Daily Livestock Report

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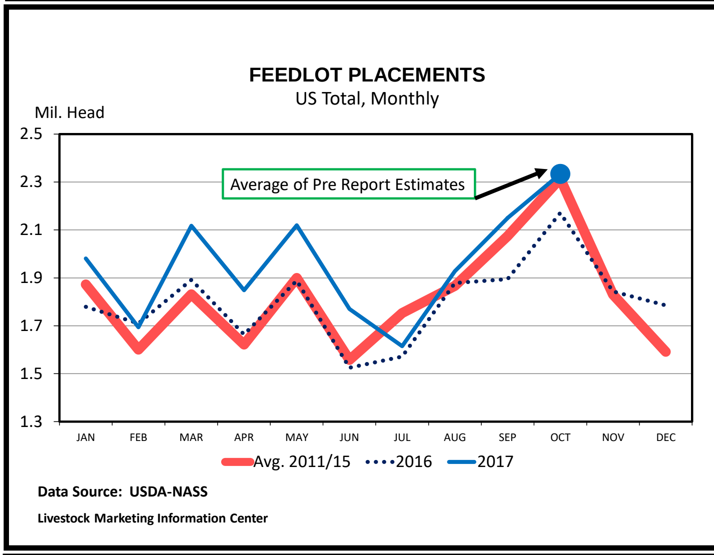
USDA's National Agricultural Statistics Service (NASS) will release their monthly Cattle on Feed report this Friday. The on-feed animal count will be as of November 1st and the animals placed and marketed will be for October. As a reminder, this report is for all U.S. feedlots with 1000 head or more capacity and animals that are "on full feed for slaughter." The NASS reports provide valuable insight on head placed and the weights of those animals, helping to assure all market participants have unbiased and timely data.

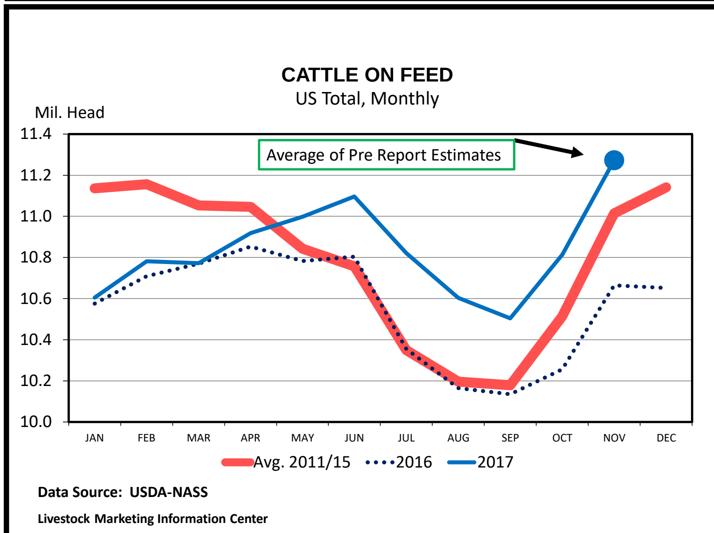
As has been the situation in recent months, the industry analyst pre-report expectations for head placed into feedlots during October has a wide range. The accompanying compilation is provided by Urner Barry, which shows a range of up 3.6% to 13.1% year-over-year, with an average increase of 7.1%. As we have said before, to have considerable uncertainty about both the head and weights of animals placed into feedlots has become rather common. Though head placed are expected to be well above 2016's, the average pre-report estimate is close to the prior 5-year average (2011-15). As is shown in the first graphic, October is an important month because it's the largest month in terms of animals placed into feedlots.

Regarding head marketed during October, the pre-report range is much narrower than it was for the prior two reports. The average for the range is very close to the level implied by Federally Inspected slaughter data published for steers and heifers. Note that there was one more slaughter day in October of this year compared to 2016's. So, analysts expect daily average marketing's only slightly above a year ago (rising 0.6%). Still, compared to the prior 5-year average (2011-15) daily average marketing's for the month were up 4.5%.

Of course, the wide ranges in head placed results in a rather large range for the number of cattle in U.S. feedlots as of November 1st (up 4.8% to 7.0% year-over-year). The pre-report average is up 5.7% compared to a year ago. In terms of animals, the expectation is that the November 1st on-feed count will be 608,000 head above a year ago and 258,000 head larger than the prior 5-year average. Though that year-over-year increase is large, compared to the longer-term average, it is consistent with the growing U.S. calf crop in recent years. Year-over-year increases in the inventory of animals in feedlots should continue throughout 2018.

COF Industry Pre Report Estimates		
	% of Year Ago	
	Average	Range of Estimates
On-Feed November 1	105.7	104.8 - 107.0
Placed in October	107.1	103.6 - 113.1
Marketed in October	105.4	105.0 - 105.8
Source: Urner Barry (used with permission)		





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