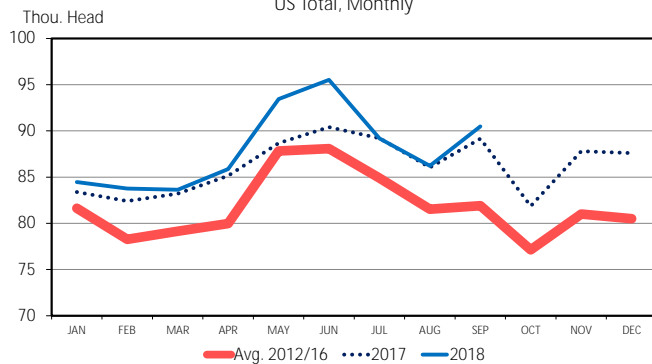


One less weekday for marketing cattle in September versus a year earlier framed the theme of fewer cattle moving to slaughter plants last month. Adjusting for the difference in weekdays results in a slight increase in per-day feedlot marketings compared to a year earlier and an impressive month-to-month increase when compared to trends over the last five years.

December and January. Last year, the Choice beef cutout slipped \$6 per cwt. (3%) from November to December based on market ready cattle supplies that were much bigger than prior years. Choice cattle prices fell \$1-\$2 per cwt. A supply-driven perspective on this market would suggest that the limited increase in 90-120 day feedlot inventories on October 1 would provide a similar backdrop for cattle market action this December as a year ago.

DAILY AVERAGE FED CATTLE MARKETINGS
US Total, Monthly



Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

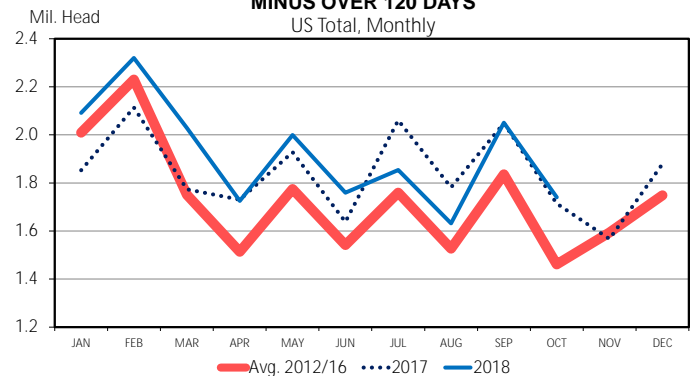
C-M-25
10/22/18

Inventories of cattle that will need to move to market in the next few months are considerably larger than in past years, the consequence of substantial placements of cattle into feedlots last May and June. This situation has been compounded by feedlot marketings that have kept apace of a year ago, instead of posting increases in line with the flow of cattle into feedlots. Marketings as a percent of cattle on feed 90 days or longer have run below 2017 rates throughout this year.

Cattle on feed over 120 days on October 1 increased by 332,000 head from one month earlier, this year. This compares to a 266,000 head increase in 2017 and an average change of +165,000 between these same months during the 2012-2016 interval. With the books for October slaughter cattle markets about to be closed, the demand for the increase in 120 day feedlot inventories is quite impressive. Choice cattle prices stayed close to \$110 per cwt. from mid-September until last week, when prices perked up another \$3-\$4.

October 1 feedlot inventories on hand for 90-120 days were up 2% from a year ago, but compared to the 2012-2016 interval were up close to 20%. These cattle should be mostly ready for slaughter in

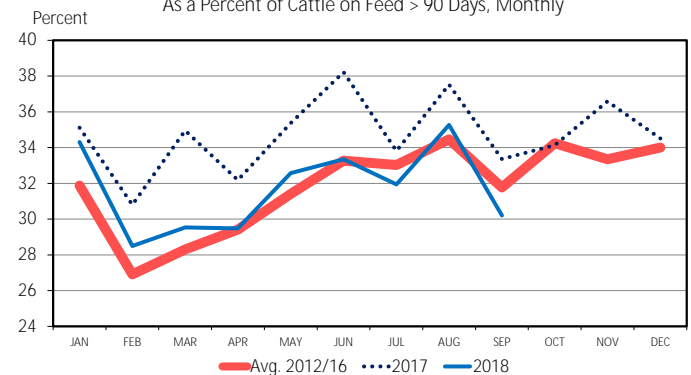
CATTLE ON FEED OVER 90 DAYS MINUS OVER 120 DAYS
US Total, Monthly



Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

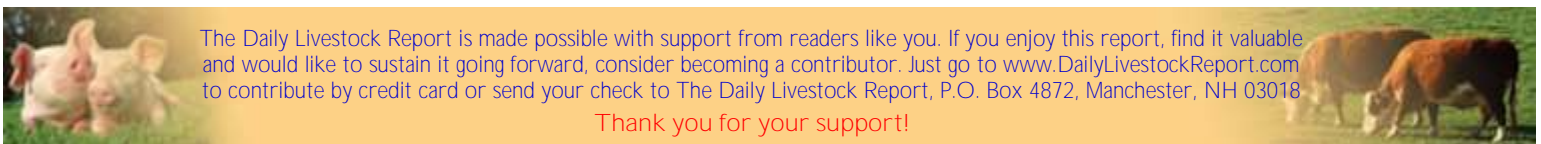
C-N-13
10/22/18

FED CATTLE MARKETINGS
As a Percent of Cattle on Feed > 90 Days, Monthly



Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-M-24
10/22/18



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