

USDA's National Agricultural Statistics Service (NASS) published the annual January 1 Cattle report yesterday afternoon. That report is critical to understanding fundamental market supply trends in the beef industry. Further, it provides insight into beef industry demand for feedstuffs, veterinary supplies, etc. The full report is available [here](#).

Pre-report expectations were discussed in a Daily Livestock Report earlier this week (available [here](#)). Overall, the reported year-over-year changes were similar to the pre-report estimates but were to the lower end of the range. The all cattle and calf count (94.4 million head) was slightly below the pre-report range coming in up 0.7% from a year ago, compared to the smallest pre-report increase of 1.0%. Other key results were:

- Total cows & heifers that calved — 41.1 million, 1.4% above 2017's.
- Beef cows calved — 31.7 million, up 1.6% year-over-year.
- Heifers over 500-pounds identified as beef cow replacements — 6.1 million, down 3.7% compared to 2017's and the lowest since 2015's.
- 2017 calf crop — 35.8 million, up 2% year-over-year and revised down 1.4% (dropped 491,800 head) from the July 1, 2017, NASS estimate.

Overall, there were indications of drought-related moderation in the national herd growth rate. Drought also was evident in the January 1st number of cattle on small grain pastures (e.g., wheat) in the Southern Plains (Kansas, Oklahoma, and Texas), which declined 300,000 head or by 17% compared to a year ago.

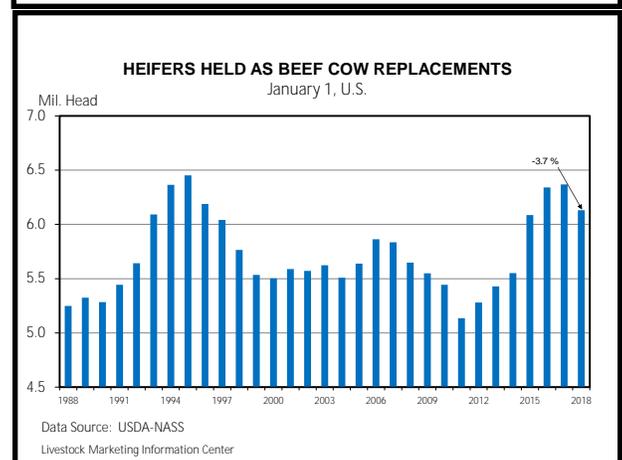
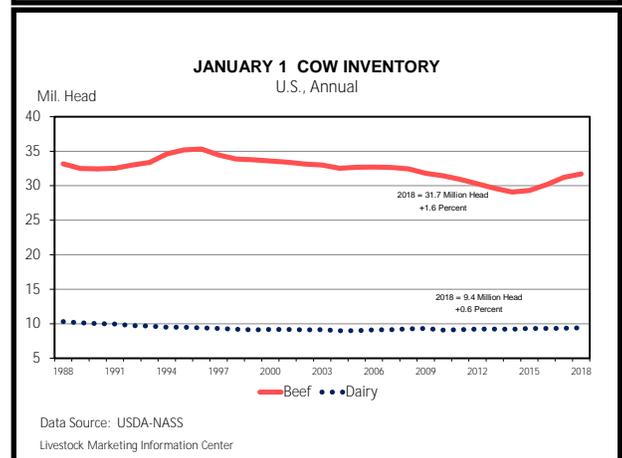
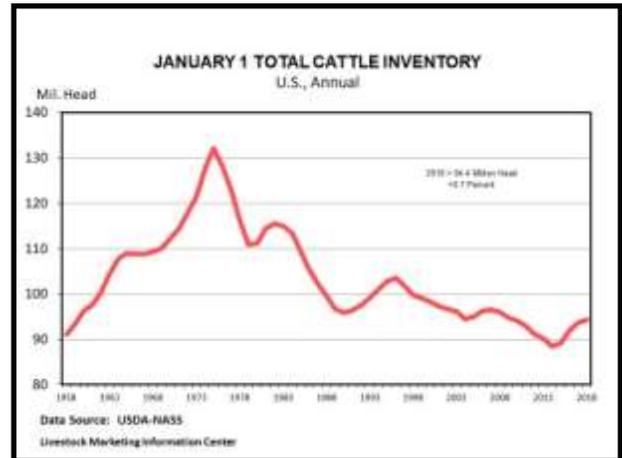
Readers should note that this survey is the most detailed and extensive cattle related NASS report of the year. It has the largest sample size. Still, it is a survey, and that should be recognized. The sample size (36,300 operations) was statistically designed and stratified to be representative and to provide the best estimates of four primary items: the total cattle inventory, inventory by class, and the national calf crop. Collection methods were by mail, telephone contact, and face-to-face interviews.

On page 13 of the report, there is a "reliability of January 1 cattle estimates" table, which is based on the last ten years. Over that timeframe, the 90% confidence intervals (essentially within that range 9 out of 10 years) were:

- All cattle and calves — plus or minus 1% or 438,000 head.
- All cows and heifers that have calved — plus or minus 1% or 168,000 head.
- Calf crop — plus or minus 1.3% or 186,000 head.

Further, note that over the last ten years, the first reported number and the latest revision for the national all cattle and calf count was over estimated seven times and underestimated only three.

We will have some additional evaluation of this report tomorrow.



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