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## In The Cattle Markets

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### Not Many Surprises in the COF Report

USDA'S Cattle on Feed report, released Friday September 22<sup>nd</sup>, didn't contain many surprises. But, that doesn't mean there weren't some interesting tidbits in there. First, the headline numbers: placements were down 5.1 percent, marketings down 6.0 percent, cattle on feed down 2.2 percent. The numbers were not too far off the pre-report estimates by market analysts.

Placements in August totaled 2.003 million head, down 5.1 percent (107,000 head) from August 2022. Of the big 3 feeding states, Kansas and Texas reported more cattle placed than a year ago. Nebraska placed 60,000 fewer cattle, 11 percent fewer than last year. Most of the reduction in placements came in Nebraska. Fewer cattle were placed in every weight class compared to last year.

For the year to date, nationally, placements are down 2.7 percent from last year. Kansas' placements are almost the same as last year, Texas' are down 1.2 percent, and Nebraska's are down 3.2 percent. Keep in mind that placements vary by state seasonally, affected by more calf placements or wheat pasture placements, for example. The decline in placements could be compared to the estimated 2.0 percent smaller calf crop in 2022 compared to 2021. Calves born in 2022 would largely be placed in late 2022 and 2023. It appears that relatively more cattle have been placed in Kansas and Texas than in Nebraska.

Placements do have a seasonal pattern with placements increasing after July. This year's 390,000 head increase from July to August was the largest since 2010 and might imply some more drought forced placements but, certainly there have been opportunities to profitably place. Placements while below last year were almost equal to the 2017-2021 5-year average.

Fed cattle marketings were 6 percent smaller than last year. Of interest here was the sharper than normal decline in daily average marketings, which normally decline from mid-year. Daily average marketings were only 82,000 head compared to 87,000 last August.

The total number of cattle on feed was down 2.2 percent from last year. There is always interest in the amount of time cattle are on feed to gain insight into currentness or anticipated slaughter in coming weeks and months. The number on feed more than 120 days was down 2.6 percent on September 1. On feed greater than 90 days was only 23,000 head below last year. That leaves more cattle than a year ago in the 90-120 day on feed period.

On balance, it was a report that met expectations in the headline numbers but, with some interesting details. Next month's report will have the highly anticipated October quarterly estimate of the number of heifers on feed.

## The Markets

Fed cattle prices have remained above \$180 while the futures market has moved to record high territory again. We are about to the point that fed cattle prices begin to increase seasonally late in the year. The Choice cutout lost some ground again this week. Local auctions reported mostly steady prices as conditions remain hot and dry.

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 9/22/23</b>	<b>Week of 9/15/23</b>	<b>Week of 9/23/22</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$184.73	\$184.04	\$144.94
	all grades, dressed weight, \$/cwt	\$291.99	\$291.84	\$228.99
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$302.79	\$307.55	\$250.05
	Choice-Select Spread, \$/cwt	\$22.13	\$22.28	\$25.91
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$268.61	\$262.39	\$188.38
	Nebraska 7-market, \$/cwt	\$278.02	\$277.60	\$192.62
	Oklahoma 8-market, \$/cwt	\$257.96	\$258.27	\$175.07
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$295.50	--	\$201.68
	Nebraska 7-market, \$/cwt	\$310.48	\$302.58	\$207.54
	Oklahoma 8-market, \$/cwt	\$283.93	\$282.61	\$189.82
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$4.65	\$4.75	\$7.48
	DDGS, Nebraska, \$/ton	\$209.83	\$201.88	\$305.40