

Analysts decided to move forward with pre-report estimates for Cattle on Feed (COF) for December. At this point, it is very unlikely January Cattle of Feed will be released as scheduled. The best we can hope for is that the data will be a delayed released, but there is still the potential that it may be canceled altogether. As the government shutdown continues, it puts at risk delaying or canceling the following report.

The impact of winter weather and cattle performance on the supply of market-ready cattle supplies is becoming increasingly difficult to estimate. February COF pre-report estimates, even if they are released, become a lot less meaningful when the industry does not know/agree on the base numbers and what they are comparing against.

For now at least, the industry has USDA numbers to fall back on from the previous month. Below is the COF pre-report estimates shared with permission from Urner Barry.

Marketings in December came in slightly higher than estimated

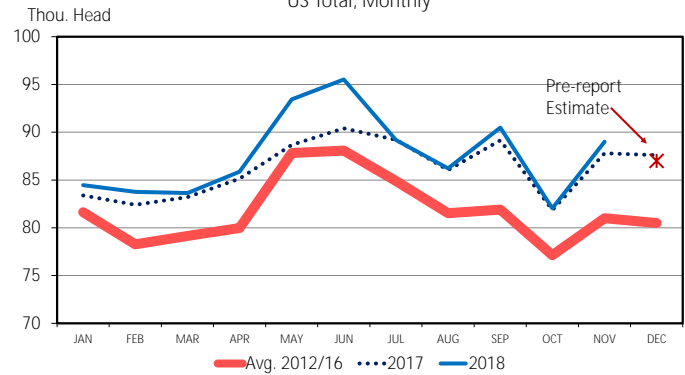
Monthly (NASS) Cattle On Feed, Pre Report Estimates		
	% of Year Ago	
	Average	Range of Estimates
On-Feed January 1	102.3	101.3 - 103.0
Placed in December	102.0	95.1 - 105.0
Marketed in December	99.9	99.3 - 101.9

Source: Urner Barry (used with permission)

slaughter, which was 99.3% of a year ago. December of 2017 and December of 2018 had the same number of slaughter days, making an analogous year-over-year comparison to daily rates of slaughter, which showed a slight decline from 2017.

Placements, again this month, had a wide range around pre-report estimates, nearly a 10% difference from top to bottom. The consensus marked placements up 2% compared to a year ago, which would indicate the largest December Placement number since 2005. The top end of the placement range suggests placements could have been record large this December, surpassing the previous December record by 5,000 head. Analysts largely went with a normal seasonal pattern when compared to previous years but there were some confounding influences in the marketplace. Reports of wet, muddy feedlot conditions in the mid-west continued in December, which may have dampened cattle placement in that area. Feeder cattle imports remained strong as well as auction activity.

DAILY AVERAGE FED CATTLE MARKETINGS
US Total, Monthly

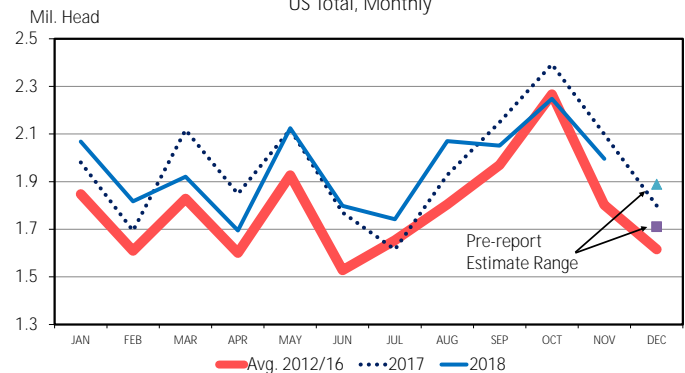


Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-M-25
12/20/18

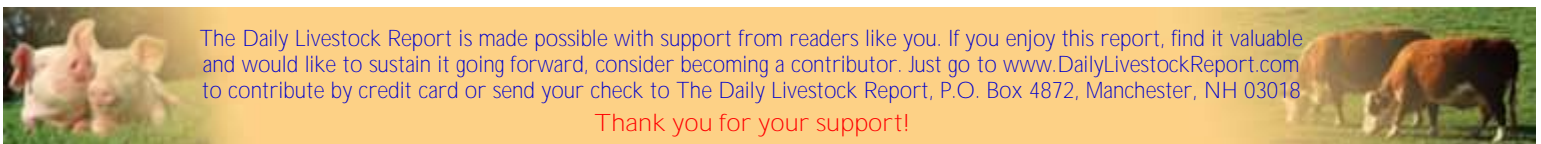
Placement weight data provides a key market indicator to future supplies, something that pre-report estimates do not tackle. Futures market contracts are already placing a large discount in summer contracts anticipating larger supplies coming to slaughter. This report and subsequent reports will further fine tune when the size of those supplies moving forward based on the placement weight data, and performance.

FEEDLOT PLACEMENTS
US Total, Monthly



Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-08
12/20/18



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