

July 15, 2022

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

- **Tuesday, July 19**
- **Wednesday, July 20**
- **Thursday, July 21**

Live cattle traded at \$136 to \$140 in the South and from \$144 to \$145 in the North, \$230 dressed. In the north, the further west on I-80, the weaker the fed cattle trade. Market sentiment was steady but had a weak undertone.

This week's Fed Cattle Exchange saw 4,200 head consigned with active bidding from national and regional packers.

Live and Feeder Cattle futures were slightly higher for the week, softening after a strong start to the week. Crude oil prices softened for the week providing temporary relief for fuel prices.

Extremely high yearling prices at several national sales drew a lot of attention within the market. These premium prices will have a carryover impact on the CME Feeder Cattle Index. At the same time, miles-long receiving lines at livestock markets in drought-impacted areas in Texas also received a lot of attention.

The north is placing more cattle than the south. Looking ahead, fed cattle supplies will be higher in the north which may lead to market corrections and reduce recent record-high north-south spreads.

Rail workers are threatening a strike which would devastate supply chains and exacerbate inflationary pressure on many markets.

U.S. consumer inflation increased to 9.1% in June, the highest in more than four decades. Most economists expect the Federal Reserve will raise interest rates more aggressively, perhaps up to 100 basis points, at their next meeting June 26 – 27.

Since going negative on July 6, the 10-year/2-year Treasury spread continues to widen while consumer sentiment continues to sour. We are in a de-facto recession which will have impacts on the entire beef supply chain.

The strong U.S. dollar will continue to help imports and hurt exports.

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

Forrest Roberts 317.997.3486

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Surcy Peoples	806.452.9315
Jesse Larios	760.356.0746
Jonalee Watkins	307.751.0848