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In The Cattle Markets

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October Cattle on Feed Report Puts Placements Higher

The United States Department of Agriculture's National Agricultural Statistics Service (USDA, NASS) released their monthly [*Cattle on Feed*](#) report Friday afternoon (October 20, 2017). Placements totaled 2.15 million head, an increase of 13% from September 2016. Market analyst expected placements to be up 7.5%, so the reported value came in higher than the average expectation; although it did fall within the range of expectations. All weight classes saw an increase in placements, with cattle smaller than 600 pounds seeing the largest increase with a 17.4% year-over-year increase. Placements of larger cattle weighing over 900 pounds saw an 11.1% year-over-year increase in placements.

Cattle marketed in September totaled 1.783 million head, up 3% versus last year. Pre-report expectations called for marketings to be 2.6% higher than the same period last year, so estimates higher than analysts anticipated they would be.

The total number of cattle in feedlots with 1,000 head or larger capacity on October 1, 2017 totaled 10.813 million head, up 5% versus October 1, 2016. Market analysts expected a 4.7% year-over-year increase in cattle on feed, so the reported value came in very close to analysts' expectations.

The high placement numbers drove markets down as trade opened on Monday morning, but prices have slowly bounced back over the course of the day. Ultimately the numbers have only had a small impact on the cattle futures complex on Monday morning, with most feeder futures contracts trading around \$0.10 to \$0.45 lower and live cattle futures contracts trading around \$0.15 to \$0.45 higher. For the most part, the high placement numbers were still somewhat in line with what trade expected, and had already been built into the markets.

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The five-area fed steer price ended the week averaging \$110.87 for live sales and \$174.96 for dressed, down \$0.14 and \$0.04 from a week ago respectively. Oklahoma feeder cattle were mixed on the week with 500-600 pound steers up \$2.26 averaging \$160.76 and 700-800 pound steers down \$4.10 averaging \$155.15. Corn was up \$0.03 on the week trading at \$3.12/bu in Omaha on Thursday.

<i>Data Source: USDA-AMS Market News</i>		Week of 10/20/17	Week of 10/13/17	Week of 10/21/16
5-Area Fed Steer	all grades, live weight, \$/cwt	\$110.87	\$111.01	\$99.24
	all grades, dressed weight, \$/cwt	\$174.92	\$174.96	\$157.15
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$198.63	\$197.50	\$179.99
	Choice-Select Spread, \$/cwt	\$8.35	\$8.11	\$10.46
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$159.46	\$161.57	\$118.88
	Nebraska 7-market, \$/cwt	\$168.96	\$169.42	\$121.59
	Oklahoma 8-market, \$/cwt	\$155.15	\$159.25	\$121.75
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	\$172.39	\$175.74	\$124.99
	Nebraska 7-market, \$/cwt	\$183.58	\$184.33	\$133.85
	Oklahoma 8-market, \$/cwt	\$160.76	\$158.49	\$121.81
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$3.12	\$3.09	\$3.06
	DDGS, Nebraska, \$/ton	\$117.50	\$116.30	\$109.00