

# CattleFax UPDATE

THE  
DECIDING  
FACTOR

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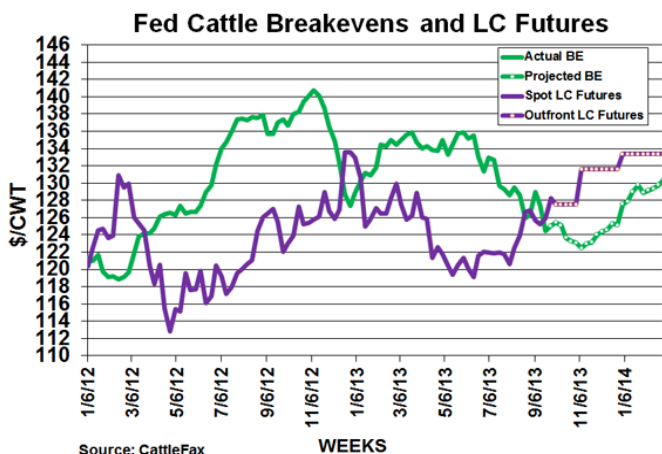
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## Back in Black – Cattle Feeding Profits

Over the past couple of weeks fed cattle profitability has finally reached into some black ink. Keep in mind this does not include any risk management; it's strictly a cash-to-cash estimate. It has been 76 consecutive weeks since fed cattle profitability was last in the black during the first quarter of 2012. Furthermore, over the past 2 years since the summer of 2011, the weekly fed cattle profitability has been in the black just 19 percent of the weeks, for an average profitability of – (\$85) per head. So far this year, the average weekly profit/loss has been – (\$100) per head.

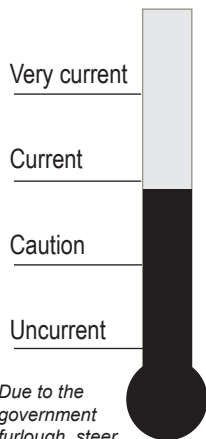
In the accompanying chart, you can see that the live cattle futures market has not been above fed cattle breakevens for any significant amount of time since early 2012. And if you looked at these breakeven prices compared to the appropriate live cattle futures contract



in which a traditional hedge would have been used, it would show basically the same thing – there has not been much opportunity over the past 18 months for cattle feeders to hedge in a consistent profit. Looking forward, the dotted lines on the chart show projected cash breakevens for fed cattle compared to the current October 2013, December 2013, and February 2014

live cattle futures contracts. For cattle placed against the next 5 months, cash breakevens are projected to reach a low near \$122 in November and then begin to trend higher towards \$128-\$130 by February 2014. With current futures prices above these average breakeven levels, many cattle feeders may be able to lock in some positive margins for the first time in a long time! *Tod Kalous*

### Currentness



Due to the government furlough, steer carcass weight data is not available for discussion.

### Government Shutdown Eliminates Key USDA Reports

Due to the government shutdown, many USDA reports are not available at this time. You will notice on the last page of the CattleFax Update there are many key items listed in the Summary of Activity box with a value of "NA" for this week. These are items from the USDA which are not being reported, including slaughter data, such as number of head, carcass weights and pounds of production. There are also many price reports unavailable at this time including the beef and pork cutout data.

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### Market Highlights

The fed cattle market was steady in the South at \$126, while in the North sales were steady to weak on a live basis at \$125 to \$126.50 and \$1 lower dressed, with the bulk of the trade occurring at \$198 to \$199. As USDA is not reporting boxed beef prices this week we are using the Urner Barry (Yellow Sheet) quotes, which from last Thursday close to this Thursday close was \$.74 higher on Choice and \$.74 higher on Selects. Buyer interest picked up late in the week. Feeder cattle values were \$2 to \$4 higher on the week while calves were steady to as much as \$5 higher. The best of the calf demand is for weaned calves in the Southern and Central Plains, as turn out time for winter grazing programs is rapidly approaching. Slaughter cow prices were steady to \$1 higher this week amid good buyer demand. Corn prices traded lower this week as the USDA issued a bearish grain stocks report on Monday indicating more carryover stocks left over from last year than the trade was anticipating.

### 2014 OUTLOOK & STRATEGIES

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# Stronger Prices Expected

Over the next 60 days look for the fed market to continue to trend higher. The stronger trend will be supported by declining fed cattle supplies, improving beef usage and demand and the premiums in the deferred live cattle contracts. Look for the Choice-Select spread to widen to historical levels due to expected strong holiday Rib buying activity, which will be supportive to a stronger fed market. Large year over year declines in fed cattle supplies are projected from December through February of 2014, corresponding with the substantially smaller placements in July-September. The feeding industry continues to stay current as indicated by 13.5 percent of October's cattle being pulled forward into the month of September. In late 2013 and early 2014 the fed cattle prices are expected to average higher year over year due to tighter per capita supplies.

**Next Week:** Supplies will continue to decline, while the beef complex is expected to be stronger. Fed cattle prices are expected to trade at \$127.

**Mid-Late October:** Fed supplies and beef production levels will decline, but remain



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## Projected Fed-Cattle Marketings (000 Head) 04-Oct-2013

	Placed Against	Pre Mo Carryover	Begin Inv	Mo Shipments	Carry-Over %	Net Weeks	Adj. Wkly Avg Shipments	% of Yr Ago
OCT	737	443	1180	812	35	4.6	127	105
NOV	710	427	1138	717	40	4.0	129	102
DEC	666	478	1144	769	36	4.2	132	90
JAN	613	433	1046	807	27	4.4	132	89
FEB	710	291	1001	709	33	4.0	128	96
MAR	669	342	1011	716	33	4.2	123	91

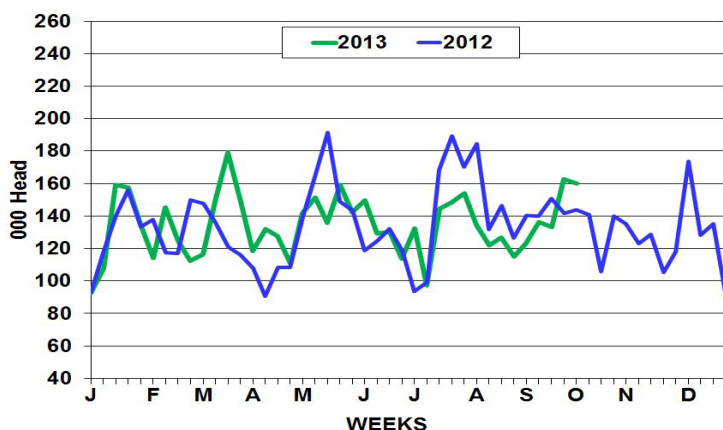
## CattleFax Shipments

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	564	563	558	539	653	639	636	658	533	558	548	639
2013	652	538	568	541	614	598	705	641	592	116	533	586
<b>Weekly Averages (000 hd)</b>												
2012	134	134	133	128	148	152	151	143	140	121	131	145
2013	148	128	135	123	139	150	160	146	148	144	127	146
13%12	110	96	102	96	94	99	106	102	106	119	97	101
13%5Yr	111	93	105	95	97	103	107	97	105	113	102	105

## CattleFax Placements

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	540	559	585	443	732	522	609	702	527	605	591	540
2013	575	504	614	532	688	523	599	576	576	139	535	580
<b>Weekly Averages (000 hd)</b>												
2012	128	133	133	106	166	124	145	153	151	131	141	123
2013	131	120	146	121	156	131	136	131	144	174	127	145
13%12	102	90	110	114	94	106	94	86	95	133	90	118
13%5Yr	102	89	106	109	106	111	115	86	89	107	91	125

## CattleFax Placements



## Fed-Cattle Outlook

seasonally ample. Beef demand and usage will improve and the holiday Rib buying season will begin supporting a higher trending beef complex and a widening Choice-Select spread. Prices are expected to firm and average in the upper \$120's.

**November-December:** F.I. slaughter levels and beef production will decline seasonally into late year. This will result in a 5 percent reduction in year over year net beef supply during November and December. Look for a higher trending fed market with an average near \$130 projected.

**January-February:** Fed cattle supplies will remain well below year ago levels due to the lighter placements in July-September. Softer beef demand and usage is the norm after the year-end holidays. Look for fed values to average lower compared to December. As always winter weather can affect price trends and levels. *Kevin Good*

## Contract and Formula Cattle 04-Oct-2013

	Scheduled in October	Shipped in October	Scheduled in November	Scheduled in December
Kansas	220,000	45,000	200,000	200,000
Texas	320,000	60,000	300,000	300,000
Colorado	85,000	14,000	80,000	80,000
Nebraska	200,000	40,000	180,000	180,000
Totals	825,000	159,000	760,000	760,000
<b>Basis Bids</b>				
Steers	November	December	January	
Heifers	\$1 to \$2 under	\$1 to \$2 under	\$2 under	

## Fed Cattle Prices 04-Oct-2013

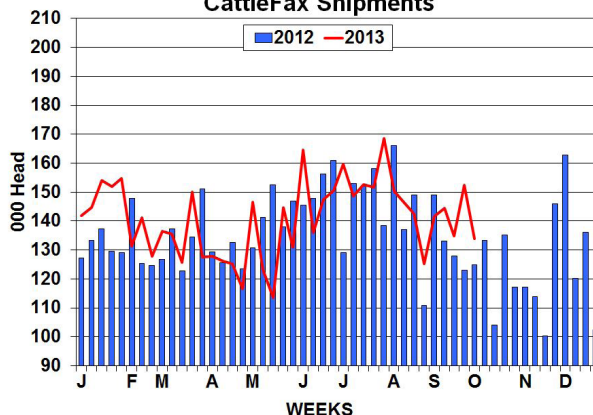
	Live Steers	Hot-Wgt Prices	Live Heifers	Hot-Wgt Prices	Trade Volume	Contract Formula
PANH	126.00	N.T.	126.00	N.T.	82,500	92%
KS	126.00	N.T.	126.00	199.50	74,500	76%
NE	125-126.50	198-199	125-126.50	198	75,000	75%
CO*	N.T.	N.T.	N.T.	N.T.	16,500	100%
CB	125-126	198-200	125-126	198-200	17,000	0%
PNW*	N.T.	N.T.	N.T.	N.T.	0	0%
SW	124.50-125	N.T.	N.T.	N.T.	500	0%

Price ranges reflect the last best test for average choice to high quality cattle.  
\*Includes all reported Canadian Imports

## Live Cattle Imports, Year-to-Date Totals

	21-Sep-13	13-YTD	12-YTD
Canada			
Feeders	N/A	N/A	N/A
Slaughter	N/A	N/A	N/A
	28-Sep-13	13-YTD	12-YTD
Mexico	N/A	N/A	N/A

## CattleFax Shipments



# CattleFax Supply & Beef Production Outlook

Inventory Analysis



## Shipments

- Shipments by CattleFax member feedyards in September averaged 148,000 head per week, which was 6 percent above a year ago and 5 percent above the 5-year average. Shipments were above beginning of the month expectations.

## Placements

- Total CattleFax placements in September were up 1 percent versus a year ago and down 14 percent versus the 5-year average. With the exception of last year, September placements were the smallest since 1980. Placements going forward are not expected to be very large, but because last year's fourth quarter placements were the smallest since 1981 they are also not expected to be significantly below year ago levels.

## Carryover

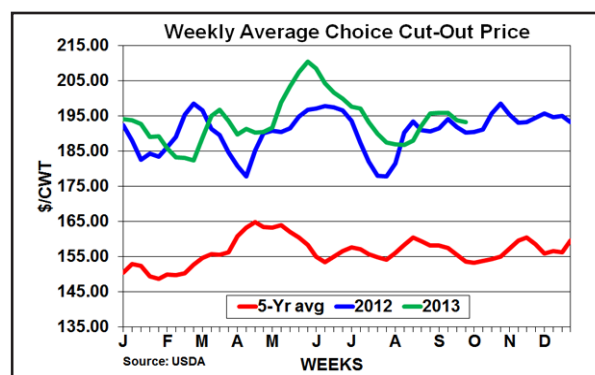
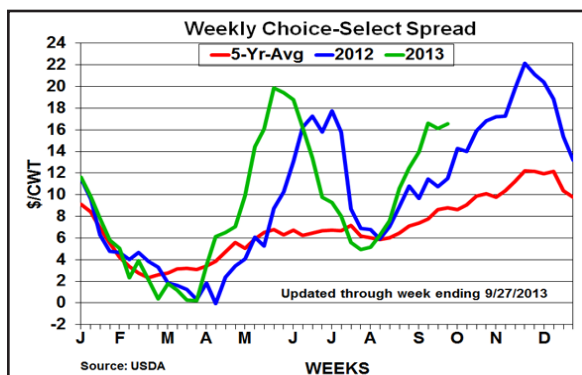
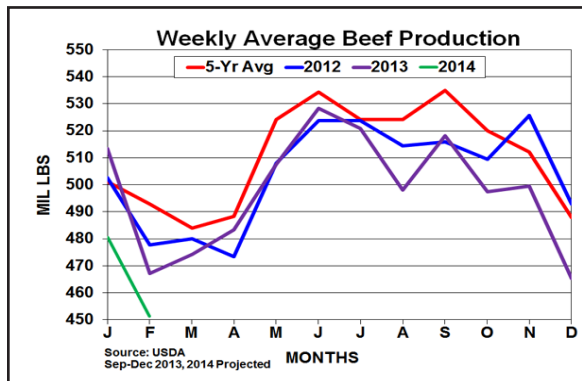
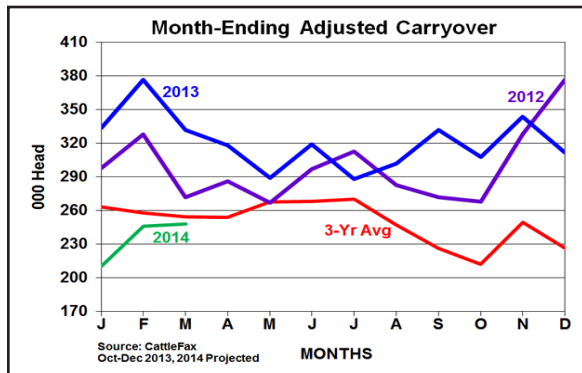
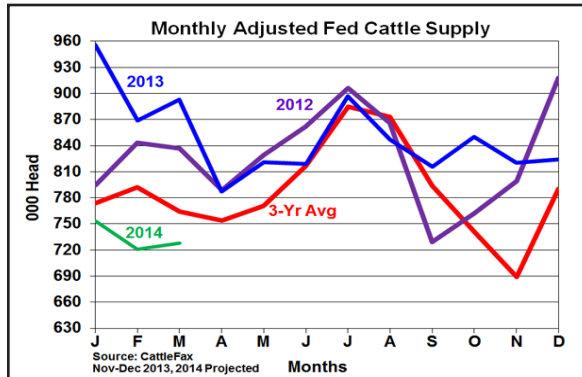
- Carryover from September was above a year ago at 36 percent – the largest since 2002. Carryover is not expected to drop much in October and November due to a larger placed against supply compared to last year. That said, even with large carryover levels in October and November and a non-aggressive shipment forecast, the carryover is currently expected to drop significantly by January.

## CattleFax Fed Supply

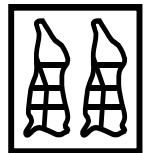
- The October fed supply is 12 percent above a year ago as more cattle were placed against this timeframe than a year ago. If shipment forecasts are met in October and November, fed supplies are forecast to drop significantly in December and January due to a much smaller placed against supply. However, if shipment forecasts are not met, an already large carryover could push supplies further into December and January, essentially filling in the potential supply hole.

## Slaughter and Production

- Weekly average fed slaughter in September was 2 percent above a year ago. Cow and bull slaughter was down 6 percent versus 2012, marking the 3<sup>rd</sup> month in a row of smaller than a year ago non-fed slaughter. Third quarter beef production was about even with last year and fourth quarter production is forecast to be down 4 percent, largely due to a significantly smaller cow and bull slaughter forecast. *Tod Kalous*



Beef Complex



## Fall Demand Developing

The Urner Barry Choice boxed beef cutout closed the week \$.74 higher; Selects over the same timeframe were \$.75 firmer. With USDA not reporting prices, we are using the Urner Barry (Yellow Sheet) quote. Better demand was noted late in the week as buyers begin to look towards booking late October needs.

As the weather cools, look for more buyer interest on end cuts as consumers look to purchase more roasting items. Additionally, more aggressive buying will start

to take place for end of year needs for Ribs and certain Loin cuts with the holidays rapidly moving to the forefront. These factors are expected to lift the cutout going forward, especially on the Choice side of the ledger.

**Next Week:** Cooler weather and reduced production going forward could induce more purchasing interest from buyers. Choice boxes are anticipated to sell between \$192 and \$195, with Selects from \$175 to \$178. *Duane Lenz*



## Corn Carryover Boosted

Corn prices dropped to fresh lows basis the cash and futures markets this week as corn harvest advanced. The release of the quarterly Grain Stocks report from the USDA maintained pressure on the market as U.S. corn stocks were larger than expected as of September 1, 2013.

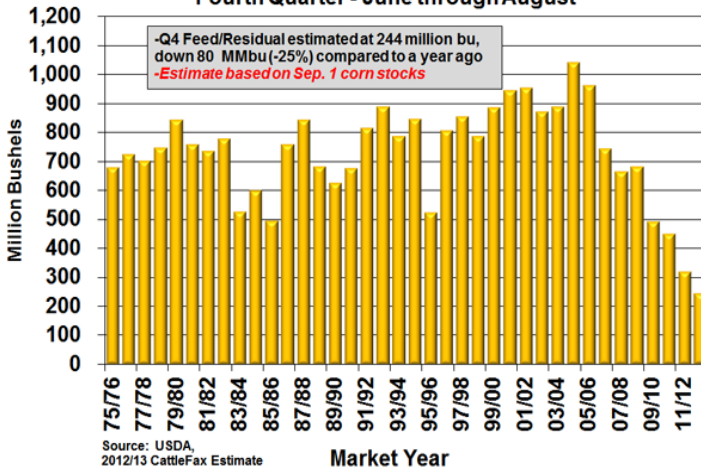
U.S. corn stocks in all positions were reported at 824 million bushels, which was 163 million bushels (25%) larger than the USDA's 2012/13 ending stocks projection of 661 million bushels in the September WASDE estimate. The stocks total implied fourth quarter (June 2013-August 2013) corn disappearance at 1.986 billion bushels – a 9 percent decline compared to the same period last year. Corn disappearance was less than previously projected, thus the USDA is expected to revise feed and residual usage 165 million bushels lower to 4.31 billion bushels in the October WASDE report. Wheat feeding was larger than expected, which allowed for less corn usage. The monthly WASDE report and the Crop Production reports are scheduled for release on October 11<sup>th</sup>, but will be dependent upon whether the federal government is back to work or not - talk of postponed reports was circulating the trade this week.

The extra 163 million bushels of corn are expected to be added to the new crop corn ending stocks (2013/14 market year). This increase alone would lift new crop stocks to use levels to 15.9 percent, rising from the estimate of 14.6 percent in September by the USDA. A combination of more favorable yield reports out of the field as well as stabilized crop conditions suggest that U.S. average corn yields could be revised higher from the September estimate of 155.3 bushels per acre. Yields could rise to as much as 157-159 bushels per acre; however the increase may be partially offset if harvested acreage (which remains in question) is revised 300,000 to 600,000 acres lower. The end result is that stocks to use levels which have been expected to range from 13.5-15.5 percent are now expected to range from 15.5-17.5 percent into the end of the year, assuming U.S. corn production rises back toward 14 billion bushels.

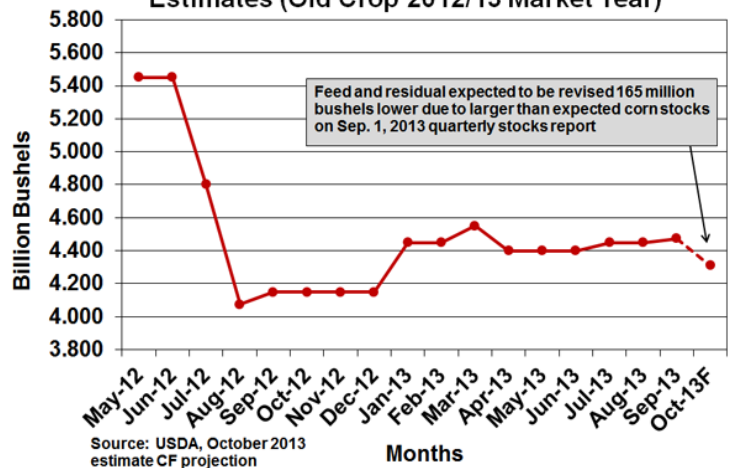
**Bottom Line:** New crop stocks to use levels are expected to range from 15.5-17.5 percent in the months ahead. December corn futures are expected to find support in the \$4.25-\$4.35/bu range with major resistance in the \$5.00-\$5.25/bu range.

*Chad Spearman*

Quarterly U.S. Corn Feed/Residual Usage  
Fourth Quarter - June through August



Monthly U.S. Corn Feed and Residual  
Estimates (Old Crop 2012/13 Market Year)



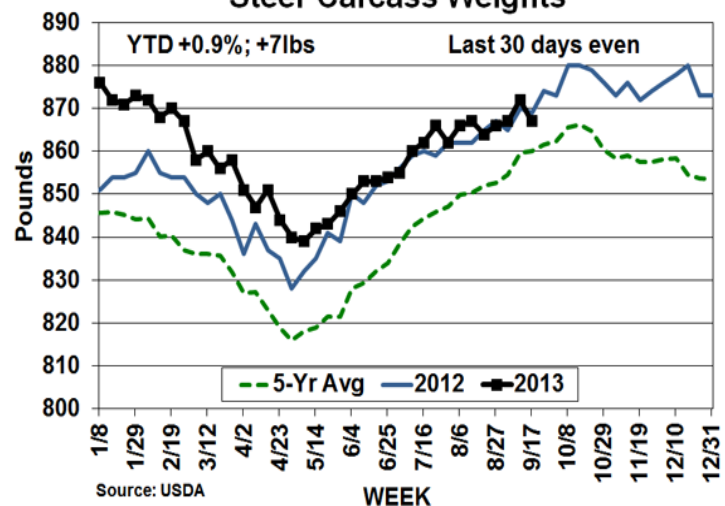
## Carcass Weights Moderate

Year-to-date steer carcass weights are running 7 pounds above last year. But, carcass weights have moderated since mid-year and are presently running slightly below year ago levels. Generally speaking the feeding industry is more current than last year. In CattleFax data, the pulled forward has been above 10 percent since June, and in September 13.5 percent of the October supply was pulled forward. This has been supportive to keeping carcass weights in check.

The other major factor presently effecting carcass weight is the impact of Zilmax no longer being used. Seasonally, carcass weights increase near term and then decline from late year on into the following year. Look for a seasonal pattern moving forward, although carcass weights are forecast to run 5 pounds or more, below year ago levels through the fourth quarter. The year over year reduction in carcass weights are forecast due to the Zilmax effect and the thought that cattle will generally be profitable, and therefore cattle feeders will be willing sellers keeping the feeding industry current.

Reduced carcass weights coupled with projected reductions in both fed and non-fed slaughter levels will result in beef production down 4 percent in the fourth quarter. Longer term, over the next

Steer Carcass Weights



few years, the trend of increasing carcass weights is expected to continue. Lower costs of gain as well as the fact that cattle feeders are still paid on pounds will contribute to the continuation of the long term trend of increasing carcass weights. *Kevin Good*

# Extended Weather Outlook

Extended Range Outlook October through December 2013

Prepared by Dr. Art Douglas, Creighton University, Omaha, Nebraska

Weather patterns across the globe are drifting towards an El Nino event for 2014. This El Nino is expected to last through the entire year. An extended period of developing El Nino tends to favor increased moisture, first in the Midwest and later in Southeast and Southwest. During the early winter when El Nino starts to

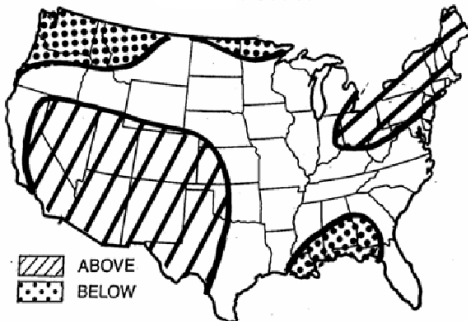
develop (i.e. early 2014) cooler than normal temperatures are focused on the north central U.S. in November and December, but by mid and late winter temperatures tend to warm across the north. Feedlots in the central Plains are likely to experience an open winter with dry westerly flow dominating as the El Nino develops.

This September a strong low pressure system developed across the warm waters of the Gulf of Alaska. As these storms moved inland across the Northwest, heavy early fall moisture spread across the Northwest. The Pacific low has recently weakened and moved back west due to initial cooling of the waters off the Northwest coast. These waters are expected to warm again later in the fall with another round of heavy rains likely by late October and November. The forecast calls for fall and early winter rains extending farther south into central California.

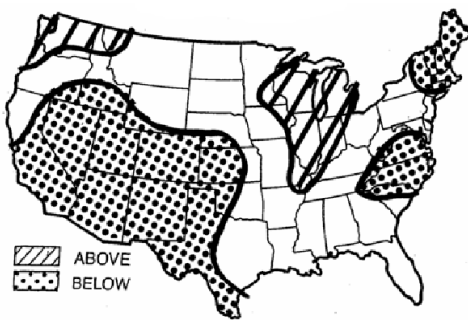
October temperatures will be warmer than normal from the Southwest into the central and southern High Plains and the Northeast. By November the warmest temperatures will retreat back into the Southwest as cooler temperatures settle into the Midwest and Southeast. December temperatures are forecast to be above normal in the northeast quarter of the country with the area of below normal temperatures in the Midwest retreating into the far northern Plains. Precipitation in the next three months will tend to be below

normal in the Southeast and the Southwest with wetter than normal conditions most likely in the Southern Plains and the Pacific Northwest. The wheat areas of the central plains are forecast to be drier than normal for the next three months with northern winter wheat grazing likely to be slowed by dryness in the south central plains.

TEMPERATURE OUTLOOK  
OCTOBER 2013



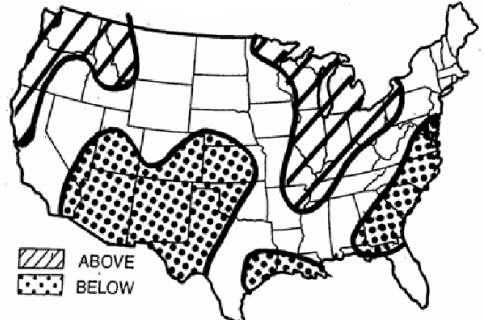
PRECIPITATION OUTLOOK  
OCTOBER 2013



TEMPERATURE OUTLOOK  
OCTOBER THROUGH DECEMBER 2013



PRECIPITATION OUTLOOK  
OCTOBER THROUGH DECEMBER 2013

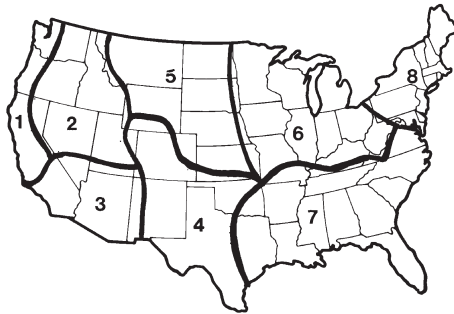


**Region 1.** The forecast calls for wetter than normal conditions with near normal to slightly above normal temperatures for the next three months. Heaviest precipitation will occur in early winter. Probable departures: precipitation to 130% next three months; temperatures to +1F.

**Region 2.** An active storm track will keep the northern half of the region wetter than normal for the next three months with temperatures remaining cool in northern sections. The south will remain warm and dry. Probable departures: temperatures -1F far north to +2F south; precipitation 120% north to 70% south.

**Region 3.** The summer rainy season has ended and Pacific Northwest storms will stay far to the north. Warm-dry weather is forecast through the winter. Probable departures: temperatures to +2F deserts; precipitation less than 60% east to near normal coast by late fall.

**Region 4.** Warm-dry conditions will persist in western sections through the early winter. Depending on how quickly



El Nino strengthens, eastern sections could experience increased moisture later in the winter. Probable departures: temperatures to +2F west; precipitation less than 60% southwest sections to near normal far northeast.

**Region 5.** Northern sections will stay cooler than normal through early winter while the far southern border will remain warmer and drier than normal. Snowpack in the northern Rockies will increase early in the season. Probable departures: temperatures approaching -2F far north to +1F south; precipitation less than 75% far

south to near normal north.

**Region 6.** Temperatures will dip to below normal levels by November before returning to near normal levels in December. The southern half of the region will remain wet through the winter while the western border tends dry. Probable departures: temperatures dropping to -2F east in November before rebounding; precipitation to 120% northern third to 80% far west.

**Region 7.** Drier conditions will drift back after tropical storm rainfall in October. Temperatures are likely to dip in November but rebound to normal by December. Probable departures: temperatures dropping to -1F November; precipitation less than 75% late fall and early winter.

**Region 8.** A mild late fall and early winter are forecast for the region with precipitation generally near normal to slightly below normal. Nor'easter activity is expected to be weaker than normal this winter. Probable departures: temperatures to +1F; precipitation near normal.

Slaughter  
Cow  
Update

## Cull Cow Market to Stabilize

While the cull cow market has experienced a seasonal decline in values, prices have not yet declined the magnitude that is traditionally experienced. The volume of cows in the marketplace will increase over the next 60 days as weaning of calves continues, but overall numbers are expected to continue to run well below year ago levels. CattleFax continues to project a large drop off in numbers of cull cows to the tune of about 11 to 12 percent versus a year ago through the fall run.

Cull cow values are presently running \$3 to \$5/cwt above same time a year ago levels. Imports of cow beef from Australia are below year ago levels. Demand is seasonally not very good this time of year for ground beef, but the shortage of product will continue to support price levels near the mid \$70's/cwt through the fall. Next spring's cull cow values continue to be projected up near the \$90/cwt level or above. *Troy Applehans*

Increasing Demand  
for FemalesBred Cow  
Update

Open replacement quality type heifers are selling well and are expected to continue to increase in value through next spring, provided Mother Nature continues to cooperate in most areas. The bred heifer market is running about \$100-\$150 per head above year ago levels. And bred running age cows are running about \$100 per head above year ago levels. These values are expected to increase and seasonally peak out after the first of the year prior to calving.

Demand remains good as producers look to expand. One hold up concerning the market continues to be high hay prices. Producers who have the ability to economically winter replacement heifers and bred females are expected to be rewarded for the wintering costs come next spring. In the Central Plains, bred female values are expected to meet and or exceed the \$2,000 per head level. *Troy Applehans*

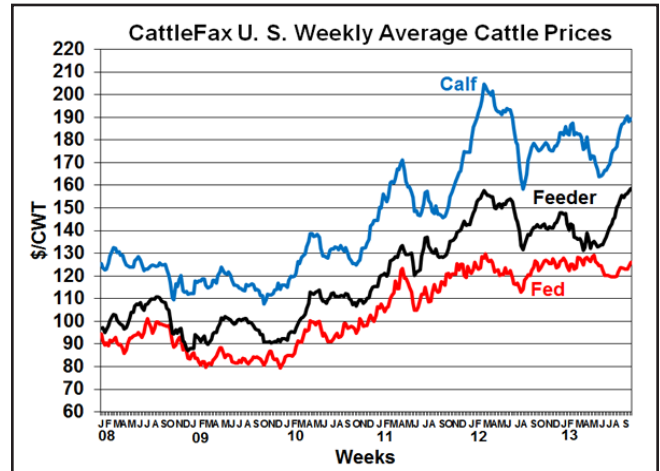
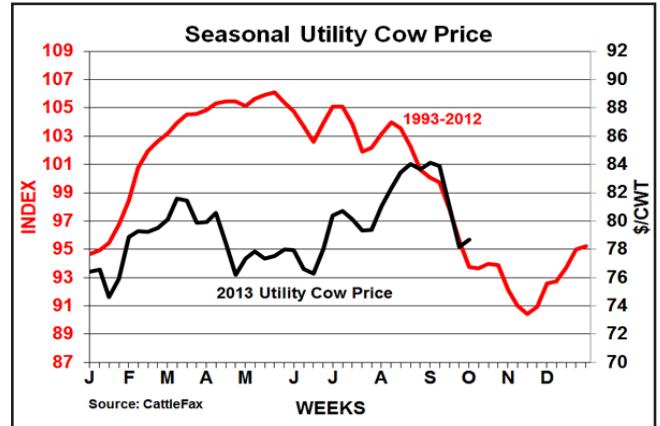
Cattle-  
on-Feed  
Estimate

## Marketings Solid

Cattle-on-feed is estimated to be 92.9 percent versus a year ago. Marketings are forecast to be up 4 percent from a year ago. Placements are estimated to be up 3 percent from last year.

U.S. Cattle-on-Feed October 1, 2013 (000) head 1,000+ capacities				
	Average 2008-2012	2012	2013	% year ago
COF September 1	10281	10647	9876	92.8
Placed	2321	2004	2065	103
Marketed	1754	1598	1665	104
Other Dis.	58	64	64	100
COF October 1	10790	10989	10212	92.9

There were 4.0 marketing weeks this year versus 3.9 a year ago. Federally inspected steer and heifer slaughter is estimated to be up 5 percent from a year ago. The COF totals are very much in line with the seasonal, as supplies are increasing going into the fall. *Michael Murphy*



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fed steers</b>	123.49	126.54	126.44	121.72	121.41	118.62	114.65	120.10	124.68	125.75	126.12	125.30
2013	125.23	124.94	126.74	127.51	125.97	120.89	119.75	123.15	124.09			
<b>750-lb steers</b>	148.61	155.57	155.23	150.82	152.04	150.41	137.20	137.33	141.76	141.77	141.79	146.22
2013	144.17	138.10	133.88	135.60	133.96	136.63	145.14	153.91	157.09			
<b>650-lb steers</b>	157.33	167.91	169.24	164.54	163.98	160.66	144.25	142.56	147.50	147.35	147.25	158.64
2013	153.01	149.72	147.24	147.61	143.99	145.11	150.97	160.39	162.73			
<b>550-lb steers</b>	169.41	181.84	184.84	179.35	178.23	172.78	153.11	151.47	157.16	158.01	158.79	164.27
2013	166.52	165.86	163.28	160.23	154.52	154.54	159.93	169.61	171.96			
<b>450-lb steers</b>	185.63	198.57	200.98	193.23	192.73	186.78	166.70	169.35	176.90	177.34	175.80	180.77
2013	183.89	183.92	179.02	175.61	167.45	166.52	174.31	184.98	189.14			
<b>Utility Cows</b>	74.71	83.54	84.91	86.78	88.03	82.76	76.69	76.51	76.43	74.56	77.70	75.64
2013	76.48	79.55	80.71	78.14	77.73	77.83	80.11	83.37	81.80			

## Average Prices Sep, 2013

	Western	Midwest	Northwest	Southeast
Bred Cows	1050-1425	1300-1650	1050-1375	1125-1475
Bred Heifers	1175-1500	1400-1750	1175-1425	1150-1500
Pairs	1250-1650	1800-2100	1225-1550	1400-1700

## Holstein Market 04-Oct-2013

	CA/AZ	TX/KS	ID/UT	CO/NE	Midwest
Live	118-119	NT	NT	NT	NT
Dressed	NT	NT	NT	NT	NT
<b>Calves/feeders (\$/cwt)</b>					
275 lbs.	158-164	NT	NT	NT	NT
400-500 lbs. del.	NT	NT	NT	NT	NT
800 lbs. del.	NT	NT	NT	NT	NT
Day-old f.o.b. (\$/hd)	140-150	NT	NT	NT	NT



# Seasonal Calf Market

It's not too early for next summer's stocker operators to start evaluating their inventory needs. Obviously by owning cattle this early there is risk of Mother Nature not cooperating and a stocker producer not having enough grass next summer. But, the value in the calf market today is such that they may need to take on some inventory.

The following example shows the value of the calves for next summer's stocker needs. A Central Plain's steer calf at \$215/cwt for a 450 pound steer is roughly \$970. Combining winter and summer costs, along with interest at a cost of \$350, thus total cost is \$1,320. Assuming 400 pounds of gain, for a total sell weight of 850 pounds.  $\$1320/850 = \$155$ . The August and September 2014 feeder cattle futures are trading near \$165. Thus, basis is the key, but the margin opportunity is very solid.

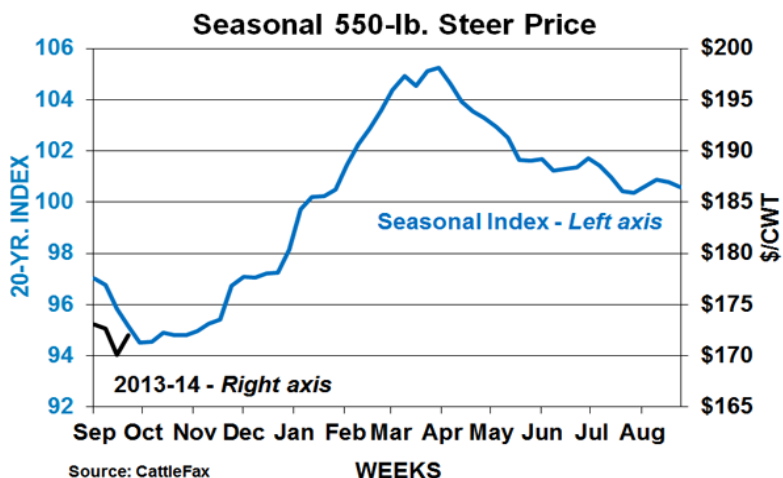
There is a fine line of when to buy cattle for next summer's grass and when not to. Looking at the

accompanying chart, the seasonal is very clear, prices will move higher from the fall to the spring. This chart is measuring a September 1 to August 31 time period. The cost of calves will go up, and that has to be measured relative to the cost of feed through the winter.

On the other side of the fence, those looking to sell calves have to understand the seasonal prices are forecasted to be more sideways during October, but then will start to move higher into end of year. The fact that feeder cattle futures are trading in the mid-160's for the next several months is supportive to calf values in the short-term. There are positive factors to the market, like a smaller calf crop this year and fewer imports from Mexico expected into year-end. The negatives in the short-term are likely more of the uncontrollable, like the impact the economy would have on the market with the government shutdown.

**Bottom Line:** Cattle that would be destined to go to summer grass are going to go up in value. Today's values have a positive margin with some pretty extreme costs built in. Look for calves to trade sideways for a few weeks, but increase after Halloween into the spring. *Michael Murphy*

Feeder Cattle and Calves: Representative Direct Sales					
Area	No.	Wt.	Breed Type	Price	Del.
<b>CENTRAL STEERS</b>					
OK	250	750	Choice Eng X	166.00	NOV
OK	200	775	Choice Eng X	164.00	NOV
OK	350	825	Choice Eng X	158.00	JAN
MT	100	560	CH Eng X - WND	178.00	NOV
OK	400	545	CH Eng X - WND	181.00	NOV
IA	200	820	Choice Eng X	160.00	NOV
IA	100	775	Choice Eng X	164.00	NOV
MT	100	925	Choice Eng X	152.00	NOV
MT	350	525	Choice Eng X	200.00	NOV
<b>CENTRAL HEIFIERS</b>					
OK	1,000	700	Choice Eng X	154.00	JAN
OK	300	725	Choice Eng X	153.00	DEC
TX	100	750	Choice Eng X	144.00	IMM
MO	100	575	CH Eng X - WND	165.00	NOV
MO	150	575	CH Eng X - WND	165.00	NOV
<b>SOUTH STEERS</b>					
GA	200	650	Choice Eng X	153.00	IMM
GA	250	725	Choice Eng X	154.00	IMM
GA	300	775	Choice Eng X	153.00	IMM
GA	350	825	Choice Eng X	146.00	IMM
<b>SOUTH HEIFIERS</b>					
GA	150	625	Choice Eng X	144.00	IMM
GA	200	700	Choice Eng X	142.00	IMM
GA	250	725	Choice Eng X	141.00	IMM



Feeder Cattle Prices Sponsored by:

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## Feeder Cattle Prices 04-Oct-2013

### West & Northwest

	CO	MT/WY	CA	NV/UT	AZ/NM	WA/OR /ID
<b>STEER</b>						
9-10	145-149	147-152	137-141	136-141	136-145	135-141
8-9	154-158	153-160	146-150	145-150	145-153	144-150
7-8	161-166	162-170	152-157	151-157	151-160	150-157
6-7	165-172	168-176	161-168	160-168	157-166	159-168
5-6	175-185	175-186	170-180	169-180	168-178	168-180
4-5	192-202	187-205	188-198	185-198	186-198	184-196
<b>HEIFER</b>						
8-9	147-151	144-154	138-142	138-142	137-144	137-143
7-8	150-155	150-158	143-148	142-148	142-150	141-148
6-7	155-162	154-165	145-155	149-157	146-155	148-157
5-6	160-170	157-174	156-166	155-166	152-164	154-166
4-5	175-185	170-188	165-175	163-175	163-177	162-174
<b>COWS</b>						
util	75-80	72-83	74-80	72-80	72-82	71-79
cn/cut	73-77	67-78	63-71	60-71	63-80	62-70
bulls	93-98	90-100	80-92	78-91	79-100	78-92

**West** — Feeder cattle prices were mostly \$3 to \$4 higher. Calf prices were mostly \$3 to \$7 higher. Slaughter cow values were mostly steady. — Chad Spearman

### Central

	TX	KS/MO	ND/SD	NE	OK	IA
<b>STEER</b>						
9-10	143-147	142-151	152-156	150-154	144-148	149-153
8-9	152-156	153-162	156-160	155-159	156-160	154-158
7-8	158-163	162-169	162-167	166-171	164-169	167-172
6-7	160-167	161-169	169-176	171-178	163-170	171-178
5-6	169-179	170-180	176-186	185-195	172-182	183-193
4-5	190-200	180-191	194-204	207-217	187-197	207-217
<b>HEIFER</b>						
8-9	141-145	142-149	148-152	150-154	142-146	147-151
7-8	147-152	147-157	152-157	153-158	151-156	152-157
6-7	149-156	150-161	156-163	158-165	155-162	158-165
5-6	155-165	153-163	163-173	164-174	153-163	161-171
4-5	167-177	165-175	175-185	182-192	163-173	176-186
<b>COWS</b>						
util	77-83	77-85	73-81	75-85	79-85	75-85
cn/cut	76-81	69-83	70-75	69-76	74-79	68-76
bulls	95-102	90-102	90-100	97-102	98-102	97-101

**Central** — Feeder cattle traded \$2 to \$4 higher for the week. Calves ranged from steady to instances of \$5 higher. Market cows were steady. — Troy Applehans

### Southeast

	AL	AR	FL	GA	LA/MS	KY/TN
<b>STEER</b>						
9-10	132-136	133-137	129-135	131-135	131-135	141-145
8-9	144-148	146-150	138-142	143-147	143-147	147-151
7-8	147-152	148-153	143-148	147-152	146-151	150-156
6-7	150-157	152-159	147-154	149-156	149-156	152-159
5-6	152-162	160-170	149-159	150-160	151-161	152-160
4-5	170-180	172-182	168-178	168-178	167-177	160-170
<b>HEIFER</b>						
8-9	128-132	130-134	126-130	127-131	127-131	133-137
7-8	138-143	136-142	132-137	137-142	137-142	135-140
6-7	137-144	140-147	133-140	136-143	135-142	138-145
5-6	136-146	144-154	134-144	135-145	136-146	140-150
4-5	144-154	155-165	144-154	144-154	147-157	143-153
<b>COWS</b>						
util	72-82	72-82	73-83	73-83	70-80	75-80
cn/cut	70-75	67-77	70-75	71-78	63-71	72-77
bulls	94-100	86-96	89-99	91-100	90-100	92-97

**Southeast** — Feeder cattle were steady to \$2 higher this week. Calves traded from steady to \$1 higher. — Troy Applehans



## CattleFax

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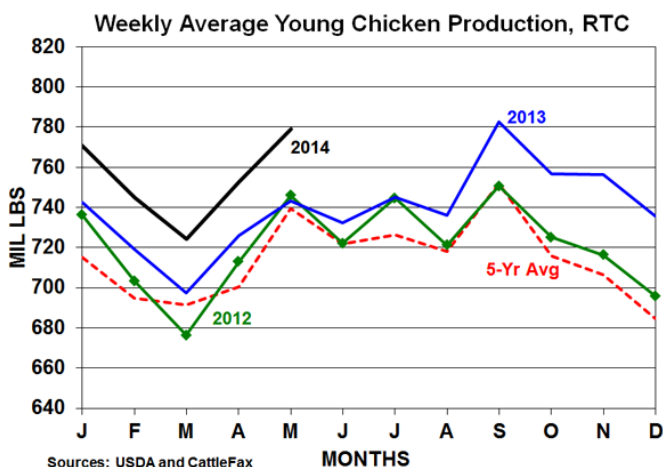
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## Broiler Production Increasing

Record retail and wholesale chicken prices along with a significant reduction in feed costs has put the poultry industry in a very profitable position. The economic signals are in place to see rapid year-over-year increases in poultry production for the remainder of the fourth quarter and into the first half of 2014.

The poultry breeding flock as of September 1 is up 4.6 percent from a year ago. Egg sets and chicks placed over the past four weeks are up on average of 4.3 and 3.6 percent respectfully. With weights continuing to increase as well, fourth quarter ready-to-cook (RTC) production is forecasted to be up 5 percent versus a year ago, while first quarter 2014 RTC production is forecasted up 3.5-4 percent. With these types of production increases, poultry prices are not expected to continue to increase and have actually started to trend lower at the wholesale level, which will eventually change the trend in poultry prices at retail.

**Bottom Line:** Poultry production is beginning to increase rapidly, year-over-year, which will put pressure on poultry prices. These two inputs together will become limiting factors for beef demand later this year and into 2014. *Alan Smith*



### F.I. Slaughter Mix (000 head)

	----- Week Ending -----				----- Year To Date -----		
	21-Sep-2013		22-Aug-2012		2013	2012	Pct Chg
Total Sitr	N/A		N/A		N/A	N/A	N/A
	Pct	No	Pct	No			
Steers	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Heifers	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cows	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bulls	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Summary of Activity Sponsored by:



**FULL VALUE BEEF™**

Summary of Activity	This Week 4-Oct-13	Last Week 27-Sep-13	Year Ago 5-Oct-12
<b>CattleFax Data</b>			
Placements	160,006	162,459	141,122
Shipments	133,840	152,320	121,420
Avg In-Weights	744	755	724
USDA Sitr Wgts	N/A	1,313	1,323
USDA Str Carc Wgt*	N/A	867	874
Days on Feed	149	155	159
Carryover Pct	34	36	32
Weekly Supply	447,400	447,600	378,500
Percent Grade Choice & Higher	64.36	65.61	63.78
Prime Grade Pct	3.40	3.30	3.72
Choice Grade Pct	60.96	62.31	60.06
Select Grade Pct	30.31	29.11	29.85
<b>Live Prices (\$/cwt)</b>			
Slaughter Steers	125.79	126.00	123.66
Steer Calf (450#)	190.61	189.18	175.70
Steer Calf (550#)	174.14	171.99	155.94
Yearling Steer (650#)	164.86	163.65	147.01
Yearling Steer (750#)	160.66	158.60	141.28
Yearling Steer (850#)	153.22	151.94	136.56
Utility and Commercial Cows	78.66	78.16	75.80
Canner and Cutter Cows	73.44	73.01	69.63
Lean Hogs	N/A	93.84	77.45
Omaha Corn (\$/bu)	N/A	4.56	7.65
12-City Broiler	N/A	92.60	82.56
Dollar Index	80.14	80.27	79.44
<b>Meat Prices (\$/cwt)</b>			
Certified Angus Beef Cutout (UB)	199.80	199.57	203.81
Choice Cutout	N/A	193.60	191.35
Select Cutout	N/A	177.05	177.09
Choice/Select Price Spread	N/A	16.55	14.26
Cow Cutout	N/A	159.74	159.60
Hide and Offal	N/A	13.94	13.29
Pork Cutout	N/A	102.36	84.95
<b>Slaughter (000 hd) and Meat Production (Mil lbs)</b>			
Cattle	N/A	632.0	623.0
Hogs	N/A	2,190.0	2,356.0
Total Red Meat Production	N/A	954.6	975.1
Beef Production	N/A	503.9	493.3
Pork Production	N/A	446.0	476.7
Poultry Production	N/A	.0	784.3
	<b>CME AVG</b>	<b>6 STATE FED</b>	<b>KS-TX-OK</b>
	<b>FDR PRICE</b>	<b>STR PRICE**</b>	<b>FED STR**</b>
Thu 10/03	N/A	126.00	125.95
Wed 10/02	N/A	126.02	125.97
Tue 10/01	N/A	126.01	125.97
Mon 09/30	159.92	126.01	125.97
Fri 09/27	159.63	126.01	125.97

\* USDA steer carcass weights are actual from two weeks ago.

\*\* 5-Day weighted average fed steer price (CO,IA,KS,NE,TX,OK), (KS,TX,OK)