

**August 25, 2023**

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

- **Tuesday, August 29**
- **Wednesday, August 30**
- **Thursday, August 31**
- **Friday, September 1, depending upon market conditions and buyer/seller feedback.**

The Fed Cattle Exchange listed 5,100 head for the week with 155 head sold on Wednesday at \$179.75. Reserve prices for the week were \$179 – 182 and remained steady for the week. Bids for the week ranged from \$175 – 180.25 and trended lower for the week.

The North traded at \$184 - 186 live and \$292 - 295 dressed while the Southern Plains traded at \$179, all steady with last week. Trade appeared to be unfinished as of this writing.

Live and Feeder Cattle futures and the Feeder Cattle Index were up \$1 – 2 for the week while. Corn futures were down \$0.15/bu for the week. Choice boxes were \$1 higher for the week while Select boxes added \$4, narrowing the Choice/Select spread from \$32 to \$25.

Early week trade was largely a repositioning effort after last Friday's Cattle On Feed Report placement surprise. Overall trade was sluggish with a slightly bullish tone.

With an inverted yield curve, prime at 8.5%, and moderating inflation, it would appear there is growing sentiment that additional interest rate increases may be on pause for now. For cattle feeders looking ahead to 2024 marketings, the additional \$100 in interest costs certainly weighs heavy on breakevens and increases total risk while lowering each pen's potential return on equity.

The additional variable which must be acknowledged is that Wednesday's night's Republican debate essentially kicked off election season. With this comes the requisite posturing by the party in office to take short-term steps to prop up the economy to improve their re-election chances. This is a statement of fact, not partisanship! The point is, with an election looming just over 14 months from now, there will be additional economic variables to consider when planning for 2024.

Finally, the ongoing drought has seemed to strengthen its grip on major cattle producing areas in the Midwest and Southern Plains. For the second year in a row, more than 95% of Texas is in some stage of drought, with much of the state in the Severe or Exceptional Drought category. It will take years for the total cow herd inventory to recover to full inventory.

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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