
Livestock Market Comments

Record Large March Placements April Cattle on Feed Report

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Being on the high end of placement estimates was the right place to be when the Cattle on Feed Report was released this afternoon. Here are a few thoughts on the report.

- Marketings were as expected, up about 10 percent. No surprises there.
- Placements were record large for March, at 2.102 million head. That was a 210,000 head, or 11 percent, increase over a year ago.
- That left April 1 Cattle on Feed up 0.47 percent.
- Placements will likely be seen as a surprise to the high side. They weren't much more than my pre-report estimate. But, the on feed number certainly doesn't indicate burdensome supplies of cattle on the market.
- The rapid pace of marketings continues to show good demand for fed cattle. The cash fed cattle market was up another \$2 per cwt this week to \$130. The market continues to hold onto the Spring rally. In fact, the Choice beef cutout is continuing to rally, up another \$1.97 per cwt at the end of the week to \$217.69.
- The expanded placement weight data has some interesting implications. One, 67,000 head were placed that weighed over 1,000 pounds. That was up from last year's 60,000. That's a bunch of very heavy feeders. Two, placements were higher in each weight category, except the under 600 pound, but those were only down 2,000 head.
- This report contained the number of steers and heifers on feed. The steer and heifer breakout is only available quarterly. Steers on feed were down 1.8 percent to 7.23 million. That was the fewest since April 1, 2014. Heifers on feed were up 5.2 percent to 3.674 million. That was the most heifers on feed for an April since 2014. The mix of steers and heifers on feed has some interesting implications for beef production in coming months. The combination of more, lighter heifers and fewer, heavier steers will act to moderate the growth in beef production, even though there are slightly more total cattle on feed. It's also likely that the increase in heifers on feed is not enough to indicate any kind of rapid herd contraction. It's a product of more cows, more calves, and more heifers available.