

November 17, 2023

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

- ***Tuesday, November 21st***
- ***Wednesday, November 22nd***
- ***There will be no sale on Thursday, November 23rd.***

The Fed Cattle Exchange listed 5,310 head from TX, CA, KS, and CO across three sales from Wednesday through Friday. Reserve prices for the week ranged from \$173 - \$175/cwt for dairy steers and \$178 – \$182/cwt for high performing commodity cattle and high grading beef-on-dairy cattle. Reserve prices moved lower during the week following a choppy behavior in the Live Cattle futures market. Bids for the week ranged from \$175 – \$178.25/cwt for high performing commodity cattle and high grading beef-on-dairy cattle.

In general, packer bids across the industry were steady at \$178/cwt and slightly lower by the end of the week given the volatile activity in both Live Cattle and Feeder Cattle futures contracts. Fed cattle prices declined week-over-week to mostly \$178/cwt live weight and \$282/cwt dressed weight in the North region. Cattle traded at mostly \$178/cwt in the Southern region. That said, the North-South basis is now basically zero.

This week, the Fed Cattle Exchange on Thursday sold high-grading commodity cattle in TX for \$178/cwt via live weight marketing method. The Fed Cattle Exchange also sold high-grading beef-on-dairy cattle for \$177.50/cwt with our Bid-The-Grid™ marketing method on Friday via private treaty.

The Fed Cattle Exchange welcomed a total of 15 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 primarily by a major buyer participant.

The November USDA Cattle-on-Feed report was published late Friday afternoon:

- On Feed = 102.0% as compared to analysts' estimate of 101.9%
- Placements = 104.0% as compared to analysts' estimate of 106.1%
- Marketings = 97% as compared to analysts' estimate of 98.0%

Many seller customers have expressed frustration over the recent volatile trading behavior in Live Cattle and Feeder Cattle futures and the corresponding impact to cash fed cattle prices. Risk management positions have certainly shifted during recent weeks. A common theme across the beef industry marketers is that during these times, context matters. Most everyone is balancing the short-term market volatility with a deeper look into the five-year data trends versus any single snapshot of data. Others are using this context to adjust their borrowing base and pushing forward to 2024 given the true market fundamentals of tighter supplies.

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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