

**The results of the monthly USDA survey of feedlots with +1000 head capacity will be published on Thursday, December 20 at 3PM ET.**

Additionally, on that day USDA will publish the results of its quarterly 'Hogs and Pigs' survey while the cold storage inventory estimates will be released on Friday at noon ET. Below is a brief summary of what analysts expect to see in the upcoming feedlot survey. **Tomorrow we will cover 'Hogs and Pigs' estimates.**

**Placements:** There is broad agreement among analysts that feedlots placed fewer cattle on feed in November than the same month a year ago. While the range in the attached table is quite large, seven of the 11 analysts surveyed seven of them expect placements to be down by more than 7% and only one analyst pegged placements above year ago levels. Feed costs have been relatively stable in the last three months and likely had limited impact on feedlot operator decisions to chase cattle for placement. More important was the fact that feedlots already were carrying a pretty big inventory during November and were more focused on marketing the numbers they already had rather than adding to that supply. Indeed, if analysts are right, this will be the third consecutive month of lower y/y feedlot placements. Using the average of analyst estimates, it is estimated that **feedlots in the last three months (Sep/Oct/Nov) reduced placements by about 378,000 head** vs. the same period a year ago. Country sales data was mixed in November, which adds to the uncertainty about placements during the month. For the period Nov. 3 - Nov 30 auction sales were about unchanged compared to the same period a year ago. However, **sales of +600lb. cattle sold at auction were down 6% compared to last year.** For the same time period we saw a big increase in the number of direct cattle sales as well as a very big increase in the number of cattle sold through video auctions. For this four week period, the total number of +600 lb. cattle sold was 6% higher than a year ago. The increase in cattle sales may temper some of the more bullish placement estimates. Additionally, feeder cattle imports from Mexico/Canada during four November weeks were up 6.5%, mostly due to higher Canada imports.

**Marketings:** Analysts surveyed on average expect marketings to be about 1% higher than a year ago. This is in line with the steer/heifer slaughter daily reports from USDA. Using the average of analyst estimates for marketings and the implied number of cattle that have been on feed for +90days, we calculate that the turnover rate in November was 33% compared to 36.6% last year and 36.8% the previous year. Feedlots have been more aggressive in marketing cattle in December, which is necessary since the inventory of +150day cattle on December 1 is estimated at +20% above year ago and +120day cattle inventory is +18.5% vs. last year.

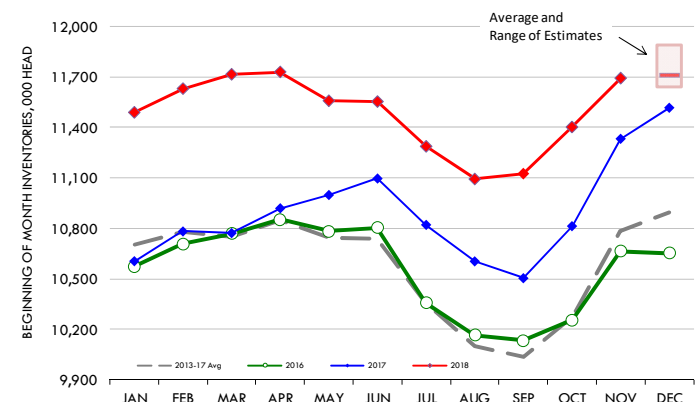
The **total inventory on feed as of December 1** is estimated to be 1.7% higher than a year ago. If analysts are correct, this would be the biggest December on feed inventory since December 1, 2011 (12.051 M).

**December 2018 COF Pre-Report Estimates. Urner Barry Survey percent of year ago volumes. 11 analysts surveyed**

	Average of Estimates	Implied Cattle #	Range of Estimates
On Feed Dec 1	101.7%	11,712	101.0% - 103.2%
Placed on Feed in Nov	93.6%	1,965	89.2% - 100.9%
Marketed in Nov	101.0%	1,862	100.7% - 101.3%

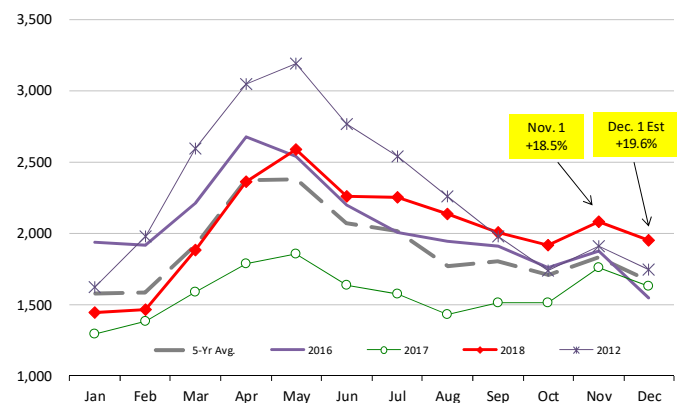
**USA Cattle on Feed Inventory**

Feedlots with +1000 head Capacity. 1st of Month Inventory. '000 head. USDA



**INVENTORY OF CATTLE THAT HAVE BEEN ON FEED FOR 150 DAYS OR MORE**

Calculated using the USDA Monthly "Cattle on Feed" Report



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