

## In The Cattle Markets

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### December Feedlot Placements Fall and Fewer Heifers in Feedlots

The United States Department of Agriculture's National Agricultural Statistics Service (USDA, NASS) released their monthly Cattle on Feed report Friday afternoon (Jan 23). The report revealed that 10.690 million head of cattle were in U.S. feedlots with a capacity of 1,000 head or larger on January 1, 2015. Placements into feedlots during the month of December, which included one additional business day compared to December 2013, totaled 1.544 million head while marketings during the same month totaled 1.655 million head.

Placements totaled 1.544 million head, a decrease of 8.1% from December 2013 and a 6.4% decrease from the five-year average from 2009 to 2013. Market analyst expected placements to come in at 1.681 million head, so the reported value was much lower than anticipated and even below the lowest guess of a 7.7% decline. This marks the third lowest December placement number on record since 1996.

Cattle placed in major feeding states (Texas, Nebraska, Kansas, and Colorado) were, at the very least, not positive for weight categories below 800 pounds. Texas saw smaller year-over-year placements of 800 pound and heavier cattle, Colorado had even placements for this weight group, while Nebraska and Kansas had more 800 plus weight cattle placed. As a result, the average placement weight (694 pounds) continued the recent trend of being higher versus year ago (691) and five year average (688) levels.

Cattle marketed in December totaled 1.655 million head. This put marketings down 4.7% versus last year and down 5.6% compared to the average from 2009 to 2013. Pre-report expectations called for marketings to be 4.4% lower than the same period last year. The total number of cattle in feedlots with 1,000 head or larger capacity totaled 10.690 million head, up 0.9% versus January 1, 2014 but 4.8% lower than the five-year average. Market analyst expected a 1.6% year-over-year increase in cattle inventories, with smallest guess looking for a 0.8% increase, meaning the reported value was very near the bottom end of expectations.

This report also provided a break-out on the types of cattle in feedlots (i.e., steers, heifers, cows/bulls). There were 6.935 million head of steers in feedlots with 1,000 head or larger capacity on January 1, 2015, a 2.3% increase from last year. Heifers totaled 3.671 million head, down 1.6% from one year ago; and cows/bulls totaled 84,000 head, up 5%. The smaller number of heifers in feedlots will likely add to the story-line of increased heifer retention and growth in the beef herd. More will be known this coming week with the annual Cattle Inventory report.

## The Markets

Cash fed cattle were lower once again this week. The five-area fed steers price ended the week at \$159.51, live, and \$256.03, dressed; respectively, down \$3.63 and \$7.41. Cash trades in Texas and Kansas were reported at \$160 for live cattle. In Nebraska, dressed sales were mostly \$256 mid-week, while live sales came in at \$159-\$160 earlier in the week. In Oklahoma City, feeder steers and heifers were \$5-\$15 lower, while calves traded \$10-\$15 lower. Wholesale Choice boxed beef ended the week with an average price of \$256.85 per hundredweight, down \$4.66.

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 1/23/15</b>	<b>Week of 1/16/15</b>	<b>Week of 1/24/14</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$159.44	\$163.17	\$148.22
	all grades, dressed weight, \$/cwt	\$254.68	\$263.16	\$238.77
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$256.85	\$261.51	\$238.43
	Choice-Select Spread, \$/cwt	\$8.21	\$9.38	\$1.98
<b>700-800 lb. Feeder Steer Price</b>	Montana 3-market average, \$/cwt	\$214.00	\$214.37	\$164.54
	Nebraska 7-market average, \$/cwt	\$224.44	\$224.35	\$175.99
	Oklahoma 8-market average, \$/cwt	\$215.19	\$226.19	\$168.96
<b>500-600 lb. Feeder Steer Price</b>	Montana 3-market average, \$/cwt	\$277.12	\$286.68	\$209.72
	Nebraska 7-market average, \$/cwt	\$299.99	\$299.76	\$220.93
	Oklahoma 8-market average, \$/cwt	\$262.44	\$277.42	\$202.26
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.67	\$3.61	\$4.19
	DDGS Price, Nebraska, \$/ton	\$175.00	\$174.60	\$184.13