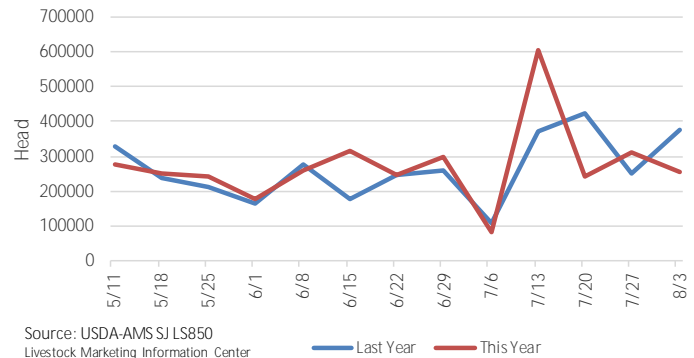


Weekly feeder cattle receipt volumes continued above year ago levels in July, according to USDA-Agriculture Marketing Service (AMS). Most of the increase was accounted for by heavier weight (over 600 pounds) heifers. The four weeks with a Friday in July had trade receipts up 82,400 head above the same weeks in 2017, or a 7% increase. The week ending August 3rd also included trade early in that week that had a July date, and volumes for that week were down from a year earlier. Including that week in the monthly totals would result in a decline in trade receipts from the same period in 2017 of 3%.

The spike in receipt volume during July reflects the timing of a major internet auction that occurred one week earlier this year than in 2017. Internet and video (aka E-markets) market feeder cattle receipts for the four weeks in July were down sharply from a year earlier (-12%), and were the smallest July feeder cattle trade volume through this market channel since 2012. E-market volumes typically peak in July and August, running 5-10 times higher than in the other ten months of the year. As such, trade volumes through these markets do not correlate closely with flows of cattle moving into feedlots during July. It is interesting, however, that even though E-market volume was down 12%, volume of cattle weighing over 600 pounds was up 6% from July 2017. Price relationships in auction markets (Oklahoma City) during July suggest indifference as both 500# and 750# steers were both down 1% from twelve months earlier. In the heifer market, prices were up 5% for 450# heifers and up 1% for 700# heifers.

July feeder cattle trade through auction barns was up from a year ago throughout the month and, in fact, has been up for every week since the Memorial Day holiday week. The four week July tally

FEEDER CATTLE RECEIPTS



of auction barn receipts was up 20% from a year earlier. Tacking on the week ending August 3 results in a volume comparison that is only up 16%. The heifer component of auction barn sales over the five week interval was up 25%. By process of elimination, this means that feeder steer trade volume was up 11%. Feeder cattle weighing more than 600 pounds moving through auction barns increased by only 3% from the same 5 week period in 2017. Again, by process of elimination, the volume of cattle weighing less than 600 pounds moving through auction barn trade for the five weeks ending on August 3 was up 33% from a year earlier. This provides a little more insight into why lighter weight cattle prices have not increased much during July.

Statistical inferences between feeder cattle trade volumes and cattle moving in feedlots are not as good in July as they are in other months of the year. This was most evident in 2011 and 2012. Corn prices in the summer of those years were in the process of moving to record high values.

Range and pasture conditions and the trend in these conditions over the course of July also have a bearing where feeder cattle can end up after moving through the auction barn. The situation in Missouri and the surrounding area this July could be an issue. Missouri ranks second in the US (following Texas) for the number of beef cows for breeding purposes. Missouri range and pasture conditions this July have declined, as measured by the USDA-National Agricultural Statistical Service (NASS) weekly crop conditions report. At the start of July, 35% of the pastures were rated poor or very poor in this region and by the end of the month, the percentage was 69%. This is the highest proportion of pastures rated very poor to poor in this region for July since 2012, with a rate of deterioration that is also similar.

FEEDER CATTLE RECEIPTS AUCTIONS



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