

Except for a handful of weeks so far this year Federally Inspected heifer slaughter levels have been above a year ago. In conjunction, in most weeks steer slaughter was below 2017's. Those situations are depicted in the graphics below. Using daily data reported by USDA agencies (through September 8th), year-to-date heifer slaughter was 472,000 head above 2017's (up 8.3%), while steer slaughter slipped from a year ago by 89,000 animals (down 0.8%).

Some market watchers have pointed to the differential described above as indicating something is wrong. We do not agree with that view, at least not yet. Biological aspects of the beef industry make the flow of heifers put into feedlots much different than steers. As a reminder, USDA-NASS estimated the U.S. calf crop grew by 2% (716,000 head) in 2017 from 2016's and virtually half the annual crop is heifers.

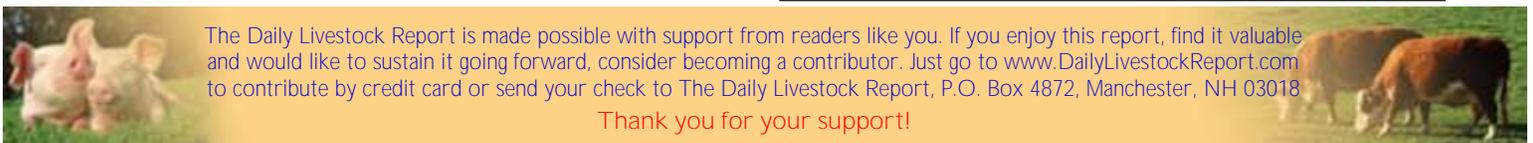
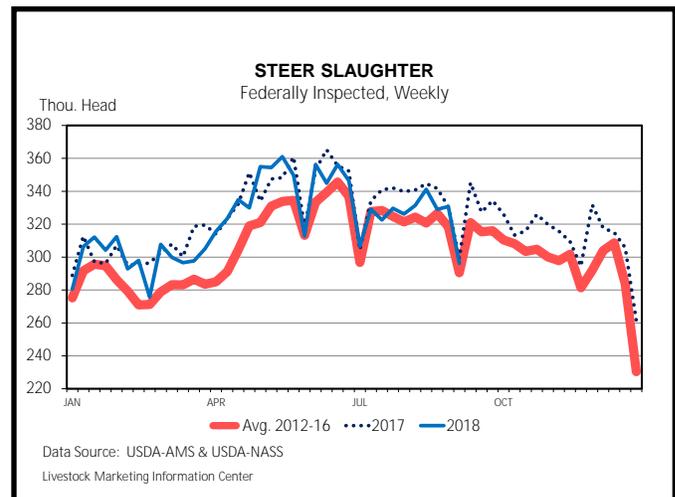
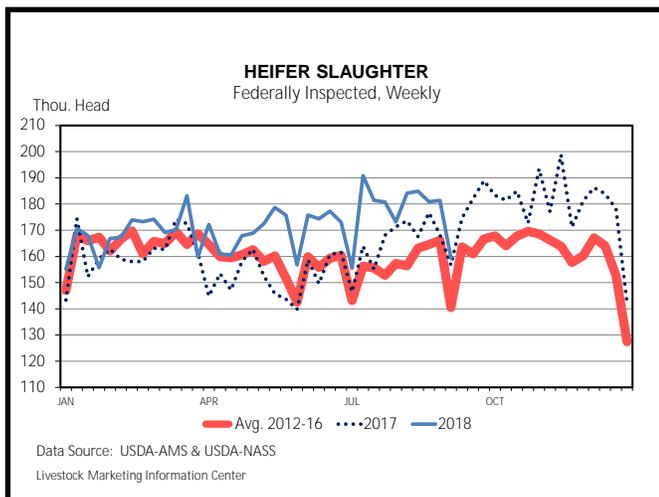
Steers have a relatively well defined seasonal feedlot placement pattern, though one that can change from one year to the next rather dramatically. Seasonal placements translate into the weekly slaughter shown in the second graphic. The seasonal difference in steer versus heifer slaughter is evident in the five year averages (2012-16) of the two graphics, the ups-and-downs for heifers within the year is significantly less than that of steers.

Steers can enter feedlots at various ages/weights depending on the year. But that is compounded when making year-over-year comparisons for heifers, especially when cyclically more heifers are entering the beef production system rather than to increase the size of breeding herds.

Some steers enter feedlots as calves (i.e., under one year of age), others go on-feed as yearlings. Yearlings are mainly in two age categories, short yearlings (mostly entering feedlots in the late Winter into the Spring months), and long yearlings (mostly entering feedlots in the late Summer and early Fall months).

Heifers can enter feedlots in similar timelines as steers; however, there are more decision points and timeframes involved (up to years more). But, a rather large proportion will be evaluated after weaning and held as potential breeding stock. Some heifers may never be bred even though they were initially held-back at weaning from the market. In fact, some ranchers essentially hold-back all their heifers for several months after weaning. Heifers that are not bred and those that do not successfully produce a calf, are sold and generally go direct into feedlots. Of course, those animals are sold in different months. Further, there are "heiferettes" in the slaughter mix. Those are animals that had one calf but were sold, usually because they did not re-breed. Heiferettes going to feedlots will show-up in heifer slaughter figures and are not counted as cows (i.e., they show less physical maturity than cows). Sometimes an open (did not re-breed) heifer is still kept on the ranch, however, not when cow-calf returns are struggling or forage supplies are tight.

Heifer slaughter posting year-over-year gains while steers harvest doesn't is likely just a cyclical biological situation. At least, that's our assessment to date.



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