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## **In The Cattle Markets**

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### **February Cattle on Feed Report Summary**

The United States Department of Agriculture's National Agricultural Statistics Service (USDA, NASS) released their monthly Cattle on Feed report on Friday February 24, 2017. The report was in line with pre-report expectations for placements and marketings. The total number of cattle on feed was 10.78 million head on February 1, 2017. This was up 0.7 percent over a year ago and consistent with pre-report estimates.

Placements into feedlots in January of 2017 were 11.3 percent higher than placements in January 2016. Marketings totaled 1.75 million head which was up 10.2 percent over 2016. There was one more working day in January 2017 than in January 2016 which can account for a portion of the increase in marketings. Overall, the report can be considered mostly neutral as there were no major surprises.

This report was the first to include the larger weight groups that have been added to the monthly report. Placement weights over the last few years have been larger and the new groups will allow us to see the distribution of heavy cattle placed. The largest weight group on previous reports (800+ pounds) has been split into 800-899, 900-999, and 1,000+ pounds groups for the U.S. numbers. For the 900-999 pounds group, 116,000 head were placed on feed in January 2017 which represents 20 percent of cattle placed over 800 pounds. The heaviest group of 1,000+ pounds showed 45,000 cattle placed which is 8 percent of the over 800 pound placements. The addition of these larger weight groups will allow for a better estimate of when and how many cattle will be ready for market in the future.

## The Markets

Fed cash prices finished stronger last week. As compared to the previous week, fed steer prices were up \$4.81 and \$5.99 for live and dressed steers, respectively. Beef demand appears to be strong given the time of year. Choice cutout was up \$5.55 at weeks' end to \$194.48. The choice-select spread increased to \$2.61, up from \$1.25 a week ago. The Omaha corn price fell 7 cents to \$3.32.

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 2/24/17</b>	<b>Week of 2/17/17</b>	<b>Week of 2/26/16</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$124.40	\$119.59	\$136.02
	all grades, dressed weight, \$/cwt	\$195.90	\$189.91	\$213.21
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$194.48	\$188.93	\$216.51
	Choice-Select Spread, \$/cwt	\$2.61	\$1.25	\$4.16
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$126.17	\$127.40	\$158.41
	Nebraska 7-market, \$/cwt	\$134.26	\$135.04	\$165.21
	Oklahoma 8-market, \$/cwt	\$130.84	\$130.84	\$158.99
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$153.14	\$156.19	\$198.25
	Nebraska 7-market, \$/cwt	\$160.69	\$163.21	\$204.12
	Oklahoma 8-market, \$/cwt	\$158.44	\$157.08	\$188.68
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.32	\$3.39	\$3.43
	DDGS, Nebraska, \$/ton	\$100.00	\$103.30	\$131.50