



## Fall feeder calf marketing update

*The fall marketing run of feeder calves has started, as evidenced by lighter-weight calves being sold at livestock auction markets across the Northern Plains.*

### The market report

The U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) issues a "Dakotas" feeder cattle market report each week that reports average feeder cattle prices and the total number sold at six auction markets in North Dakota and 11 in South Dakota. The report can be accessed in the national feeder and stocker cattle summary, which is released on the AMS Web site every Friday afternoon at

[www.ams.usda.gov/mnreports/SJ\\_LS850.txt](http://www.ams.usda.gov/mnreports/SJ_LS850.txt).

Individual market reports can be accessed at [www.ams.usda.gov/lsmnnpubs/cfauction.htm](http://www.ams.usda.gov/lsmnnpubs/cfauction.htm), then click on the appropriate state and desired market.

The fall calf-marketing season usually gets into full swing in mid-October, and weekly receipts in the Dakotas report bear that out. For the week ending Oct. 14, only 31% of feeder cattle sold weighed more than 600 pounds (lb.). That compares with 91% weighing more than 600 lb. for the same week in September.

The volume of feeder cattle sold during that time doubled. However, volumes are

running less than last year at this time due to the improved grazing conditions that exist in South Dakota and western North Dakota.

Prices for all market classes of feeder cattle averaged about 5% higher than last year's levels in mid-October. Many 550-lb. to 600-lb. steer calves sold between \$125 and \$135 per hundredweight (cwt.).

Cyclically short supplies and strong demand are bolstering prices.

### 2005 calf crop

USDA projects the 2005 calf crop to be 37.8 million head, up slightly from 37.6 million in 2004, but down slightly from 37.9 million in 2003. This year's calf crop will be almost 2.5 million head less than 10 years ago.

More heifer calves likely are to be retained for breeding purposes than last year because of improved moisture conditions in many western cattle-producing states. That will further tighten supplies available to the feedlot sector.

High-quality heifer calves sold for replacements are averaging \$5-\$10 per

cwt. higher than their feedlot-bound counterparts. For example, a recent market report quoted 550-lb. to 600-lb. heifers at \$115-\$120 per cwt., while an individual lot of 585-lb. replacement heifers brought \$124.50.

Two important fundamentals that affect the demand for feeder cattle are prices of fed cattle and corn. Increasing fed-cattle prices and declining corn prices have affected calf prices positively this fall.

Several factors have combined to support fed-cattle prices. Seasonally declining beef production, fewer than anticipated fed-cattle imports from Canada and relatively good consumer demand, despite higher energy prices, have bolstered prices. Fed-cattle prices increased about \$10 per cwt. since mid-July seasonal lows and are averaging \$3-\$4 higher than last year at this time in mid-October.

### Corn price influence

Corn prices declined about 60¢ per bushel (bu.) from July highs and are averaging about 20¢ per bu. less than last year at many cattle feedlot locations.

Higher drying costs due to increased energy costs will encourage feedlots to store high-moisture corn. That will stimulate the demand for feeder cattle as well.

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Some seasonal weakness in calf prices can be expected as heavy runs come to market in November and December. However, prices should average near or slightly above last year's levels.

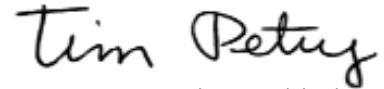
Feeder calf marketers are reminded that different lots of feeder calves of the same weight and grade can sell at a relatively wide range in prices, depending on the many market factors that can affect prices. It is common for prices of 550-lb. to 600-

lb., medium- and large-frame No.1 steers to differ from \$5 to \$10 on the same sale day.

Calves are selling particularly well that have received preweaning shots, that qualify for various niche-marketing programs or that may be replacement-quality heifers. However, it is very important that documentation is available so buyers can be assured that premium prices are warranted.

Producers are encouraged to contact their market several weeks prior to selling

for tips on management and marketing practices that can help assure calves bring the best possible price.



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