



# 2017 Fall Cattle Market Outlook:

Trent Milacek Western Area Ag Econ Specialist

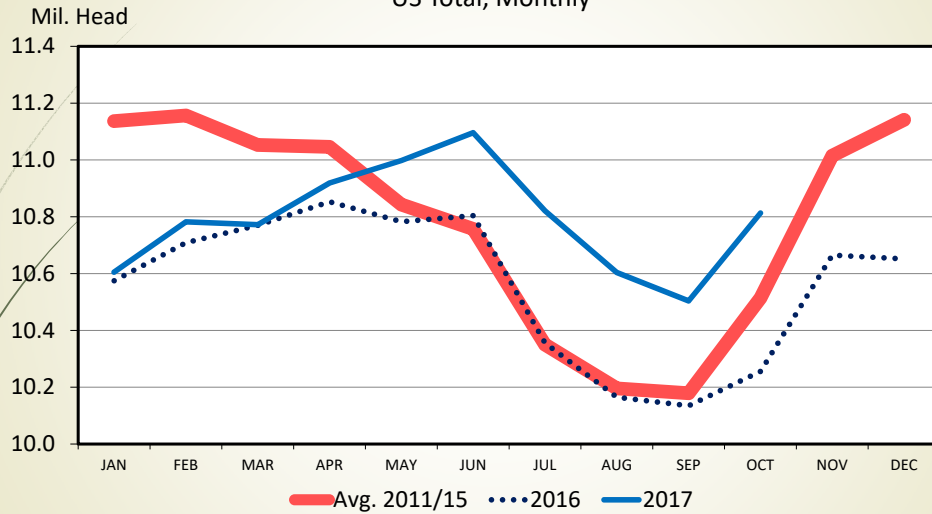


## Major Market Factors

- ▶ Cash Cattle Prices
- ▶ Beef Demand
- ▶ Cost of Gain
- ▶ Cattle on Feed Report



## CATTLE ON FEED US Total, Monthly

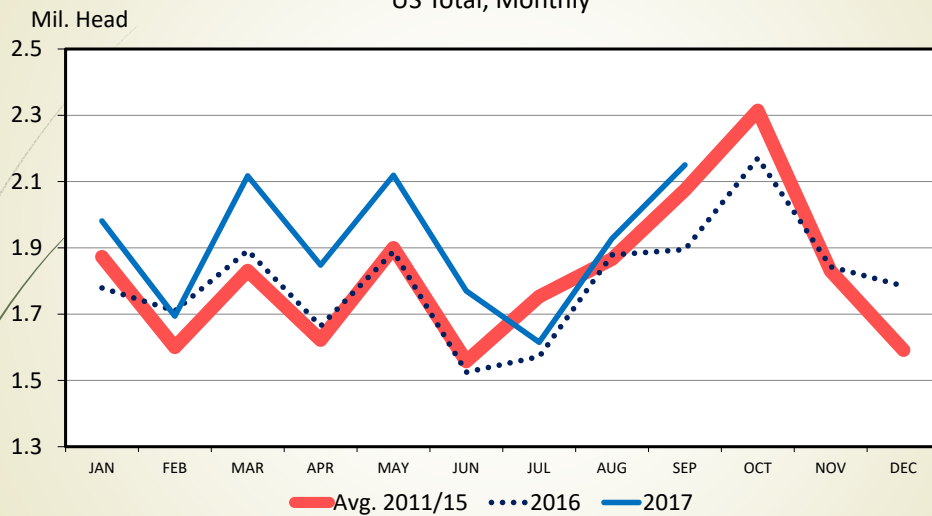


Data Source: USDA-NASS  
Livestock Marketing Information Center

C-N-10  
10/20/17



## FEEDLOT PLACEMENTS US Total, Monthly

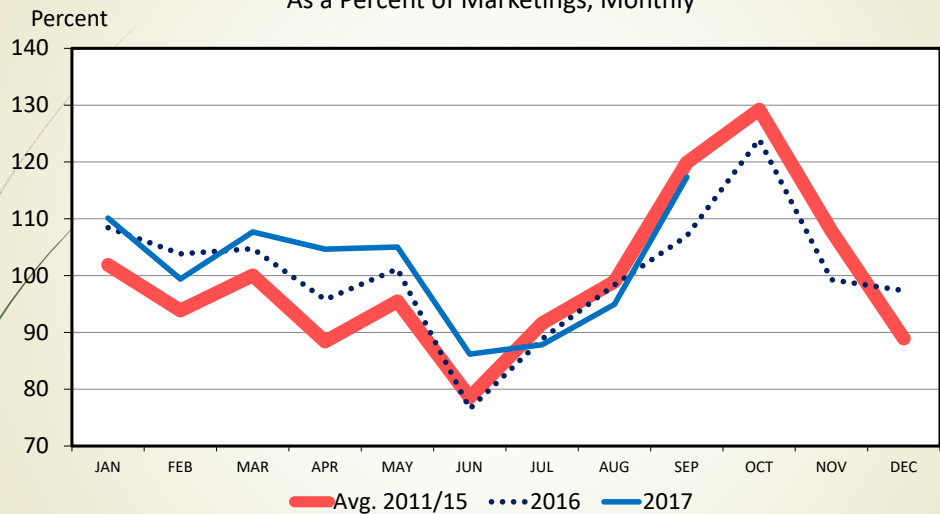


Data Source: USDA-NASS  
Livestock Marketing Information Center

C-N-08  
10/20/17



## NET FEEDLOT PLACEMENTS As a Percent of Marketings, Monthly

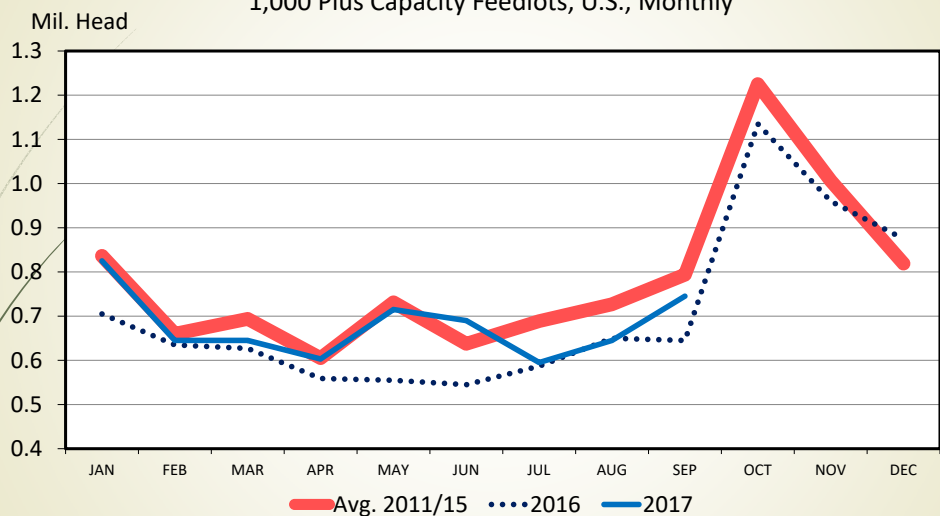


Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center

C-N-16  
10/20/17



## CATTLE PLACED WEIGHING LESS THAN 700 POUNDS 1,000 Plus Capacity Feedlots, U.S., Monthly

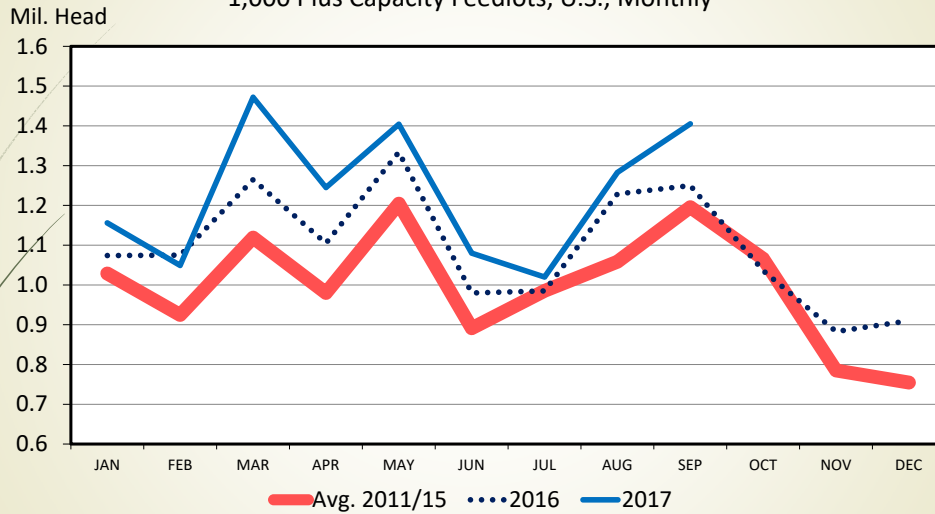


Data Source: USDA-NASS  
Livestock Marketing Information Center

C-N-08A  
10/20/17



## CATTLE PLACED WEIGHING MORE THAN 700 POUNDS 1,000 Plus Capacity Feedlots, U.S., Monthly

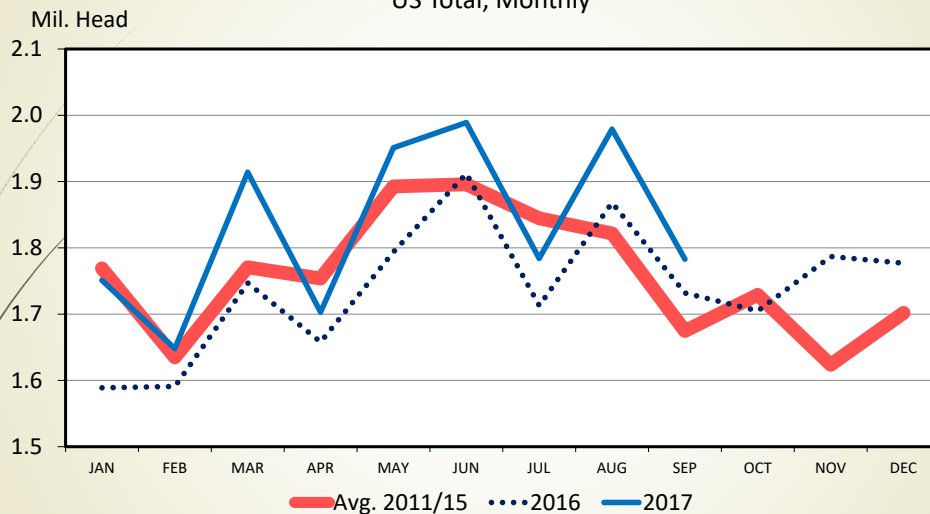


Data Source: USDA-NASS  
Livestock Marketing Information Center

C-N-08B  
10/20/17



## FED CATTLE MARKETINGS US Total, Monthly



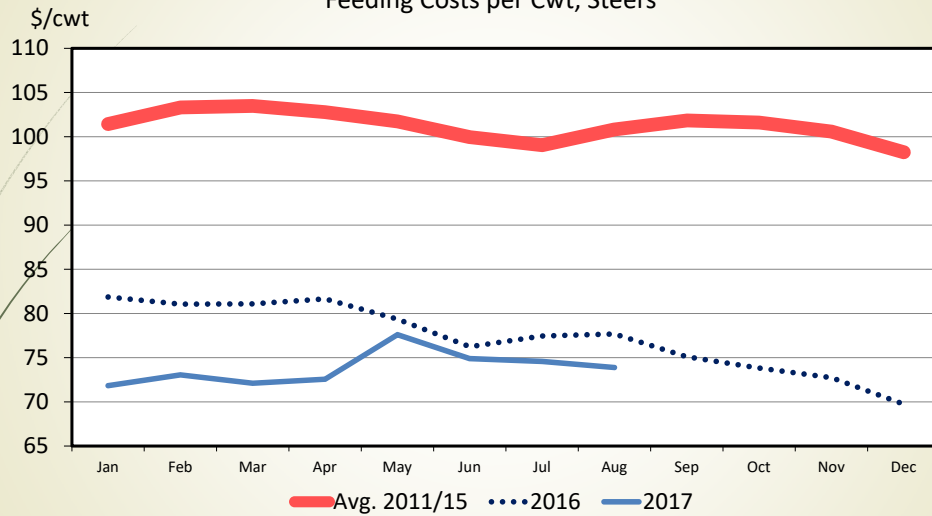
Data Source: USDA-NASS  
Livestock Marketing Information Center

C-M-11  
10/20/17



## KANSAS FEEDLOT CLOSEOUTS

Feeding Costs per Cwt, Steers



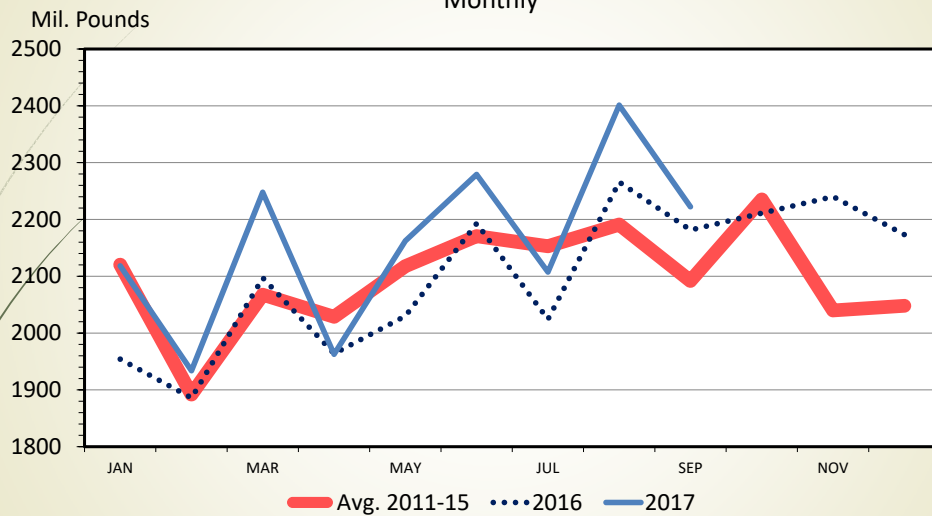
Data Source: KSU Focus on Feedlots, Compiled by LMIC  
Livestock Marketing Information Center

10/04/17



## COMMERCIAL BEEF PRODUCTION

Monthly



Data Source: USDA-NASS  
Livestock Marketing Information Center

M-S-02  
10/19/17

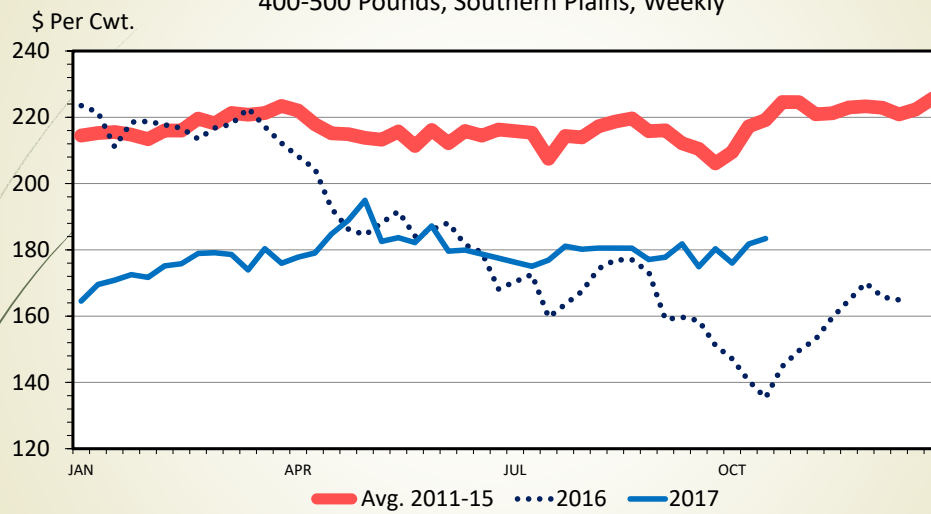


## Stockers on wheat

- ▶ 400-500lb. ~\$175-\$155/cwt.
- ▶ COG will influence wheat pasture bids.
- ▶ When will a fall in cattle prices occur?



## MED. & LRG. #1 STEER CALF PRICES 400-500 Pounds, Southern Plains, Weekly



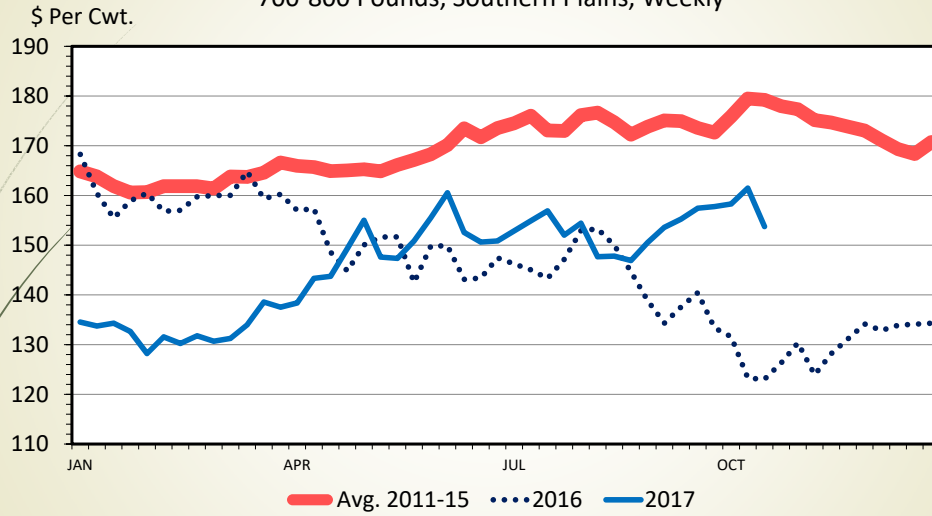
Data Source: USDA-AMS  
Livestock Marketing Information Center

C-P-49A  
10/23/17



## MED. & LRG. #1 FEEDER STEER PRICES

700-800 Pounds, Southern Plains, Weekly



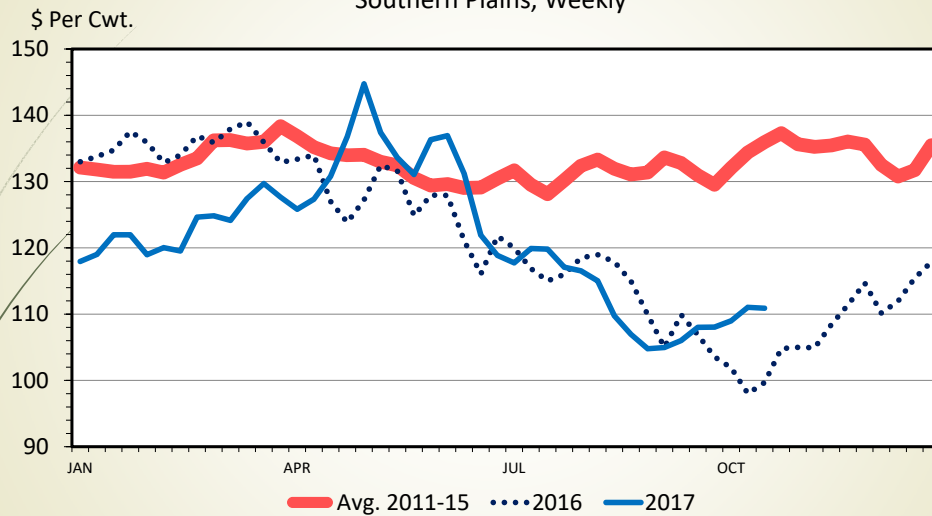
Data Source: USDA-AMS  
Livestock Marketing Information Center

C-P-49  
10/23/17



## SLAUGHTER STEER PRICES

Southern Plains, Weekly



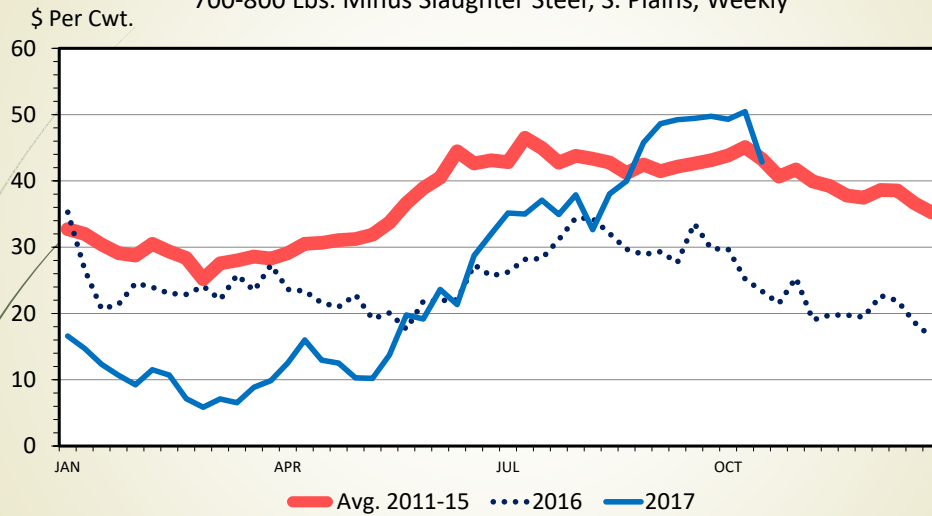
Data Source: USDA-AMS  
Livestock Marketing Information Center

C-P-52  
10/23/17



## FEEDER STEER vs FED STEER PRICES

700-800 Lbs. Minus Slaughter Steer, S. Plains, Weekly



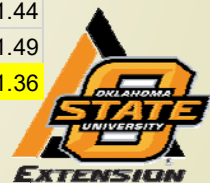
Data Source: USDA-AMS, Compiled by LMIC  
Livestock Marketing Information Center

C-P-53  
10/23/17



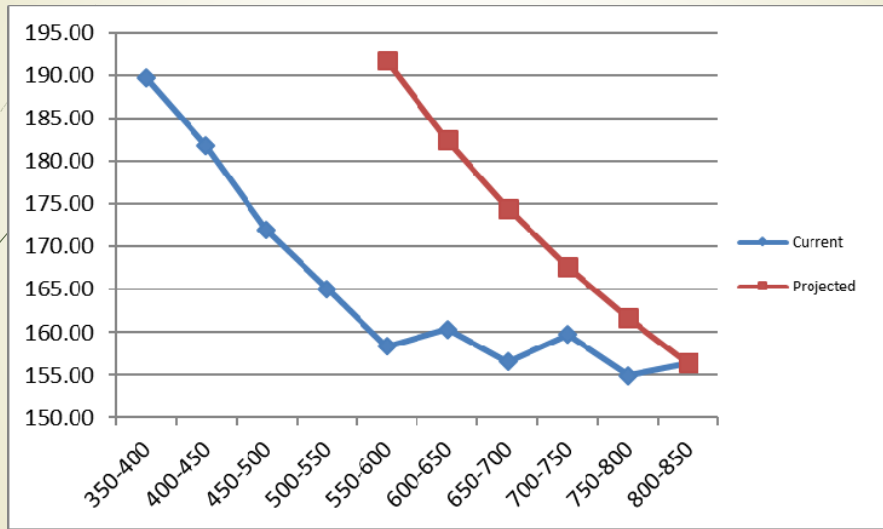
## Value of Gain Steers OK 7-Mkt. 10-27-17

| VALUE   | PER HEAD | BEGINNING WEIGHT |        |        |        |        |        |
|---------|----------|------------------|--------|--------|--------|--------|--------|
|         |          | 400              | 450    | 500    | 550    | 600    | 650    |
| \$680   |          |                  |        |        |        |        |        |
| \$745   | 400      |                  |        |        |        |        |        |
| \$798   | 450      | \$1.05           |        |        |        |        |        |
| \$841   | 500      | \$0.96           | \$0.87 |        |        |        |        |
| \$885   | 550      | \$0.93           | \$0.87 | \$0.88 |        |        |        |
| \$957   | 600      | \$1.06           | \$1.06 | \$1.16 | \$1.43 |        |        |
| \$1,030 | 650      | \$1.14           | \$1.16 | \$1.26 | \$1.45 | \$1.47 |        |
| \$1,106 | 700      | \$1.20           | \$1.23 | \$1.32 | \$1.47 | \$1.49 | \$1.52 |
| \$1,182 | 750      | \$1.25           | \$1.28 | \$1.36 | \$1.48 | \$1.50 | \$1.51 |
| \$1,246 | 800      | \$1.25           | \$1.28 | \$1.35 | \$1.44 | \$1.44 | \$1.44 |
| \$1,329 | 850      | \$1.30           | \$1.33 | \$1.39 | \$1.48 | \$1.49 | \$1.49 |
| \$1,370 | 900      | \$1.25           | \$1.27 | \$1.32 | \$1.39 | \$1.38 | \$1.36 |





## Market Conditions Steers OK 7-Mkt. 10-27-17



## Nov. Feeder Cattle – 1-yr.



## Dec. Live Cattle – 1-yr.



## Dual Purpose Wheat Pasture Costs

- ▶ Fertilizer-30lbs of N = \$8.70/acre
- ▶ ~5 bu./acre reduction in yield = \$20/acre
- ▶ Cost to graze = \$29/acre



## Dual Purpose Wheat Pasture Revenue

- ▶ Assuming 1 calve per 2 acres
- ▶ Gaining 250lbs.
- ▶ 125lbs. of gain per acre
- ▶ \$29 added cost/125lbs.= \$0.23/lb.



## Grazeout vs. Harvest

### Grazeout

- ▶ 250lbs./acre @ \$0.40
- ▶ \$100.00/acre
- ▶ Highly dependent on weather

### Harvest

- ▶ 35 bu./acre @ \$4.00
- ▶ \$140/acre
- ▶ Harvest Cost \$38
- ▶ Fungicide \$10





## Thoughts on Grazeout vs. Wheat

- ▶ What value do you place on enterprise diversity
- ▶ Weather and market conditions will affect the outcome
- ▶ Wheat pasture bids



## Conclusions

- ▶ Local basis will affect direction of feeder cattle price movement-recent rains help
- ▶ COG in feedlot will limit pasture bids
- ▶ Be aware of lower price possibilities





## Questions?

Trent Milacek  
NW Area Ag Econ Specialist  
580.237.7677  
trent.milacek@okstate.edu  
ww.facebook.com/nwareaosuextension  
oces.okstate.edu/nwareaextension  
agecon.okstate.edu/extension/  
<http://agecon.okstate.edu/efarmmanagement/>

Need a budget? Contact your local county extension educator for assistance with cost and revenue expectations.

