

**November 11, 2022**

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

- **Tuesday, November 15**
- **Wednesday, November 16**
- **Thursday, November 17**

Live cattle traded at mostly \$150 in the South, steady with last week. Trade was \$152 - \$155 in the North, \$240 - 242 dressed, also steady with last week.

The Fed Cattle Exchange listed 3,647 head for the week with southern bids increasing throughout the week. Thursday saw winning bids of \$150.25 on southern heifers. Immediately after the sale, country trade began at \$150 in the south.

Live Cattle futures traded in a \$2 range for the week, moving higher mid-week before losing ground Friday to close near Monday's open. The late-week decline was largely due to weakening wholesale boxed beef prices. Feeder Cattle futures followed a similar pattern of mid-week increases followed by a late week fade. Stocker and feeder cattle prices remained strong in the country trade and livestock markets with advances of \$3 – \$5/cwt reported in many locations.

Winter arrived across cattle feeding country this week with snow, lower temperatures, and high winds in many areas. While any moisture is welcome, the stress, sickness, and reduced daily gains will take their toll on feeders and backgrounders.

The Labor Department said that its consumer-price index increased 7.7% in October from the same month a year ago, down from 8.2% in September and June's 9.1% rate. While this is good news and equity markets rallied in response, all signals indicate the Federal Reserve will most likely raise interest rates by at least another 50 basis points in December.

One major question for 2023 is how the beef supply chain will manage higher interest rates. As of this writing, the Prime Rate and 10-Year Treasuries are 115% and 180% higher than one year ago, respectively. Given the traditionally low margins associated with cattle production, how will these interest rate increases be passed along to others in the supply chain and how will the supply chain adapt cattle production and marketing methods to deal with these significant challenges? Beyond procurement, commodity purchases and inventory management are being impacted by higher interest rates.

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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