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## Livestock Market Comments

### More Placements Expected

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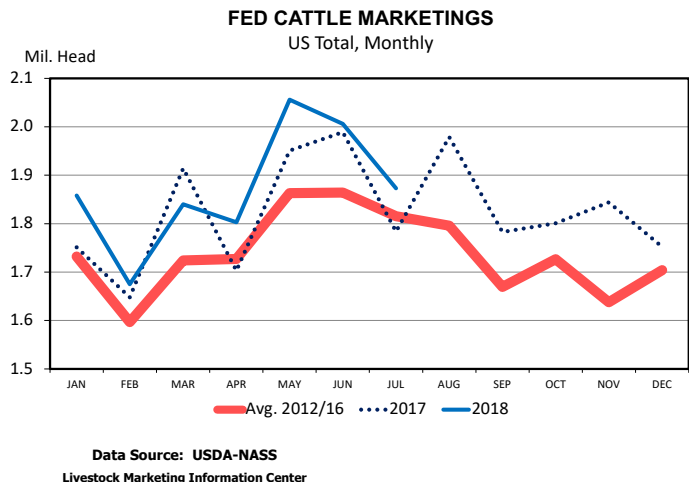
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Here are my pre-report estimates for Friday's Cattle on Feed report.

- Marketings 99.8 percent of a year ago.
- Placements 107.0 percent of a year ago.
- COF 105.9 percent of a year ago.

### Marketings

With the same number of slaughter days as in August, 2017, 23 days, I have marketings just under last year. Slaughter using the daily data was 99.6 percent of a year ago. Looking at FI steer and heifer slaughter continued to indicate steer slaughter below a year ago. The increase in slaughter and beef production is coming from heifers and cull cows. It's an interesting set of data. Why is steer slaughter below last year, and has been for a number of weeks? At this point, I think the best explanation is simply one of timing. But, with more cows, more calves, and more cattle on feed, it is an interesting issue. Steer weights are increasing seasonally, but don't indicate any back up of cattle. Another complicating factor in estimating placements this month is that the Canadian cattle import data has changed. The category for fed steers and heifers now includes cows. Going on the estimate that cow numbers are higher and fed cattle from Canada are running a year ago supports this marketings estimate. Other analysts have estimated a fewer steers and heifers from Canada than I have and, as a result have larger marketings.



### Placements

This, as usual, is the big number. I have placements up 7 percent. It's hard to escape a placement number that is above a year ago. Cattle imports from Mexico were up about 33,000 head. AMS reports indicated more feeder cattle and calves sold than a year ago. Seasonally, placements start to increase in August as more calves are sold and yearlings

come off summer grazing. Feeder cattle prices have continued to increase, on the Board and in local auctions. It appears a little bit of early weaning and selling has occurred in drought stricken areas. January-July placements are only up 0.6 percent from the same period in 2018 indicating that there are likely plenty of calves and feeder cattle available for placement.

**COF**

That leaves me with COF at 105.9 percent of a year ago. On feed numbers typically hit their seasonal bottom in September before beginning to climb through the Fall. That's a lot of cattle on feed, but fed cattle prices last week jumped about \$4-\$5 per cwt to about \$110-\$111. Looks like we are continuing to pull cattle through the system.

