

**December 23, 2022**

***The Fed Cattle Exchange will have no sales December 27, 28, or 29. Our next sale after this week will be Tuesday, January 3, 2023.***

Live cattle traded at \$155 - \$156 in the South while the North traded at \$156 - \$159 live and \$246 - \$249 dressed, mostly steady with last week. The Fed Cattle Exchange listed 3,181 head for the week as the market was looking ahead to holiday-shortened kills. Live Cattle futures were up \$2 for the week while Feeder Cattle futures rebounded off an early week decline to finish steady for the week.

Friday's USDA Cattle on Feed Report showed total cattle on feed down 3% on December 1, 2022, as compared to one year ago. Placements and marketings were 98% and 101% of a year ago, respectively. The report was bullish but is largely neutral as compared to market expectations.

The weather was the major story for the week as a major winter storm impacted all feeding regions. All major feeding regions were hammered by bitter cold, snow, and wind. The impact of this weather system will be felt for a few weeks as lost gain and death losses are tallied. Fortunately, most livestock markets were closed all week so fewer cattle were arriving into feedyards as the storm came across the U.S.

Looking ahead to 2023, there are a few major themes emerging. Here are a few things we see and hear about as we work with feedyards and packers:

- **Consumer Resilience:** with continued inflationary and economic headwinds, how resilient will consumers be when it comes to spending, especially on premium, middle meats? Thus far, all demand signs are positive but how long will this last?
- **Reduced Cow Herd Inventory:** drought forced the early sale of many 2022 calves and liquidation of many cows. How will this impact feeder supplies in 2023 and how will potentially tighter supplies impact the overall supply and demand calculus for feedyards, packers, and consumers?
- **Legislative and Regulatory Actions:** with the change in House control, how will different legislative and regulatory developments affect fed cattle marketing? From contract libraries to market participation thresholds, there seem to be a lot of cooks in the kitchen, each looking to champion their preferred pathway to improve price discovery.

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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Jesse Larios	760-356-0746
Rey Armendariz	620-874-5200
Jonalee Watkins	307-751-0848