

**November, 16 2015**

## **In The Cattle Markets**

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### **Weights Moderate a Little**

Record large, some might say excessive, fed cattle weights continue to weigh on the cattle market. Weights and backed up marketings have been a significant factor in lower cattle, feeder, and calf prices this Fall. Normally, cattle dressed weights peak this time of the year before falling seasonally. Lower weights could portend working through the supplies of heavy cattle leading to reduced beef production and some support for prices. Last week's steer weights averaged 920 pounds, 18 pounds heavier than a year ago. That was 7 pounds below the week before and the lowest since the week of September 26<sup>th</sup>. Heifer dressed weights declined by a pound from last week to 848 pounds. The 72 pound difference between steer and heifer dressed weights was the smallest since mid-May.

USDA's November Cattle on Feed report will be released on Friday. Analyst expectations indicate that October marketings will be down about 5 percent from a year ago. It is important to remember that October 2015 had one less slaughter day than October 2014. While marketings and slaughter should be below a year ago, daily average slaughter and marketings were likely very close to last year. Placements are expected to be below a year ago. Significant financial losses likely contribute to lower placements. The number of cattle on feed on November 1, 2015 is expected to be about 2 percent higher than last year.

Torrential rains in Central and East Texas over the last month have made a significant dent in what was a growing serious drought condition. The latest drought monitor indicates that no part of Texas remains in the most serious D3-D4 drought categories and only a few spots of dry conditions are left. Rain has likely helped calf prices in local markets.

### **The Markets**

Light and heavy weight feeders experienced wide spread lower prices over the last week following the lead of lower fed cattle prices. Corn prices slipped lower as large supplies are evident. Interior markets report even lower corn prices adding some incentive for feeding cattle to heavier weights. The Choice-Select beef price spread widened to \$10.32 perhaps implying some holiday quality purchases.

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 11/13/15</b>	<b>Week of 11/6/15</b>	<b>Week of 11/14/14</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$127.04	\$130.41	\$169.90
	all grades, dressed weight, \$/cwt	\$199.29	\$204.18	\$264.80
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$213.79	\$218.53	\$250.81
	Choice-Select Spread, \$/cwt	\$10.32	\$8.85	\$12.10
<b>700-800 lb. Feeder Steer</b>	Montana 3-market average, \$/cwt	\$168.46	\$179.55	\$242.00
	Nebraska 7-market average, \$/cwt	\$185.59	\$193.98	\$242.12
	Oklahoma 8-market average, \$/cwt	\$177.77	\$187.62	\$239.88
<b>500-600 lb. Feeder Steer</b>	Montana 3-market average, \$/cwt	\$197.66	\$215.44	\$281.31
	Nebraska 7-market average, \$/cwt	\$208.94	\$220.45	\$299.89
	Oklahoma 8-market average, \$/cwt	\$201.08	\$214.27	\$289.82
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.41	\$3.56	\$3.55
	DDGS Price, Nebraska, \$/ton	\$127.13	\$115.00	\$114.63