

The volume of feeder cattle changing hands slowed again in June. Auction receipts according to USDA AMS was down 12% from last year. Video auctions slowed 11%, and direct sales climbed 15%. June of 2020 saw a reported total of 1.2 million head move through marketing channels. This year that number was 1.1 million head. Note, this is a voluntary report and does not include every

transaction.

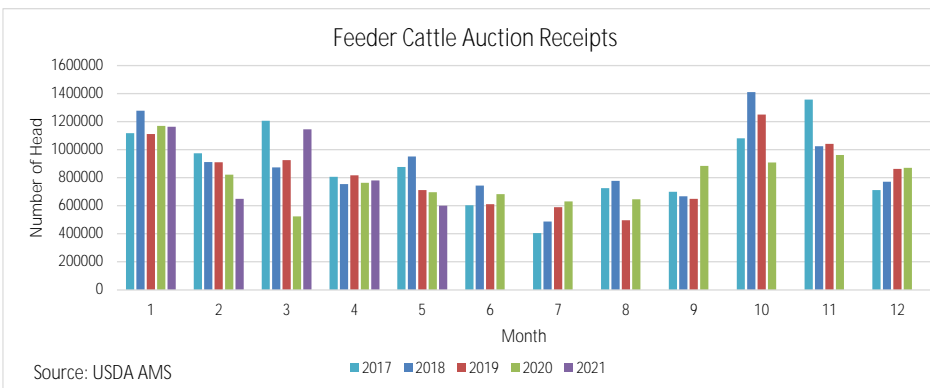
Seasonally, July tends to have the smallest movement through feeder cattle auctions, but many of the summer months (June, July, August) tend to have smaller volumes. Direct sales have generally been stronger in the first half of the year and are progressively smaller in the fourth quarter. Video auctions have large volumes in

July and August and relatively stable numbers through the rest of the year.

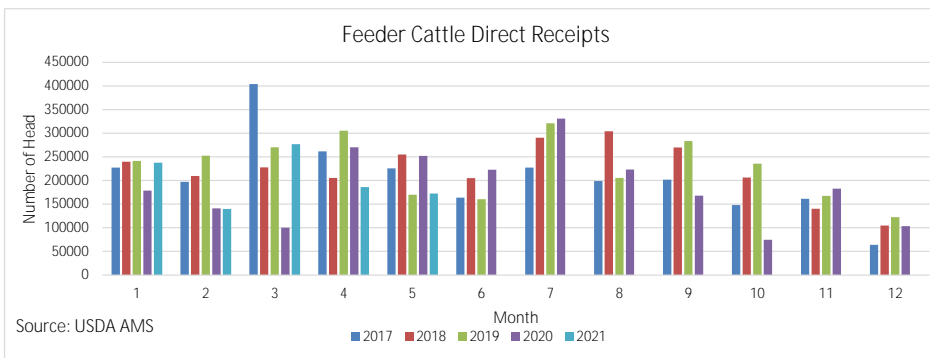
Across most weight groups, feeder cattle auction prices in the last couple of weeks have added gains heading into the summer months in the Southern Plains. The last two weeks of June 700-800 pound steers were above \$145 per cwt, and 800-900 pounds steers leveled at \$143 per cwt. Heavier weight steers (900-1000 pounds) had some of the largest gains, cresting \$135 and reaching over \$139 per cwt, compared to the first half of June, May, and late April holding below \$130 per cwt.

Dodge City cash corn prices in those same weeks fell to \$6.83 per bushel after spending 7 weeks over \$7. Those two weeks of reprieve were short-lived, as the first week of July advanced back to \$7.07 per bushel.

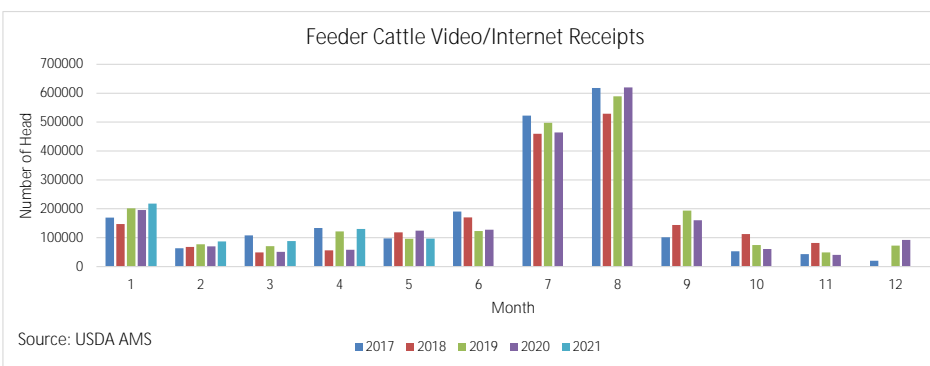
July would typically see a slowdown in auction receipts relative to bookending months. June relative to May increased about 73 thousand head. July's auction data typically sees a volume number below 600 thousand head. However, last year tipped above that level, due to the supply chain anomalies. Drought may play more of a role in 2021, when it comes to auction receipts. The West is still incredibly dry with about 65% of the Western pastures and range rated in poor to very poor conditions. Last week's drought monitor indicated the National picture is improving, but in the west almost 60% of the total land area is in D3 (Extreme Drought) to D4 (Exceptional Drought).



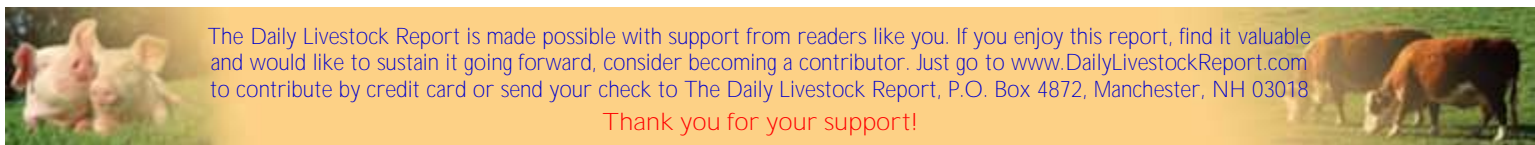
Source: USDA AMS



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