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## In The Cattle Markets

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### Things to Consider as Beef Production Sales Ramp Up

The holidays are behind us, the spring calving season is just a few weeks away, and in just a few short months the grass will begin to green up across much of the country. It's the perfect time to attend a beef production sale. But there is much more to it than simply browsing through a sale catalog and picking out a bull or bred heifer that looks good. For most beef producers, decisions that are made this time of year will impact their operation for years to come. That is why it is important to very carefully consider all of the variables when making a purchasing decision regarding breeding stock. Here are a few things to consider:

*What do I expect the markets to do over the next several years?*

The expected direction of the markets should play a major role in the budgeted price for new breeding stock purchases. Pay too much and that new animal will lose money over the course of its productive lifespan. Set the budget too low and you could go home empty handed.

*What characteristics are most important to me and how much am I willing to pay for them?*

It is important to identify the most important things you are looking for in bull or a replacement heifer. Each characteristic often has its own tradeoffs. Purchasing breeding stock with low birth weights or better calving ease EPD's can reduce the chances of losing calves at birth, but low birth weights could also mean a smaller frame size or reduced weaning weights. A large frame size will often be associated with larger weaning weights, but can also mean higher feed costs and worse calving ease EPD's. Each of these are tradeoffs that an individual must weigh. Once the most important characteristics are identified, one must decide how much you are willing to pay for that characteristic. The better the EPD's are, the higher the price will be. What is the happy medium for your own operation? There really are no right or wrong answers to this question, and everyone at the sale will likely have a slightly different answer in terms of their preferences and willingness to pay for those preferences.

*How will my breeding stock purchases impact the prices I receive for my calves?*

Outside of show animal purchases, this is the question that everything should boil down to. Most producers are constantly trying to improve their herd genetics, but often those changes can be years in the making. Breeding stock purchases are an investment in the herd's future, and those decisions will impact the marketability of future calves. Cattle buyers have certain characteristics that they are willing to pay more (or less) for, so ultimately a herd's genetics will not only drive production aspects of a herd but also the price received for feeder calves.

## The Markets

The five-area fed steer price ended the week averaging \$122.89 for live sales and \$194.89 for dressed, up \$2.97 and \$3.17 from a week ago respectively. Oklahoma feeder cattle were higher on the week with 500-600 pound steers up \$2.19 averaging \$170.79 and 700-800 pound steers up \$5.89 averaging \$150.42. Corn was up \$0.05 on the week trading at \$3.35/bu in Omaha on Thursday.

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 1/19/18</b>	<b>Week of 1/12/18</b>	<b>Week of 1/20/17</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$122.89	\$119.92	\$121.89
	all grades, dressed weight, \$/cwt	\$194.89	\$191.72	\$194.80
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$205.89	\$209.61	\$191.65
	Choice-Select Spread, \$/cwt	\$5.38	\$6.63	\$4.27
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$151.14	\$149.18	\$133.02
	Nebraska 7-market, \$/cwt	\$154.49	\$153.14	\$140.29
	Oklahoma 8-market, \$/cwt	\$150.42	\$144.53	\$133.64
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$179.82	\$179.29	\$156.53
	Nebraska 7-market, \$/cwt	\$191.39	\$191.76	\$164.03
	Oklahoma 8-market, \$/cwt	\$170.79	\$168.60	\$151.63
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.35	\$3.30	\$3.45
	DDGS, Nebraska, \$/ton	\$145.50	\$145.50	\$107.50