Wilson County Agricultural Article from Ruth Correll, Agricultural Extension Agent

Is There a Change in the Cattle Market on the Horizon?

There have been some changes in the market. The following were the market comments from Dr. Andrew Griffith, UT Agricultural Economist, regarding current cattle market trends and the influences that may be affecting the market prices.

“Calf, feeder cattle and slaughter cow prices trended lower this week throughout the state and across the nation. It seems most markets are working against the feeder cattle market at this time as corn and soybean prices continue to escalate while live cattle prices continue to falter.

The 150 day live cattle spreads have improved slightly with the decline in feeder cattle prices, but the margins remain too tight to “guarantee” a profit. The cattle spreads through the end of the year appear to be somewhat favorable for feedlot operators but 2016 is looking dismal at best.

With that being said, feeder cattle prices will likely continue to meet resistance the next several months unless live cattle prices rebound and feed prices moderate.

The cost of the feeder animal is the largest expense for feedlots. Thus, it makes sense that the first place to start cutting cost is in the most expensive input.

Price risk management strategies are often discussed, but there are some production and management strategies that can be used to protect price and profit margins.

One of these strategies is to produce and market high quality feeder cattle that will grade well when marketed on a dressed basis. Cattle grading high Choice and Prime receive premiums over Low Choice and Select grade carcasses. A large portion of quality grade is dependent on genetics. Cattle must be managed correctly for the calf to exhibit its marbling potential.

The Tennessee Beef Evaluation program provides producers an opportunity to retain ownership of cattle through the feedlot and then receive data back. The producer receives information which includes feedlot performance data such as overall average daily gain, on test average daily gains, feed conversion, and carcass data such as hot carcass weight, ribeye area, fat thickness and yield grade. This information help the cattle producer make decisions regarding herd genetics, particularly bull selection. Check with your local Extension Agent for more information on this program.

Agricultural Market Summary
Cattle Market Trends
Feeder steers $4 to $7 lower, $180.00-$345.00; Feeder heifers $1 to $6 lower, $170.00-$315.00; Slaughter cows $1 to $5 lower, $90.00-$115.00; Slaughter bulls $1 to $2 lower, $126.00-$151.00.

**Grain Market Trends**
Corn - Cash prices, $4.08-$4.56. September futures closed at $4.34 a bushel, up 6 cents. Soybeans - Cash prices, $9.92-$10.61. August futures closed at $10.32 a bushel, down 6 cents. Wheat - Cash prices, $5.63-$5.90. September futures closed at $5.76 a bushel, down 14 cents.

For additional information on these and other topics, contact the UT Extension Office, 925 East Baddour Parkway, Lebanon, TN 37087, 615-444-9584 or acorrell@utk.edu. UT Extension provides equal opportunities in all programs. Visit the UT/TSU Extension webpage at [http://utextension.tennessee.edu/wilson](http://utextension.tennessee.edu/wilson) or look for UT & TSU Extension, Wilson County on Facebook.

####

Submitted by:
Ruth Correll
Agricultural Agent
UT/TSU Extension, Wilson County
acorrell@utk.edu