

In The Cattle Markets
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Seasonal Feeder Cattle Marketings Ramp Up

The early fall run of yearlings off grass is in full swing at Northern Plains auction markets. The later fall calf run is just starting with heavy runs only weeks away. Last week, 85 percent of cattle sold at North and South Dakota auctions weighed over 600 pounds, but in one month from now only 30 percent will weigh over 600 pounds.

The USDA Agricultural Marketing Service (AMS) reports feeder cattle prices and numbers sold at markets throughout the country in its National Feeder and Stocker Summary report. The report is issued every Friday afternoon and is available on the AMS web site at: www.ams.usda.gov/mnreports/sj_ls850.txt.

Grass conditions were near ideal this year in much of the Northern Plains and many feeder steers are weighing over 800 pounds. Demand has been moderate to good for the many truckload lots being offered. A near record, if not record, corn crop in the Western Corn Belt has stimulated buyer interest. But prices have weakened over the last month as marketings have increased, fed cattle prices have stalled at \$82-84, and corn futures prices have inched back up. For example, the CME Feeder Cattle Index, which is an average price for 650-850 lb steers sold in the U.S., declined from \$98.68 on September 1 to \$95.36 on October 1.

Calf prices among Northern Plains markets have been very uneven. At many markets too few calves are selling yet to generate buyer interest because truckload lots cannot be put together. Last year, there was a wide range in prices for the same weight and grade of calves sold at the same market, due to the many factors that affect calf value. Early indications are that the range will continue to be wide and could even be wider this year as buyers sort for value.

Un-weaned calves without vaccinations are likely to receive discounts, while weaned calves with appropriate vaccinations and that qualify for value added programs such as source and age verified and/or natural may receive premiums.

Last week, the average price for 550 to 600 pound medium and large 1 steers at auctions in the Dakotas was \$104.60. But the range was from \$93 at a market where only a few (7 head) were available to a top of \$108.50 at several markets. The previous week a top of \$118.50 was recorded on 550 to 600 pound calves labeled as "Fancy" by the market reporter.

Further weakness in calf prices is likely to occur as seasonal marketings increase. So producers should strive to market calves near the top of the range instead of near the bottom. Calf sellers are encouraged to contact their market soon for tips on marketing and management practices that can help bring the highest price possible for calves.

The Markets

A light to moderate fed cattle market developed last Thursday at prices \$1 to \$2 lower than the previous week. Live prices averaged \$82.08 in the 5-area market with \$81 to \$82 prices prevalent in the North where supplies were plentiful, and ranging up to \$83 in the South. Dressed prices averaged \$127.64, almost \$2 lower than the \$129.54 recorded the previous week. Choice boxed beef values continued to decline with the continued macroeconomic woes and ample supplies of meat. Increased pressure on the choice beef was again evident as the choice-select spread narrowed to \$5.34.

Both yearling and calf prices in Montana, Nebraska, and Oklahoma declined as marketings increased seasonally, corn prices crept up, and distant live cattle futures weakened.

Last Thursday, corn prices in Omaha increased another 3 cents per bushel after rallying 11 cents the previous week. Distillers gain prices continued to rally from their seasonal lows, with DDGS increasing over \$6 per ton to \$106.20 and WDGS advancing to \$31.60

		Week of	Week of	Week of
		10/2/09	9/25/09	10/03/08
<i>Data Source: USDA-AMS Market News</i>				
5-Area Fed Steer	all grades, live weight, \$/cwt	\$82.08	\$83.49	\$95.74
	all grades, dressed weight, \$/cwt	\$127.64	\$129.54	\$147.99
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$137.25	\$140.48	\$154.40
	Choice-Select Spread, \$/cwt	\$5.34	\$6.71	\$6.50
700-800 lb. Feeder Steer Price	Montana 3-market average, \$/cwt	\$93.29	\$96.47	
	Nebraska 7-market average, \$/cwt	\$98.70	\$100.43	\$106.88
	Oklahoma 8-market average, \$/cwt	\$96.33	\$97.23	\$107.50
500-600 lb. Feeder Steer Price	Montana 3-market average, \$/cwt	\$97.92	\$103.83	\$98.38
	Nebraska 7-market average, \$/cwt	\$106.82	\$114.07	\$110.00
	Oklahoma 8-market average, \$/cwt	\$100.89	\$103.17	\$107.78
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$3.27	\$3.24	\$4.39
	DDGS Price, Nebraska, \$/ton	\$106.20	\$100.00	\$133.40
	WDGS Price, Nebraska, \$/ton	\$31.60	\$31.00	\$48.70