

August 18, 2023

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

- **Tuesday, August 22**
- **Wednesday, August 23**
- **Thursday, August 24**
- **Friday, August 25, depending upon market conditions and buyer/seller feedback.**

The Fed Cattle Exchange listed 4,206 head for the week with 248 head sold on Thursday at \$178.50. Reserve prices for the week were \$180 – 181 early in the week, declining to \$179 on Thursday. Bids for the week ranged from \$176 – 178.50.

The North traded at \$185 - 188 live and \$292 - 295 while the Southern Plains traded at \$179. Trade appeared to be unfinished as of this writing.

Live and Feeder Cattle futures were down \$2 for the week while the Feeder Cattle Index was \$0.50 lower. Corn futures were up slightly for the week. Choice and Select boxes both increased \$12 and \$9 for the week, respectively, increasing the spread by \$3 in the final Labor Day and summer grilling season beef sales period.

Today's USDA Cattle on Feed Report for August 1, 2023 was as follows:

- Cattle on Feed: 98% compared to trade estimates of 98.4%
- Placements: 92% compared to trade estimates of 96.1%
- Marketings: 95% compared to trade estimates of 94.8%

The total inventory and marketings were largely in-line with the pre-report analyst estimates. Placements were below pre-report analyst estimates of 94.6 – 98.6% which should be supportive to deferred Live Cattle futures. Traders and analysts will be assessing supply chain models to evaluate the impact of surprisingly lower placements on spring 2024 beef production.

The overall economic picture seems to have more question marks as we head into the fall, including the following:

- The 10-year U.S. Treasury yield was over 4.3% this week, the highest since November 2007.
- Average mortgage rates rose to 7.09%, the highest level in more than 20 years.
- Credit card balances are now over \$1.03 trillion, the highest in more than 20 years.

Hopefully the consumer can remain resilient through the fall and into the winter, sustaining beef demand and overall beef and cattle price levels.

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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