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## **In The Cattle Markets**

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### **September Cattle on Feed Report Recap**

The United States Department of Agriculture's National Agricultural Statistics Service (USDA, NASS) released their monthly [\*Cattle on Feed\*](#) report Friday afternoon (September 23, 2016). Placements totaled 1.879 million head, an increase of 15.13% from August 2015 and a 0.14% increase from the five-year average from 2011 to 2015. Market analyst expected placements to be up 13.10%, so the reported value came in slightly above expectations. This month's numbers continue the trend of increasing heavy placements, with cattle larger than 800 pounds seeing a 21.2% year-over-year increase while cattle less than 600 pounds saw an 8.9% year-over-year decrease in placements. All other weight classes saw an increase in placements.

Cattle marketed in August totaled 1.868 million head, up 17.63% versus last year and up 1.98% compared to the average from 2011 to 2015. Pre-report expectations called for marketings to be 17.5% higher than the same period last year, so they came in right where analysts anticipated they would be.

The total number of cattle in feedlots with 1,000 head or larger capacity totaled 10.135 million head, up 1.49% versus September 1, 2015 and 0.50% lower than the five-year average. Market analysts expected a 1.2% year-over-year increase in cattle inventories, so the reported value came in slightly above expected but still well within the range of analysts' expectations.

Overall, the report could be considered neutral to slightly bearish. August of this year had two more business days than a year ago, so it was not at all unexpected to see large year-over-year increases in both placements and marketings. The two extra days were reflected in the pre-report estimates, and the official numbers came in relatively close to what most were expecting. While there were no major surprises, the markets have had a slightly bearish response to the reports, driven primarily by the higher total on-feed numbers and placements.

## The Markets

The five-area fed steer price ended the week averaging \$105.89 for live sales, and \$167.09 for dressed; respectively, down \$3.47 and \$2.80. Nebraska feeder cattle were mixed on the week with 500-600 pound steers up \$1.00 averaging \$155.97 and 700-800 pound steers down \$2.45 averaging \$143.36. Corn was up \$0.09 on the week trading at \$3.06/bu in Omaha on Thursday.

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 9/23/16</b>	<b>Week of 9/16/16</b>	<b>Week of 9/25/15</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$105.89	\$109.36	\$128.61
	all grades, dressed weight, \$/cwt	\$167.09	\$169.89	\$202.44
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$186.48	\$186.48	\$218.66
	Choice-Select Spread, \$/cwt	\$7.01	\$6.47	\$4.28
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$140.82	\$133.80	\$196.79
	Nebraska 7-market, \$/cwt	\$143.36	\$145.81	\$200.86
	Oklahoma 8-market, \$/cwt	\$139.53	\$137.04	\$192.91
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$135.39	\$133.35	\$203.40
	Nebraska 7-market, \$/cwt	\$155.63	\$154.97	\$232.13
	Oklahoma 8-market, \$/cwt	\$142.04	\$136.21	\$209.36
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.06	\$2.97	\$3.56
	DDGS, Nebraska, \$/ton	\$118.25	\$120.50	\$128.50