

July 7, 2023

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

- **Tuesday, July 11**
- **Wednesday, July 12**
- **Thursday, July 13**
- **Friday, July 14, depending upon market conditions and buyer/seller feedback.**

The Fed Cattle Exchange listed 5,310 head for the week across three sales, from Wednesday through Friday. Reserve prices were mostly \$178 – 181 against \$176 – 180 bids with both reserve prices and bids declining slightly throughout the week. Listings sold in each daily sale with prices at \$180 Wednesday and Thursday before settling at \$178 - 180 in Friday's sale.

Cash trade in the North was mostly \$183 - 185 live and \$290 dressed, mostly steady with last week. The Southern Plains traded at \$178, also steady with last week.

Live Cattle futures were steady this week after being down \$2 mid-week. Feeder Cattle futures were down \$3 for the week while the Feeder Cattle Index was up \$1 for the week. Choice boxed beef fell \$8 for the week while Select boxed beef fell \$4 with the Choice/Select spread falling from \$34 to \$30. Corn futures were steady for the week.

The overall market had a steady to weakening tone for the week. Given that it was essentially a three-day week, any weakness may prove to be fleeting as packers work to fill orders at historically high retail price points.

The major question for the fed cattle trade is: how durable is consumer beef demand? The post-July 4 grilling purchases are past, and the combination of excessive heat and summer vacations can disrupt consumer demand. Add in significant, strong recessionary signals, and one has to wonder if this week's declines in boxed beef prices is an indication of the pressure faced by the average consumer.

Most analysts expect that July's Federal Open Markets Committee will see another increase in interest rates, likely 0.25%, to continue slowing inflation. Any interest rate hikes will continue to pressure breakeven calculations on near-term feeder cattle procurement decisions.

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.

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