

Before we review analyst feedlot inventory estimates, we need to stress that y/y comparisons are skewed by COVID disruptions. Therefore you will routinely see us comparing current numbers not just to 2020 but also 2019 and the 2015-19 average. **Below is a brief recap of what analysts expect ahead of the monthly USDA report.**

Placements: Analysts expect, on average, that feedlots placed 21.3% more cattle on feed than a year ago. Most of them think placements will be 18-23% higher, with only one outlier showing an almost 40% increase. As the chart to the right shows, however, **analysts' placement number is still 5.7% lower than in 2019 and just slightly higher than the 2015-19 average placements for April.** Feedlot placements in the first three months of the year were 5.711 million head, 2.2% lower than in 2019 but 1.8% higher than the five year average. The lower calf crop in 2019 and 2020 remains a key factor driving placement rate longer term. The calf crop in 2019 declined by 721k head and in 2020 it was estimated down another 456k head. **More female cattle going to market have helped bolster feeder supply in the near term and high feed costs, increasing drought pressure and poor margins may continue to push a few more feeder cattle into feedlots.** Still, it will be difficult for the market to find significant supply given the reduction in the calf crop. Feeder cattle sales in the country during April showed a notable improvement from last year but they were well below 2019 levels, supporting analyst estimates. Total feeder cattle sales in the four weeks ending April 30 were 1.096 million head, up 22.5% from last year but 9.7% lower than the same four week period in 2019. Sales of feeder cattle over 600 pounds were 24.3% higher than last year but 10.2% lower than in 2019. Feeder cattle imports from Mexico during the four weeks ending May 1 were 117,154 head, up about 6,000 head or 5.4% compared to the previous year. However, this increase was offset by lower imports from Canada. During the same four week period, imports of Canadian feeder cattle were 10,875 head, down 6,800 head or 38.4% lower than last year.

Marketings: The number of marketing days in April were the same as both April 2020 and April 2019, allowing for a more straightforward comparison. Fed cattle slaughter in April was 33% higher than a year ago, which is right in line with analyst forecasts. April fed cattle slaughter was just 0.3% lower than the previous year. We have heard much about packers unable to run at full capacity and that is obvious when we look at Mon-Fri fed cattle slaughter. In April, weekday slaughter averaged about 91,100 head/day compared to almost 94,000 head per day in 2019. This reduced total fed slaughter during weekdays by about 63,300 head. However, packers were able to make up much of that by running an average of 49,000 head/day on Saturdays compared to 34,700 head/day in 2019.

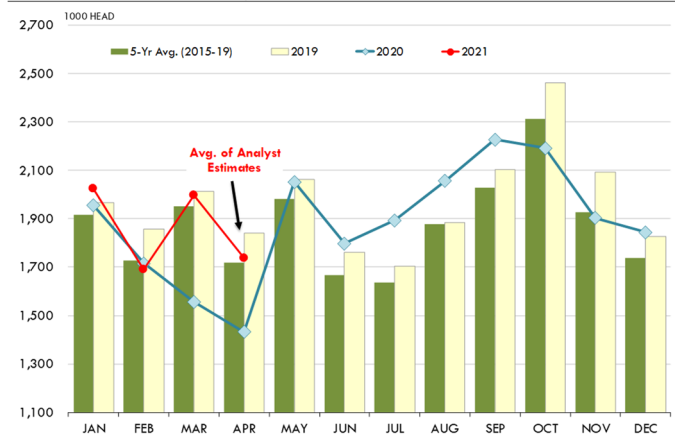
Total inventory on May 1 is estimated up 3.8% compared to 2020 but 1.5% lower than in 2019. The inventory of cattle with more than 120 days on feed estimated at 4.416 million head, down 7.7% from last year but near 2019 levels and 4.8% higher than the five year average.

May 2021 COF Pre-Report Estimates. Uner Barry Survey
percent of year ago volumes. 12 analysts surveyed

| | Average of Estimates | Implied Cattle # | Range of Estimates |
|-----------------------|----------------------|------------------|--------------------|
| On Feed May 1 | 103.8% | 11,626 | 103.0% - 105.7% |
| Placed on Feed in Apr | 121.3% | 1,737 | 117.7% - 139.7% |
| Marketed in Apr | 133.2% | 1,943 | 131.0% - 136.4% |

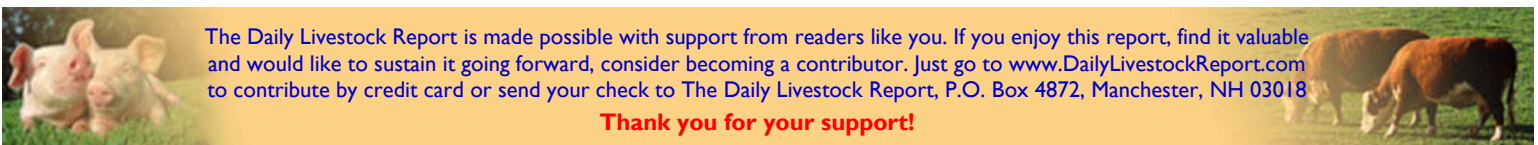
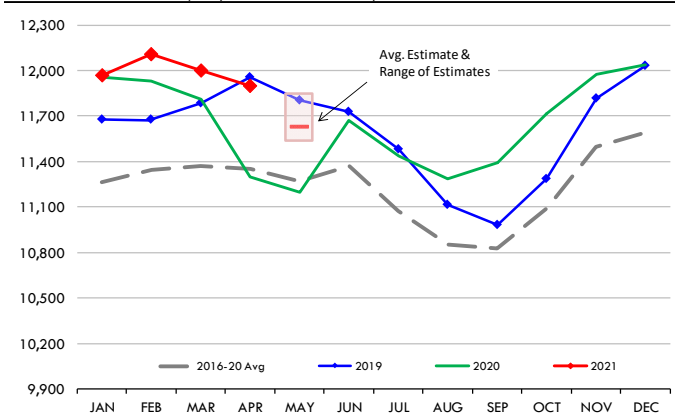
PLACEMENTS OF CATTLE ON FEED, +1000 CAPACITY FEEDLOTS

Source: USDA 'Cattle on Feed' Survey



USA Cattle on Feed Inventory

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



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