

Analysts polled ahead of the upcoming USDA 'Cattle on Feed' report (2/19) expect the total inventory in feedlots with +1000 head capacity to be about 1% higher than the previous year. While some analysts think the inventory could be near or below year ago levels, this appears to reflect slaughter expectations that are quite a bit higher than what data would suggest. Below is a brief recap of estimates and implications:

As usual there is a wide range of opinions on the number of cattle that were placed on feed in January. However, **on average analysts expect placements to be about the same as a year ago.** The supply of cattle outside feedlots on January 1 was only marginally lower than the previous year. Fed cattle values were quite robust in January but higher feed costs may have offset some of those gains. June fed cattle prices at the start of January were \$112.5/cwt. By the end of the month, June futures had gained 4.5%. Corn futures during January gained 13% and soybean meal futures were up 1.6%. Feeder and stocker receipts were higher in January. Figures for the four weeks ending January 29 show feeder and stocker sales were up 8.6% compared to the same four week period a year ago. Auction receipts were up 2.7% while direct receipts were up 46% and video/internet sales were up 11.6%. Some regional surveys also suggest robust placements during the month. Higher feed costs should incentivize cow-calf operators to add more pounds outside the feedlot. However, at this time of year weather is a major concern and feed supplies on the farm are tighter than they were the previous year. Winter weather conditions will be closely watched in terms of the impact they have on cattle performance and overall losses. Feeder cattle imports were lower in January. In the four weeks ending January 13, US imports of feeder cattle from Mexico were a total of 87,724 head, down 5,332 head or 5.7% from a year ago. Imports from Canada during this period were a total of 4,158 head, 1,076 head or 20.6% lower than last year.

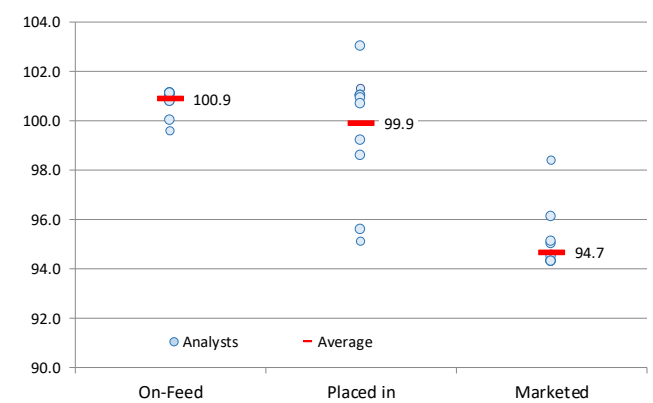
Marketings are expected to be down 5.3% compared to a year ago. There were two fewer marketing days in January, which affected the number of cattle marketed and slaughtered last month. Steer and heifer slaughter data appears to support analyst expectations. We calculate that steer/heifer slaughter last month was 5.7% lower than the previous year. Interestingly, fed cattle slaughter during regular business days averaged 92,190 head/day, 2.5% lower than the previous year. Packers were able to make up some of this by running harder on Saturdays. Saturday fed cattle slaughter in January averaged 50,000 head per day, 79% higher than last year. But fewer slaughter days likely left more cattle in feedlots and contributed to both the lower marketing rate and an increase in the number of long fed cattle on feed.

As we noted above, the total inventory on feed is expected to be about the same as last year. However, **higher placements last summer and early fall and a slowdown in the marketing rate has still left a lot of long fed cattle on feed.** If we take the average of analyst estimates, the supply of cattle that on February 1 had been on feed for 120 days or more was 4.384 million head, 14.3% higher than the same period a year ago. The inventory of cattle with +150 days on feed on February 1 is estimated 23.7% higher than last year.,

Feb. 2021 COF Pre-Report Estimates. UB Survey
percent of year ago volumes. 11 analysts surveyed

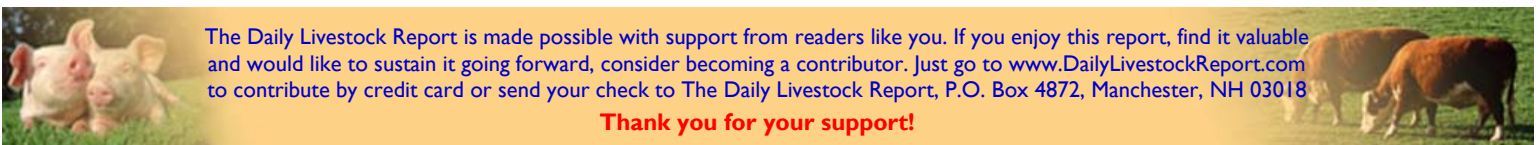
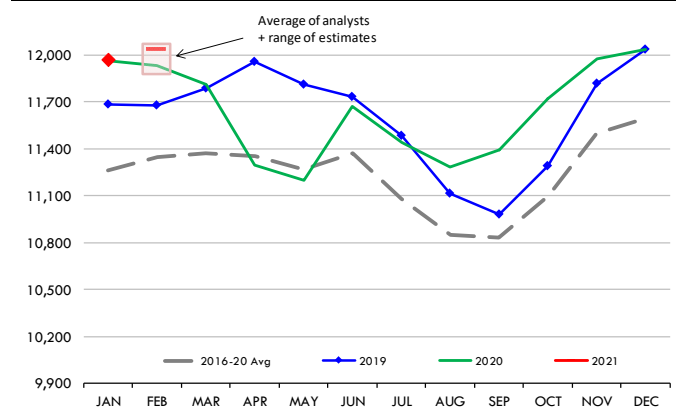
	Average of Estimates	Implied Cattle #	Range of Estimates
On Feed Feb 1	100.9%	12,035	99.6% - 101.1%
Placed on Feed in Jan	99.9%	1,953	95.1% - 103.0%
Marketed in Jan	94.7%	1,829	94.3% - 98.4%

Distribution of **Analyst Estimates** of February USDA Cattle on Feed Report
Based on Analyst Survey from Umer Barry. Prepared by: Steiner Consulting



USA Cattle on Feed Inventory

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



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