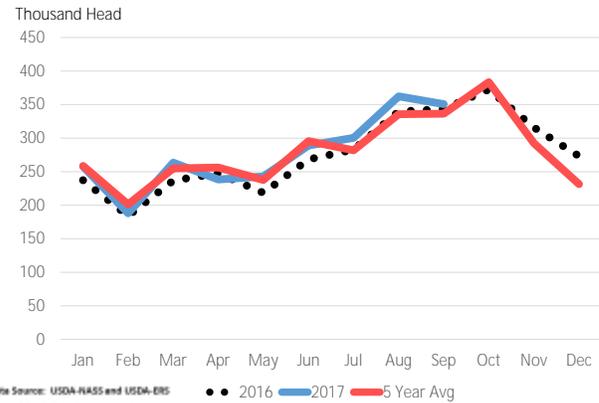


Federal inspected steer and heifer slaughter through the first nine months of 2017 is up 5.7% from a year earlier. Steer and heifer slaughter accounted for by feedlot marketings, as reported in the monthly Cattle on Feed Report from USDA-NASS (National Agricultural Statistics Service) is 86.9% for the total, up from 86.3% for all of 2016. This year's share of steer and heifer slaughter coming from feedlots in the USDA-NASS survey is similar to the annual share in 2012, which was the highest percentage of the last ten years. The trend has been increasing over time, so it is likely is also the highest percentage ever.

Steer and heifer harvest sourced from outside of the USDA-NASS feedlot survey is increasing this year. Steers and heifers from this domain are either imported from Canada or from feedlots with capacities less than 1,000 head (e.g. family farm feedlots, usually in the Midwest, or non-traditional cattle feeding states). For the latest reported month (September), steer and heifer kill coming from this sector was up 8,000 head from a year earlier, at 351,000 cattle. Weekly data from USDA-AMS (Agriculture Marketing Service) for September indicates that slaughter steers and heifers coming from Canada that month was about 32,000 head, so that would leave close to 320,000 steers and heifer to be marketed from smaller U.S. feedlots for the month of September. For sake of comparison, 1,000 capacity feedlots in Kansas marketed 390,000 cattle in September while

## RESIDUAL STEER AND HEIFER SLAUGHTER

Steer and Heifer Slaughter Exclusive of USDA-NASS Feedlot Marketings



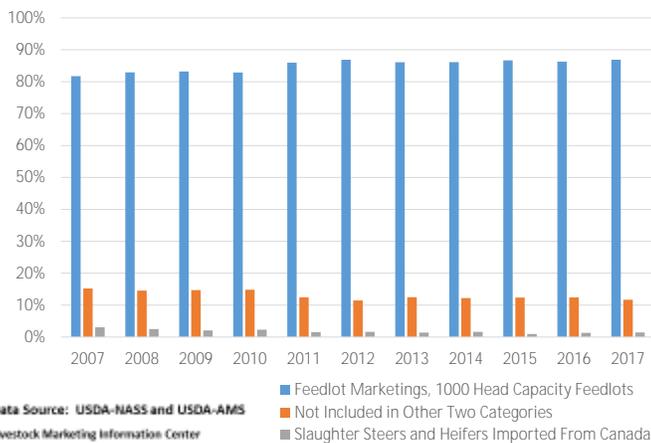
similar feedlots in Colorado marketed 165,000 cattle. Steer and heifer slaughter sourced from smaller feedlots has been above a year ago in every month except April, usually running about 20,000 head more.

Slaughter steer and heifer imports from Canada are at 1.4% of total steer and heifer slaughter this year. This is up from 1.3% for all of last year, but this trend has been declining over the last ten years. In 2007, this percentage was 3.1% of federal inspected steer and heifer slaughter.

Sixteen percent of the September steer and heifer slaughter came from outside of the USDA-NASS feedlot survey. This compares with only 10% in February, which is typically the low for the year. The high percentage for the year is usually in October, 1-3% higher than in September. In September 2016, 17% of steer and heifer slaughter came from outside of the USDA Cattle on Feed survey, and then peaked at 18% for the year in October. Ten years ago, 20% of steer and heifer slaughter came from outside the USDA Cattle on Feed Survey in September and then registered 23% in October, the highest monthly percentage for any month in the last ten years. The percentage of cattle sourced from smaller feedlots (outside the Cattle on Feed survey) in 2012 hit its low as corn prices above \$6 for an extended period of months encouraged marketing of corn for cash instead of though slaughter cattle.

## STEER AND HEIFER SLAUGHTER - FEDERAL INSPECTED

Percent of Total By Marketing Channel



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