Team Report Summary

In general the team reports were quite good, but in this ranking the Packers out performed the Feedlots. There were two or three strong feedlot reports and four strong packer reports. Here are some observations from the reports:

- Nearly all teams said that they thought contracting between teams would be a good idea and that they would recommend in the future. However, no team tried a contract. Most teams commented that there wasn’t enough time between weeks to formalize a contract and they weren’t sure where to start. I have seen this is other years. Unless something is an assignment, participants seldom take it upon themselves to negotiate outside of class or be creative in forming a contract. Perhaps I will make forming a contract a homework assignment.

- Likewise, most teams, with the exception of one, commented that hedging would be a good idea, but they didn’t do it. Most said that the futures trades they made were speculation rather than hedges. One team saw little value in futures period. A few commented on the thin market. If no teams are trading futures, there is no opportunity hedge or speculate. Good observation.

- There was some disagreement on prices in the coming weeks. Most noted that cattle supplies would get tighter, but there a mix of opinions about the price impact. Most feedlots thought the tighter supplies would result in higher prices. A few recognized the huge losses that packers suffered in the last week would limit price increases in the short term. Packers, for the most part thought the large losses would be a major factor limiting prices for several weeks and a couple even thought that the losses would over ride the short supply and prices would be lower in the future. One team must have missed Econ 101 because they were convinced the smaller supply of cattle in the weeks ahead would lead to lower prices.

- Another general observation was that most teams were surprised at who they were trading with and which ones were giving them the best prices (not always the same). It wasn’t until the assignment asked for an analysis that teams looked at their business, what worked – what didn’t, and what they should change. Perhaps I need to assign the report earlier in the class.