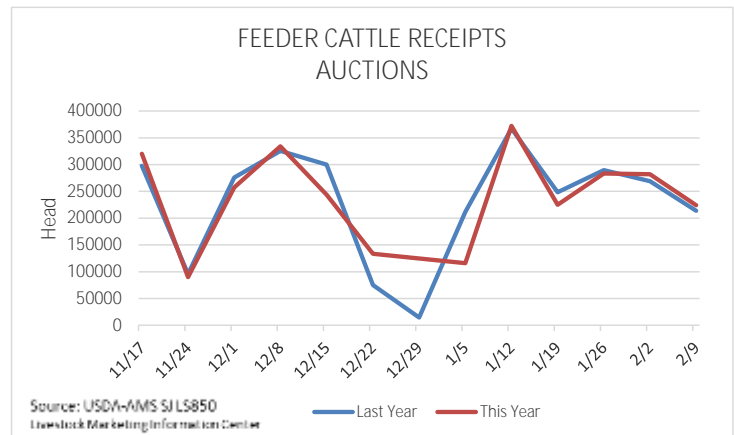


A first glance at feedlot placement totals for the prior month usually starts with an analysis of weekly feeder cattle receipts collected by USDA-Agriculture Marketing Service (AMS). Based on the weekly receipt data, January placements seemed to be extending the trend from December, when placements posted the smallest year-over-year increase since February (ten months earlier). A 1% increase in placements in December followed 10% and 14% increases in October and November, respectively. The sum of weekly feeder cattle market receipts in January came up short of the January 2017 total by 11%. Limiting the analysis to feeder cattle marketed through auctions shows an 8% decline.

In December, the weekly receipts data told a story similar to January, with total receipts down 12% from December 2016. On the basis of just auction receipts in December, the feeder cattle count was only down half a percent from a year earlier which was a better reading for the December feedlot placement estimate. Placements in December were slightly higher than expected, given weekly market receipt data, which was also the case in October and November when increases in placements were more substantial. This could make market analysts gun-shy about believing that the declines in weekly market receipts will translate into fewer feedlot placements in January.

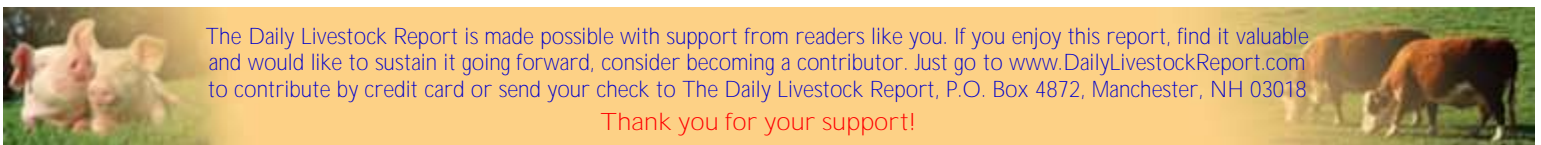
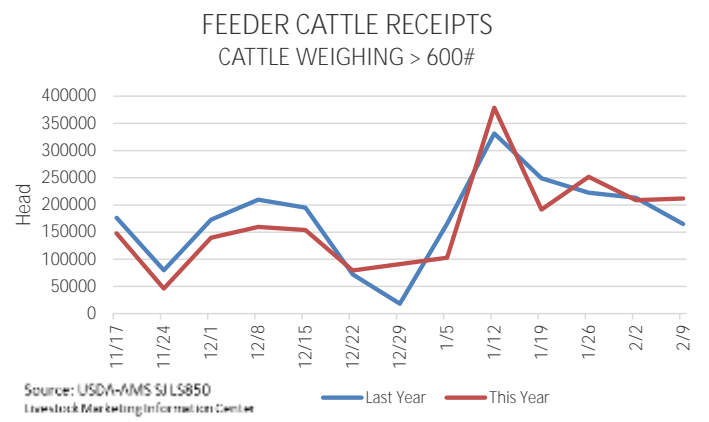
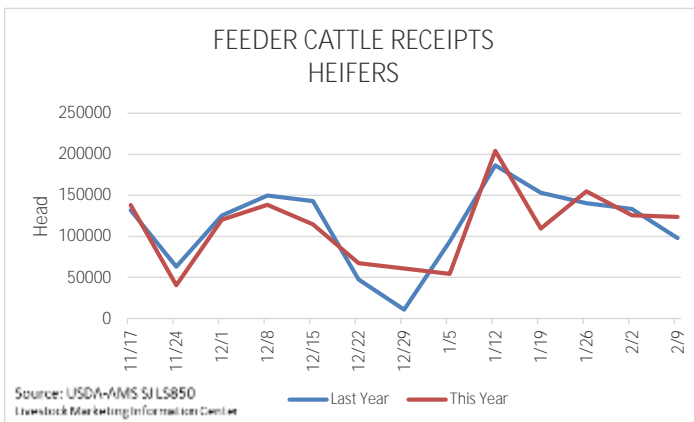
All of the decline in receipts during January was accounted for by reduced offerings of feeder cattle during the first week of January. This is understandable, since Monday of that week was New Year's Day and many auctions were closed on Monday and



Tuesday. Excluding that week from the January tabulation brings the auction receipts for January to 1% less than in January 2016. Total market receipts on this basis were down 5% from a year earlier.

It is worth noting that the basis of comparison for January feedlot placements in January 2016 was up 11% from the prior January. Even if feedlot placements this January are down 5%, they will still be near the average of the prior five years.

Heifer receipts were down 8% compared to down 12% in January, year-over-year. Volume of feeder cattle weighing over 600 pounds were only down 4%. Both heifer and heavier weight feeder cattle receipts were above the same week a year ago for the latest week in February.



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