

In The Cattle Markets

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January 1 Feeder Cattle Supplies Decline 2.6 Percent

One estimate that analysts like to calculate from the Cattle Inventory Report is feeder cattle supplies outside feedlots as of January 1. USDA does not report feeder cattle supplies directly, but it is easy to calculate using other categories in the report. The last row in the table listed below estimates feeder cattle supplies outside feedlots for U.S., Arkansas, Mississippi, and Kentucky, respectively.

Using data from the table, adding Other Heifers, Steers 500 Pounds and Over, and Calves Under 500 Pounds (steers, heifers, and bulls) gives the Total Feeder Cattle Supply. Subtracting Cattle on Feed gives Feeder Cattle Supplies Outside Feedlots. As of January 1, 2022, there were 25.5 million head of feeder cattle outside feedlots, a 2.6 percent decline from last year. Arkansas had a significant decrease in feeder cattle supplies, down 9 percent year over year. In Mississippi, feeder cattle supplies were about even with the year prior, while Kentucky had a 5 percent decline.

Why did feeder cattle supplies decline so dramatically? Strong fourth-quarter prices, coupled with drought, likely resulted in producers selling cattle that they would have otherwise kept through the winter. For example, Arkansas prices for 500-600 pound steers averaged \$163/cwt for Nov-Dec 2021, or 13 percent higher year over year. These high prices provided adequate incentives for producers to sell some cattle earlier. Cattle on feed data showed that cumulative Nov-Dec feedlot placements were 5 percent higher than 2020 placements for the same months.

January cattle on feed inventories are close to even with last year. It will take time for feedlots to work through these inventories. In the next couple of months, we should start to see tighter feeder cattle supplies show up in the placement data. Tighter feeder cattle supplies will translate to higher prices.

1,000 head	US TOTAL		ARKANSAS		MISSISSIPPI		KENTUCKY	
	2021	2022	2021	2022	2021	2022	2021	2022
Heifers 500 Pounds and Over	20,200	19,776	230	215	139	134	295	270
For Beef Cow Replacement	5,803	5,612	153	145	95	91	135	125
For Milk Cow Replacement	4,609	4,451	3	3	5	5	40	35
Other Heifers	9,789	9,714	74	67	39	38	120	110
Steers 500 Pounds and Over	16,788	16,580	125	110	56	52	230	215
Bulls 500 Pounds and Over	2,211	2,110	60	55	40	39	65	60
Calves Under 500 Pounds	14,305	13,936	435	400	195	200	480	465
Feeder Cattle Supply	40,881	40,230	634	577	290	290	830	790
Cattle on Feed	14,667	14,693					19	18
Feeder Cattle Supplies								
Outside Feedlots	26,214	25,537	634	577	290	290	811	772

Source: USDA-NASS

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<i>Data Source: USDA-AMS Market News</i>		Week of 2/4/22	Week of 1/28/22	Week of 2/5/21
5-Area Fed Steer	all grades, live weight, \$/cwt	\$139.76	\$136.95	\$113.63
	all grades, dressed weight, \$/cwt	\$221.79	\$218.00	\$179.26
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$284.05	\$290.97	\$235.31
	Choice-Select Spread, \$/cwt	\$4.94	\$8.91	\$12.26
700-800 lb. Feeder Steer	Montana 3-market, \$/cwt	\$163.29	\$161.72	\$138.81
	Nebraska 7-market, \$/cwt	\$169.26	\$166.13	\$143.16
	Oklahoma 8-market, \$/cwt	\$157.35	\$156.00	\$134.86
500-600 lb. Feeder Steer	Montana 3-market, \$/cwt	\$198.15	\$195.38	\$173.21
	Nebraska 7-market, \$/cwt	\$203.23	\$201.66	\$173.39
	Oklahoma 8-market, \$/cwt	\$178.76	\$187.54	\$164.43
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$6.12	\$6.27	\$5.29
	DDGS, Nebraska, \$/ton	\$242.50	\$240.00	\$222.00