



Cattle Producer's Handbook

Marketing Section

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Market Reports

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Current prices of various classes and weights of cattle are gathered and reported daily by USDA market news reporters. These reports are quoted in local papers and over the radio, usually during a farm-oriented program or news broadcast. Sometimes the reports are also available in areas through a recorded phone message.

Cattle producers need to be aware of current prices for the particular class, grade, and weight cattle they will have for sale, not only at the time of sale, but also at other times of the year. A general knowledge of price movements may help producers avoid a price slump, especially one that occurs seasonally or on an annual or cyclical basis. Marketing time can often be adjusted a couple of weeks to take advantage of a period of higher prices. For example, prices for feeder calves normally "bottom out" in late October and early November when many calves are weaned and offered for sale.

The current price prevailing in the producer's particular area is an important piece of information to have when selling cattle. This is especially true when you are negotiating with a prospective buyer for a price on a particular lot of cattle. Buyers have been known to offer considerably less than market price when opening negotiations, then offer a half or full cent more per pound to consummate the deal, and still be several cents under the market because the seller did not know the current local price.

A market news report will usually indicate the number of cattle sales reported, broken down by classes (i.e., slaughter cattle, feeder cattle, commercial/utility cows, canner/cutter cattle, etc.), and will include a general written comparison with the previous week's market. This general trend-of-the-market statement is followed by a more detailed accounting of sales, indicating the number sold, the grades, and weights with a price range. Conditions of sale may also be mentioned (i.e., with 4 percent shrink, F.O.B. dressed, with guaranteed dressing percentage or with an adjustment for mud and trash).

You must know the quality of your cattle to compare them with the quotations in the market reports.

When reading market reports, note the numbers of a particular class, grade, and weight of cattle reported, especially small lots of feeders and other live cattle. If a small number of a particular quality are reported, the quoted price may not reflect the true market price of these cattle. For example, a half-load of fancy 350-pound feeder calves may sell for well above or below market, depending on the availability of another half-load. The buyer often must fill the truck, which is paid for on a full-weight basis, and may be willing to pay above-market price for the remainder of the load.

Numerous USDA publications are available for a nominal fee. These publications may help you keep aware of cattle markets. Some of the more relevant reports include those listed below.

Livestock, Meat, and Wool: Market News. Livestock Division, Agricultural Marketing Service, USDA, Washington, DC.

Livestock Slaughter. National Agricultural Statistics Service, Agricultural Statistics Board, USDA, Washington DC.

Livestock and Poultry Update. Economic Research Service, USDA, Washington, DC.

Livestock and Poultry: Situation and Outlook Report. Economic Research Service, USDA, Washington, DC.

Livestock Slaughter Summary. National Agricultural Statistics Service, Agricultural Statistics Board, USDA, Washington, DC.

In addition to these from the USDA, most states also publish state reports. The information is gathered by a cooperative effort between the Federal Market News and State Market News. These reports are often released weekly and summarize the market activity within a state for the previous week. Most often, market results from other states are also reported.