

USDA’s National Agricultural Statistics Service (NASS) releases their monthly Cattle on Feed report this Friday. The on-feed animal count will be as of September 1st and the animals placed and marketed will be for August. As a reminder, this report is for all U.S. feedlots with 1000 head or more capacity and animals that are “on full feed for slaughter.”

All three of the industry analyst categories compiled into pre-report estimates have wide ranges compared to typical (see the provided table which was developed by Urner Barry). The wide ranges in head placed and marketed combine to give the range of September 1 on-feed estimates. The average on-feed estimate is 2.7% above a year ago. Last month, as of August 1st, that year-over-year increase was 4.3%. That’s a larger than normal drop between August and September.

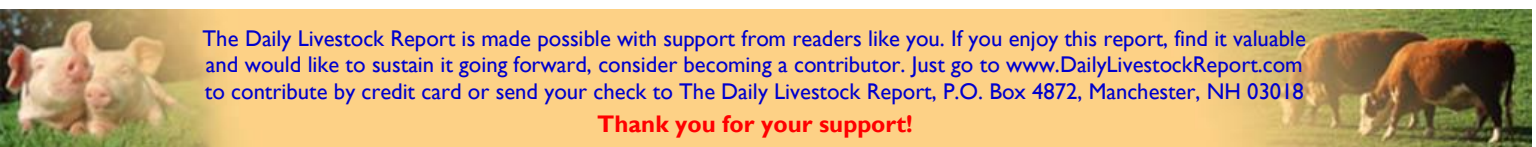
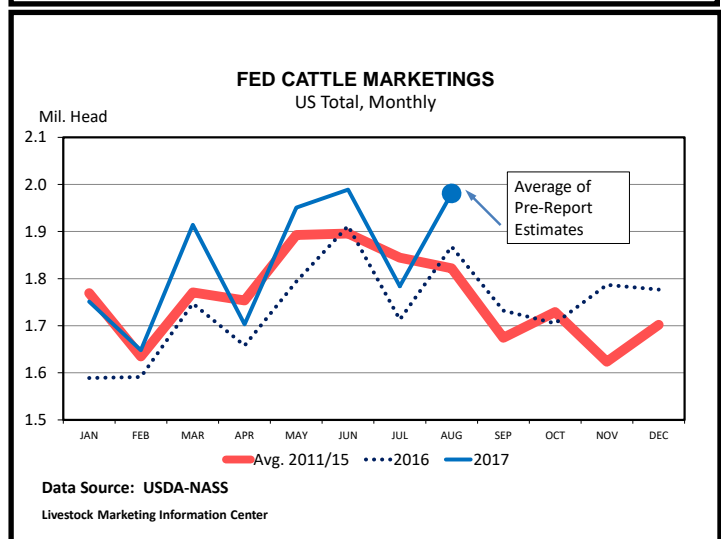
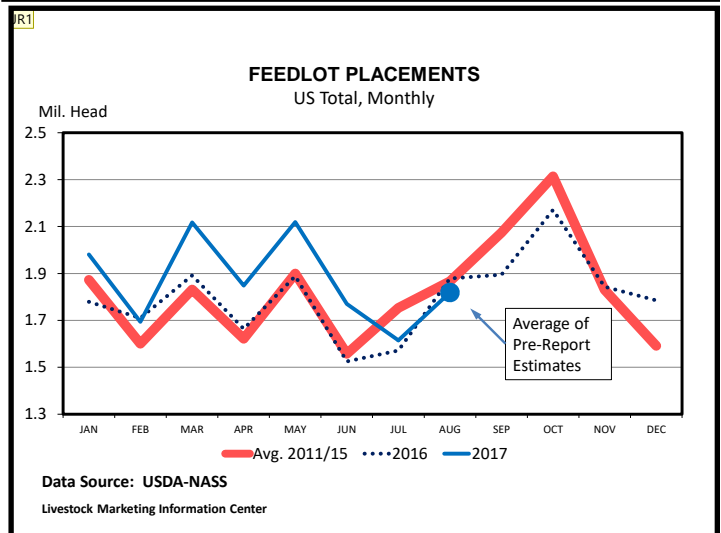
Even though drought in the northern High Plains likely continued to push animals into feedlots, most other major U.S. cow-calf states have had rather good pasture and range conditions during August. A year ago (August 2016), the number of cattle placed into feedlots was large. On average, industry analysts expect that a more typical placement level occurred this year. Still, there is considerable uncertainty about both the head and weights of animals placed into feedlots last month. In fact, arguments can be made for head placed to be well above 2016’s, given several factors, including: 1) drought in the northern High Plains; 2) highly profitable closeouts on fed cattle sold from January through July; 2) and potentially more heifers placed than a year ago. In turn, some indications are for lower placements well below the average estimate.

August feedlot marketing’s remained robust and well above 2016’s. In terms of head, the average of the pre-report estimates is 1.981 million animals marketed during August, which is only slightly below June’s (the highest of this year).

Looking ahead, with the larger U.S. calf crop to be weaned this fall and more heifers placed on-feed than a year earlier, year-over-year increases in animals placed on-feed should be anticipated in most months during the balance of this calendar year and throughout 2018.

COF Industry Pre Report Estimates		
	% of Year Ago	
	Average	Range of Estimates
On-Feed September 1	102.7	101.1 - 104.0
Placed in August	96.8	88.3 - 104.3
Marketed in August	106.0	104.9 - 107.1

Source: Urner Barry (used with permission)



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