

USDA NASS's Cattle on Feed looms ahead on Friday, providing an update for cattle marketed and placed in the month of August. Earlier this week analysts put forth their thoughts in the form of pre-report estimates.

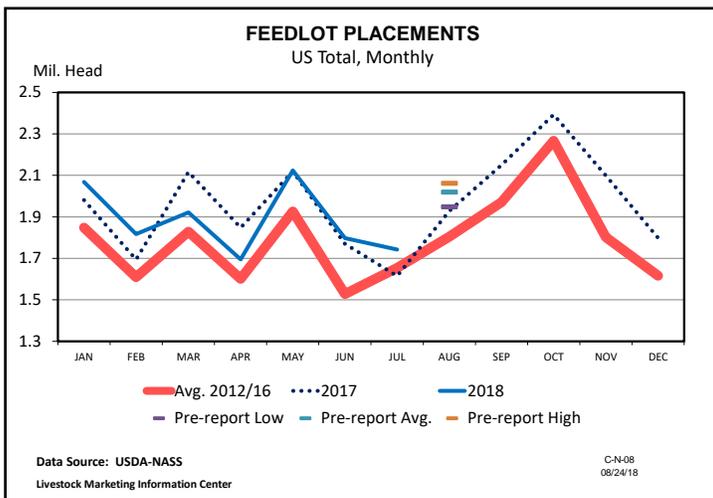
Last month saw above average placements for July, and placements are expected to be large once again in August. In part, historical numbers indicate that seasonally August placement should be larger than July, but ahead of the report one of the big questions is whether July placements had pulled-in cattle that would have normally been placed in August. The pre-report average of placements is 104.8 relative to a year ago is somewhat misleading. Analysts are split between those believing that placements will be rather large again on a percentage basis (over 5% of last year) and those that expect placements to be more moderate based on the number placed in July. The big takeaway, however, is that even at the low end of the analysts' range, placements are still expected to be the largest since 2012. Those on the high end of the range expect it to be the largest since 2011.

days in this month compared to August 2017. But, the number of cattle on feed is significantly larger than it was last year, which means the number of cattle marketed needs to increase to accommodate for larger inventory and forecasted higher placements. Pre-report ranges for marketings came in line with slaughter levels.

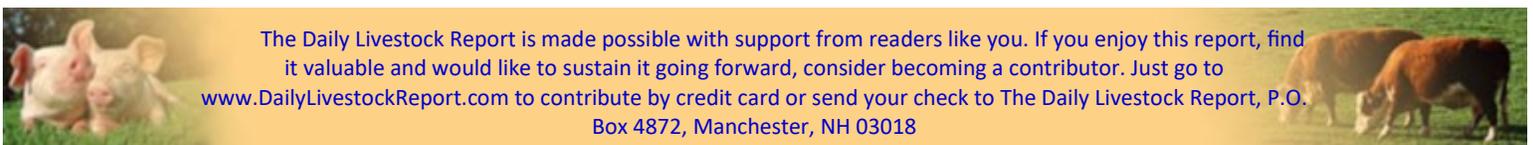
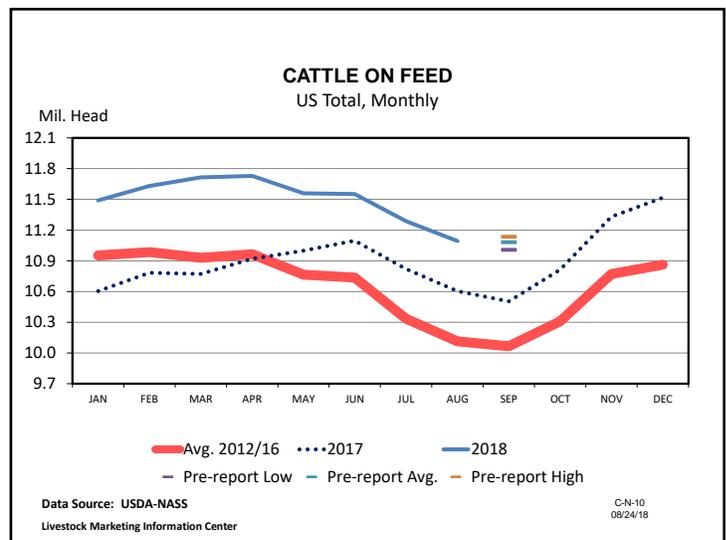
Monthly (NASS) Cattle On Feed, Pre Report Estimates		
	% of Year Ago	
	Average	Range of Estimates
On-Feed September 1	105.5	104.8 - 106.0
Placed in August	104.8	101.1 - 107.0
Marketed in August	100.0	99.8 - 101.0

Source: Urner Barry (used with permission)

The combination of a smaller marketing rate (relative to other months) and higher placements indicate that cattle on feed inventory will continue to be about 5% higher than last year. Analysts' average peg September 1 at 105.5 percent of a year ago with a relatively tight range largely tied to the disparity between placement estimates. Still, September 1 cattle on feed inventory is typically lower than the preceding months. This month analyst ranges show a smaller seasonal decline than in years past.



Marketing rates have slipped in the month of August. Slaughter levels of steers and heifers relative to a year ago were exactly even based on the daily federally inspected data released by USDA AMS. This may not seem a concern, as equal slaughter



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