Livestock & Grain Market News

Federal-State Market News, 2301 S. University Ave.
Little Rock, AR  72204, (501) 671-2200

August 28, 2017

No report next week due to the holiday. Next report will be September 11, 2017.

MARKET

**REPLACEMENT COWS**

<table>
<thead>
<tr>
<th>This Week</th>
<th>Last Sale</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open/short-bred</td>
<td>80.00- 90.00</td>
<td>75.00- 85.00</td>
</tr>
<tr>
<td>Third Stage</td>
<td>82.00- 92.00</td>
<td>93.00- 103.00</td>
</tr>
</tbody>
</table>

**PAIRS**

- Small calves: 1150.00- 1250.00
- Large calves: 1100.00- 1200.00

**SLAUGHTER COWS**

- Bones: 61.00- 67.00
- Lean: 59.00- 65.00

**SLAUGHTER BULLS**

- 1000-2100 lbs.: 81.00- 91.00

**CASH MARKETS**

<table>
<thead>
<tr>
<th>MON</th>
<th>TUE</th>
<th>WED</th>
<th>THU</th>
<th>FRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
</tr>
</tbody>
</table>

**MARKET SITUATION AND OUTLOOK:** According to Josh Maples, Assistant Professor, Department of Agricultural Economics, Mississippi State University: Feedlot Profitability Turns Negative.

Current and expected fed cattle prices have declined by approximately $10/cwt over the past five weeks. This decline has eroded the projected profitability for feedlots through the rest of 2017. According to K-State’s Kansas Feedlot Net Return series, the projected net return for steers in Kansas feedyards was $136 per head for July closouts. In fact, each month in 2017 has seen positive returns with some months in the late Spring showing more than $300 per head returns. The projections for the next nine months, however, are negative. August closouts show projected losses of $31 per head while the projected loss for November is $169 per head.

Feedlot returns are volatile as they rely on both feeder and fed market prices, feed cost of gain, and a relatively long production lag. The K-State report provides historical and projected return information and was last released on August 14th. The K-State series reflects a cash market situation without price risk management strategies being implemented. Many feedlots do engage in some type of price risk management. However, few can fully offset price risks and most feedlots at least partially exposed to price risks at placement.

The positive feedlot returns seen during the first half of 2017 helped encourage feedlots to bid aggressively to replace boosted marketings. The shift toward negative returns means feedlot operators will have to make tough decisions about replenishing inventory with cattle that are projected to lose money. The historically large losses of 2015-16 are certainly still fresh on operators and lenders minds. In any case, it is likely that feedlots will be forced to continue to bid less aggressively on feeder cattle than during the past few months as they closely monitor the profitability of their operations.

Source: Livestock Marketing Information Center (www.lmic.info)
Thursday, August 24, 2017

SLAUGHTER COW CARCASSES
SLAUGHTER BULL CARCASSES

<table>
<thead>
<tr>
<th></th>
<th>Lean 90% Lean</th>
<th>85% Lean</th>
<th>75% Lean</th>
<th>92% Lean</th>
<th>500 lbs &amp; up</th>
<th>118.00-144.00</th>
<th>103.00-130.00</th>
<th>600 lbs &amp; up</th>
<th>145.00-172.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>245.00</td>
<td>112.00-144.00</td>
<td>103.00-130.00</td>
<td>600 lbs &amp; up</td>
<td>145.00-172.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>400-500 lbs</td>
<td>117.00-144.00</td>
<td>114.00-140.00</td>
<td>600 lbs &amp; up</td>
<td>138.00-160.00</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>350-400 lbs</td>
<td>107.00-144.00</td>
<td>107.00-135.00</td>
<td>600 lbs &amp; up</td>
<td>88.00-125.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 350 lbs</td>
<td>80.00-135.00</td>
<td>80.00-135.00</td>
<td>600 lbs &amp; up</td>
<td>88.00-125.00</td>
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</tr>
</tbody>
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BUCKS/BILLIES:  Selection 1-2 70-100 lbs 152.00-196.00, few 200.00-216.00; 100-150 lbs 130.00-178.00; 50-100 lbs 196.00-230.00.

DOES/NANNIES:  Selection 1-2 80-130 lbs 132.00-150.00; 130-170 lbs 114.00-138.00; thin 70-120 lbs 210.00; 80-90 lbs 160.00-194.00; Selection 2 40-60 lbs 160.00-216.00; 60-80 lbs 170.00-220.00; 80-100 lbs 236.00-248.00. Selection 1-2 40-60 lbs 200.00-220.00; 60-80 lbs 216.00-230.00; 80-100 lbs 236.00-248.00.

Last Week

Compared to previous report: Lean cows 2.00-10.00 lower; Boner cows 2.00-10.00 lower; Breakers 2.00-10.00 lower; Bulls 1.00-8.00 lower.

Compared to last week: Nannies steady; kids 10.00-20.00 lower.

Arkansas Hay Market Report

August 24, 2017

Alfalfa trade moderate, movement moderate to fairly active in western Oklahoma, mostly moderate in central counties. Demand mostly moderate with supplies and offerings light to moderate. Prices are fully steady. Supreme quality alfalfa becoming harder to find. Grass hay demand remains very light. More rain fell over much of western, central and eastern counties. Grazing conditions are excellent and most ponds and tanks are full. More rains are in the forecast and some producers are fertilizing pastures and hay meadows in anticipation. Unusual conditions for this time of year.

Central Oklahoma: Supreme quality large square bales 140.00-150.00. Premium quality large square bales 125.00-140.00. Good quality large square bales mostly 100.00-110.00. Fair to Good quality round bales and few large square bales 80.00-90.00. Eastern Oklahoma: Small square bales horse hay 60-70 lb. bales 8.00 to 12.00, mostly 10.00-12.00 per bale. Western Oklahoma: Supreme quality large square bales 140.00-150.00. Premium quality large square bales few sales 125.00-130.00. Good quality 90.00-100.00.

Grass Hay

Central Oklahoma: Good Bermuda 4 X 5 bales 30.00-50.00 per bale, 5 X 6 bales 40.00-60.00 per bale. Mixed grass 4 X 5 round bales 30.00-40.00 per bale. Small square bales good Bermuda mostly 6.00 per bale.

Western Oklahoma: Good quality wheat hay 5 X 5 1/2 to 5 X 6 bales mostly 50.00/bale or 80.00 per ton. Good Bermuda horse quality 65.00-70.00 per bale in 5 X 6 bales, Good Bermuda cow hay 5 X 6 bales 45.00-60.00 per bale, 4 X 5 bales mixed grass 35.00-45.00 per bale. Certified weed free wheat straw 4 X 5 bales 50.00 per bale.

Eastern Oklahoma: Mixed grass hay in 5 X 6 bales 30.00-50.00. Good Bermuda in 5 X 6 bales 50.00-65.00 per bale. Mixed grass 4 X 5 bales 30.00-40.00 per bale. Small square bales good mixed grass or Bermuda 4.00-6.00 per bale.

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