

# Livestock Market News

Federal-State Market News, P.O. Box 391  
 Little Rock, AR 72203, (501) 671-2200

**Week Ending March 19, 2010**

03/12/10-03/18/10	THIS WEEK	LAST TEST	YEAR AGO	FEEDER CALVES	YEAR- LINGS	STOCK COWS	SLAUGHTER COWS	BULLS
MARKET								
SPRINGDALE (F)	980	NR	622	403	345	55	160	17
ASH FLAT (F)	1233	2330	998	868	175	100	75	15
OLA (F)	686	735	582	360	260	23	31	7
HEBER SPRINGS (M)	592	588	NR	300	130	57	100	5
FT. SMITH (M)	763	1217	712	357	250	30	112	14
CONWAY (TU)	811	691	871	435	200	60	100	15
POCAHONTAS (TU)	234	764	787	141	35	5	50	3
RATCLIFF (W)	546	451	250	284	147	52	59	4
CHARLOTTE (W)	1232	1322	875	897	150	100	75	10
GREEN FOREST (W)	1818	1756	1422	856	800	20	122	20
HOPE (TH)	1024	692	650	461	354	45	138	26
GLENWOOD (TH)	885	646	625	500	165	75	126	19
OZARK (TH)	NR	1098	NR					
SILOAM SPRINGS (TH)	1378	1238	NR	596	500	65	195	22
THIS WEEK	12180			6460	3510	690	1345	175
LAST WEEK		13528		7250	4250	670	1210	145
YEAR AGO			8394	4680	2445	590	585	90
YEAR TO DATE	2010		98590	54260	27055	6295	9880	1085
YEAR TO DATE	2009		85351	50235	21715	5650	6830	885

	This Week	Last Sale	Year Ago
<b>REPLACEMENT COWS</b>			
Open/short-bred	50.00- 60.00	50.00- 60.00	47.00- 57.00
Third Stage	55.00- 65.00	55.00- 65.00	61.00- 71.00
<b>PAIRS</b>			
Small calves	775.00- 875.00	750.00- 850.00	775.00- 875.00
Large calves	875.00- 975.00	1000.00- 1100.00	950.00- 1050.00
<b>SLAUGHTER COWS</b>			
Boners	47.00- 53.00	46.00- 52.00	39.00- 45.00
Lean	43.00- 49.00	41.00- 47.00	34.00- 40.00
<b>SLAUGHTER BULLS</b>			
1000-2100 lbs.	56.00- 65.00	56.00- 65.00	52.00- 59.00

**MARKET SITUATION AND OUTLOOK:** According to Darrell R. Mark, Ph.D., Assoc. Professor, Department of Agricultural Economics, University of Nebraska-Lincoln: The Commodity Futures Trading Commission (CFTC) was formed in 1974 as an independent agency to regulate U.S. futures markets and to, among other things, foster open, competitive, and financially sound futures markets. As part of its mission, each week the CFTC issues its "Commitment of Traders (COT)" Report that provides detail as to which traders are holding long or short positions in a particular market. The report categorizes traders as either Non-Commercials, Commercials, and Non-Reportable Positions (supplemental COT Reports provide further breakdown of these categories, including Index Traders). Commercials traders are considered hedgers – those who have cash market positions and are trading futures to offset their cash price risk. Non-Commercials, on the other hand, don't have cash market positions and are trading as speculators. Non-Reportable Positions, also called "Small Traders," can include either hedgers or speculators but trade a small enough number of contracts (generally less than 200) that they are not required to report their positions.

As of last week, Commercials were long 121,491 contracts and were short 169,980 contracts, for a net short position of 48,489. Non-Commercials, however were net long 92,074 contracts (they were long 122,363 contracts and were short 30,289 contracts). This is the largest net long position Non-Commercials have had in the last eleven years. Commercials and Small Traders, conversely, have about the largest net short position they've ever had.

Thinking more about who these traders are can yield some insight into what causes them to take the positions they do. Non-Commercial traders are the large speculators who often use mathematical models and technical signals to guide their trading. Commercials, on the other hand, tend to be most knowledgeable about the underlying fundamentals (supply and demand) of the commodity because they have cash market positions. Of course, there are exceptions to these, but it generally holds true for the aggregate market. Because trading many technical signals often results in following the current trend of the market, Non-Commercials tend to build their largest net long positions in an up-trending market and their largest net short positions in a down-trending market. They also tend to immediately reverse their positions when the price changes direction. Thus, Non-Commercials will often have their largest long positions when prices are their highest, and vice versa.

Commercial traders typically are scale up sellers in uptrending markets and scale down buyers in downtrending markets. Thus, they typically are short before the top in a bull market and long before the bottom in a bear market in anticipation of a changing market direction.

With that background, the current situation with Commercials being heavy short and Non-Commercials being heavy long seems to suggest the market may be due for a correction. The \$14/cwt increase in nearby futures prices since the beginning of December appears to have generated scale-up selling by the Commercials, suggesting that this group of traders believes fundamental forces could make the price decline at some point.

Knowing the net positions held by the Non-Commercials and Commercials doesn't necessarily provide strong evidence of when price may change direction. Of note, the bullishness of the market has been driven by supply fundamentals: dressed weights are running 21 lbs. below last year and cattle on feed inventory is down. These factors could continue to support prices, and if demand starts increasing, could result in higher prices. Still, with record short positions held by the Commercials and record long positions held by the Non-Commercials, seeing further price increases without a correction may be hard to come by.

**PRICE TREND:** Compared to last week: Slaughter cows sold steady to 2.00 higher. Slaughter bulls sold mostly steady. Feeders sold firm to 3.00 higher with best outlet for thin offerings ideal for grazing.

Following prices are for Medium and Large 1, feeder cattle, mostly English and exotic crosses in normal flesh and fill. They comprised about 40-45 percent of the feeder cattle receipts. 2 s discounted \$5-\$10, 3s discounted \$10-\$20, and Small frame discounted \$15-\$25.

FEEDER STEERS	Price Range	Weighted Average Price		
	This Week	This Week	Last Sale	Year Ago
300-350 lbs.	120.00- 142.50	132.21	131.74	118.96
350-400 lbs.	114.00- 143.00	129.99	127.93	113.77
400-450 lbs.	118.00- 139.00	128.36	125.14	110.27
450-500 lbs.	106.00- 134.50	123.09	121.38	106.03
500-550 lbs.	105.00- 128.00	118.16	117.39	100.85
550-600 lbs.	102.00- 127.50	114.86	111.80	97.86
600-650 lbs.	100.00- 117.00	109.26	108.66	91.77
650-700 lbs.	96.00- 114.00	104.82	106.27	86.76
700-750 lbs.	92.00- 107.00	101.62	98.82	85.99
750-800 lbs.	92.00- 100.00	98.01	93.99	83.69
<b>FEEDER HEIFERS</b>				
300-350 lbs.	104.00- 125.00	112.36	110.14	98.80
350-400 lbs.	100.00- 120.00	111.60	109.36	94.57
400-450 lbs.	100.00- 117.00	110.83	108.57	90.74
450-500 lbs.	94.50- 115.00	106.34	105.78	90.61
500-550 lbs.	92.00- 114.50	103.76	101.81	88.33
550-600 lbs.	88.00- 110.00	100.09	97.62	86.12
600-650 lbs.	87.50- 105.00	97.02	95.16	84.32
650-700 lbs.	87.00- 100.50	94.74	93.11	81.90
700-750 lbs.	83.00- 98.50	93.13	91.38	78.76
750-800 lbs.	82.50- 92.00	86.65	87.66	75.06

**FUTURES CLOSES**

	FRI	MON	TUE	WED	THU	YEAR
03/12/10-03/18/10	12	15	16	17	18	AGO

**Feeder Cattle - CME**

Mar-09	103.00	102.90	102.95	103.28	104.63	94.25
Apr-09	105.98	106.03	105.85	106.28	107.88	94.30
May-09	107.30	107.38	107.00	107.35	109.53	95.73
Aug-10	109.18	109.13	108.80	108.73	110.38	98.90

**Live Cattle - CME**

Apr-10	95.10	95.65	95.48	96.15	97.53	84.75
Jun-10	92.80	93.60	93.63	93.98	95.18	83.13
Aug-10	90.58	90.98	91.15	91.58	92.58	84.23
Oct-10	92.73	93.18	93.23	93.65	94.48	87.98

**Lean Hogs - CME**

Apr-10	72.65	71.80	71.75	71.60	72.88	62.05
May-10	77.95	77.58	78.18	78.50	80.00	73.48
Jun-10	80.80	80.58	81.10	81.03	82.93	74.95
Jul-10	80.75	80.53	81.50	81.68	83.33	75.78

**Corn - CBOT**

Mar-10	3.54	3.63	3.67	3.74	3.76	3.97
May-10	3.64	3.74	3.78	3.85	3.87	4.07
Jul-10	3.76	3.84	3.87	3.75	3.96	4.16

**CASH MARKETS**

	FRI	MON	TUE	WED	THU	Year
	12	15	16	17	18	Ago

**5 Area Wkly Accumulated, Negotiated, Dir Sltr Cattle Wtd Avg**

**Steers, Beef Breeds**

Live Basis	89.82	93.51	NA	95.00	93.82	81.39
Dressed Basis	144.82	146.39	147.00	146.42	151.35	130.73

**Heifers, Beef Breeds**

Live Basis	90.26	93.23	NA	NA	91.47	82.10
Dressed Basis	144.57	146.46	NA	145.50	150.30	128.00

**Beef Cut-Outs**

Choice 600-900 lbs	149.64	150.83	152.52	153.60	154.87	133.13
Select 600-900 lbs	148.50	148.94	150.71	152.39	152.98	133.32
Cutter Cow	120.85	121.04	121.34	121.23	121.41	107.85
Beef Kill (000)	117	125	125	125	124	122

**Hide & Offal Value**

Per cwt Live	10.18	10.18	10.23	NA	10.14	5.59
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**Iowa-So. Minnesota Direct Hog, wgt'd.avg., plant del., carcass basis**

	70.34	69.12	68.81	68.89	68.69	54.45
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**U.S. Slaughter Sow Report (Plant del. price live)**

300-450 lbs	47.53	46.09	46.86	45.58	45.58	39.73
450-500 lbs	53.85	53.22	52.24	50.79	51.34	48.01
500-550 lbs	56.29	55.97	54.52	54.17	54.57	50.99
550 lbs & up	56.28	56.53	55.35	54.01	56.10	51.94

**200 lb Pork Cut-Out**

53-54% Lean	73.83	74.05	73.08	74.68	72.68	60.80
Hog Kill (000)	413	418	418	424	423	426

**Lambs-Midwest**

	NA	NA	105.00	117.00		98.00
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**Goats**

	AL	PA	TX	TN	NC	
Billies (125 lbs)	NA	120.00	86.50	77.25	NA	102.00
Nannies (95 lbs)	NA	106.25	65.00	75.00	NA	93.25

**Kids Sec. 1 (55 lbs)**

	106.00	171.00	173.50	171.25	NA	139.50
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**Broilers-Georgia**

	83.50	83.50	83.50	84.25	84.25	85.50
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**Turkeys-National**

8-16 lb Hens	82.00	82.00	82.00	82.00	NA	77.00
16-22 lb Toms	82.00	82.00	82.00	82.00	NA	77.00

**SOUTHERN DIRECT SLAUGHTER COW AND BULL CARCASS REPORT (\$/CWT.)**

PLANT DELIVERED DATE: Thursday, March 18, 2010

Compared previous report: Lean cows were steady to 6.00 higher; Boner cows were mostly steady; Breakers were steady. Bulls were steady.

**SLAUGHTER COW CARCASSES**

	Lean		Boners	Breakers	SLAUGHTER BULL CARCASSES	
	90% Lean	85% Lean	75% Lean		92% Lean	
500 lbs & up	104.00-120.00	98.0-107.00	75.00-102.00	600 lbs & up	112.00-126.00	
400-500 lbs	102.00-116.00	96.00-103.00	73.00-98.00	under 600 lbs*	104.00-116.00	
350-400 lbs	99.00-112.00	93.00-100.00	70.00-95.00		*includes low yielding and fat bulls	
300-350 lbs	94.00-108.00	88.00-95.00	65.00-90.00			
200-300 lbs	84.00-98.00					

**Oklahoma National Stockyards, Oklahoma City, OK.**

Weekly Weighted Average Summary for Week of 03/15/2010.

Receipts This Week: 13,640 Last Week: 15,846 Last Year: 8969

Compared to last week: Feeder steers steady to 2.00 higher. Stocker steers and steer calves 2.00-3.00 higher. Feeder and stocker heifers and heifer calves steady to 1.00 higher with feeder heifers just lightly tested.

**Feeder Steers Medium and Large 1**

Head	Wt Range	Avg Wt	Price Range	Avg Price
109	350-390	378	140.00-149.00	143.56
92	417-449	436	134.50-140.00	136.78
188	450-499	477	126.50-134.00	129.16
168	506-546	527	120.00-125.00	123.32
343	552-599	573	116.00-124.50	119.28
282	603-645	617	110.60-118.50	115.82
475	651-695	679	107.75-115.00	110.32
337	700-743	718	104.00-108.00	105.81
661	750-795	772	99.85-105.00	103.28

**Feeder Heifers Medium and Large 1**

Head	Wt Range	Avg Wt	Price Range	Avg Price
38	317-340	328	114.00-125.00	121.10
132	350-396	372	115.00-123.50	120.39
59	408-448	423	113.00-115.00	114.50
130	450-495	470	111.00-117.00	113.61
327	502-548	525	105.00-114.50	109.85
330	553-599	577	104.00-110.25	107.72
590	600-648	617	98.60-107.50	103.67
262	651-699	683	94.50-99.00	96.72
291	701-749	724	94.00-97.60	95.82
244	751-799	771	91.25-95.00	93.76

**West Plains- Ozarks Regional Stockyards**

Feeder Cattle Weighted Average Report for 03/16/2010

Receipts: 3400 Last Week: 3637 Year Ago: 3332

Compared to last Tuesday, steers under 550 lbs mostly steady, over 550 lbs 2.00-3.00 higher. Heifers were unevenly steady.

**Feeder Steers Medium and Large 1**

Head	Wt Range	Avg Wt	Price Range	Avg Price
35	350-391	375	125.00-131.00	128.43
49	407-445	424	120.00-125.00	122.84
45	457-495	477	117.50-125.00	122.69
77	500-541	523	113.50-125.00	119.39
104	550-595	579	113.00-120.00	115.65
52	600-635	608	110.00-115.00	112.83
18	678-695	689	107.00-107.50	107.34
62	700-730	717	101.50-106.50	104.07
32	776-799	787	98.00-99.00	98.52
54	843-849	847	92.00-96.50	95.21
19	856-871	861	92.00-96.50	95.06

**Feeder Heifers Medium and Large 1**

Head	Wt Range	Avg Wt	Price Range	Avg Price
16	360-398	385	112.00-117.00	114.83
27	400-429	419	112.00-115.50	112.85
57	460-498	479	106.00-114.50	109.79
100	501-549	526	101.50-109.00	105.73
57	560-590	573	101.00-106.50	105.30
41	601-640	624	94.50-100.00	97.55
47	651-690	676	92.00-99.00	94.45

Sammy Cline - Kingston - 479-665-2711

Jerry Foley - Smithville - 870-528-3244

Dianne Hardgrave - Clarksville - 479-754-7195

Rickey Wiedower - Guy - 501-679-3244

Wade Wiedower - Greenbrier - 501-679-5877

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