

February 3, 2023

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

- **Tuesday, February 7**
- **Wednesday, February 8**
- **Thursday, February 9**

The Fed Cattle Exchange listed 2,922 head for the week. Bids on Tuesday began at \$156 against reserve prices of \$158. Reserve prices remained at \$158 all week, \$1 higher than last week, as bids increased to \$156 in Thursday's auction, also \$1 - \$1.50 higher than last week's auctions.

Live Cattle futures up \$3 for the week and Feeder Cattle futures were steady up \$2 for the week despite a major mid-week dip. The Feeder Cattle Index was up \$3.50 for the week.

Fed cattle trade had not yet occurred as of this writing on late Friday.

USDA's annual Cattle Inventory Report showed the U.S. cattle inventory was down 3% from January 2021 with significant decreases in cattle on feed (down 4%), cows (down 4%), and 2022 calf crop (down 2%). The report is seen as bullish to prices in the short-term though this sentiment was tempered by the reality that the inventory is now the second smallest on record. With tight cattle supplies ahead, how will the industry supply chains adapt to lower throughput volumes?

Post-COVID, there has been a lot of interest in building packing capacity and offering direct to consumer options as producers developed their own private label products. Will there be enough inventory to all these businesses to be run in a profitable manner?

The Federal Reserve voted Wednesday to raise its benchmark federal-funds rate by a quarter point to a range between 4.5% and 4.75%. Friday's positive jobs report increases the likelihood of additional rate increases in future months as the central bank seeks to slow economic growth to weaken demand and restrain inflation.

Another cold snap hammered cattle country with ice and snow, causing most livestock markets to close for the week. While the moisture is appreciated, we all know there are a lot of stocker and feeder cattle which traded in the first two weeks of January which are being pushed to their terms. Spring's warmer weather and new grazing can't come soon enough.

Central Stockyards was pleased to see many of our buyers and sellers at the NCBA Cattle Industry Convention in New Orleans. We had a great week of learning and listening to our customers. If our team can do anything for you, please let us know.

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

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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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