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## **In The Cattle Markets**

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### *Cattle On Feed*

The United States Department of Agriculture's National Agricultural Statistics Service (USDA, NASS) released their monthly Cattle on Feed report on Friday April 22, 2016. The latest numbers released by the USDA were bullish in total numbers of placements and marketings, compared to trade expectations. Total cattle on feed on April 1, 2016 numbered 10.9 million head, up 0.5 percent from April 2015 levels, and at industry expectations.

Placements in feedlots during March totaled 1.89 million head, up 4.6 percent from 2015, and slightly lower than expected. Placements were up 10% in Colorado, 4% in Kansas, 3% in Nebraska, and 8% in Texas. This is the second month in a row where placements have seen a year over year increase, and based on growing cattle supplies will likely remain up for the duration of 2016. Cattle weighing over 800 pounds saw an increase of 6.9%. Placements for cattle weighing under 600 pounds decreased by 3.6%, cattle weighing 600-699 was on par with 2015, cattle 700-700 increased 10.3%, and cattle weighing over 800 pounds increased by 6.9%. This trend for placing heavier cattle and the subsequent lower number of days on feed will likely continue for another couple of months due to the sharp decrease in cattle prices and the discount structure in far-deferred contracts.

March marketings, at 1.89 million head, were up 7 percent were higher than industry expectations. There was one more marketing day available in 2016 compared to 2015, which would attribute to greater marketings. The number of cattle on feed over 120 days is below year ago levels.

### **The Markets**

Cash cattle remained slow and low last week with show lists generally smaller. Meanwhile, beef prices ended last week with Choice values down 41 cents and Select down \$2.08. Movement, however, was a solid 158 loads. The Cold Storage Report showed frozen beef stocks at 466.99 million pounds, about 24.4 million pounds below expectations.

On Monday, live cattle futures prices closed higher on a late day rally. Cattle futures started the day down on account of the steep dive in cash prices last week. Beef cut-outs were mixed, \$0.41 lower (select) and up \$0.99 per cwt (choice) with moderate movement of 79 total loads reported (51 loads of choice cuts, 13 loads of select cuts, 5 loads of trimmings, 11 loads of ground beef).

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 4/22/16</b>	<b>Week of 4/15/16</b>	<b>Week of 4/24/15</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$126.45	\$133.99	\$159.17
	all grades, dressed weight, \$/cwt	\$200.68	\$213.98	\$255.84
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$222.27	\$221.51	\$259.20
	Choice-Select Spread, \$/cwt	\$9.00	\$9.55	\$9.22
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$146.00	\$156.45	\$222.33
	Nebraska 7-market, \$/cwt	\$155.07	\$163.48	\$233.92
	Oklahoma 8-market, \$/cwt	\$149.24	\$157.39	\$218.02
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$185.61	\$185.86	\$274.09
	Nebraska 7-market, \$/cwt	\$181.56	\$190.05	\$284.52
	Oklahoma 8-market, \$/cwt	\$173.35	\$182.70	\$272.85
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.62	\$3.58	\$3.71
	DDGS, Nebraska, \$/ton	\$124.00	\$125.00	\$177.70