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## In The Cattle Markets

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### Ghost Cattle on Feed

This Friday should have been the publication of USDA's January Cattle on Feed report. (Maybe read the title in the voice of Johnny Cash singing Ghost Riders in the Sky). The report will not be released due to the government shutdown. Like other market analysts I am doing my pre-report estimates this month. The importance of doing pre-report estimates is not necessarily in the comparison to the actual report, but in using them to develop production and price projections. With that in mind, the following are my estimates for the "ghost" report.

I have December feedlot marketings at 99.6 percent of a year ago. That is slightly larger than the sum of daily slaughter, which was 99.3 percent of a year ago. Slaughter estimates are using estimated daily slaughter because daily actual slaughter data is not available. December 2018 had the same number of work days as 2017 meaning that daily average slaughter should be only slightly less than the year before, so no evidence of backed up cattle.

I have estimated December placements to be 102 percent of the year before. December saw an increase in cattle imports from Mexico and larger calf and feeder sales. Placements in December are typically much lower than in November, as much as 500,000 fewer in some years. As usual, there will likely be a relatively large range of placements in the pre-report estimates.

The combination marketings and placements results in an estimate of cattle on feed at 102.3 percent of a year ago. That represents a relatively large number of cattle on feed, as have the last several reports. It also continues to represent a narrowing of the growth in on-feed numbers compared to months earlier in the year.

Hopefully, the shutdown will end allowing for publication of the February Cattle on Feed report. While we may do pre-report estimates it will get increasingly difficult without the January report as a base. Estimating near term ready supplies of cattle will get trickier also, as winter storms effect market ready cattle, animal performance, placements, and population center demands.

### The Markets

Cull cow prices remain low at around \$0.40 per cwt in the Southern Plains. Local auction markets have seen older cow prices in the teens. The Choice-Select spread has narrowed, as it usually does seasonally this time of the year. Recent increases in fed cattle prices are providing some needed support to feeders in the face of winter storms affecting performance.

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 1/18/19</b>	<b>Week of 1/11/19</b>	<b>Week of 1/19/18</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$123.98	\$123.71	\$122.89
	all grades, dressed weight, \$/cwt	\$196.99	\$196.78	\$194.89
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$212.36	\$213.70	\$205.89
	Choice-Select Spread, \$/cwt	\$5.29	\$6.51	\$5.38
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	--	\$146.65	\$151.14
	Nebraska 7-market, \$/cwt	\$149.42	\$151.41	\$154.49
	Oklahoma 8-market, \$/cwt	\$138.07	\$144.00	\$150.42
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	--	\$177.36	\$179.82
	Nebraska 7-market, \$/cwt	\$178.36	\$182.58	\$191.39
	Oklahoma 8-market, \$/cwt	\$163.29	\$165.48	\$170.79
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.60	\$3.56	\$3.35
	DDGS, Nebraska, \$/ton	\$151.38	\$155.00	\$145.50