

October 28, 2022

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

- **Tuesday, November 1**
- **Wednesday, November 2**
- **Thursday, November 3**

Live cattle traded at mostly \$150 in the South and from \$150 to \$153 in the North, \$238 - 240 dressed, \$1 – 3 higher than last week. There is a definite shift in leverage as feedyards have pushed prices higher over the last 30 days.

The Fed Cattle Exchange listed 3,360 head for the week and sold 363 head at \$150 for southern heifers. The shift in leverage was again visible in all three sales this week as starting bids rose throughout the week from \$147 on Tuesday to \$148 on Thursday while reserve prices increased were \$150 in Thursday's sale.

Live Cattle futures also increased \$1 for the week, keeping pace with cash prices. Feeder Cattle futures were mostly steady for the week. Looking ahead, the deferred contract premiums for Live Cattle are significant and growing. For example, the December 2023 contract is a \$12 higher than the December 2022 contract, reflecting the accelerated cow herd reductions and expected loss of production this summer and fall.

With increasing interest rates and the expected 75 basis point increase in November is causing credit concerns for those with operating lines of credit. Opinions seem to be split with regards to future interest rate increases. Equity markets have moved significantly higher as investors believe future interest rate increases may not occur or are already baked into current market prices.

The cash feeder cattle market has been supported by rains across the Southern Plains. There is hope that the winter grazing may be helped with this moisture, though the moisture is less than hoped for and later than optimal.

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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