

October 13, 2023

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

- **Wednesday, October 18<sup>th</sup>**
- **Thursday, October 19<sup>th</sup>**
- **Friday, October 20<sup>th</sup> (Depending upon market conditions and buyer/seller feedback)**

The Fed Cattle Exchange listed 4,812 head from TX, CA, IA and CO across three sales from Wednesday through Friday. Reserve prices for the week were \$177.00/cwt for dairy steers and \$182 – \$189/cwt for high performing commodity cattle and high grading beef-on-dairy cattle. Reserve prices increased slightly by the end of the week. Bids for the week ranged from \$180 – \$186/cwt for high performing commodity cattle and high grading beef-on-dairy cattle.

In general, bids were slightly stronger by the end of the week, following light mid-week cash trade sparked at \$184.00/cwt in CA on Wednesday that was partially driven this week's resurging Live Cattle futures market. Bids of \$186.00/cwt for high performing program cattle were passed on Friday.

This week, the Fed Cattle Exchange on Wednesday sold high grading beef-on-dairy cattle for \$184.00/cwt along with Holstein steers at \$177.00/cwt on a live weight marketing method in CA. Buying activity continued in Thursday's Fed Cattle Exchange auction with the sale of high grading beef-on-dairy cattle in IA and TX for \$184.00 all via the Bid-The-Grid™ marketing method. Friday's Fed Cattle Exchange auction sold high performing commodity cattle in TX for \$184.00/cwt via live weight marketing method.

The Fed Cattle Exchange welcomed a total of 13 packer buyers during this week. Active bids were received from both major and regional packer buyers. Cattle purchased on the Fed Cattle Exchange during this week was driven by a major buyer participant.

Overall fed cattle trade for the week exhibited a positive tone in the market. The North traded slightly higher to last week at mostly \$185/cwt live weight and mostly \$292/cwt dressed weight. Fed cattle in the Southern Plains traded this week at mostly \$183.00 - \$184.00/cwt, positive when compared to last week. The North-South regional traditional basis continues to trade in a very narrow range.

Global political unrest, fears of a US government shutdown and corresponding economic uncertainty is THE macro topic at the forefront of all customer discussions. Couple that with a micro trend that is closer to the ledger of feedyards is that of feedyard cost-of-gain (COG). More specifically, COG values continue to decline and could incentivize feedyard sellers to continue making cattle bigger. Given higher operational cost and equity requirements for a feedyard today, some industry participants believe feedyards are intensely balancing the equation of feeder cattle replacement cost versus feeding current inventory another 30 plus days. That said, this situation could likely have a real impact to the overall near-term, shrinking fed cattle supply given recent market signals pushing greener cattle to harvest a little early due to rising fed cattle price trends. Nonetheless, this will be a trend to monitor closely.

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.

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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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