

In The Cattle Markets

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Final Rule for the AMS Cattle Contracts Library

The U.S. Department of Agriculture (USDA) published the final rule needed to create a Cattle Contracts Library. The final rule requires packers that slaughtered an average of not less than five percent of the number of fed cattle slaughtered nationally during the immediately preceding five calendar years to submit contractual information for the purchase of cattle.

The Cattle Contracts Library Pilot Program (library) is intended to increase market transparency for cattle producers. AMS held listening sessions and conducted a pilot program, which was then used to develop a working library model. Once the final rule goes into effect on Jan. 6, 2023 the AMS will collect, maintain, and report aggregated information on contracts between packers and cattle producers for the purchase of fed cattle. The library will include different types of contracts and contract terms. Information will include schedules or premiums and discounts, delivery and transportation terms and payments, number of head purchased under contracts, appendices and agreements of financing, risk-sharing or profit sharing or other supplement information on cattle requirements. It is expected that the working Pilot will not be available to the public until early 2023.

The Pilot is modeled on the Swine Contract Library, which features a summary report of the public on contract terms available to producers and a monthly report. AMS believes the Cattle Contracts Library Pilot Program will support competition by providing producers with the market information they need to make informed production, marketing, and business decisions.

Information on the Cattle Contract Library is available on the AMS website and in the Federal Register.

The Markets

The U.S. exported 301.1 million pounds of beef and 539.7 million pounds of pork during October. Beef shipments increased 26.6 million pounds from October 2021. Through the first 10 months of 2022, the U.S. shipped 2.993 billion pounds of beef, up 5.1% from the same period last year, and 5.198 billion pounds of pork, down 12.1% from the same period last year.

USDA increased projected corn carryover 75 million bushel from last month to 1.257 billion bushels. That was 20 million bushels above the average pre-report trade estimate. Total corn supplies for 2022-23 were unchanged from last month. USDA cut 75 million bushels from expected corn exports (to 2.075 billion bu.) to drive carryover higher. Brazil kept its official

2022-23 soybean crop estimate at a record 153.5 MMT this month. Conab cut its Brazilian corn crop estimate by 570,000 metric tons (MT) from last month to a still-record 125.8 MMT.

USDA made no change to the supply- or demand-side of the balance sheet for soybeans, leaving projected carryover at 220 million bushels.

<i>Data Source: USDA-AMS Market News</i>		Week of 12/9/22	Week of 12/2/22	Week of 12/10/21
5-Area Fed Steer	all grades, live weight, \$/cwt	\$155.79	\$156.42	\$139.69
	all grades, dressed weight, \$/cwt	\$246.82	\$248.55	\$219.71
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$246.23	\$253.53	\$266.75
	Choice-Select Spread, \$/cwt	\$25.86	\$27.75	\$12.64
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$174.60	\$182.76	\$156.64
	Nebraska 7-market, \$/cwt	\$187.10	\$197.25	\$169.17
	Oklahoma 8-market, \$/cwt	\$178.17	\$176.96	\$164.50
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	\$206.13	\$204.20	\$180.35
	Nebraska 7-market, \$/cwt	\$222.83	\$216.64	\$194.37
	Oklahoma 8-market, \$/cwt	\$204.02	\$197.84	\$176.29
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$6.93	\$7.18	\$5.98
	DDGS, Nebraska, \$/ton	\$266.86	\$269.67	\$197.50