

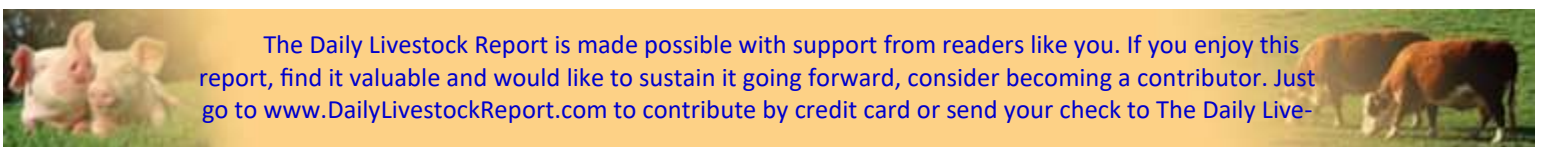
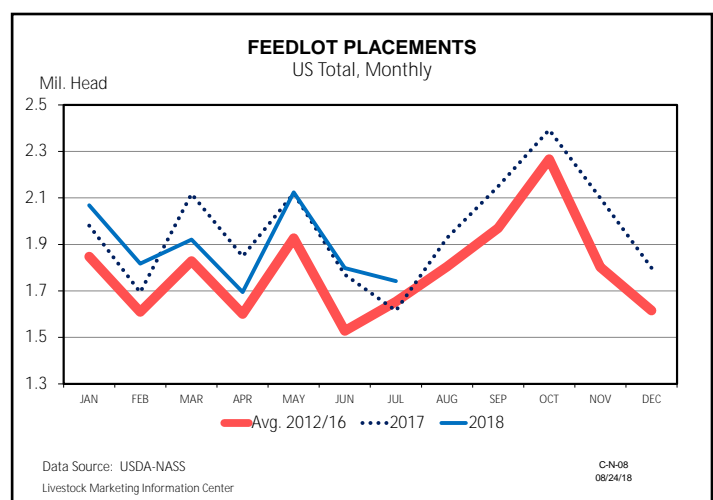
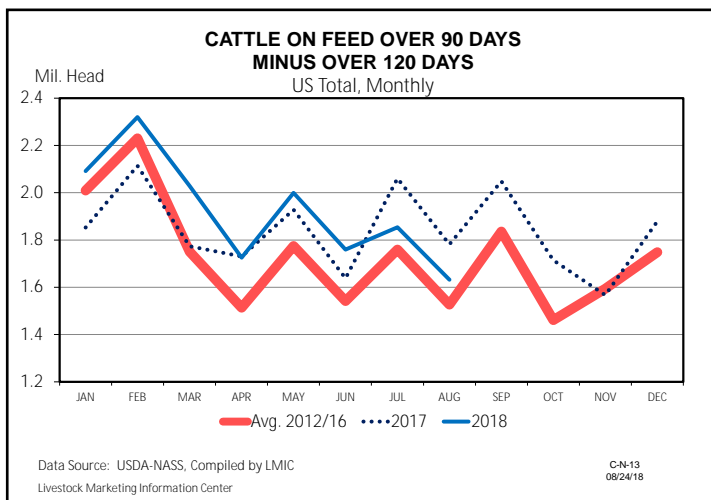
The [Cattle on Feed](#) report released by USDA-NASS last Friday showed aggressive placements of this year's calf crop into feedlots. Weights of cattle placed under 600lbs. was up 14% nationally and those placed at 600 to 699 lbs. was up 23% above a year ago. States outside the top four, named other states in the report, showed 31% more lightweight cattle that were placed under 700 lbs. in July compared to last year. Nebraska and Texas showed similar patterns with higher year over year percentages in categories under 700 lbs. Colorado placements showed more diversity with all weight categories (under 600lbs, 600-699, 700-799, and over 800 lbs.) up 20%. The total number of placements was up 7.9% compared to a year ago and the highest July placement value since 2012. Placements were on the high side of analyst expectations but still within the range of pre-report estimates.

Cattle marketed in July was up 5% from the previous year, close to analyst consensus ahead of the report. Cattle on feed as of August 1 was 4.6%. A higher other disappearance value tempered higher placements, and eased inventory on a monthly basis down about 200 thousand head from the July 1 Cattle on Feed figure.

Cattle on feed over 90 days continued to work the inventory down, while inventory of cattle on feed over 120 days or more

was more or less stagnant compared to the previous month. Higher levels of lightweight placements set up a continuation of high numbers of cattle on feed for over 120 days. Longer days on feed lends to higher weights at slaughter but so far, steer weights have been moderate, while heifer weights have been up all year. In the recent week of data (8/11/2018), steer dressed weights were down 1 pound compared to a year ago, while heifers were 6 pounds higher. The next quarterly breakdown of heifers and steers on feed and should give some indication if a greater number of heifers are still being placed into feedlots.

The cattle on feed report is following the cold storage report as detailed in Friday's DLR, showing hefty increases in beef inventories. Much of the increase is in boneless beef, which hit a record large July in 2018. These stock build-ups could be more indicative of larger ground beef supply from higher cow slaughter levels seen all year rather than inventories building in high-value muscle cuts. Cold storage does not break-out beef inventory into this level of detail, so its unknown the true nature of cold storage inventories. If that is the case, high levels of steer and heifer placements into feedlots less concerning if demand is still able to chew through what has been a continuous flow of high steer and heifer supplies entering slaughter channels.



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## PRODUCTION & PRICE SUMMARY

Week Ending 8/25/2018

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY.

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
			25-Aug-18	18-Aug-18		26-Aug-17			
	Beef, Pork, Chicken, & Turkey	Mill Lbs., cwe	1,950	1,933	0.9%	1,893	3.0%	62,138	1.9%
C	FI Slaughter	Thou. Head	636	660	-3.6%	645	-1.4%	21,124	2.8%
A	FI Cow Slaughter **	Thou. Head	120	114	5.0%	110	9.0%	9,526	6.9%
T	Avg. Dressed Weight	Lbs.	815	813	0.2%	821	-0.7%	811	0.3%
T	Beef Production	Million Lbs.	517.6	535.4	-3.3%	528.4	-2.0%	17,131	3.1%
L	Live Fed Steer Price, 5-Mkt	\$ per cwt	109.52	109.91	-0.4%	106.78	2.6%		
E	Dressed Steer Price, 5-Mkt	\$ per cwt	173.16	175.73	-1.5%	169.70	2.0%		
	Oklahoma Steer (600-700 lbs)	\$ per cwt	157.75	157.77	0.0%	150.54	4.8%		
&	Choice Beef Cutout	\$ per cwt	213.86	209.70	2.0%	192.30	11.2%		
	Hide/Offal	\$ per cwt, live wt	9.32	9.21	1.2%	10.76	-13.4%		
B	Rib, Primal, Choice	\$ per cwt	357.66	349.12	2.4%	302.22	18.3%		
E	Round, Primal, Choice	\$ per cwt	163.03	161.39	1.0%	164.76	-1.0%		
E	Chuck, Primal, Choice	\$ per cwt	178.40	173.96	2.6%	162.89	9.5%		
F	Trimblings, 50%, Fresh	\$ per cwt	86.97	92.45	-5.9%	60.45	43.9%		
	Trimblings, 90%, Fresh	\$ per cwt	211.17	210.88	0.1%	231.92	-8.9%		
H	FI Slaughter	Thou. Head	2,526	2,451	3.1%	2,338	8.0%	78,841	2.8%
H	FI Sow Slaughter **	Thou. Head	56.9	56.3	1.0%	56.0	1.6%	4,791	2.0%
O	Avg. Dressed Weight	Lbs.	208.0	207.0	0.5%	207.0	0.5%	212	0.6%
G	Pork Production	Million Lbs.	524.3	509.4	2.9%	486.8	7.7%	16,699	3.4%
S	Iowa-S. Minn. Direct	Wtd. Avg.	38.94	42.58	-8.6%	69.74	-44.2%		
	Natl. Base Carcass Price	Wtd. Avg.	52.71	55.78	-5.5%	75.35	-30.0%		
&	Natl. Net Carcass Price	Wtd. Avg.	54.99	58.15	-5.4%	77.85	-29.4%		
	Pork Cutout	\$ per cwt	65.66	68.73	-4.5%	88.24	-25.6%		
P	By-product Value	\$ per cwt, live wt	3.71	3.73	-0.5%	3.96	-6.3%		
O	Ham, Primal	\$ per cwt	54.41	57.74	-5.8%	68.42	-20.5%		
R	Loin, Primal	\$ per cwt	73.50	75.40	-2.5%	82.71	-11.1%		
K	Belly, Primal	\$ per cwt	75.49	86.36	-12.6%	153.97	-51.0%		
	Trimblings, 72%, Fresh	\$ per cwt	53.78	53.78	0.0%	59.54	-9.7%		
C	Young Chicken Slaughter *	Million Head	168.8	168.1	0.4%	164.53	2.6%	5,309	-0.2%
H	Avg. Weight (RTC)	Lbs.	4.76	4.67	1.8%	4.64	2.5%	4.69	0.7%
I	Young Chicken Production (RTC)	Million Lbs.	803.0	785.6	2.2%	764.0	5.1%	24,873	0.5%
C	Eggs Set (US)	Million	226.5	227.2	-0.3%	226.1	0.2%	19,119	2.7%
K	Chicks Placed (US)	Million Head	184.3	185.5	-0.6%	184.1	0.1%	15,450	1.7%
E	National Composite Whole Bird	Composite	86.13	86.13	0.0%	92.15	-6.5%		
N	Northeast Breast, B/S	\$ per cwt	112.56	109.05	3.2%	143.93	-21.8%		
	Northeast Leg Quarters	\$ per cwt	30.94	31.03	-0.3%	43.16	-28.3%		
T	Total Turkey Slaughter *	Million Head	4.40	4.27	3.0%	4.55	-3.4%	136.0	-0.2%
U	Avg. Weight (RTC)	Lbs.	23.97	24.08	-0.5%	25.04	-4.3%	25.25	-0.5%
R	Turkey Production (RTC)	Million Lbs.	105.4	102.8	2.5%	114.0	-7.6%	3,435	-0.8%
K	National Hen (8-12 Lbs)	\$ per cwt	82.94	79.30	4.6%	97.04	-14.5%		
G	Corn, Omaha	\$ per Bushel	3.23	3.37	-4.2%	3.17	1.7%		
R	Distillers Grain, Chicago	\$ per Ton	147.50	155.00	-4.8%	120.00	22.9%		
A	Wheat, Kansas City (delivered)	\$ per Bushel	6.20	5.90	5.1%	5.08	22.0%		
I	Soybean, Cntrl IL	\$ per Bushel	8.09	8.64	-6.3%	9.39	-13.8%		
N	Soybn Meal 48%, Cntrl IL	\$ per Ton	322.70	344.60	-6.4%	298.60	8.1%		

\* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

\*\* Cow and sow slaughter reflect levels from two weeks ago (part of "actual" rather than "preliminary" weekly slaughter report).

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