DIVISION OF AGRICULTURE
RESEARCH & EXTENSION
University of Arkansas System

COVID-19 Impacts on Arkansas' Agricultural and Rural Economies

UPDATE:
October Cattle on Feed

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Last Friday, USDA NASS published October's Cattle on Feed (COF) report. This article documents some of the findings in that report and the relation to bigger picture market dynamics as we move through the fall. Result from the latest COF report are in Table 1.

Table 1 October Cattle on Feed Report Summary

	1,000 head	% Of 2019	Pre-Report Estimate
On Feed Sep 1	11,394	104	
Placements in Sep	2,227	106	102.2
Marketings in Sep	1,846	106	105.8
On Feed Oct 1	11,717	104	103.3

Source: USDA NASS

According to the October report, September feedlot placements totaled 2.23 million head of 6% above year-ago placements and larger relative to pre-report expectations. September marks the fourth consecutive month of feedlot placements above year-ago levels (Figure 1). However, total placements through September are 3% below 2019 levels for the same period. As we move towards the seasonal peak, it appears that we might start to observe placements more in line with historical levels. However, the drought situation in the southern plains will likely play a role in determining the destination of calves sold this fall. Specifically, the number of lightweight feeders placed in feedlots this fall relative to those going to a winter backgrounding or grazing program. As of October 19, 35% of pasture was in poor or very poor conditions in the southern plains.

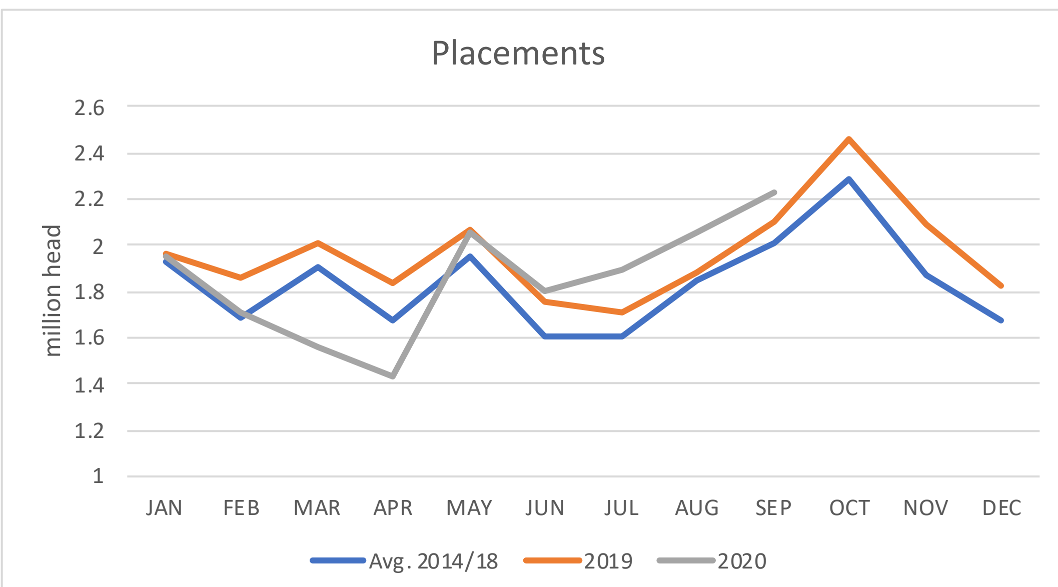

Figure 1. Monthly Feedlot placements.
Source: USDA NASS, LMIC.

Among the states recorded in the report, placements in parts of the southern plains continue to be well above 2019 levels. For September, Oklahoma placements were 35% higher than September 2019 placements and 7% above August 2020 placements. In Kansas, September placements were 13% above September 2019 placements and 9% below August 2020 placements. Texas September placements were 3% below year-ago levels and 2% above August 2020 placements. Year-to-date feedlot placement totals are +2.2%, -10.3%, and -6.6% relative to 2019 for Kansas, Oklahoma, and Texas, respectively. Much of the decline in year-to-date placement totals is a result of the COVID-19 disruptions. More recently, we continue to see improvements in placements across the southern plains.

According to the report, October 1, feedlot inventory was 11.72 million head, which was 4% above a year ago and slightly higher than pre-report expectations. October marks the third consecutive month of on feed inventories above year-ago levels (Figure 2). Each quarter includes a COF report that breaks out feedlot inventory by class, which indicates heifer retention. Of the cattle on feed, 38% are heifers and heifer calves, while 62% are steers and steer calves. Heifers on feed are flat relative to a year ago, while steers on feed are 6% above a year ago. The January COF and Cattle Inventory reports will provide further guidance on heifer retention for beef replacements.

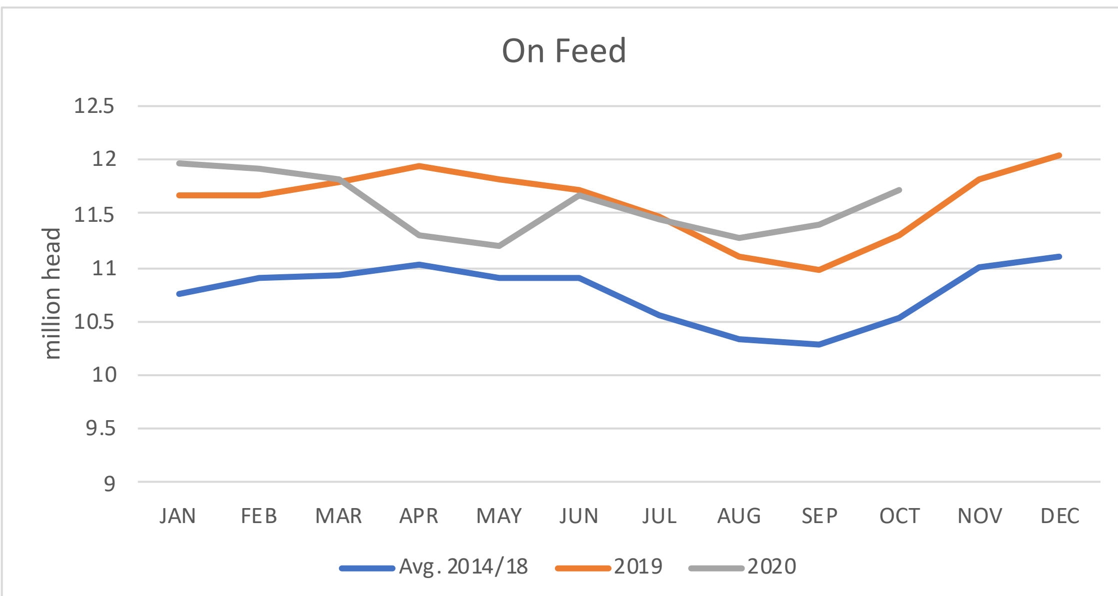

Figure 2. Monthly Cattle on Feed.
Source: USDA NASS, LMIC

September marketings of fed cattle were 6% above a year ago and slightly higher than pre-report expectations. September posted one additional business day relative to September 2019, which added to the observed higher marketings. Figure 3 points towards continued progress in working through the COVID-19 disruptions that we experienced in the second quarter of the year.

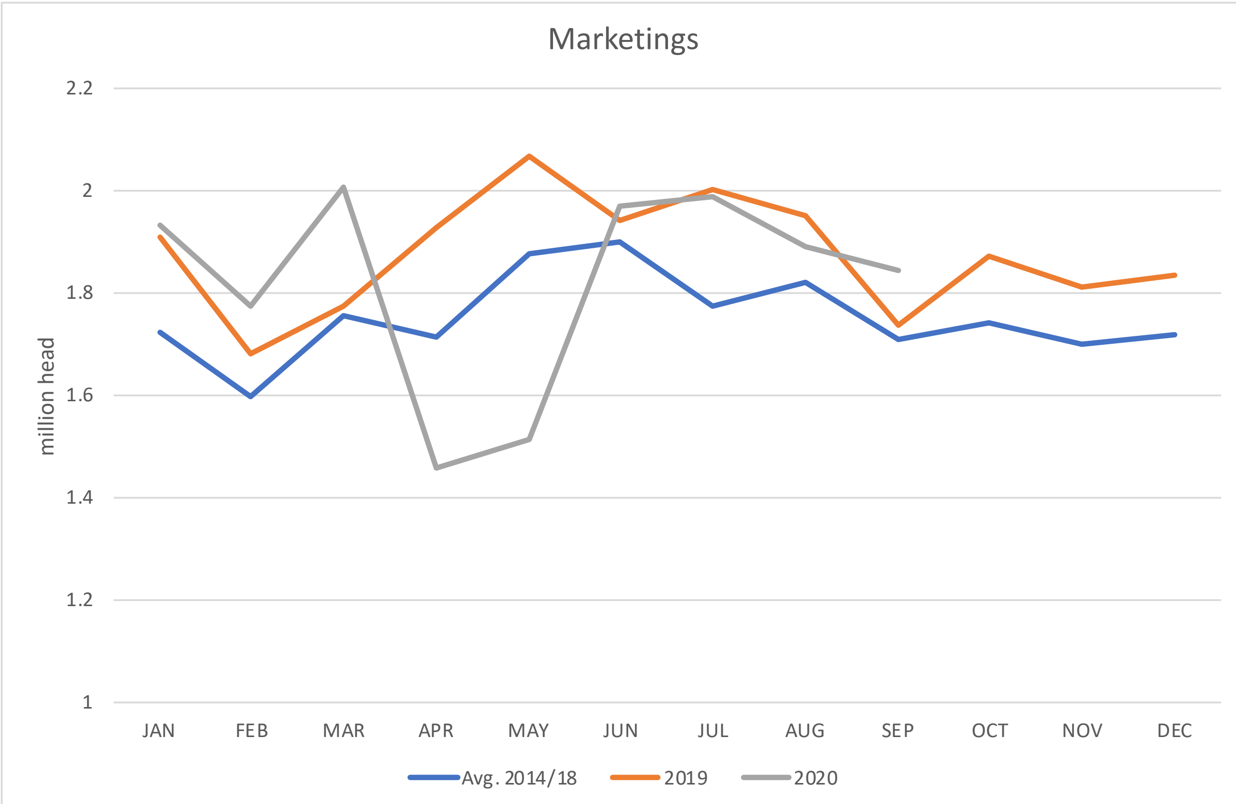

Figure 3. Monthly fed cattle marketings.
Source: USDA NASS, LMIC