Daily Livestock Report

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Today, we continue with some additional discussion of the annual USDA's National Agricultural Statistics Service (NASS) Cattle report and take a preliminary look ahead. Starting with the on-feed data (see the first table), as of January 1, Nebraska had the most animals in feedlots when all sizes are considered, and that state posted a double-digit annual increase.

Largest Cattle Feeding States

All U.S. Feedlots, January 1, 2018

State	Head Million	Change from 2017
Nebraska	2.77	12%
Texas	2.65	9%
Kansas	2.45	7%
Iowa	1.26	9%
Colorado	1.00	6%

Source: USDA-NASS

Next, we turn to a comparison (second table) of the NASS monthly Cattle on Feed report, which includes only U.S. feedlots with a capacity of 1000 animals or more with the January 1 totals for all feedlots (i.e., including those with less than 1000 head capacity). There is logic that the feedlots which are not surveyed monthly, which are often farmer-feeders (i.e., raise crops), faced with low corn prices might be feeding more animals. The answer is yes, however not many more than a year ago. The over 1000 head lots had 884,000 head (8.3%) more cattle on-feed than a year ago, compared to the smaller lots increasing 55,000 head (2.2%) year-over-year. As shown in the second table, the monthly surveyed feedlots (those over 1000 head capacity) have the biggest proportion of the animals on-feed since January 1, 2012. Still, that percentage has not changed dramatically in recent years. Note that in January 2012, the national average corn price received by farmers was $6.07 per bushel (per NASS Agricultural Prices report), dramatically higher than now.

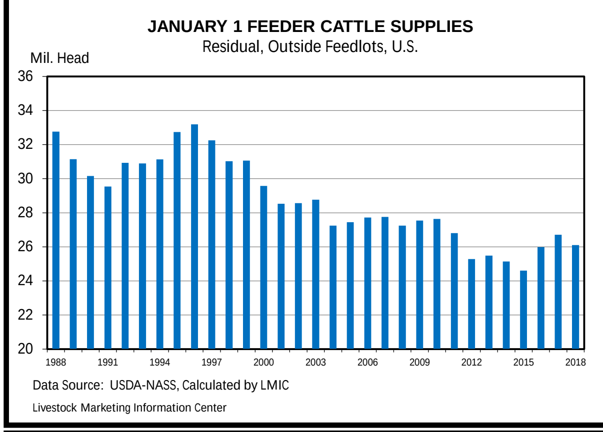
Large placements of animals into feedlots during recent months combined with 2017's U.S. calf crop only 2% above 2016's, caused a year-over-year drop in the calculated number of calves and yearlings outside feedlots. Overall that decline was 2.3% or 607,000 head. In terms of animals, the reduction in steers outside feedlots was 300,000 head, while heifers (those not designated for breeding herds) were down by 307,000.

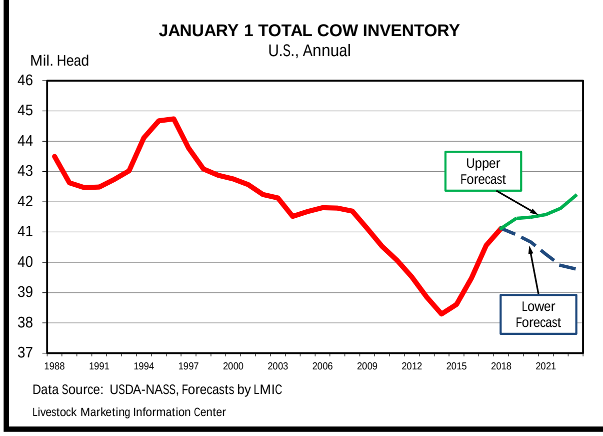
Returning to the overall inventory, with the all cattle and calf count up 0.7% as of January 1, 2018, year-over-year, what might be ahead? Factors that will influence the count a year from now include cow and heifer slaughter levels during 2018. Year-over-year, Federally Inspected heifer slaughter in 2017 increased by over 900,00 head (up 12%) and cow harvest rose by nearly 350,000 head (up 6%). The Livestock Marketing Information Center (LMIC) is forecasting another annual slaughter increase in 2018, especially for heifers. LMIC's current cow inventory forecasts (upper and lower with the expected somewhere in the middle) are shown in the last graphic.

Comparison of NASS Monthly to U.S. Data

Cattle On Feed January 1

Year	Monthly Report 1,000 head	U.S. Report 1,000 head	Monthly vs. Annual
2009	11234	13900	80.82%
2010	10983	13728	80.01%
2011	11493	14132	81.33%
2012	11860	14355	82.62%
2013	11182	13703	81.60%
2014	10523	12949	81.26%
2015	10626	13025	81.58%
2016	10575	13157	80.38%
2017	10605	13067	81.16%
2018	11489	14006	82.03%





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