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## **In The Cattle Markets**

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### **Cattle On Feed**

USDA-NASS released the monthly *Cattle on Feed* report on November 20. Numbers came in very similar to the average pre-report estimates. Total cattle on feed number (U.S. feedlots over 1,000 head capacity) on November 1 was up 2.1% over 2014 at 10.8 million head. This is the largest November cattle on feed number since 2012. In 2015 cattle on feed inventories have been at or above 2014 levels for all but one month, with the last five month inventories at 2% or more above last year's levels.

October marketings were as expected at 1.63 million head, down 3.2% from October 2014. There was one less marketing day available in 2015 compared to 2014 which would attribute to fewer marketings. As we look at the marketings on a state basis, Iowa and Nebraska appear to be at the center of the heavy weight cattle. Compared to 2014, October marketings for Iowa were up 13% and Nebraska were up 3%, while Texas was down 14% and Kansas was down 6%. Nebraska was also up 7.5% in September marketings compared to 2014. It appears we have pushed through many of the heavyweights during the end of September and through October. The last report shows steer weights as of Nov 7<sup>th</sup> at 921 pounds down from the peak of 930 pounds.

Placements in October came in at 2.28 million head, down 3.7% compared to a year ago, which was in line with pre-report estimates. Feedlots appear to be cautious with placing cattle as current closeouts have been reported at losses. Of the three largest cattle on feed states, Kansas was the only state with increased placements up 6% compared to year ago. Nebraska placements in October were down 2% and Texas was down 13%.

Not to sound like an old record, but the trend for heavier weight placements continued again in October. All weight categories saw declining placement numbers for October 2015 compared to year ago, except the heavy weight category (800 pounds and over) which increased placements by 5.4%. Decent forage and pasture conditions throughout much of the U.S. has continued to be a major driver, allowing cattle to stay out of the feedlots longer and placing at heavier weights. Recent rains in the southern states have allowed for decent wheat pasture conditions, this trend for placing heavier cattle could continue for another couple of months.

## The Markets

Compared to week ago levels, cattle prices are trending lower. The five-area fed steer price ended the week at \$124.83 for live sales and \$194.71 for dressed, down \$2.21 and \$4.58, respectively. Heavy weights may still be impacting these fed markets as well as some short term weather impacts last week. Corn prices rebounded last week up \$ 0.13 over previous week.

		<b>Week of</b>	<b>Week of</b>	<b>Week of</b>
<i>Data Source: USDA-AMS Market News</i>		<b>11/20/15</b>	<b>11/13/15</b>	<b>11/21/14</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$124.83	\$127.04	\$171.15
	all grades, dressed weight, \$/cwt	\$194.71	\$199.29	\$267.56
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$206.41	\$213.79	\$254.79
	Choice-Select Spread, \$/cwt	\$11.23	\$10.32	\$13.14
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$160.78	\$168.46	\$236.20
	Nebraska 7-market, \$/cwt	\$171.78	\$185.59	\$241.68
	Oklahoma 8-market, \$/cwt	\$174.94	\$177.77	\$240.79
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	\$194.76	\$197.66	\$279.41
	Nebraska 7-market, \$/cwt	\$203.67	\$208.94	\$294.90
	Oklahoma 8-market, \$/cwt	\$199.32	\$201.08	\$294.74
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.54	\$3.41	\$3.53
	DDGS, Nebraska, \$/ton	\$127.56	\$127.25	\$119.00