

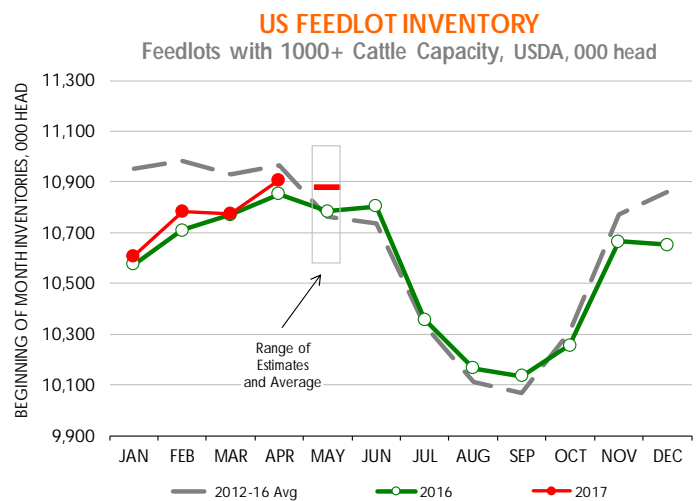
CME Memorial Day Hours Reminder: Livestock futures markets will have a regular close on Friday, May 26. Market will resume trading on Tuesday, May 30. [For a full detailed schedule, please follow the link:](#)

The next "Cattle on Feed" report will be released during trading hours on Friday, which is a bit unusual and something that market participants likely are actively preparing for. The report will be issued at noon ET (Friday May 26) rather than the regular 3PM release. The table to the right shows what the 10 analysts polled by Urner Barry expect the report to show. As you can see, the opinions vary greatly, both in terms of cattle placements during April as well as the number of cattle that were marketed for the month. **On average analysts polled expect placements to be up 7.2% compared to a year ago.** This would imply an increase of 120,000 head compared to year ago levels following an increase of around 400,000 head (vs. 2016) in the first three months of the year. Given robust demand and positive returns, feedlots are expected to have placed more cattle on feed but one needs to look at the pace of placements in the context of the available feeder supply. At the start of the year the calculated supply outside of feedlots was 563,000 head (+2.2%) larger than the previous year. April sales in the were strong, with overall feeder and stocker cattle receipts in the four April weeks up 9.4% compared to the previous year. Auction receipts were up only 2% but there was a big increase in both direct sales and video/internet sales. The percentage of +600lb cattle that changed hands in April also was higher than a year ago. Higher sales do not always mean larger placements, especially when grass supplies are so abundant. Placements are expected to increase despite a net reduction in imports from Mexico and Canada. During the period April 2—April 29, imports of Mexican feeder cattle were 17,868 head (-16%) compared to the same period a year ago. Imports of Canadian feeder cattle during that period were 13,845 head (-38%) lower than last year. This reduction needs to be considered when accounting for the level of placements last month.

Analysts on average expect marketings in April to be up 1.7% compared to a year ago. Most analysts polled indicated they expect marketings to be up 1.5% to 2.0% compared to a year ago, which is less than the pace of slaughter during the month. However there was one less marketing day in April and that affected the year/year comparison. Daily steer and heifer slaughter in April (per USDA) was 1.941 million head, 1.9% higher than last year. The combination of lower marketings and higher placements likely contributed to a net increase in the total number of cattle on feed as of May 1. On average analysts expect total inventories to be up 0.9% from a year ago. However, the front end supply still is expected to be quite a bit lower than last year. Using the average of analyst estimates, the +120day cattle supply is down 12% from a year ago and the +150day supply is 35% lower than last year. **Larger placements should increase availability later in the summer but the pace of marketings in June and July remains a critical variable and participants will watch closely on a daily/weekly basis.**

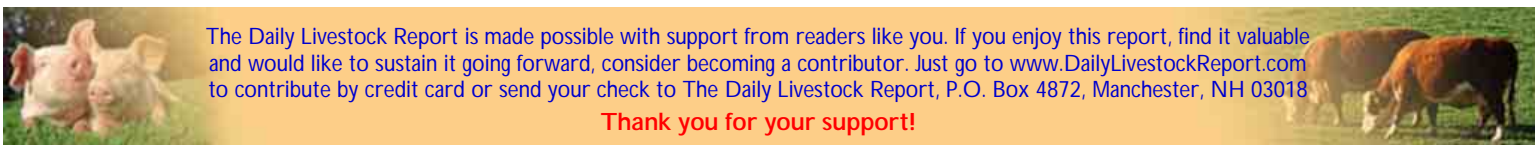
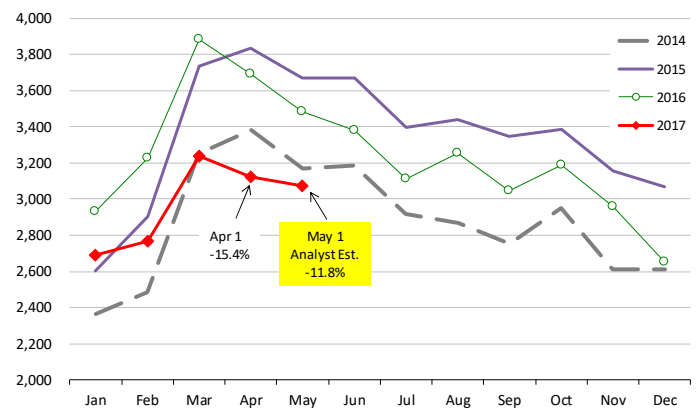
May 2017 COF Pre-Report Estimates. Urner Barry Survey percent of year ago volumes. 10 analysts surveyed

	Average of Estimates	Implied Cattle #	Range of Estimates
On Feed May 1	100.9%	10,880	98.1% - 102.3%
Placed on Feed in Apr	107.2%	1,784	103.1% - 112.7%
Marketed in Apr	101.7%	1,686	101.0% - 106.0%



INVENTORY OF CATTLE THAT HAVE BEEN ON FEED FOR 120DAYS OR MORE

Calculated using the USDA Monthly "Cattle on Feed" Report



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