

May 26, 2023

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

- ***No sale on Tuesday, May 30***
- ***Wednesday, May 31***
- ***Thursday, June 1***
- ***Friday, June 2 depending upon market conditions and buyer/seller feedback.***

The Fed Cattle Exchange listed 1972 head for the week across two sales. Thursday's sale was cancelled because the bulk of trade occurred earlier in the week.

Reserve prices were mostly \$170 – 172 for the week and bids were mostly \$167 – 174. The bid/ask trading range remained steady throughout the week. Listings sold online Wednesday at \$171.50 and \$174. Wednesday also saw offline trades of 36 head at \$168 for dairy-cross cattle.

Cash trade in the North was \$180 - 182 live and \$285 – 286 dressed, \$2 – 3 higher than last week, while Southern trade was mostly \$171, \$1 higher than last week.

The futures market was the major story of the week. Live Cattle futures were up \$1.00 - 2.50 for the week in a trade marked by volatility. Feeder Cattle futures were up \$3. The Feeder Cattle Index was up over \$4 for the week.

Risk managers have their hands full as there are significant premiums in deferred Live and Feeder Cattle contracts. At the same time, new crop Corn futures increased more than \$0.20/bu pressuring risk managers to manage risk on cost of gains. Rains have brought relief to many areas but it may be too little too late for many crop producing regions to produce a decent crop, Add in interest rate risks and the ongoing uncertainty from investors surrounding debt ceiling discussions and you have an extremely complex puzzle to be solved.

Looking ahead to next week, the Fed Cattle Exchange will not have a sale on Tuesday as trade resumes following the Memorial Day holiday. We expect short-term volatility to continue as the market continues to settle into new trading ranges with acceptable (or newly acceptable!) spreads between various commodity classes.

We welcome your feedback and suggestions on how to continue improving the Fed Cattle Exchange and its role in providing price discovery to the cattle industry.

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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