
Livestock Market Comments

COF and Harvey

August 27, 2017

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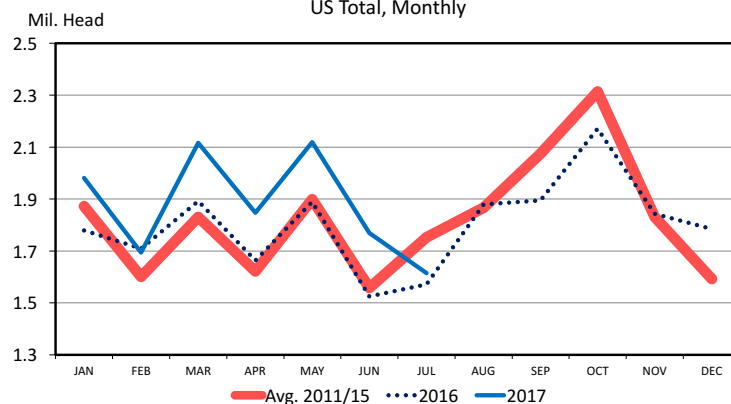
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The Cattle on Feed report came out on Friday afternoon, but it seems overshadowed by hurricane Harvey. Here are a few notes on the report and a couple on the storm too.

- It's always nice when your pre-report estimates hit the report right on the nose and this was one of those months (there are plenty of more humbling reports)!
- Placements were reported up 2.7 percent. The average of the pre-report estimates was up about 6.1 percent from last year. I think it is likely that placements in earlier months pulled cattle ahead, as has happened on the marketing side of the ledger in the first half of the year.
- Placements in July were lower than June, for the first time since 2007. It makes for an interesting placements chart with the counter seasonal move.
- The number on feed was reported to be 104.3 percent of a year ago. Another interesting point is the increasing number of cattle on feed more than 120 days. This will bear watching. We have placed more lighter weight cattle in recent months, but we certainly don't need slower marketings.
- Higher placements in MN, NE, and SD indicated more cattle moving to Corn Belt feeders, but on the other side of that argument, Iowa placements were below a year ago.

FEEDLOT PLACEMENTS

US Total, Monthly

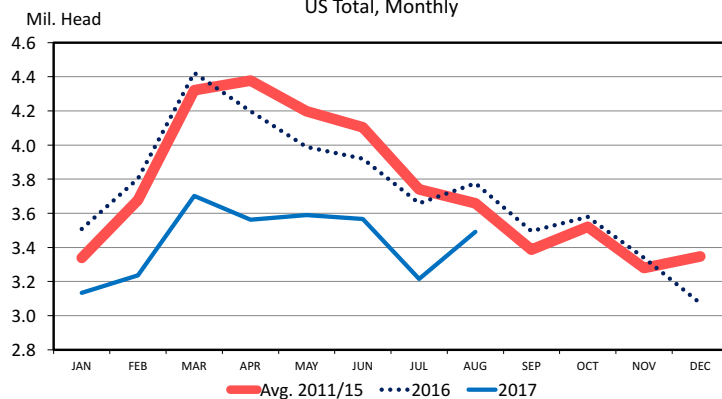


Data Source: USDA-NASS

Livestock Marketing Information Center

CATTLE ON FEED OVER 120 DAYS

US Total, Monthly



Data Source: USDA-NASS, Compiled by
LMIC

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A couple of cattle related notes on Hurricane Harvey.

- The governor has declared a disaster area for 54 Texas counties. An additional 24 counties were added to the original 30 counties in the pre-storm disaster declaration.
- Those 54 counties contain over 1.2 million beef cows based on the 2017 USDA Cattle Inventory report. That is 27 percent of the state's cowherd. That is a conservative estimate of beef cow numbers because 14 of those counties only have all cattle inventory estimates without beef cows broken out.
- Given that is late August, there will be a lot of calves remaining in the affected areas.
- The disaster area also includes a large number of livestock auction markets and Sam Kane beef packers in Corpus Christi.

