

December 20, 2021

## In The Cattle Markets

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### Placements and Marketings Expected Higher

The December Cattle on Feed report will be released on December 23<sup>rd</sup>. This last report of the year will come out against a backdrop of the larger than seasonal increase in fed cattle prices over the last few weeks and rising feeder and calf prices.

Feedlot marketings are expected to be about 4.5 percent larger than November, 2020. There was one more slaughter day this November implying slightly lower daily average marketings than last year. If correct, these marketings would also be larger than in 2019.

Placements are expected to be up around 4.5 percent from last year. Other than last year, that would be the smallest November placements since 2016. Fewer feeder cattle were imported from Mexico during the month while slightly more were imported from Canada. Placements in the expected range would follow the normal pattern of declining sharply from October's placements.

The combination of marketings and placements leaves the number of cattle on feed slightly below last year. On feed inventories typically increase from November to December and the December inventory is often the highest for the year. December 2021 should be an exception to that with on-feed inventories in February being larger.

### The Markets

The Choice beef cutout average \$262.04 for the week ending December 17<sup>th</sup>. That was the lowest weekly average value since early April. Fed cattle prices backed off a couple of dollars per cwt from the week before. Local auction prices were reported to be steady to higher compared to the week before across much of Texas.

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 12/17/21</b>	<b>Week of 12/10/21</b>	<b>Week of 12/18/20</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$137.19	\$139.69	\$106.12
	all grades, dressed weight, \$/cwt	\$218.42	\$219.71	\$165.29
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$262.04	\$266.75	\$208.77
	Choice-Select Spread, \$/cwt	\$12.77	\$12.64	\$15.86
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$160.68	\$156.64	\$134.07
	Nebraska 7-market, \$/cwt	\$169.53	\$169.17	\$148.47
	Oklahoma 8-market, \$/cwt	\$161.81	\$164.50	\$137.71
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$188.87	\$180.35	\$165.83
	Nebraska 7-market, \$/cwt	\$193.15	\$194.37	\$174.92
	Oklahoma 8-market, \$/cwt	\$178.22	\$176.29	\$158.42
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$5.98	\$5.98	\$4.33
	DDGS, Nebraska, \$/ton	\$202.50	\$197.50	\$220.00