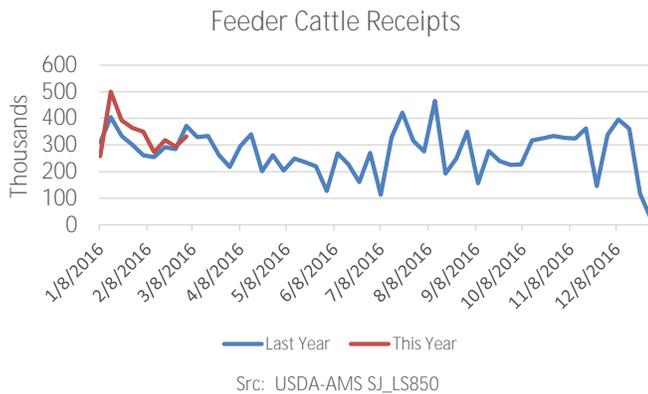


The USDA-Agriculture Market Service (AMS) publishes a weekly tabulation of feeder cattle marketed through auctions, reported direct sales and internet or other electronic-based auctions. Total trade volume for the first week in March was below a year earlier for the first time since the first week of the year. For the week ended March 3, total feeder cattle receipts totaled 332,600 head compared to 371,900 in the same week of 2016, or an 11% decline. During the last week of February, feeder cattle receipts were up 3% from a year earlier.

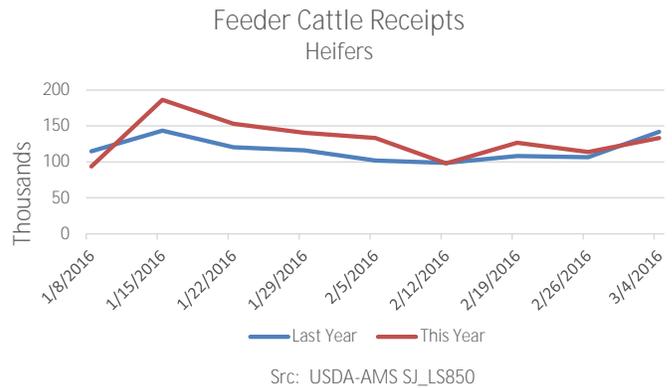


Weekly feeder cattle market receipts provide one of the indicators of the flow of cattle from pastures to feedlots. Other indicators are weekly data for imports of feeder cattle from Canada and Mexico, feedlot industry organization surveys of members, monthly seasonal trends, and feedlot marketing-to-placement ratios. Over the course of time, trade volumes should be consistent with calves born in prior years, the quality of pastures and hay and cattle feeding profitability that would be a factor in the demand for feeder cattle.

On February 24, USDA-National Agriculture Statistics Service (NASS) estimated that placements of cattle into feedlots during January increased 11% from the prior January. By comparison, total weekly feeder cattle receipts for January 2017 were up 12% from a year earlier. The correlation between weekly feeder cattle receipts and monthly feedlot placements is not usually this close, as the range of uniformity of feeder cattle and different geographic markets creates a complexity of marketing channels. During February, weekly feeder cattle receipts were up 13% from a year earlier, even though receipts during the last week of the month were only up 3%. This one measure would suggest that feedlot placements in February were up from a year earlier. Given the weekly pattern, the increase would

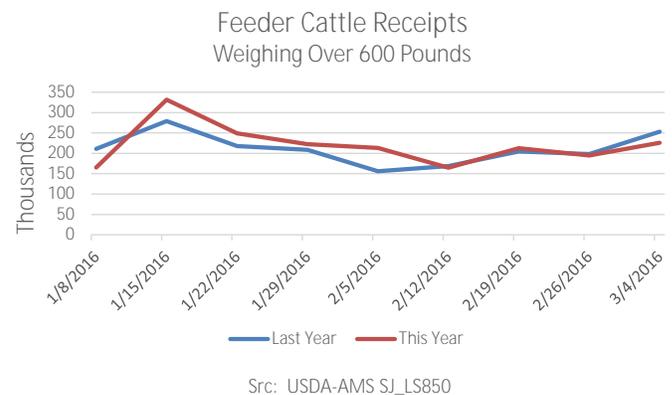
probably be skewed towards the first half of the month.

Feeder heifer receipts declined 8,000 from the same week a year ago during the latest week. This was a 6% decline from a year ago.



Consequently, steer receipts were down 13% in order to tally the 11% decline in total feeder cattle receipts. Heifer receipts in January were up 16% from a year earlier, but the rate of increase slowed to 13% in February as the second week of that month showed a miniscule decline relative to 52 weeks earlier.

Analysis of feeder cattle receipts by weight shows that volumes of cattle weighing over 600 pounds are moderating, relative to the increases that were seen in January and early February. Trade volumes of 600 pound or heavier cattle have run below a year ago in three of the last four weeks, with an 11% year-over-year decline in the latest week.



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