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# The Cattle Range

## Weekly Market Summary

**For the week ending January 11, 2019**

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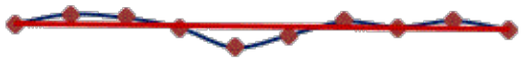
**For the week...** The overall market was little changed from last week. Cattle futures were moderately higher with feeder cattle and stocker calves steady to slightly higher in most regions. In light trade, slaughter cattle were steady most of the week with trade developing late Friday afternoon at $124, $1 higher than last week. Dressed beef struggled all week and was sharply lower on Friday.

For the next 60 days, weather will likely continue to support the market, as will the lighter summer placements in feedyards finishing. Beyond that, numbers will increase and so will the importance of strong demand for beef. It won't take much of a slowdown in demand to build large inventories of beef.

**10 Day Market Trendline**



**Change from Previous Day: -0.57%**
**Change from 10 Days Ago: -0.39%**
**Change from 60 Days Ago: +2.41%**

**60 Day Market Trendline**

*Trendlines track the daily market values for the past 10 & 60 days. Each value is the weighted total of the Gain/(Loss) for 12 major market factors compared to the previous trading day.*

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- **Click Here** **to receive the WMS** on Saturday mornings or have it sent to friends & associates.

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***Links to the articles below*** *are included because we found them to be of interest but their content does not necessarily reflect the views of The Cattle Range.*

**Click your "Back Button"** to return to the WMS.

- Retail Beef Demand 15% Higher than in 2012
- In the Cattle Markets… Here Comes Another One
- The Ugly Truth About the Stock Market
- Consumer Inflation Falls for First Time in Nine Months
- Canadian Officials Confirm Distinct Strain of Bovine TB
- Positive Change in the Industry and on the Ranch
- Death Knell On The Range in 1887
- Significant Increase in Beef Carcasses Grading Choice
- Ag Barometer Weakened in December

- December Fed Cattle Markets
- Impossible Burger Updates Formula

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## Weekly Market Overview:

| | This Week | Last Week | 1 Month Ago | 1 Year Ago | 5 Yr. Avg. |
|---|---|---|---|---|---|
| **CME Feeder Index** | 145.46 | 145.60 | 146.90 | 146.80 | 169.23 |

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| **Live Cattle Futures** | This Week | Last Week | 1 Month Ago | 1 Year Ago | 5 Yr. Avg. |
|---|---|---|---|---|---|
| February | 124.97 | 121.92 | 119.57 | 117.37 | 129.80 |
| April | 126.37 | 124.00 | 122.40 | 119.45 | 128.36 |
| June | 117.20 | 115.55 | 124.50 | 111.62 | 127.34 |

| **Feeder Futures** | This Week | Last Week | 1 Month Ago | 1 Year Ago | 5 Yr. Avg. |
|---|---|---|---|---|---|
| January | 146.12 | 144.90 | 147.57 | 144.35 | 167.79 |
| March | 144.90 | 142.82 | 145.77 | 142.65 | 166.62 |
| April | 145.75 | 143.65 | 146.25 | 143.00 | 165.95 |

| **Slaughter Cattle** | This Week | Last Week | 1 Month Ago | 1 Year Ago | 5 Yr. Avg. |
|---|---|---|---|---|---|
| S. Central | 124.00 | 123.00 | 119.00 | 120.00 | 132.33 |
| N. Central - Dressed | 197.00 | 195.00 | 188.00 | 192.00 | 209.85 |

| **Feedyard Closeout** | This Week | Last Week | 1 Month Ago | 1 Year Ago | 5 Yr. Avg. |
|---|---|---|---|---|---|
| Current | 32.25 | 18.40 | (9.82) | 18.80 | (15.77) |
| Future (Projected) | (16.78) | (40.53) | (34.62) | (93.08) | (57.61) |

| **Boxed Beef Cutout** | This Week | Last Week | 1 Month Ago | 1 Year Ago | 5 Yr. Avg. |
|---|---|---|---|---|---|
| Choice | 212.46 | 214.51 | 210.96 | 208.23 | 220.96 |
| Select | 206.27 | 207.66 | 203.14 | 201.64 | 211.01 |
| Spread | 6.19 | 6.85 | 7.82 | 6.59 | 9.95 |

| | | | | | |
|---|---|---|---|---|---|
| **Cutter Cow Cut-Out** | 157.81 | 156.49 | 155.67 | 170.40 | 187.67 |

| | | | | | |
|---|---|---|---|---|---|
| **Crude Oil Futures** | 51.59 | 47.96 | 51.20 | 64.30 | 60.02 |

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## National Feeder & Stocker Cattle Weekly Summary:

| RECEIPTS: | Auctions | Direct | Video/Internet | Total |
|---|---|---|---|---|
| This Week | 366,900 | 65,000 | 154,400 | 586,300 |
| Last Week | 79,300 | 23,200 | 7,400 | 109,900 |
| Last Year | 372,300 | 39,800 | 118,200 | 530,300 |

Compared to last week, steers and heifers sold uneven, from 4.00 lower to 1.00 higher. This week's total receipts on this report is the largest since July 2018 and is 50,000 head larger than the first marketing week of 2018. Cattle futures continue to move higher this week as the CME Cattle Complex put on more than 1.00 this week with in most contracts with the February Live contract being 3.05 higher on the week. Weather scares started mid-week when Winter Storm Gia was named and projected to move through the heart of the country late week and into the weekend. Rain, snow and freezing rain are going to be seen in the breadbasket of the country and the East Coast is not going to be spared from this storm either. Feedyards that were already wet will see more moisture fall from the sky, dashing any hopes that they will dry out anytime soon. Here's to hoping that the ground underneath will be frozen when the storm moves in, otherwise the mud will just get deeper. Calendar wise January 11 is a long way from the end of winter. Muddy feedyards in Kansas, Nebraska and Iowa want to get cattle moved out of the poor pen conditions as cattle performance has been seriously impeded due to above average moisture recently.

News of beef demand rising in recent years is a welcome sight to beef producers as ground beef and loin cuts have driven that demand due to their popularity in retail outlets. For the week, the Choice cutout closed 2.05 lower at 212.46, while Select was 1.39 lower at 206.27. On the week, boxed beef cutout values lower on light demand and moderate offerings. Select and Choice rib, chuck, and loin cuts steady to weak while round cuts weak to lower. Cattle Slaughter under federal inspection estimated at 626K for the week, 14K above a year ago and a little above industry expectations this week. Packer margins have no doubt shrunk in the last few months and carcass weights coupled with lower yields will have an impact moving forward with product tonnage being available in the marketplace. A smattering of negotiated cash fed cattle trade has started in the Northern Plains 2.00 higher at 197.00 dressed. Live sales have not been established yet in the North and South Plains as of this writing, however a steady to stronger weather market is anticipated. Auction volume this week included 55 percent weighing over 600 lbs and 40 percent heifers.

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## Feeder Steers:

| 750 lb. Steers | This Week | 3 Weeks Ago | 1 Month Ago | 1 Year Ago | 5 Yr. Avg. |
|---|---|---|---|---|---|
| Dakotas | 152.11 | NA | NA | 156.14 | 178.91 |
| Iowa | 148.79 | 149.77 | 147.45 | 154.77 | 176.24 |
| Missouri | 145.76 | 148.73 | 145.23 | 149.69 | 172.00 |
| Montana | NA | NA | NA | NA | 176.06 |
| Nebraska | 153.20 | 155.20 | 157.80 | 158.89 | 179.79 |
| Wyoming | 151.08 | 149.53 | 152.12 | 155.23 | 174.51 |
| **North Central Avg.** | **150.19** | **150.81** | **150.65** | **154.94** | **176.25** |
| Arkansas | NA | NA | NA | NA | 179.48 |
| Colorado | 146.15 | 145.80 | 146.55 | 152.15 | 168.98 |
| Kansas | 147.80 | 145.05 | 144.60 | 146.20 | 172.86 |
| New Mexico | 140.22 | NA | 138.52 | 142.11 | 168.73 |
| Oklahoma | 142.58 | 144.25 | 142.23 | 146.57 | 170.31 |
| Texas | 143.18 | 146.23 | 143.20 | 143.79 | 168.21 |

| | | | | | |
|---|---|---|---|---|---|
| **South Central Avg.** | **143.99** | **145.33** | **143.02** | **146.16** | **171.43** |
| Alabama | 123.17 | 123.40 | 128.55 | 129.47 | 152.47 |
| Georgia | NA | 122.38 | NA | 129.53 | 151.85 |
| Kentucky | 130.85 | 131.56 | 129.68 | 138.32 | 159.48 |
| Mississippi | 119.20 | NA | 116.45 | 122.30 | 150.35 |
| Tennessee | NA | NA | 122.47 | 127.20 | 153.50 |
| Virginia | 126.36 | 124.56 | NA | NA | 159.87 |
| **Southeast Avg.** | **124.90** | **125.48** | **124.29** | **129.36** | **154.58** |
| Arizona | 142.25 | NA | NA | | |
| California | 133.25 | 134.50 | 136.75 | | |
| Idaho | 144.19 | 137.50 | 140.12 | | |
| Nevada | NA | NA | 143.25 | | |
| Oregon | 142.50 | NA | NA | | |
| Utah | NA | NA | NA | | |
| Washington | NA | NA | 143.00 | | |
| **Western Avg.** | **140.55** | **136.00** | **140.78** | **NA** | **NA** |
| | | www.cattlerange.com | | | |
| **Overall Average** | **139.90** | **139.40** | **139.68** | **143.49** | **167.42** |
| **This Week +/-** | **-** | **0.4%** | **0.2%** | **-2.5%** | **-16.4%** |

## Stocker Steers:

| **550 lb. Steers** | This Week | 3 Weeks Ago | 1 Month Ago | 1 Year Ago | 5 Yr. Avg. |
|---|---|---|---|---|---|
| Dakotas | 179.72 | 180.82 | 177.16 | 188.05 | 210.94 |
| Iowa | 173.08 | 171.05 | 166.71 | 180.17 | 206.80 |
| Missouri | 172.88 | 167.85 | 162.88 | 174.52 | 201.56 |
| Montana | 179.33 | 170.80 | 171.40 | 185.44 | 203.88 |
| Nebraska | 186.42 | 179.75 | 177.59 | 191.48 | 214.13 |
| Wyoming | 185.06 | 178.23 | 174.05 | 185.11 | 207.16 |
| **North Central Avg.** | **179.42** | **174.75** | **171.63** | **184.13** | **207.41** |
| Arkansas | 157.23 | 154.68 | 156.30 | 160.21 | 188.19 |
| Colorado | 177.24 | 172.55 | 171.85 | 182.56 | 198.87 |
| Kansas | 173.15 | 171.40 | 167.52 | 183.20 | 206.86 |
| New Mexico | 165.25 | 163.26 | 162.30 | NA | 196.87 |
| Oklahoma | 168.80 | 168.48 | 164.75 | 171.44 | 199.30 |
| Texas | 158.77 | 160.20 | 158.20 | 157.88 | 193.22 |
| **South Central Avg.** | **166.74** | **165.10** | **163.49** | **171.06** | **197.22** |
| Alabama | 147.90 | 149.83 | 144.32 | 152.36 | 182.65 |
| Georgia | 146.36 | 143.06 | 141.10 | 149.16 | 180.39 |
| Kentucky | 144.37 | 145.88 | 142.21 | 153.18 | 182.30 |
| Mississippi | 137.65 | 138.90 | 137.55 | 144.04 | 176.56 |
| Tennessee | 146.55 | 143.67 | 141.95 | 150.23 | 178.55 |
| Virginia | 141.95 | 144.02 | 143.22 | 155.35 | 181.12 |

| | | | | | |
|---|---|---|---|---|---|
| **Southeast Avg.** | **144.13** | **144.23** | **141.73** | **150.72** | **180.26** |
| Arizona | 167.00 | 162.21 | 165.75 | | |
| California | 168.50 | 164.30 | 166.50 | | |
| Idaho | 165.38 | 166.54 | 170.22 | | |
| Nevada | NA | 161.20 | 158.50 | | |
| Oregon | 165.55 | NA | NA | | |
| Utah | NA | NA | NA | | |
| Washington | 166.00 | NA | 157.80 | | |
| **Western Avg.** | **166.49** | **163.56** | **163.75** | **NA** | **NA** |
| | | www.cattlerange.com | | | |
| **Overall Average** | **164.19** | **161.91** | **160.15** | **168.64** | **194.97** |
| **This Week +/-** | **-** | **1.4%** | **2.5%** | **-2.6%** | **-15.8%** |

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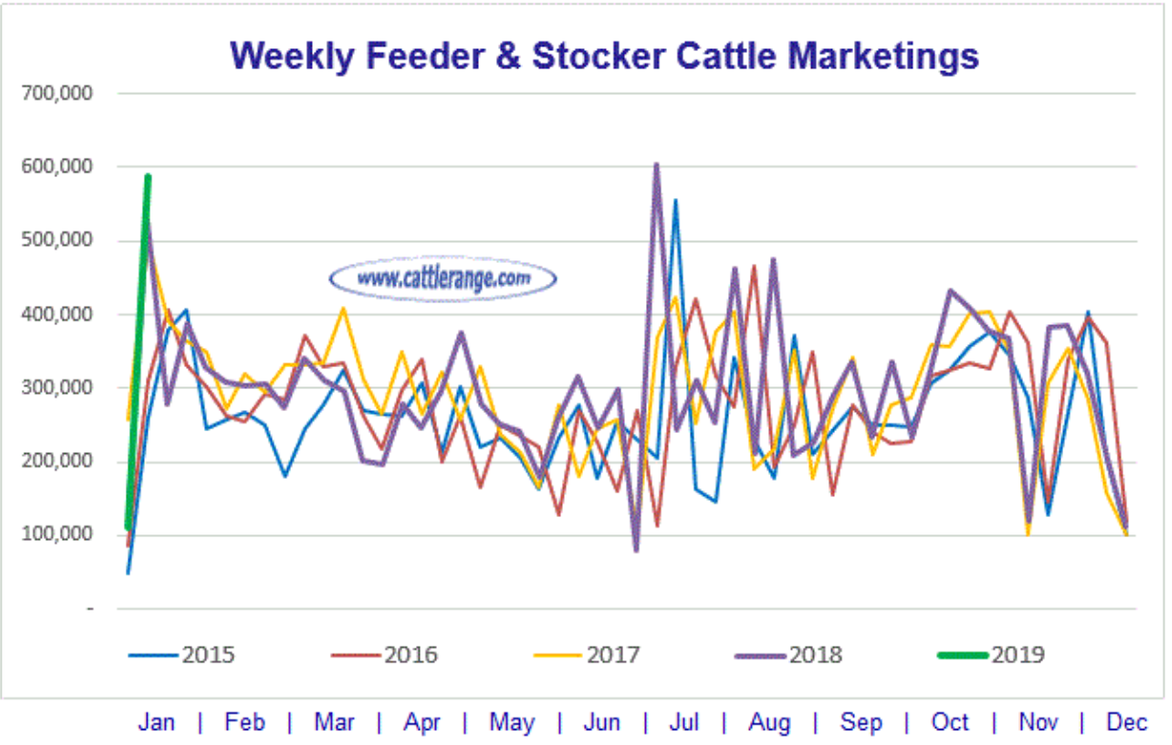
## Feeder & Stocker Cattle Weekly Receipts:

**Sold via auctions, direct country sales, and video/Internet sales.**

| **Sold via:** | This Week | 1 Week Ago | 1 Year Ago | 2 Years Ago | 3 Years Ago |
|---|---|---|---|---|---|
| Auctions | 366,900 | 79,300 | 372,300 | 367,500 | 281,900 |
| Direct Sales | 65,000 | 23,200 | 39,800 | 53,400 | 56,500 |
| Video/Internet | 154,400 | 7,400 | 118,200 | 78,800 | 66,600 |
| | | | | | |
| **Total** | **586,300** | **109,900** | **530,300** | **499,700** | **405,000** |
| **This Week +/-** | **-** | **433.5%** | **10.6%** | **17.3%** | **44.8%** |

**Weekly Receipts... Year to Date** www.cattlerange.com

| **Year** | **2015** | **2016** | **2017** | **2018** | **2019** |
|---|---|---|---|---|---|
| **Year to Date** | **259,000** | **309,400** | **499,700** | **530,300** | **586,300** |

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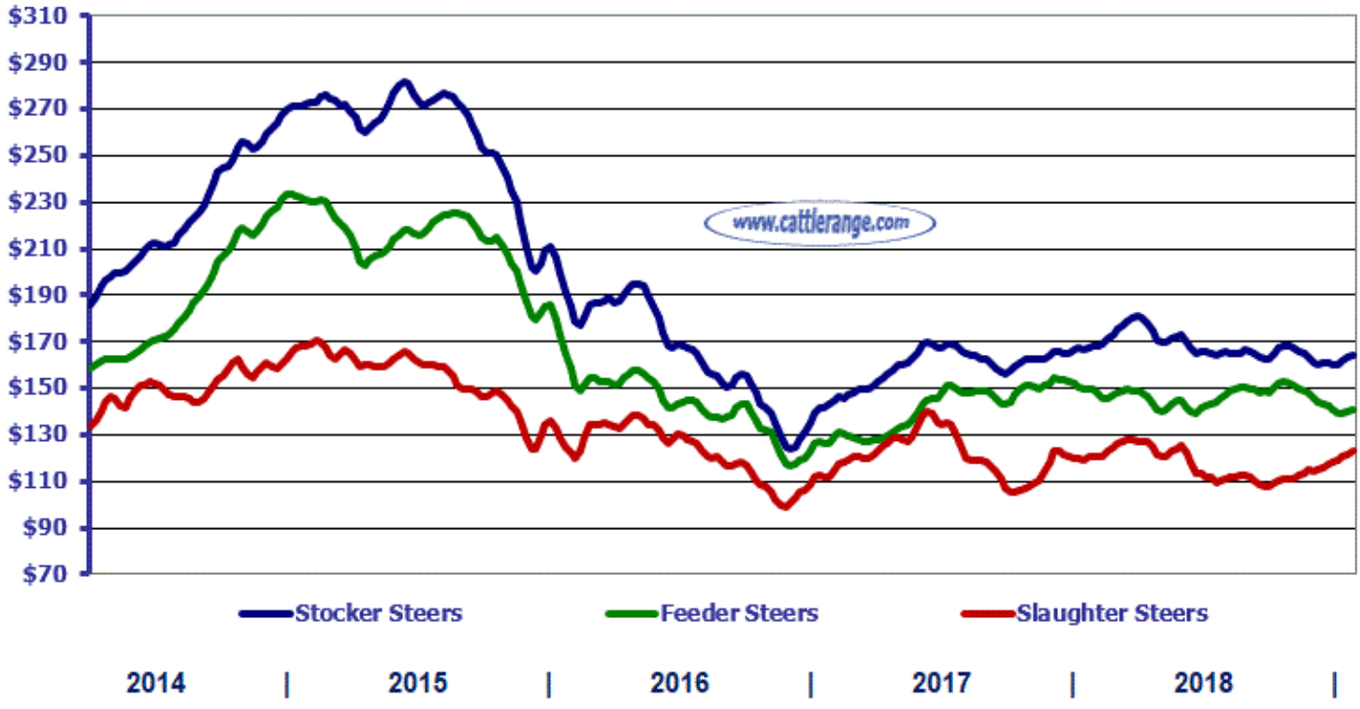
## 5 Year Moving Average... Stocker, Feeder & Slaughter Steers

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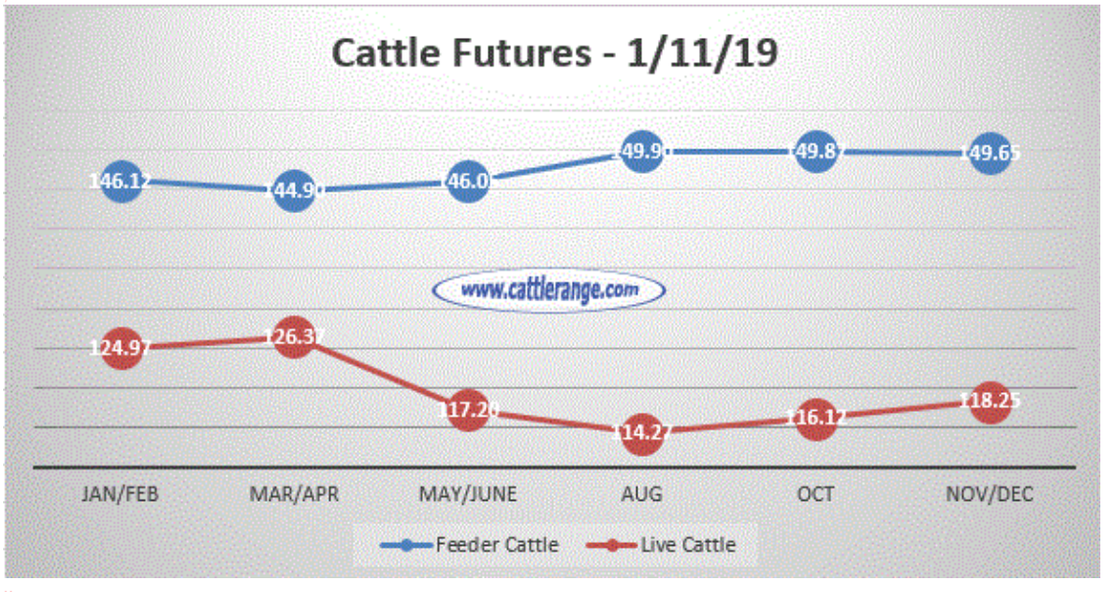
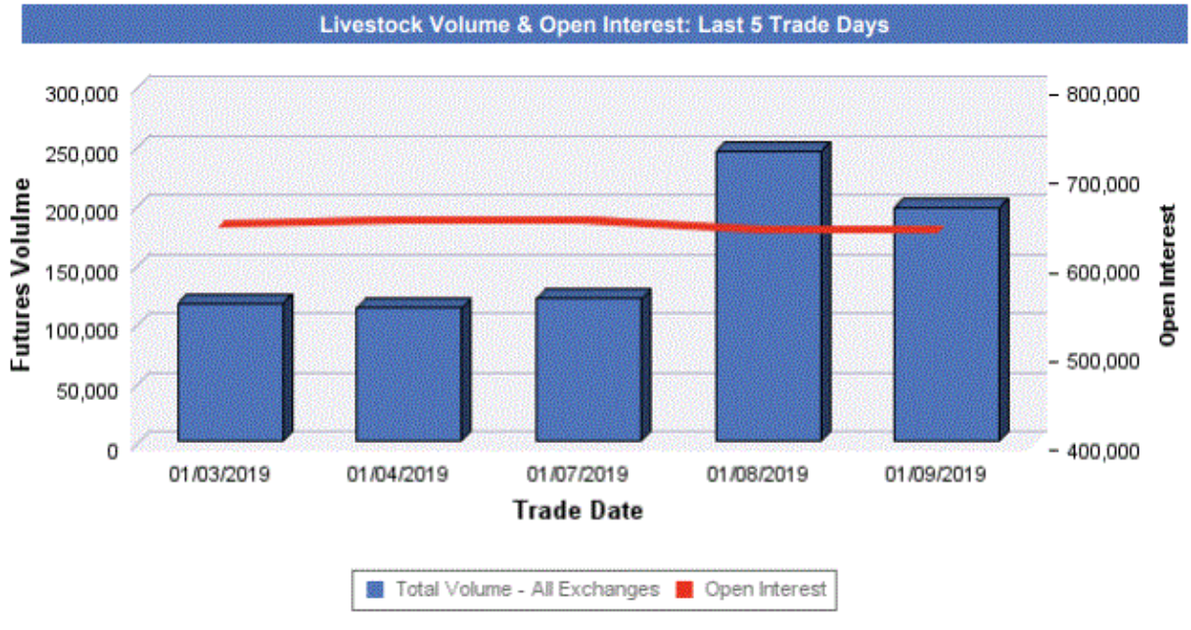
## Cattle Futures: Charts of Commitment of Traders



| Trade Date | Futures Volume |
|---|---|
| 01/03/2019 | 115,905 |
| 01/04/2019 | 111,733 |
| 01/07/2019 | 119,230 |
| 01/08/2019 | 243,842 |
| 01/09/2019 | 196,864 |

| Trade Date | Futures Open Interest |
|---|---|
| 01/03/2019 | 652,957 |
| 01/04/2019 | 655,960 |
| 01/07/2019 | 656,322 |
| 01/08/2019 | 645,961 |
| 01/09/2019 | 646,546 |

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## Mexican Feeder Cattle Weekly Import Summary

Report not published by USDA this week.

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## Selected Auction Reports... Click Link to view entire report

### Tulia Livestock Auction - Tulia TX

Receipts: 2986 Last Week: 671 Year Ago: 4133

Compared to last week: Feeder steers and heifers sold steady to 3.00 lower. Trade was active on moderate to good demand. Bulk of the offerings consisted of attractive quality yearlings steers weighing 700-850 lbs. Wheat pastures remain in good condition but could use some moisture that is in the forecast for the weekend. Slaughter cows and bulls were steady. Slaughter cows and bulls made up 3 percent, less than 1 percent replacements, and 96 percent feeders. Feeder supply consisted of 72 percent steers and bulls, 28 percent heifers. Approximately 84 percent of the run weighed over 600 lbs.

### El Reno Cattle Narrative - El Reno OK

| Receipts | Last Reported | Year Ago | (12/18/2018) |
|---|---|---|---|
| 10,911 | 8,001 | 15,130 | |

*** Final report ***Compared to the last sale on 12-18/19-18: Feeder steers and heifers traded mostly 1.00-3.00 lower Demand moderate to good. Steer and heifer calves sold mostly steady to 3.00 higher, with exception of long weaned attractive calves trading sharply higher. Demand good to very good. Over the holiday break the trade area saw heavy rain and snowfall causing very muddy conditions. Feeder cattle supply included 62 percent Steers, 37 percent Heifers, and 1 percent Bulls. Feeder cattle supply over 600 lbs was 70 percent.

### Mitchell Livestock Wtd Avg Report - Mitchell SD

Receipts: 6351 Last Week: 5797 Year Ago: 3590

Compared to last week: Feeder steers and heifers 2.00 to 5.00 lower, with few instances steady. Moderate demand for this large offering of steers and heifers. Several large strings of very high quality feeder cattle, many full loads and multiple load lots. Flesh condition light to moderate plus. Overall flesh condition a little heavier than last week. Above freezing temps created poor yard conditions, some consignments were very dirty. Market not as active as last week.

### Cattleman's Livestock Auction - Dalhart, TX

Cattle and Calves: 2,538 Week ago: 725 Year Ago: 2,747

Compared to last week: Not enough calves or feeder steers and heifers on offer last week for a market test however a much higher undertone noted. Supplies on offer were mostly long weaned steer and heifer calves and a few loads of feeder steers and heifers coming off winter wheat or grass pasture. Slaughter cows steady to 1.00 higher. Slaughter bulls not well tested. Trade fairly active. Demand fairly good. Bulk of supply Medium and Large 1-2 300-900 lb feeder steers and heifers.

### Oklahoma National Stockyards - Oklahoma City, OK

| Receipts | Last Reported | Year Ago | (12/17/2018) |
|---|---|---|---|

10,558 8,666 12,217

*** Add Close with updated receipts and Correction on 8 and 9 weight steers *** Compared to the last sale on 12-17-18: Feeder steers sold 2.00-7.00 higher. Steer calves sold mostly steady except 500 lbs 8.00 lower . Feeder heifers steady to 3.00 higher and heifer calves 2.00-3.00 higher. Demand moderate to good. Heavier weight steers continue most popular. Heavy rain and snow has most of the trade area in very muddy conditions and these conditions are discouraging calf buyers from buying at this time. Quality average to attractive. Feeder cattle supply included 62 percent Steers, 36 percent Heifers, and 2 percent Bulls. Feeder cattle supply over 600 lbs was 53 percent.

**Cullman Stockyard - Cullman AL**

Receipts: 1229 Last Week: 00 Year Ago: 1002

Compared to last market covered: Slaughter cows and bulls sold steady to 2.00 lower. Feeder bulls and steers sold steady. Feeder heifers sold steady. Replacement cows and pairs sold steady. Slaughter cows 4 percent, slaughter bulls 1 percent, replacement cows and pairs 10 percent, and feeders 85 percent. The feeder supply included 8 percent steers, 39 percent heifers, and 53 percent bulls. Near 10 percent of the run weighed over 600 lbs.

**Pratt Livestock Feeder Cattle Auction - Pratt, KS**

Receipts: 3538 Last Week: 2522 Year Ago: 3550

***Close*** Compared to last week: Feeder steers 750-850 lbs sold 3.00 to 5.00 lower. Feeder heifers 700-800 lbs sold mostly steady to 1.00 higher. Using a limited test, steer calves 500-550 lbs were sharply higher. Heifer calves 500-550 lbs steady to 1.00 lower. Overall, demand good to very good, quality average to mostly attractive. Slaughter cows sold mostly 1.00 to 2.00 lower. Bulls sold mostly steady with a limited test. Feeder supply was 56 percent steers, 44 percent heifers, with 83 percent over 600 lbs.

**Clovis Livestock Auction - Clovis NM**

Receipts: 1445 3 Weeks Ago: 2020 Year Ago: 2015

Compared to three weeks ago: Steer calves under 600 lbs steady to 1.00 higher; over 600 lbs steady to weak. Heifers under 600 lbs 1.00-2.00 higher except 300-400 lbs 2.00 lower; over 600 lbs 1.00 lower. Slaughter cows 2.00-3.00 higher; bulls steady to 2.00 higher. Trade active, demand moderate to good. Bulk supply Medium and Large 1-2 300-700 lb feeder steers and heifers. Slaughter cows 17 percent of the offering, slaughter bulls 2 percent, bred cows 8 percent, and pairs less than 1 percent and feeders 73 percent. In the feeder supply, steers made up approximately 52 percent of the run; feeder bulls 4 percent; heifers 44 percent; steers and heifers over 600 lbs total 21 percent.

**Blue Grass South Livestock Market - Stanford KY**

Receipts: 496 Last Week: 0 Year Ago: 145

No comparison due to Holiday season. Feeders-429,Slaughter-62,Replacements-5 Supply included 46 percent over 600 lbs and 39 percent heifers.

**Joplin Regional Stockyards Feeder Cattle Wtd Avg - Carthage MO**

| Receipts | Last Reported | Year Ago | (12/17/2018) |
|---|---|---|---|
| 13,853 | 4,342 | 8,736 | |

***CLOSE***No regular sales the last two weeks due to the holidays, compared to the last sale three weeks ago, steers and heifers under 500 lbs 5.00 to 8.00 higher, 500 weights steady to 3.00 higher, over 600 lbs steady to 4.00 lower. Demand moderate to good, supply heavy. Feeder Cattle and Live Cattle futures posted positive gains at the CME. Producers taking advantage of the new year and above average temperatures to market their cattle. Feeder cattle supply included 57 percent Steers, 0 percent Dairy Steers, 39 percent Heifers, and 3 percent Bulls. Feeder cattle supply over 600 lbs was 55 percent.

**Sioux Falls Regional Livestock wtd Avg Report - Worthing SD**

Receipts: 7500 Three Weeks Ago: 5518 Year Ago: 4998

First sale in three weeks, therefore no recent price comparison available, Feeder steers and heifers mostly lower undertones. Very large offering, overall quality very attractive. Flesh condition attractive as well after last week's winter storms and artic temps. Cattle were clean, overall, in spite of very wet ground conditions. Many buyers on the seats, farmer feeders were very active bidders. The market was under pressure after last week's roll back in the futures market.

**Valentine Livestock Auction Market - Valentine NE**

Receipts: 5425 Last week: 3500 Last year: 4043

Compared with last week 500 to 650 lbs steers traded 4.00 to 7.00 higher 700 lbs steers traded steady and 750 lbs steers traded 8.00 higher. No comparable offering for heifers a trend will not be given. Demand was good with several buyers. Feeders made up 100 percent of the offering. The feeder supply included 68 percent steers, and 32 percent heifers. Near 46 percent of the run weighed over 600 lbs.

**Toppenish, WA Livestock Auction - Toppenish WA**

Receipts: 1285 Last Week: 1100 Year Ago: 2140

No trends due to the recent holidays and market not reported the last 2 weeks. Trade active with good demand for all classes. Slaughter cows 74 percent, slaughter bulls 10 percent, and feeders 16 percent of the supply. The feeder supply included 46 percent steers and 54 percent heifers. Near 74 percent of the run weighed over 600 lbs.

**Green Forest Livestock Auction - Green Forest AR**

Receipts: 774 Last Week: N/S Year Ago: 623

No trends available due to markets being closed previous two weeks for holidays. Slaughter cows 15 percent; slaughter bulls 3 percent; and feeders 82 percent. In the feeder supply, steers made up approximately 14 percent of the run; heifers 41 percent; bulls 38 percent and replacement cows 7 percent. Feeders over 600 lbs totaled around 7 percent.

**Southeast Livestock Exchange - Hattiesburg MS**

Receipts This week 644 Last Week 619

Compared to last week slaughter cows trended Firm. Slaughter bulls trended 1.00 to 3.00 Higher. Feeder steers trended mixed. Feeder heifers trended mixed. Feeder consisted of 48 percent steers and 52 percent heifers. Receipts weighing under 600 lbs 62 percent over 600 lbs 11 percent. Total receipts were made up of 73 percent feeders, 12 percent slaughter cows and 15 percent Pairs/Replacements.

**Pulaski County Stockyard Auction - Hawkinsville, GA**

Receipts: 386 Last Week: 0 Year Ago: 400

No trends available due to market being closed the previous two weeks or holidays. Slaughter cows 23 percent, slaughter bulls 2 percent, feeders 75 percent. In the feeder supply, steers made up approximately 15 of the run, heifers 39 percent, bulls 44 percent and replacement cows 2 percent. Feeders over 600 lbs totaled around 7 percent.

**Okeechobee Livestock Auction – Okeechobee FL**

| Receipts | Last Reported | Year Ago | (12/18/2018) |
|---|---|---|---|
| 1,608 | 906 | 0 | |

Compared to a week ago: No regular sale last week. Prices stronger on feeder classes over year end. Feeder cattle supply included 34 percent Steers, 47 percent Heifers, and 19 percent Bulls. Feeder cattle supply over 600 lbs was
0 percent.

**Athens Cattle Auction - Athens TN**

Receipts: 1333 Last week: 842 Last year: 868

Compared to last week, feeder steers sharply higher, with feeder heifers 5.00 to 6.00 higher. No comparisons available for feeder bulls due to limited receipts from last week, however, a significantly higher undertone was noted. Slaughter cows remaining mostly steady overall, with slaughter bulls 3.00 lower.

**Farmers & Ranchers Livestock Commission Co. - Salina KS**

Receipts: 5159 Last Week: 3367 Year Ago: 3089

Compared to last week: Steers 650-1000 lbs 1.00-4.00 higher; 650 lbs and under higher undertone noted.

Heifers 650-1000 lbs 2.00-5.00 higher; 650 lbs and under higher undertone noted. Trade active and demand good. Feeder supply 63 percent steers and 37 percent heifers, with 82 percent 600 lbs and over.

**Tri-State Livestock Auction Market - McCook NE**

Receipts: 2770 Last Week: 0 Year Ago: 3610

First reported sale in a few weeks a market comparison is not applicable. Demand was moderate to good demand. Offerings comprised of bawling and longtime weaned calves. Some cattle displayed a tick of mud from the resent snow melt. Mondays supply comprised of 67 percent steers with 70 percent over 600 lbs.

**Huss Platte Valley Auction - Kearney NE**

Receipts: 4300 Last Week: 3264 Year Ago: 4977

Compared to last week, steers sold mostly steady except 700 lbs offerings sold 4.00 lower. Heifers sold steady to 3.00 higher. Demand was light to moderate at the start of the sale with good demand midway through the day until the end of the sale. Some of the cattle displayed some tag (mud) throughout the sale as warmer temperatures have prevailed the last few days. Wednesday sale comprised of 57 percent steers, 41 percent heifers with the balance on bull calves. Near 83 percent of the run weighed over 600 lbs. Next week, January 16th Special calf and feeder auction.

**Billings Livestock Commission - Billings MT**

Receipts: 4,671 Last Week: 3,261 Year Ago: 2,819

Compared to the last Thursday sale 12-13-18: Feeder steers 500-699 lbs sold mostly 4.00-8.00 higher. All other steer weights were too lightly tested to develop an accurate market trend, however steady to firm undertones were noticed. Feeder heifers 450-549 lbs sold steady to firm, 550-699 lbs heifers sold mostly 5.00-10.00 higher. Quality this week was attractive overall with many long time weaned calves in the offering.

**Russell Wtd Avg Feeder Cattle Auction - Russell IA**

Receipts: 5065 Last Month: 4070

Compared to the sale last month: Feeder steers mostly 5.00-10.00 higher. Feeder heifers under 600 lbs. mostly 10.00-15.00 higher while feeder heifers over 600 lbs. mostly steady with instances higher. Receipts this week include 67 percent feeder cattle over 600 lbs;61 percent were steers, 37 percent were heifers and 2 percent were bulls.

**Denison Wtd Avg Feeder Cattle Auction - Denison IA**

Receipts: 2175 Last Week: 2162 Year Ago: 2705

Compared to the last sale on Thursday, lightweight steers were 1.00 to 10.00 higher, 600-700 pound steers 4.00 to 9.00 lower, 800 pound steer were 2.00 to 4.00 higher. Heifers, 400 to 600 pounds 3.00 to 14.00 higher, over 600 pounds 1.00 to 9.00 higher. Receipts included 8 percent steers and 42 percent heifers. Cattle over 600 pounds 71 percent.

**Napoleon Livestock Auction Inc. - Napoleon ND**

Receipts: 2588 Last Week: 2657 Year Ago: 3033

Compared to last week; Feeder steers trading mixed with 550-650lbs 2.00 lower, 650-850lbs steady to 3.00 higher, 850-900lbs 3.00 lower. Feeder heifers 600-700lbs steady to 3.00 higher, 750-800lbs 2.00 lower. Not all weights well tested for comparison. Quality replacement heifers in todays offering. Good buyer demand. Flesh conditon light to moderate. 78 percent feeders over 600lbs. 59 percent steers, 41 percent heifers.

**Winter Livestock - La Junta CO**

Receipts: 4252 Last Week: NA Year Ago: 8010

Compared with last Tuesday: No trend available due to this auction being closed for the holidays. Trade and Demand moderate to good with most calves being weaned 30 to 90 days. Supply included 65 percent feeders, balance mostly slaughter cows and bulls. In the feeder supply steers made up approximately 59 percent of the run, heifers 41 percent. Offerings over 600 lbs 48 percent.

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**Direct Sales of Feeder & Stocker Cattle...** Click Link to view entire report

**WY, Western NE & Western Dakotas Direct Feeder Cattle Wtd Avg (Fri)**

Receipts: 4,986 Week Ago: 230 Year Ago: 2,874

Compared to a thin test of 800 lbs steers last week, those offerings sold 2.00 to 3.00 higher. Demand was good from feedlots in a more arid climate and sellers were willing to move longtime, background cattle out of areas where pens are wet and muddy. Continued talks of poor pen conditions in several areas of central and eastern Nebraska along with South Dakota and some areas of Iowa has curtailed some feedlots from procuring cattle like they normally do this time of year.

**AZ-CA-NV Weekly Feeder Cattle Review (Fri)**

Confirmed 1605 Last Week: 1740 Year Ago: 2465

Compared to last week, holstein steer calves weighing 325 lbs for May Delivery sold steady on a few comparable sales. Trade and demand moderate. Cattle weighing over 600 lbs totaled 0 percent. Heifers totaled 0 percent.

**Eastern Cornbelt Direct Feeder Cattle Summary (Fri)**

This week: 2008 Last week: 531 Last Year: 270

Compared to last week: No trend available for feeder steers and heifers due to limited comparable FOB last week. Supply included 96 percent over 600 lbs; 76 percent heifers. Prices based on net weights FOB after a 3 percent shrink or equivalent and 5-10 cent slide on calves and 4-6 cent slide on yearlings from base weights. Delivered prices include freight, commissions and other expenses. Current sales are up to 14 days delivery.

**Colorado Direct Feeder Cattle Report (Fri)**

Receipts: 8,148 Last Week 1,720 Last Year 3,986

Compared to last week: Feeder steers and heifers not well tested for current FOB delivery last week. Supply consisted of 81 percent over 600 lbs; 50 percent heifers. Unless otherwise stated prices are FOB with a 2-3 percent shrink or equivalent and with a 8-12 cent slide on calves and 4-8 cent slide on yearlings from base weight.

**Kansas Direct Feeder Cattle Summary (Fri)**

Receipts: 3626 Last Week: 1970 Last Year: 1481

Compared with last week: Feeder steers and heifers not well tested last week. Volume includes 100 percent 600 lbs and over. Feeder supply includes 89 percent steers and 11 percent heifers. Unless otherwise stated prices are FOB weighting points with 2-3 percent shrink or equivalent and a 5-10 cent slide on calves and a 4-16 cent slide on yearlings from base weights.

**Montana Direct Feeder Cattle Wtd Avg (Fri)**

Receipts: 1,679 Last Week 0 Last Year 685

Compared to last week: Feeder steers and heifers not enough Tested last week for an accurate trend. Supply includes 100 percent over 600 lbs and 10 percent heifers. Unless otherwise stated prices are FOB weigh point with a 2-3 percent shrink or equivalent and with a 8-12 cent slide on calves and 4-8 cent slide on yearlings from base weights. Current sales up to 14 days for delivery.

**New Mexico Feeder Cattle Report (Mon)**

Receipts: 3,000 Last Week: 150 Year Ago: 2,800

Compared to last week: Not enough steer or heifer sales in the previous week for an adequate market trend; however, a lower undertone was noted. Trade activity was fairly active on moderate to good demand. Supply consisted of 83 percent steers and 17 percent heifers. 100 percent of the offerings weighed over 600 lbs.

**Northwest Wtd Avg Direct Feeder Cattle Report (Fri)**

Receipts: 2,032 Last Week: 0 Year Ago: 1,519

Compared to last week: Feeder steers and heifers not established last week. Feedlots starting to sell, some from muddy conditions and some due to slightly better packer bids. Supply included 70 percent over 600 lbs and 44 percent heifers. Unless otherwise stated prices are FOB weighting points with 2-3 percent shrink or equivalent and a 5-10 cent slide on calves and a 4-12 cent slide on yearlings from base weights. Current sales are up to 14 days delivery.

**Oklahoma Direct Feeder Cattle (Fri)**

Receipts: 5,549 Last Week 3,190 Last Year 3,342

Compared to last week: Feeder steers and heifers were to lightly tested last week on a Current FOB basis for a true market test. Receipts this week consisted of 100 percent over 600 lbs and 27 percent heifers. Unless otherwise 3 stated prices are FOB weigh point with a 2-3 percent shrink or equivalent and with a 8-12 cent slide on calves and 4-8 cent slide on yearlings from base weights. Current sales up to 14 days for delivery.

**Texas Direct Feeder Cattle (Fri)**

Receipts: 24,000 Last Week: 12,800 Year Ago: 19,900

Compared to last week: Current FOB sales of steers and heifers sold steady to 3.00 lower. Trade was active on good demand as cattlemen turned loose of cattle after the new year. Supply consisted of 60 percent steers and 40 percent heifers. Near 97 percent of the offerings weighed over 600 lbs.

- **Extensive U.S. & Canadian Auction Results are available on The Cattle Range**

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**Representative Sales of Cows & Pairs:**

Reported by USDA Market News for the **week ending January 11th**

- **McAlester, OK:**
  - Replacement Cows: Medium and Large 1-2 1-4 yr old 825-1125 lbs 4-8 months bred 625.00-900.00; 5-6 yr old 875-1075 lbs 6-8 months bred 775.00-960.00, 900-1100 lbs 4-6 months bred 610.00-685.00; 7-8 yr old 900-1100 lbs 4-6 months bred 700.00-710.00 per head.
  - Pairs: Medium and Large 1-2 5-6 yr old 985-1275 lb cow w/100-225 lb calf 725.00-1010.00; 7-8 yr old 1000-1100 lb cow w/150-175 lb calf 850.00-925.00; pkg 9-10 yr old 900 lb cow w/50 lb calf 310.00.

- **Oklahoma City, OK:**
  - Replacement Cows: Medium and Large 1-2 1-4 yr old 850-1000 lb cow 1-6 months bred 600.00-660.00; 3-4 yr old 875-1475 lbs 3-7 months bred 800.00-1285.00; 5-6 yrs old 1050-1625 lbs 2-7 months bred 735.00-1325.00; pkg 5-6 yrs old 950 lbs 5-7 months bred 635.00-735.00; 7-8 yrs old 1075-1625 lbs 6-8 months bred 775.00-1175.00; 7-10 yr old 900-1400 lbs 5-7 months bred 700.00-900.00 per head.
  - Pairs: Medium and Large 1-2 pkg 7 yr old 1275 lb cow w/200 lb calf 1175.00 per pair.

- **Roswell, NM:**
  - Replacement Cows: Medium and Large 1-2: Young 885-1300 lb cows 2nd-3rd stage 650.00-900.00, per head; middle aged short solid cows 830-1040 lbs 2nd stage 475.00-700.00, per head; aged 1015-1426 lb cows 2nd-3rd stage 600.00-760.00, per head.
  - Cow/Calf Pairs: Medium and Large 1-2: Aged 1000-1100 lb cows w/150-200 lb calves 825.00-850.00, per pair.

- **Joplin, MO:**
  - Bred Cows: Medium Large 1 3-6 yrs 2nd and 3rd stage 1075-1365 lbs 1100.00-1450.00, 1st stage 1000 lb indiv. 1075.00. Medium and Large 1-2 2-7 yrs 2nd and 3rd stage 900-1360 lbs 850.00-1125.00, 1st stage 1150-1280 lbs 750.00-875.00; 7 yrs to short and solid mouth 2nd and 3rd stage 1125-1360 lbs 550.00-800.00; broken mouth to aged 3rd stage 1100-1265 lbs 520.00-645.00. Large 1-2 4-5 yrs 2nd stage couple 1475-1600 lbs 935.00-1000.00; short and solid mouth 3rd stage 1395-1510 lbs 725.00-815.00. Medium and Large 2 2-7 yrs 2nd and 3rd stage 875-1350 lbs 600.00-800.00; 1st stage 7 yrs to short and solid mouth pkg. 1240 lbs 545.00. Medium 1-2 2-7 yrs 2nd and 3rd stage 800-1050 lbs 600.00-800.00, 1st stage 750-1025 lbs 685.00-750.00; short and solid mouth to aged 2nd and 3rd stage 1000-1050 lbs 450.00-585.00 per head.
    - Cow/Calf Pairs: Medium and Large 1-2 2-4 yrs 930-1150 lb cows w/200-380 lb calves and a few rebred 1510.00-1560.00; aged 1350 lb cow w/250 lb calf 750.00. Large 1-2 5 yr 1465 lb cow w/365 lb calf 1550.00. Medium and Large 2 3 yr 900 lb cow w/165 lb calf 1100.00. Medium 1-2 2 yr 800 lb cow w/250 lb calf 1025.00 per pair.

- **Springfield, MO:**
    - Bred Cows: Medium and Large 1-2 3-5 yrs 2nd and 3rd stage 1050-1350 lbs 825.00-1075.00, 1st stage 980-1235 lbs 725.00-1050.00; 7 yrs to short and solid mouth most 2nd few 3rd stage 1115-1375 lbs 600.00-810.00; broken mouth 2nd and 3rd stage 1070-1280 lbs 525.00-585.00. Large 1-2 2-5 yrs 2nd stage 1155-1580 lbs 1025.00-1125.00; short and solid mouth 2nd and 3rd stage 1380-1500 lbs 725.00-850.00. Medium and Large 2 7 yr 3rd stage 1215 lb indiv. 650.00. Medium 1-2 2-5 yrs 2nd and 3rd stage 815-1080 lbs 600.00-825.00, 1st stage 850-990 lbs 535.00-760.00; short and solid mouth to aged 2nd and 3rd stage 875-1035 lbs 385.00-485.00 per head.
    - Cow/Calf Pairs: Medium and Large 1-2 2-7 yrs 960-1110 lb cows w/babies to 350 lb calves 1125.00-1425.00; short and solid mouth 1075-1335 lb cows w/babies to 380 lb calves and a few rebred 850.00-985.00. Medium 1-2 2-3 yrs 825-870 lb cows w/225-400 lb calves and a few rebred 1000.00-1350.00, 6 yr 1035 lb cow w/270 lb calf 975.00 per pair.

- **Arkansas:**
    - Replacement Cows: Medium and Large 1-2 2-7 year old 850-1250 lbs 2nd-3rd stage 950.00-1050.00 per head, first stage/open 68.00-78.00, 7-10 yr old 2nd-3rd stage 41.00-45.00/625.00-725.00 per head.
    - Cow-Calf Pairs: Medium and Large 1-2 3-7 yr old 800-1200 lb cow w/100-200 lb calf 750.00-850.00, few to 900.00 per pair.

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## Canadian Cattle:

**Alberta Beef Producers**: Alberta direct cattle sales Thursday saw light trade develop with dressed sales reported at 268.00 delivered. Sales are steady with prices seen on Wednesday and are steady to 3.00 higher than the previous week. Cattle that were bought this week were being scheduled for the week of January 21st delivery. There were some big cattle that sold this week and producers were negotiating flat bids with no weight breaks.

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## Canadian Cattle Prices:

Prices have been converted to U.S. $/CWT. Grades changed to approximate U.S. equivalents
**Exchange Rate: Canadian dollar equivalent to $0.7371 U.S. dollars**

### Prices for the week ending January 4th

| Slaughter Cattle Prices for Week of 11/16 Expressed In: | US $'s | CA $'s |
|---|---|---|
| **Area: Alberta Direct Sales, 4% Shrink** | | |
| Slaughter Steers, mostly Choice & Select 1-3, 1300-1500 lbs | $118.18 | $149.57 |
| Slaughter Heifers, mostly Choice and Select 1-3, 1200-1400 lbs | $117.29 | $148.44 |

www.cattlerange.com

| Area: Alberta Auctions | | |
|---|---|---|
| Slaughter Cows, Cutter and Utility 1-3, 1100-1400 lbs | N/A | N/A |

| Area: Ontario Auctions | | |
|---|---|---|
| Slaughter Steers, mostly Choice and Select 1-3, 1300-1500 lbs | $105.23 | $133.18 |
| Slaughter Heifers, mostly Choice and Select 1-3, 1200-1400 lbs | $98.99 | $125.28 |
| Slaughter Cows, Cutter and Utility 1-3, 1100-1400 lbs | N/A | N/A |

## Canfax Report:

*This cattle market information is selected from the weekly report from Canfax, a division of the Canadian Cattlemen's Association. More market information, analysis and statistics are available by becoming a Canfax subscriber by calling 403-275-5110 or at www.canfax.ca.*

Active trade last week saw the Canfax weighted average fed steer price increase by $3 per hundredweight compared to the week before Christmas. Fed market trade during Christmas week was too light to establish a trend.

Most dressed sales last week were from $266-$268 per cwt. delivered. The weighted average price was just over $160 per cwt., the highest since the start of May last year.

Alberta fed prices continue to trade at a discount to the Nebraska market. Feedlots are generally current and with the warmer weather, cattle are carrying extra tag, which will impact dressing percentage.

The previous two weeks were quiet in Canadian feeder cattle markets. Auctions were closed and there was only a light test on the calf and feeder market. The early year market tone was steady to a little stronger on heavy weight feeders compared to the end of December.

The cull cow market has been mostly direct sales to packers, with rail bids rising through the holidays. Dressed cull cow bids in Alberta moved up to the mid $160s per cwt. delivered last week.

In the United States, dressed sales in the north started out last week US$1 to $2 per cwt. lower than the previous week but were fully steady with the earlier Nebraska average of $195 per cwt. delivered.

Recent winter weather impeded cattle shipments, and feedlot conditions have deteriorated. Carcass

weights and performance were expected to decline, and higher mortality rates were reported.

In the U.S. beef trade, Choice cut-out values were reported $1.19 per cwt. higher than the previous week, while Select was up $2.16. Beef retail featuring for December was strong, and fill-in business following the holidays was supportive.

Beef retail features relative to competing proteins have been steadily increasing, which should be viewed as positive news for the cattle and beef market.

Over the past three years, on average, the Choice cut-out values have declined from the first half of January to the second half of the month. Over those three years, the average decline from the first half to the second half of January stands at 1.6 percent. January is traditionally not a strong demand time frame for the protein markets in general as consumers focus on paying Christmas bills.

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**USDA National Retail Beef Report:**

Advertised Prices for Beef at Major Retail Supermarket Outlets

Report not published by USDA this week.

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**"Shootin' the Bull" Weekly Analysis:**

In my opinion, there is a great deal to discuss. First, I'm looking forward to being a guest at a round table discussion Monday evening, January 14 on RFD-TV.

The weekly and daily charts are producing patterns that lead me to anticipate a decline of some significance. The fats have been clawing and clambering their way up since the April of '18 low. All of the wave sequences of this 8 month long trend have overlapped and failed to produce 5 wave patterns that could be construed as bullish. The most recent low of 11/13/18, appears to be the bottom of a wave D. The wave D is the same as a wave 4, except in corrective patterns letters are used over numbers. From the 11/13/18 low, a lesser magnitude a-e wave pattern has evolved. This lesser wave sequence of the E wave, or 5th wave were this impulsive, unfolds into 5 waves, all of which continually overlap one another. It is the overlapping of waves that has me persistently believing this whole rally from April '18 to present as a correction. Therefore, upon completion of the E wave, I anticipate a decline of some significance to materialize. To add to this, at weeks end today, the weekly, continuation, close only chart of live cattle closed at a new high that has been labeled the 5th wave on the weekly charts as well. All of these visuals are available for viewing on my website. So, to wrap this up, there is a major 5 wave move on the daily chart that is littered with overlapping waves. Of the most recent move, there are 5 waves up in it, with still massive overlapping.

Lastly, the weekly chart now shows a 5 wave move on it. The only thing left would to complete the 5th wave of these sequences. In my opinion alone, I anticipate Friday to have been the completion of the wave sequences that created the current price level. Were it not for the current outside market forces appearing to be in turmoil, I may not be so negative towards the cattle. Knowing that the price rises since the bottom of '16 have been all demand driven, what we do not want to see is any slowing of consumer demand. The elevated inventory and contraction of packing capacity was anticipated to drive fat prices to under $100.00 and keep them there for several years as inventory grew. This did not materialize for one reason only, the increase of employment and wages that produced a greater discretionary spending habit for consumers. It is the consumer discretionary spending habits that I believe will change just slightly enough to take the edge off beef prices and potentially have them narrow in price range to its competing proteins of pork and poultry. Although there is no such thing as comfort in futures trading or livestock production to begin with, I believe decisions made to initiate synthetic short futures positions will perform in the manner intended to get producers out of a time frame that is slightly more questionable towards a higher beef price than a few weeks or months ago. The goal of these hedges is to produce a stronger financial position were prices to erode into spring. Yes, there may be some missing out of a higher price if resolve is seen of a few outstanding issues. Until these issues are resolved, I prefer the bird in the hand.

Feeders cattle remain weak. The cash market has stagnated and traders are waiting for this weeks feeder cattle sales to begin trickling into the index. What I am not hearing is weight classes that meet the specifications of the index are elevated. Were feed yards to be smelling a rat, it would behoove them to allow backgrounders to absorb the weaker time frame than them. Excuses of muddy pens and poor weather conditions to move cattle on to feed are easy to come up with today. The wave count on the feeders remains the same. Feeder prices broke hard from October '18 to 11/13/18. From there, they have gone splat in a wide range, unlike the fats that have been able to climb to a new contract high in some cases today.

So, we have this weak feeder market and strong fat market that has been construed this way for several weeks now. Which one pulls the other? I think what the charts are reflecting is that demand remains good, but were it to ever slip, the feeder market would take the brunt of the blow. It is already weak, it would not take much to make it weaker. From the 11/13 low, little headway has been made. So far, there are only 3 waves and these, plus their minor counterpart waves, all overlap. Nothing that I can see at this time reflects a 5 wave rally to insinuate that a bull market has begun. I recommend revisiting your risk parameters this weekend on what you don't have marketed.

Grains have been slightly volatile this week, but no real big ranges. Corn continues to triangulate into a pencil point. Beans sideways and wheat meandering. I anticipate a weak stance on grains for a while. The initial thrust down has been followed by a sideways move or triangle. This leads me to anticipate the next most probable move to be back to the downside. February hogs were slightly higher on the week. Information continues to support a higher hog trade, as does the wave count. It is the money that is lacking and I cannot figure out why. I think it has to do with the lack of human participation.

Algorhythmic programs are created to execute trades based upon the order flow. It has nothing to do with a fundamental aspect. So, in my opinion, it will take overwhelming evidence of pork demand before enough human participation can take prices to a new level. When this occurs, you get hyper volatility and massive price expanse in extremely short periods of time. This makes hedging difficult, expensive due to slippage and errors, and will ultimately bleed into the retail price consumers pay. I think it would be fascinating to see the butterfly effect of prices today without computer trading. Would volatility and price expanse be higher or lower?

Lastly, the yield curve continues to be headlines of recent. The tightening spread between short term and long term interest rates is impacting profit margins for banks. While some may smirk a little towards the banks on this, the spread is important to watch as it can have some predictive qualities as to how aggressive or not banks lend money. A wide profit margin may tend to allow for a greater risk loan, while narrower margins may have banks shying from higher risk lending. The bond market may or may not have topped, but I don't anticipate a move back down of any significance just yet. Actually, it won't surprise me at all to see a double top or even a slightly higher high than at present.

**Christopher B. Swift** is a commodity broker and consultant with Swift Trading Company in Nashville, TN. Mr. Swift authors the daily commentaries "mid day cattle comment" and "Shootin' the Bull" commentary

found on his website @ **www.shootinthebull.com**

*An investment in futures contracts is speculative, involves a high degree of risk and is suitable only for persons who can assume the risk of loss in excess of their margin deposits. You should carefully consider whether futures trading is appropriate for you in light of your investment experience, trading objectives, financial resources and other relevant circumstances. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.*

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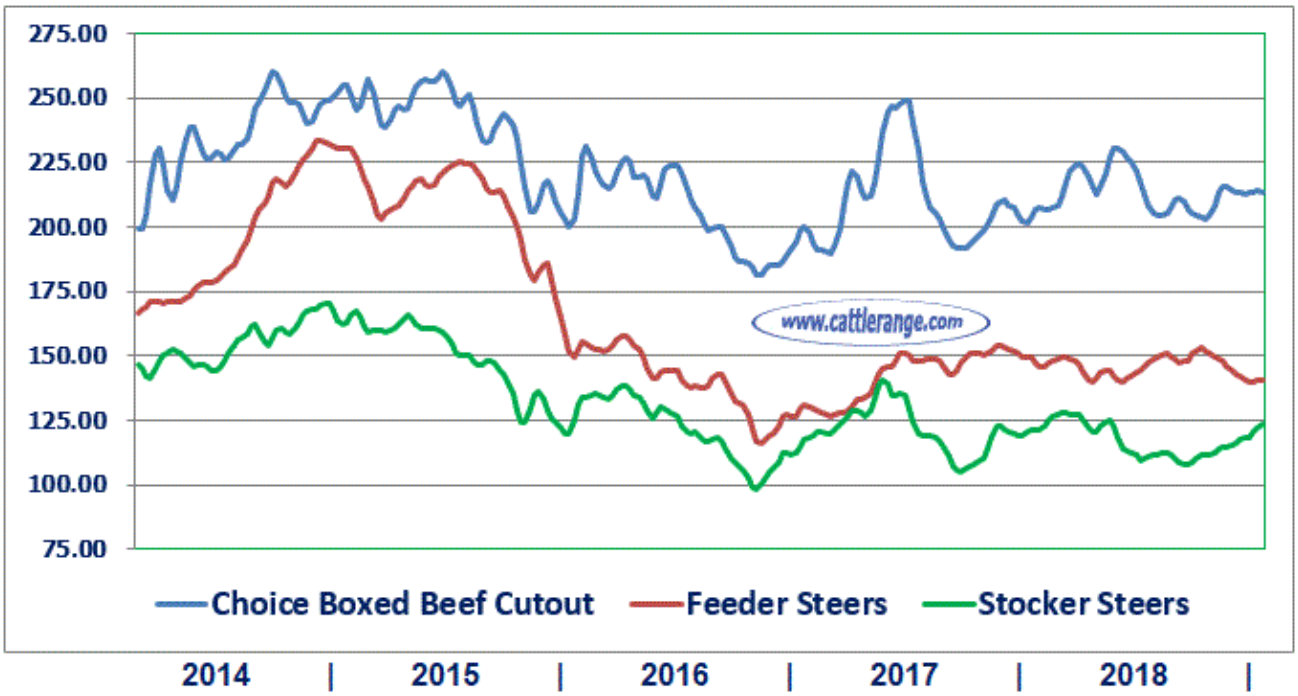
**5 Year Averages: Choice Boxed Beef Cutout, Slaughter, & Feeder Steers:**




Boxed beef cutout values lower on light demand and moderate offerings. Select and Choice rib, chuck, and loin cuts steady to weak while round cuts weak to lower. Beef trimmings slightly higher on moderate demand and offerings.

The average value of hide and offal for the five days ending Fri, Jan 11, 2019 was estimated at 9.01 per cwt., up 0.13 from last week and down 1.70 from last year.

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**Photo of the Week:**

- **Angus & BWF 1st-Calf Pairs... Southeast MT**

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## U.S. Dollar - 6 Month Chart:

Over the past 5 years, an average of around 10% of U.S. beef production has been exported, making exports an extremely important factor affecting beef and cattle prices. A strong dollar depresses export demand.

- U.S. Dollar Index

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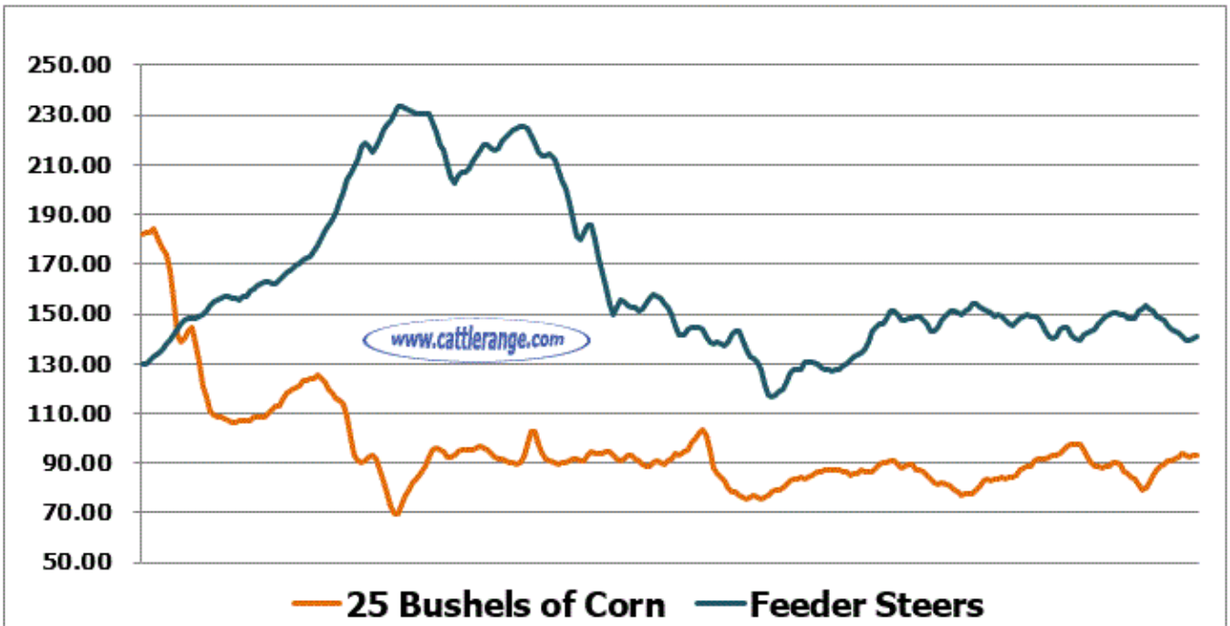
## Feeder Steers/Corn Correlation:

Historically, the value of 25 bushels of corn is approximately equal to the price per cwt. for feeder steers.



2014 | 2015 | 2016 | 2017 | 2018 |

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**Slaughter Cows & Bulls:**

Slaughter Cows:

| | Head | %Lean | Weight | Average Dress | High Dress | Low Dress |
|---|---|---|---|---|---|---|
| Breakers | 120 | 75-80% | 1150-1700 | 50.00-53.00 | 54.00-55.00 | 45.00-48.00 |
| Boners | 233 | 80-85% | 1000-1400 | 48.00-52.00 | 54.00-56.00 | 43.00-47.00 |
| Lean | 381 | 85-90% | 1000-1375 | 47.00-50.00 | 52.00-56.00 | 42.00-45.00 |
| Lights | 237 | 85-90% | 700-1000 | 45.00-48.00 | 48.50-50.00 | 38.00-42.00 |

Slaughter Bulls:

| | Head | Weight | Average Dress | High Dress | Low Dress |
|---|---|---|---|---|---|
| Y.G. 1-2 | 180 | 1300-2200 | 71.00-75.00 | 77.00-81.00 | 65.00-70.00 |

| | # Head | Week Ago | Year Ago | YTD | Week Ago | Year Ago |
|---|---|---|---|---|---|---|
| NATIONAL | 9,141 | 7,850 | 7,817 | 52,012 | 37,374 | 45,914 |
| NORTHWEST | 1,594 | 2,052 | 1,802 | 9,277 | 8,069 | 12,074 |
| SOUTHWEST | 4,189 | 2,890 | 3,842 | 23,239 | 16,953 | 21,645 |
| EASTERN AREA | 3,358 | 2,908 | 2,173 | 19,496 | 12,352 | 12,195 |

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**Est. Weekly Meat Production Under Federal Inspection:**

Total red meat production under Federal inspection for the week ending Saturday, January 12, 2019 was estimated at 1071.3 million lbs. according to the U.S.Department of Agriculture's Marketing Service. This was 17.0 percent higher than a week ago and 3.6 percent higher than a year ago. Cumulative meat production for the year to date was 5.4 percent lower compared to the previous year.

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**USDA Weekly Hay Reports:** "Click" on links for detailed report

- Alabama
- California
- Colorado
- Idaho
- Iowa
- Kansas
- Missouri
- Montana
- Nebraska
- New Mexico
- Oklahoma
- Oregon
- Pennsylvania
- South Dakota
- Texas
- Utah
- Virginia
- WA/OR Columbia Basin
- Wyoming

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**Weekly Feedstuffs Market Review:**

The USDA reports feed ingredient prices for the week ending Jan 08, 2019 were mixed.

- Soybean Meal was 6.70 to 11.70 higher. Cottonseed Meal was mixed, 3.00 lower to 5.00 higher. Canola Meal was mixed, 18.30 lower to 1.70 higher in Minnesota. Linseed Meal was steady to 5.00 lower. Sunflower Meal was steady to 5.00 higher.
- Whole Cottonseed was steady to 5.00 lower.
- Crude Soybean Oil was 13 to 58 points higher. Crude Corn Oil was steady.
- Ruminant Meat and Bone Meal was mixed, 5.00 lower to 5.00 higher. Ruminant Blood Meal was steady to 20.00 higher. Feather Meal was mixed, 5.00 lower to 35.00 higher.
- Yellow Corn Hominy was steady to 3.00 lower. Corn Gluten Feed was steady to 7.50 higher. Corn Gluten Meal was 10.00 to 75.00 lower.
- Distillers Dried Grain was steady to 10.00 lower.
- Wheat Middlings were 3.00 to 30.00 lower. Wheat millrun was steady to 5.00 lower.

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**5 Year Bullish/Bearish Consensus Charts:**

**The theory behind the "Bullish/Bearish Consensus"** indicator is when the public reaches a consensus, **they are usually wrong:**

- They get too bullish after prices have risen and too bearish after they have already fallen.

Because of this tendency, there are often extremes in opinion right before major changes in trend:

- When the public reaches a bullish extreme, i.e., a great majority thinks prices will keep rising, then prices often decline instead.
- And when they become too bearish, then prices tend to rise.

So when Public Opinion moves above the **red dotted line**in the chart, it means that compared to other readings over the past year, you're seeing **excessive optimism**. You also want to look at the absolute level of Opinion, too - if it's at 90%, then there's no question we're seeing an historic level of bullish opinion. Watch for readings above 80% (or especially 90%) to spot those dangerous times when the public is overly enthusiastic about a commodity.

Conversely, when Public Opinion moves below the **green dotted line**, then the public is **excessively pessimistic** about the commodity's prospects for further gains compared to their opinion over the past year. Looking for absolute readings under 20% (or especially 10%) often indicates an upturn in the market.

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**Bullish/Bearish Consensus: Cattle**

## Bullish/Bearish Consensus: Corn

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## Stock Markets & Economic News:

*T. Rowe Price*

STOCKS BUILD ON STRONG START TO 2019

Stocks rose for the third consecutive week. Small-caps outperformed, and the gains helped make the Russell 2000 Index the last major benchmark to emerge from bear market territory (a decline of over 20% from recent highs). Within the S&P 500 Index, industrials shares performed best, helped by strength in railroads and a sharp rise in Boeing. Energy shares were also especially strong for much of the week as oil prices rallied, although they gave back a portion of their gains on Friday. Financials lagged, and health care stocks also underperformed despite the news of another large merger in the sector—Eli Lilly's proposed $8 billion acquisition of Loxo Oncology. Volatility continued to moderate, with the Cboe Volatility Index (VIX) hitting its lowest level in over a month, while higher-valued growth stocks outperformed slower-growing value shares.

Hopes that China and the U.S. might finally be making progress in resolving their trade dispute seemed to drive much of the week's gains. Three days of mid-level trade talks began on Monday, and T. Rowe Price traders report that investors appeared particularly encouraged by the surprise attendance of China's vice premier, Liu He (see below). President Trump also lifted sentiment Tuesday morning after tweeting that talks were "going very well." Speculation has grown that the recent market downturn has increased pressure on the White House to conclude some sort of trade deal, while slowing growth is motivating Chinese officials.

## INVESTORS PROVE PATIENT WITH SHUTDOWN

The week's gains came despite the partial federal government shutdown entering its third week, with little hope of resolution in sight. Most economists agree that the shutdown will have an increasingly greater impact on the economy over time, but the impact so far has been marginal. The week's economic data were generally encouraging. Weekly jobless claims moderated, and a measure of small business optimism fell less than expected in December. The Institute for Supply Management's gauge of service sector activity was perhaps a dark spot, falling more than expected and echoing a sharper downturn in the Institute's measure of manufacturing activity reported the previous week.

On Friday, the Labor Department reported that consumer prices had risen in line with forecasts, with the core CPI (which excludes food and energy costs) increasing by 2.2% versus a year ago. In an interview Thursday, Federal Reserve Chairman Jerome Powell pointed to low inflation as one factor that will allow the Fed to be "patient" in raising interest rates further. According to the firm's traders, his remarks appeared to help reverse a midday downturn in stocks following news that President Trump was canceling a trip to the Davos World Economic Forum later in the month because of the government shutdown. Some had hoped that Trump and Chinese President Xi Jinping would use the occasion to announce a trade deal.

**U.S. Stocks:**

| Index | Friday's Close | Week's Change | % Change YTD |
|---|---|---|---|
| DJIA | 23,995.95 | 562.79 | 2.87% |
| S&P 500 | 2,596.26 | 64.32 | 3.57% |
| Nasdaq Composite | 6,971.48 | 232.62 | 5.07% |
| S&P MidCap 400 | 1,763.12 | 78.80 | 6.02% |
| Russell 2000 | 1,446.91 | 66.21 | 7.29% |

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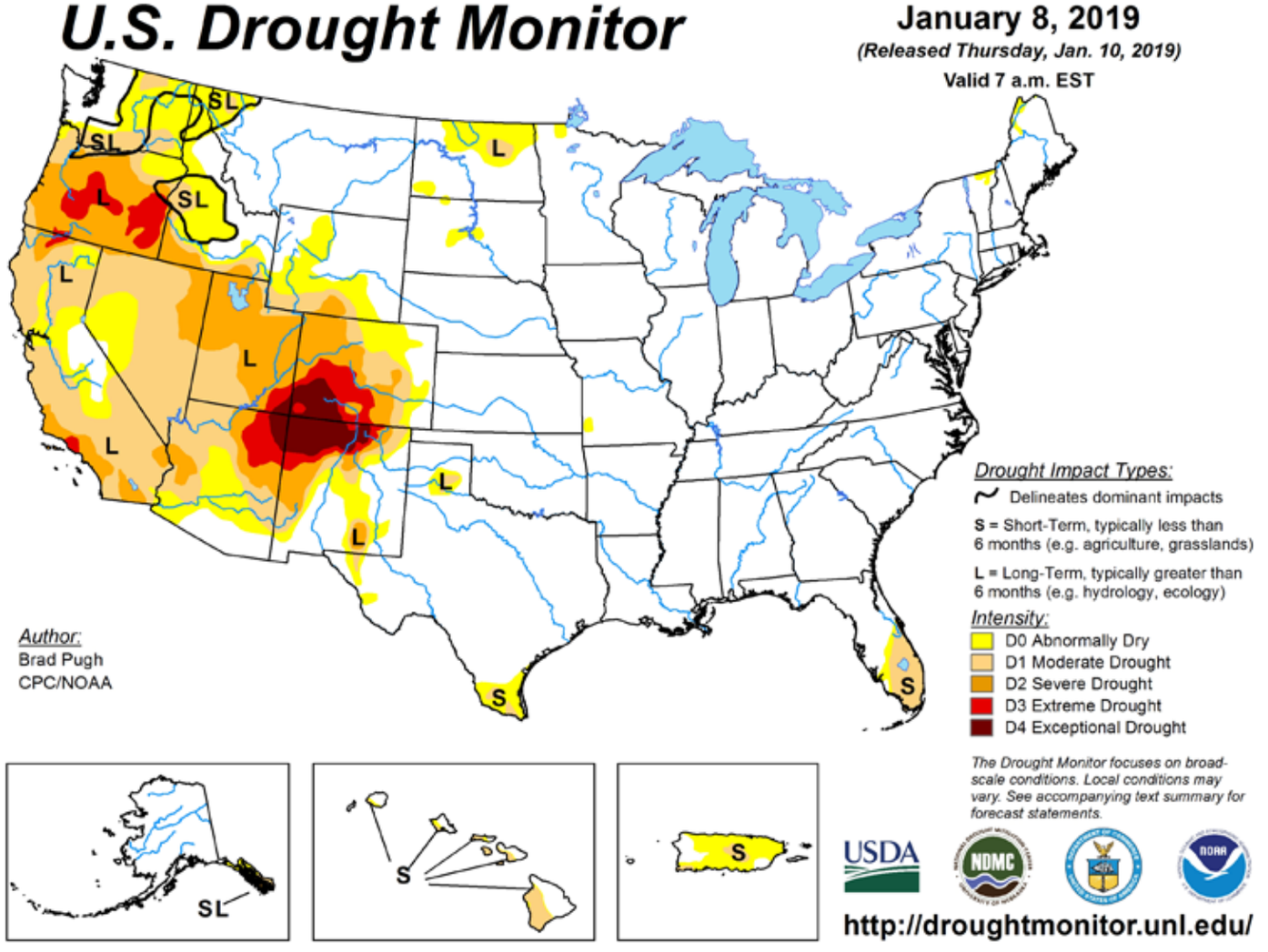
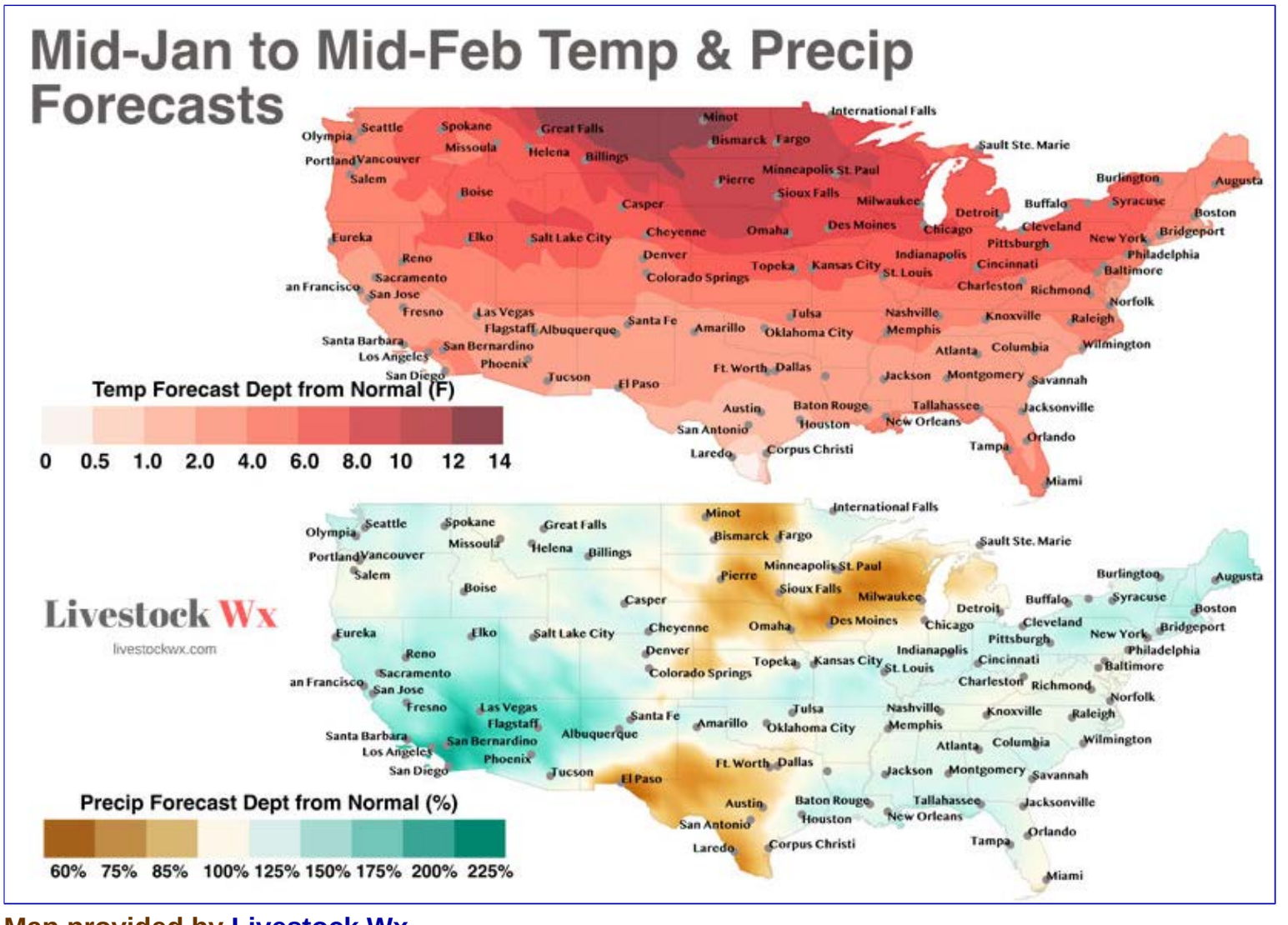
**"Click Here" to view a Slide Show of Drought Monitor maps for the last 12 weeks**




Map provided by [Livestock Wx]

**Looking Ahead:**

**Temperatures are forecast to average near to slightly below normal** across the southern tier of the continental U.S. and along the East Coast. Short-term dryness is likely to increase across south Florida and the lower Rio Grande Valley through mid-January. Mostly dry weather is also forecast for the northern half of the Rockies extending east to the northern Great Plains and upper Mississippi Valley. Much above-normal temperatures are likely to accompany the dry weather across these areas. Elsewhere, additional rain and high-elevation snow is anticipated for California as onshore flow persists. Precipitation is forecast to average near to below-normal across the Alaska Panhandle during the next 5 days, while below-normal rainfall is likely to continue for the Hawaiian Islands.

**The CPC 6-10 day** extended range outlook (January 15-19, 2019) favors near to above normal precipitation across the western two-thirds of the continental U.S. with the highest odds forecast across California and Nevada. The most likely areas to experience below normal precipitation are parts of the Northeast and Florida Peninsula. The highest probabilities for above normal temperatures are forecast along the West Coast and central to southern high Plains, while near to below normal temperatures are favored across the eastern U.S. during this 5-day period. Increased chances for above normal temperatures are forecast for much of Alaska. Above normal precipitation is favored for the Aleutians and southwest mainland Alaska, while near to below normal precipitation is most likely across the remainder of Alaska.

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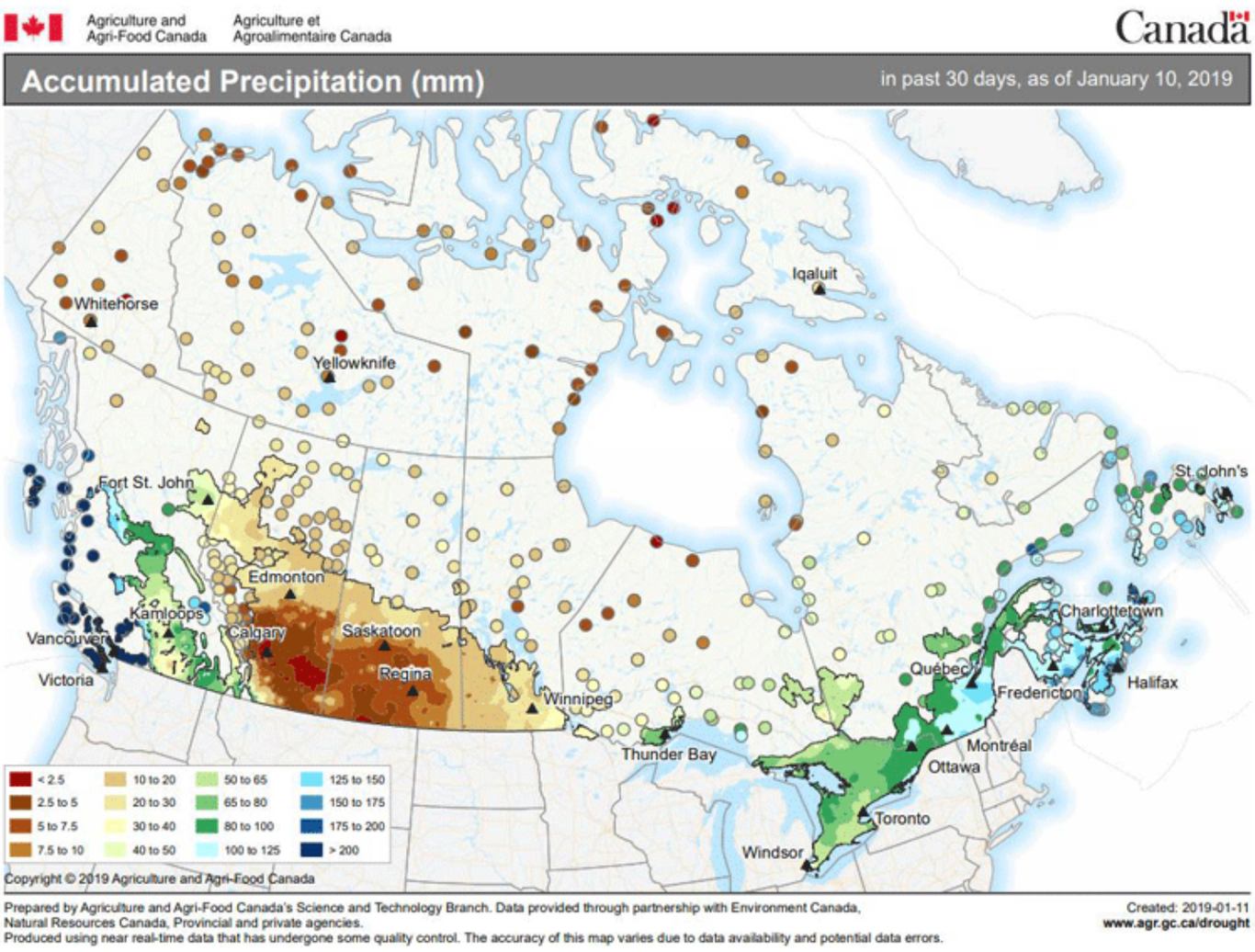


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## For the week ending January 11th...

**Current & Future (Projected) Feedyard Closeouts: Profit/(Loss)**

**Closeout projections** are for cattle placed on feed by a cattle owner at a commercial feedyard and not for cattle owned by a feedyard and fed at cost or a farmer/feeder utilizing his own feed.

**Typical closeout for un-hedged steers sold this week:**

- Placed On Feed 165 days ago = July 23rd
- P/(L) based on the futures when placed on feed: **(71.60)**

| | |
|---|---|
| Cost of 750 lb. steer delivered @ $148.34 per cwt: | $1,112.55 |
| Feed Cost for 600 lbs. @ $82.31 per cwt: | $493.86 |
| Interest @ Prime + 2% on cattle cost for 165 days: | $28.92 |
| Interest @ Prime + 2% of the feed cost for 165 days: | $6.42 |
| **Total Cost & Expense:** | **$1,641.75** |
| **Sale proceeds:** 1,350 lb. steer @ **$124.00** per cwt: | **$1,674.00** |
| **This week's Profit/(Loss) per head:** | **$31.25** |
| Profit/(Loss) per head for previous week: | $18.40 |
| Change from previous week: | +$13.85 |
| **Sale price necessary to breakeven:** | **$121.61** |

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**Projected closeout for steers placed on feed this week:**

- Projected Sale Date @ 165 days on feed = June 18th

| | |
|---|---|
| Cost of 750 lb. steer delivered @ $145.76 per cwt: | $1,093.20 |
| Feed Cost for 600 lbs. @ $77.80 per cwt: | $466.80 |
| Interest @ Prime + 2% on cattle cost for 165 days: | $32.12 |
| Interest @ Prime + 2% of the feed cost for 165 days: | $6.86 |
| **Total Cost & Expense:** | **$1,598.98** |
| **Sale proceeds:** 1,350 lb. steer @ **$117.20** per cwt: | **$1,582.20** |
| **This week's Profit/(Loss) per head:** | **($16.78)** |
| Profit/(Loss) per head for previous week: | ($40.53) |
| Change from previous week: | +$23.75 |
| **Sale price necessary to breakeven:** | **$118.44** |

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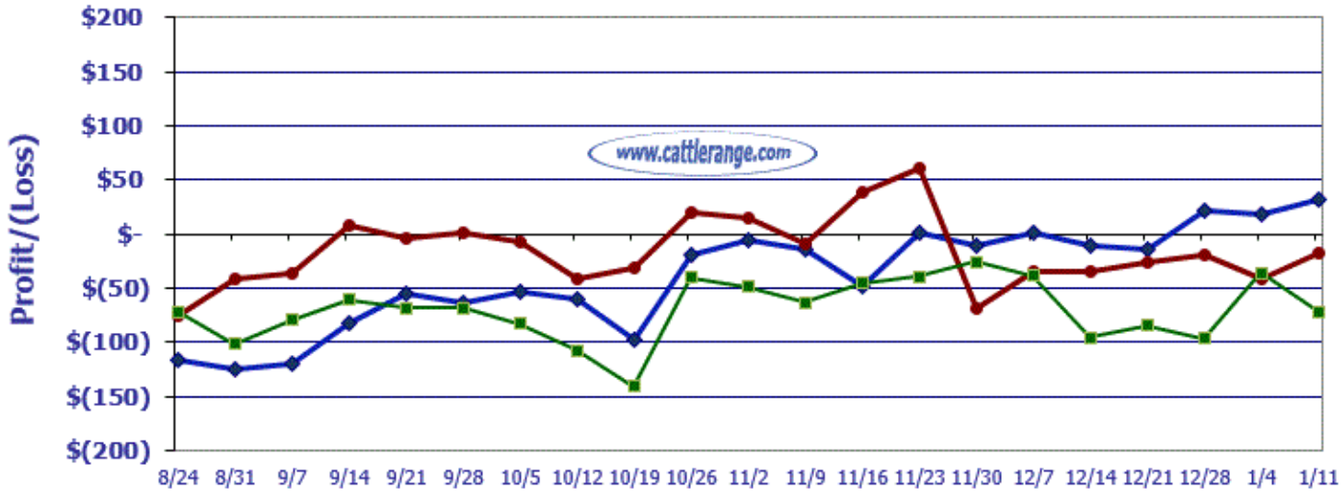
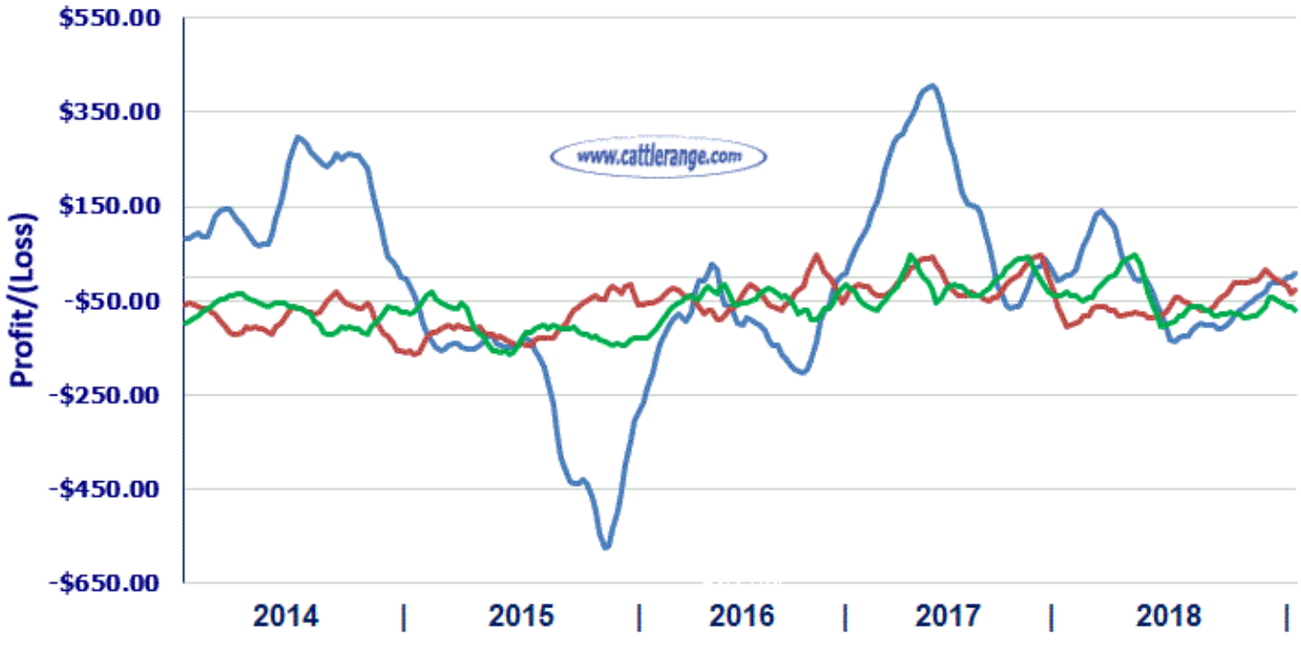
## Feedyard Close-Outs for the weeks ending...




| | |
|---|---|
| **Typical closeout for hedged steers sold this week:** | **($71.60)** |
| **Typical closeout for un-hedged steers sold this week:** | **$32.25** |
| **Projected closeout for steers placed on feed this week:** | **($16.78)** |

## Feedyard Close-Outs - 5 Year Moving Averages

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**Slaughter Cattle:**

**Slaughter Cattle**: As of 3:00 PM Friday, negotiated cash trade was mostly inactive on light demand in all feeding region. The latest established market in any feeding region was last week with live purchases in the Southern Plains and Nebraska mostly at 123.00 with dressed purchases in Nebraska at 195.00. Last week in the Western Cornbelt, live purchases traded from 121.00-122.00 with dressed purchases from 194.00-195.00.

**Negotiated Sales:**
Confirmed: 2,387 Week Ago: 48,409 Year Ago: 6,581

**Formula Net - Dressed Steers & Heifers**
Head count priced today: 18,700
Weighted avg weight: 850.00
Weighted avg net price: 196.17

## Livestock Slaughter under Federal Inspection:

| | | CATTLE | CALVES | HOGS | SHEEP |
|---|---|---|---|---|---|
| Friday 01/11/2019 | (est | 117,000 | 2,000 | 475,000 | 8,000 |
| Week ago (est) | | 119,000 | 2,000 | 477,000 | 8,000 |
| Year ago (act) | | 119,000 | 3,000 | 452,000 | 7,000 |
| Week to date (est) | | 594,000 | 10,000 | 2,375,000 | 40,000 |
| Same Period Last Week (est) | | 428,000 | 7,000 | 1,835,000 | 29,000 |
| Same Period Last Year (act) | | 591,000 | 11,000 | 2,261,000 | 37,000 |
| Saturday 01/12/2019 | (est | 32,000 | 0 | 190,000 | 0 |
| Week ago (est) | | 92,000 | 0 | 427,000 | 0 |
| Year ago (act) | | 20,000 | 0 | 179,000 | 0 |
| Week to date (est) | | 626,000 | 10,000 | 2,565,000 | 40,000 |
| Same Period Last Week (est) | | 520,000 | 7,000 | 2,262,000 | 29,000 |
| Same Period Last Year* (act) | | 612,000 | 11,000 | 2,440,000 | 37,000 |
| 2019 Year to Date | | 1,075,000 | 16,000 | 4,431,000 | 66,000 |
| 2018 *Year to Date | | 1,157,000 | 21,000 | 4,562,000 | 68,000 |
| Percent change | | -7.1% | -24.5% | -2.9% | -3.2% |

2019 *Totals subject to revision
2018 *Totals adjusted to reflect NASS revisions
Yearly totals may not add due to rounding

| Previous day estimated | Steer and Heifer | Cow and Bull |
|---|---|---|
| Thursday | 96,000 | 24,000 |

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## National Grain Summary:

**Compared to last week**, cash bids for wheat, corn, and soybeans were mostly lower while sorghum bids were mixed. Grain futures closed lower yesterday. Markets may have been pressured by a lack of fresh news and some sell-off in the grain market. Export sales and shipment numbers remain uncertain as the government shutdown rolls into its 20th day. Wheat was 4 3/4 cents lower to 28 3/4 cents higher. Corn was 50 1/2 cents lower to 2 1/4 cents higher. Sorghum was 7 cents lower to 2 cents higher. Soybeans were steady to 19 cents lower.

## Grain Markets:

| Grain Prices | This Week | Last Week | 1 Month Ago | 1 Year Ago | 5 Yr. Avg. |
|---|---|---|---|---|---|
| Kansas City Corn | 3.71 | 3.79 | 3.75 | 3.33 | 3.65 |
| Kansas City Wheat | 5.28 | 5.20 | 5.35 | 4.46 | 5.22 |

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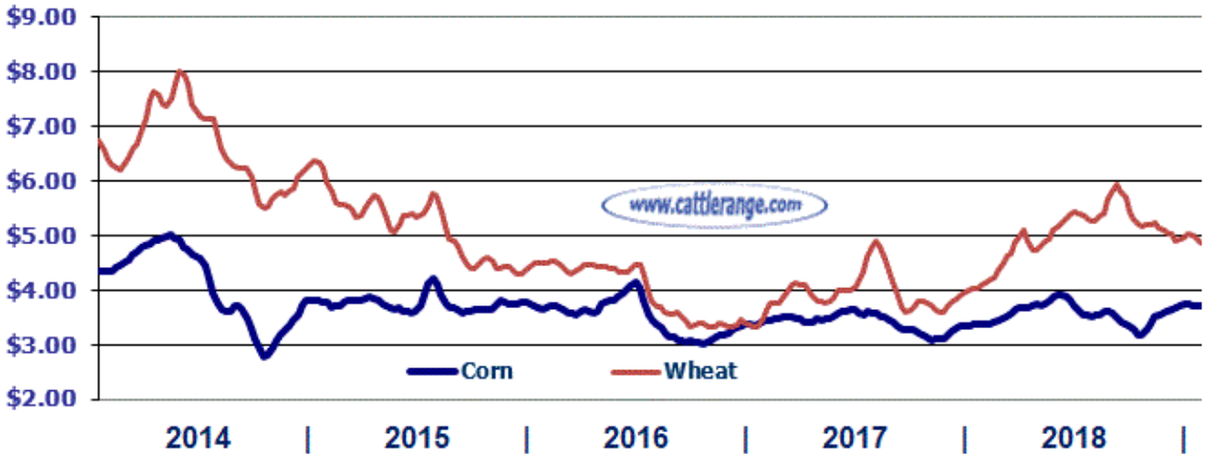
| Grain Futures | This Week | Last Week | 1 Month Ago | 1 Year Ago | 5 Yr. Avg. |
|---|---|---|---|---|---|
| March Corn | 3.7825 | 3.8300 | 3.8475 | 3.4625 | 3.7653 |
| March Wheat | 5.1950 | 5.1700 | 5.3000 | 4.2050 | 4.9520 |

### 5 Year Moving Average - Corn & Wheat

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