of consumer sentiment and financial health is worse today than it was on January 1, 2022. Similarly, nearly every measure of the financial health of the beef supply chain is worse off today than it was on January 1, 2022.

The average consumer will shortly receive second quarter statements from investment accounts, 401(k) plans, and other savings accounts. The statements will bring recent market volatility into their homes and likely cause further belt-tightening. While the consumer must eat, the immediate concern is the consumer shifts to lower-priced beef options. While this will support demand for packer cows and the lean ground beef they produce, we all hope demand for premium meats remains intact.

We invite all feedyards to list cattle with Central Stockyards. Whether your feedyard sells on a live basis, negotiated grid, or other marketing method, our Fed Cattle Exchange platform presents your cattle to major and regional packers. If you are interested in transparent, real-time price discovery, we invite you to list a few pens and see how we can help you. Contact us today for more information.

Central Stockyards Team

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