

In The Cattle Markets

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That's An Interesting Report!

Believe it or not, sometimes USDA reports are not very interesting. The latest Cattle on Feed report, released Friday August 18th, was not in that category.

Placements were the most interesting number in the report, 8.3 percent smaller than last July. Smaller placements broke the two-month streak of placements exceeding the year before. The larger May and June placements may have pulled some ahead from July. Changing pasture and range conditions may have contributed to larger placements earlier in the Summer and fewer placed in July. For the year, placements are now 2.3 percent below last year. That makes some more sense compared to available feeder supplies and last year's calf crop.

A good, unanswered question is the contribution of heifers to placements. Placements down sharply could reflect some more heifers held back with some improving pastures. The October report will provide the next update of the number of heifers on feed.

Placements were lower for every reported weight category except those over 1,000 pounds which were equal to a year ago. Placements of feeders weighing over 900 pounds accounted for 16.1 percent of total placements, the largest percentage for a July since 2019. Very heavy feeder placements are highly seasonal based on yearling grazing in some parts of the country, typically peaking in August-September at about 18-19 percent of total placements in those months.

Other disappearance is usually ignored by most but, this time it might be an interesting note. It was 16 percent, or 9,000 head larger than last July. Other disappearance normally declines from its May peak and it did this year, as well. But, it was relatively large for a July and Nebraska and South Dakota accounted for 6,000 of the 9,000 head difference compared to a year ago.

In the rest of the report, marketings were 5.3 percent smaller than a year ago. That leaves Cattle on Feed down 2.3 percent from last year. The number on feed is likely to continue to decline as fewer calves are available for placement and if more heifers are reserved to enter the herd. All in all, the report indicates continued support for high cattle, calf, and beef prices

The Markets

The percent of beef grading Choice weekly has been below a year ago since the week of May 20th. Less grading Choice and less total beef produced is contributing to a relatively large Choice-Select spread. Over the same time, the amount of beef grading Prime is up 0.67 percent and Select is down about a quarter of a percent. Local auctions across Texas and the South reported generally steady to higher calf prices again this past week.

<i>Data Source: USDA-AMS Market News</i>		Week of 8/18/23	Week of 8/11/23	Week of 8/19/22
5-Area Fed Steer	all grades, live weight, \$/cwt	\$185.04	\$185.88	\$146.88
	all grades, dressed weight, \$/cwt	\$293.76	\$295.60	\$234.23
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$310.40	\$302.41	\$264.58
	Choice-Select Spread, \$/cwt	\$25.83	\$25.54	\$26.15
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$263.13	\$260.42	\$187.50
	Nebraska 7-market, \$/cwt	--	\$268.89	\$198.01
	Oklahoma 8-market, \$/cwt	\$251.56	\$253.19	\$182.61
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	--	--	--
	Nebraska 7-market, \$/cwt	--	\$304.29	\$215.61
	Oklahoma 8-market, \$/cwt	\$286.79	\$285.02	\$198.93
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$5.33	\$5.43	\$7.31
	DDGS, Nebraska, \$/ton	\$195.25	\$196.13	\$252.33