

On the second page is our compilation from various USDA Agricultural Marketing Service (Market News) reports for last week (DATA ARE PRELIMINARY). Of course, the Federal government shutdown first thing last Saturday morning. So, it is likely when you read this that images like below will be on USDA websites that provide livestock and meat market data. If the situation is resolved in a timely fashion early this week, USDA's National Agricultural Statistics Service (NASS) will publish their monthly Cattle on Feed report this Friday. Today, we will discuss the pre-report estimates for that report made by market analysts as compiled by Urner Barry (see table below).

Most analysts expect that the number of cattle placed into feedlots during December was below a year earlier. Head placed in December 2016 were the largest for the month since 2010's, and placements have been big in recent months. However, if there is a surprise in the report, it could be animals placed turn out to be above the average of pre-report estimates (96.9% of a year ago). If December's placements match the pre-report average, the total number of animals entering feedlots in the fourth quarter of 2017 (October-December) will be 7.5% (433,000 head) above a year ago and the largest for that timeframe since 2012.

Animals marketed during December are expected to post a year-over-year decline. But it is important to note that there

was one less slaughter day in December 2017 than a year ago. So, daily average marketing's should be up about 3.5% year-over-year (see graphic below).

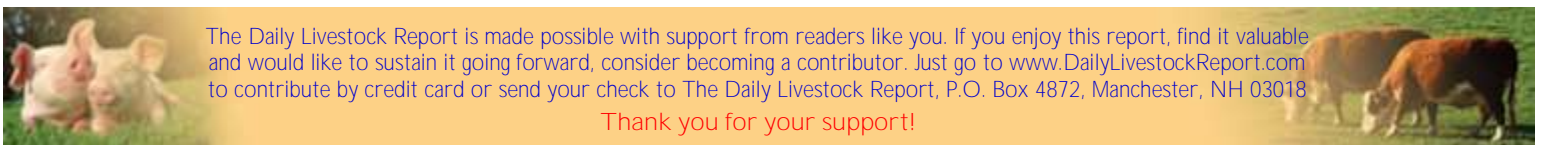
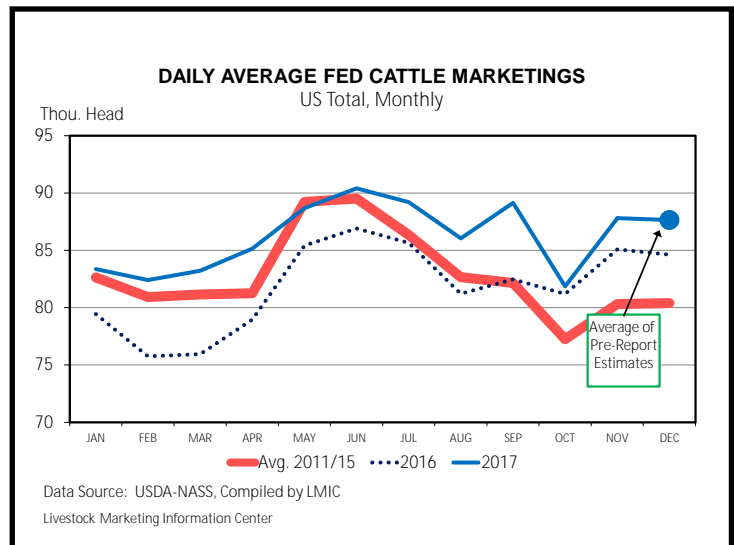
In the pre-report estimates, the average January 1, 2018, monthly on-feed count is 7.7% above a year ago or a total of 11.42 million head. That would be the largest for January 1 since 2012's (11.86 million head).

Since the on-feed count is expected to be the largest since 2012, what were the 5-market average steer prices that year? The May 2012 weighted average steer price was \$119.71 per cwt., June's was \$114.64, and July came in at \$119.82. Steer and heifer slaughter weights this year are expected to be above 2012's, adding to beef tonnage. And U.S. production of pork and chicken in 2018 will be formidable, providing lots of completion a the meat case. So, reaching 2012's prices for slaughter steers this spring and summer will be challenging.

If the report is released, it will contain the quarterly table with cattle on-fed by class, that is steers and heifers in 1000 head and larger capacity feedlots. In the last report (October 1, 2017), NASS showed the number of steers was up 101,000 head year-over-year, and the heifer count jumped up by 447,000 head. How much of the increase in animals placed in recent months were heifers? That table will provide answers. In fact, those data may be the most studied in the whole report.



COF Industry Pre Report Estimates		
	% of Year Ago	
	Average	Range of Estimates
On-Feed January 1	107.7	107.2 - 108.9
Placed in December	96.9	93.3 - 104.0
Marketed in December	98.6	93.6 - 103.5
Source: Urner Barry (used with permission)		



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PRODUCTION & PRICE SUMMARY

Week Ending 1/20/2018

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY.

Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
		20-Jan-18	13-Jan-18		21-Jan-17			
Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,915	1,721	11.2%	1,855	3.2%	4,545	-0.7%
C FI Slaughter	Thou. Head	615	611	0.7%	571	7.7%	1,771	2.7%
A FI Cow Slaughter **	Thou. Head	104	89	16.9%	104	-0.6%	5,875	6.3%
T Avg. Dressed Weight	Lbs.	838	838	0.0%	822	1.9%	835	0.9%
T Beef Production	Million Lbs.	514.0	510.6	0.7%	468.3	9.8%	1,480	3.7%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	120.61	119.92	0.6%	121.89	-1.1%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	NQ	191.72	N/A	194.80	N/A		
Oklahoma Steer (600-700 lbs)	\$ per cwt	156.70	153.71	1.9%	140.15	11.8%		
& Choice Beef Cutout	\$ per cwt	205.89	209.61	-1.8%	191.65	7.4%		
Hide/Offal	\$ per cwt, live wt	10.63	10.71	-0.7%	11.95	-11.0%		
B Rib, Primal, Choice	\$ per cwt	314.08	316.28	-0.7%	291.34	7.8%		
E Round, Primal, Choice	\$ per cwt	171.42	179.49	-4.5%	172.12	-0.4%		
E Chuck, Primal, Choice	\$ per cwt	178.62	178.93	-0.2%	163.71	9.1%		
F Trimmings, 50%, Fresh	\$ per cwt	80.37	76.49	5.1%	58.19	38.1%		
Trimmings, 90%, Fresh	\$ per cwt	213.43	213.39	0.0%	203.52	4.9%		
H FI Slaughter	Thou. Head	2,338	2,450	-4.6%	2,336	0.1%	6,910	1.6%
H FI Sow Slaughter **	Thou. Head	46.9	38.6	21.6%	48.6	-3.6%	2,999	2.3%
O Avg. Dressed Weight	Lbs.	213.0	213.0	0.0%	213.0	0.0%	214	0.2%
G Pork Production	Million Lbs.	498.9	522.5	-4.5%	497.2	0.3%	1,476	1.7%
S Iowa-S. Minn. Direct	Wtd. Avg.	69.80	68.52	1.9%	63.29	10.3%		
Natl. Base Carcass Price	Wtd. Avg.	70.64	67.88	4.1%	64.55	9.4%		
& Natl. Net Carcass Price	Wtd. Avg.	72.61	69.64	4.3%	66.75	8.8%		
Pork Cutout	\$ per cwt	80.97	79.25	2.2%	79.58	1.7%		
P By-product Value	\$ per cwt, live wt	3.78	3.84	-1.6%	3.90	-3.1%		
O Ham, Primal	\$ per cwt	63.74	60.55	5.3%	61.70	3.3%		
R Loin, Primal	\$ per cwt	71.73	71.36	0.5%	80.74	-11.2%		
K Belly, Primal	\$ per cwt	135.98	127.34	6.8%	134.00	1.5%		
Trimmings, 72%, Fresh	\$ per cwt	75.78	69.89	8.4%	72.90	4.0%		
C Young Chicken Slaughter *	Million Head	165.3	129.1	28.0%	164.33	0.6%	294	-5.7%
H Avg. Weight (RTC)	Lbs.	4.75	4.67	1.8%	4.70	1.1%	4.71	-1.2%
I Young Chicken Production (RTC)	Million Lbs.	785.0	602.4	30.3%	771.8	1.7%	1,387	-6.8%
C Eggs Set (US)	Million	225.4	225.7	-0.1%	217.8	3.5%	12,027	3.0%
K Chicks Placed (US)	Million Head	182.9	184.0	-0.6%	178.3	2.6%	9,744	1.9%
E National Composite Whole Bird	Composite	94.62	96.09	-1.5%	85.13	11.1%		
N Northeast Breast, B/S	\$ per cwt	104.83	105.78	-0.9%	100.01	4.8%		
Northeast Leg Quarters	\$ per cwt	35.58	37.08	-4.0%	32.33	10.1%		
T Total Turkey Slaughter *	Million Head	4.54	3.24	40.2%	4.43	2.6%	7.8	-1.8%
U Avg. Weight (RTC)	Lbs.	25.78	26.50	-2.7%	26.62	-3.1%	26.08	-1.3%
R Turkey Production (RTC)	Million Lbs.	117.2	85.9	36.3%	117.8	-0.6%	203	-3.1%
K National Hen (8-12 Lbs)	\$ per cwt	80.68	75.50	6.9%	95.50	-15.5%		
G Corn, Omaha	\$ per Bushel	3.35	3.30	1.4%	3.45	-2.9%		
R Distillers Grain, Chicago	\$ per Ton	140.00	137.50	1.8%	105.00	33.3%		
A Wheat, Kansas City (delivered)	\$ per Bushel	5.25	5.27	-0.4%	4.62	13.6%		
I Soybean, Cntrl IL	\$ per Bushel	9.60	9.37	2.5%	10.57	-9.2%		
N Soybn Meal 48%, Cntrl IL	\$ per Ton	321.90	309.10	4.1%	347.20	-7.3%		

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago (part of 'actual' rather than 'preliminary' weekly slaughter report).

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