KANSAS AGRICULTURAL STATISTICS SERVICE
Fact Finders For Agriculture

# LIVESTOCK

Kansas Department of Agriculture
U.S. Department of Agriculture
PO Box 3534
Topeka, Kansas 66601-3534
Phone: 785-233-2230

Released: January 16, 2004 Volume 04 No. 1

**In This Issue:**

**Cattle on Feed, Milk Production, and Market Implications**

## Kansas Cattle on Feed

The number of **cattle on feed** on January 1, 2004, in Kansas feedlots with 1,000 head or more capacity totaled 2.43 million head, up 10 percent from a year ago but 2 percent below the number on hand December 1, 2003. **Placements** during December totaled 410,000 head, up 5 percent from a year ago but 4 percent below November placements of 425,000 head. **Marketings** during December totaled 435,000 head, 7 percent below December 2002 but 24 percent above November 2003. Other disappearance was 25,000 head, 5,000 over the level of a year ago but unchanged from the previous month. The percent of December placements by weight was: under 600 pounds, 23 percent; 600-699 pounds, 38 percent; 700-799 pounds, 27 percent; and 800 pounds or heavier, 12 percent. Of the total number of cattle on feed, 52 percent were steers and steer calves, 47 percent were heifers and heifer calves and less than 1 percent (10,000 head) were cows and bulls.

## U.S. Cattle on Feed

**Cattle and calves** on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.2 million head on January 1, 2004. The inventory was 6 percent above January 1, 2003 but 3 percent below January 1, 2002. The inventory included 6.84 million steers and steer calves, up 5 percent from the previous year. This group accounted for 61 percent of the total inventory. Heifers and heifer calves accounted for 4.33 million head, up 9 percent from January 1, 2003. **Placements** in feedlots during December totaled 1.75 million, 10 percent above 2002 and 11 percent above 2001. Net placements were 1.66 million. During December, placements of cattle and calves weighing less than 600 pounds were 503,000, 600-699 pounds were 529,000, 700-799 pounds were 448,000, and 800 pounds and greater were 268,000. **Marketings** of fed cattle during December totaled 1.74 million, 3 percent below 2002 and 4 percent below 2001. **Other disappearance** totaled 90,000 during December, 9 percent below 2002 and 3 percent below 2001.

**Cattle on Feed, Placements, Marketings, and Other Disappearance, 1,000+ Head Capacity Feedlots**

| State | Number on Feed 1/ | | | | December Placements | | December Marketings | | Other Disappearance During December 2/ | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 1 2003 | January 1 2003 | January 1 2004 | % of 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 |
| | -----1,000 Head----- | | | (%) | -----1,000 Head----- | | | | | |
| AZ | 284 | 289 | 293 | 101 | 25 | 32 | 27 | 22 | 4 | 1 |
| CA | 500 | 490 | 510 | 104 | 55 | 70 | 55 | 55 | 10 | 5 |
| CO | 1,060 | 1,020 | 1,040 | 102 | 145 | 180 | 185 | 190 | 10 | 10 |
| ID | 310 | 295 | 300 | 102 | 44 | 53 | 47 | 60 | 2 | 3 |
| IA | 370 | 355 | 370 | 104 | 65 | 50 | 59 | 48 | 1 | 2 |
| **KS** | **2,480** | **2,200** | **2,430** | **110** | **390** | **410** | **470** | **435** | **20** | **25** |
| NE | 2,280 | 2,140 | 2,280 | 107 | 340 | 350 | 370 | 340 | 10 | 10 |
| NM | 121 | 119 | 115 | 97 | 12 | 14 | 15 | 17 | 1 | 3 |
| OK | 350 | 330 | 355 | 108 | 34 | 53 | 41 | 45 | 3 | 3 |
| SD | 200 | 205 | 200 | 98 | 38 | 31 | 27 | 30 | 1 | 1 |
| TX | 2,840 | 2,630 | 2,830 | 108 | 360 | 420 | 400 | 410 | 30 | 20 |
| WA | 205 | 185 | 195 | 105 | 32 | 30 | 40 | 38 | 2 | 2 |
| Other States | 330 | 335 | 330 | 99 | 55 | 55 | 65 | 50 | 5 | 5 |
| U.S. | 11,330 | 10,593 | 11,248 | 106 | 1,595 | 1,748 | 1,801 | 1,740 | 99 | 90 |

1/ Being fattened for slaughter market on grain or other concentrates to grade select or better. 2/ Includes death losses, movement from feedlots to pastures and shipments to other feedlots.

**Cattle on Feed: Number Placed on Feed by Weight Group, 1,000+ Head Capacity Feedlots, Selected States and United States, December 2002-2003**

| State | Placed in December: Under 600 lbs. 2002 | Under 600 lbs. 2003 | 600-699 lbs. 2002 | 600-699 lbs. 2003 | 700-799 lbs. 2002 | 700-799 lbs. 2003 | 800 Plus lbs. 2002 | 800 Plus lbs. 2003 | Total 2002 | Total 2003 |
|---|---|---|---|---|---|---|---|---|---|---|
| | -----1,000 Head----- | | | | | | | | | |
| CO | 33 | 45 | 41 | 50 | 46 | 60 | 25 | 25 | 145 | 180 |
| **KS** | **70** | **95** | **155** | **155** | **105** | **110** | **60** | **50** | **390** | **410** |
| NE | 64 | 68 | 103 | 104 | 102 | 100 | 71 | 78 | 340 | 350 |
| TX | 134 | 150 | 133 | 140 | 72 | 100 | 21 | 30 | 360 | 420 |
| Other States | 120 | 145 | 80 | 80 | 82 | 78 | 78 | 85 | 360 | 388 |
| US | 421 | 503 | 512 | 529 | 407 | 448 | 255 | 268 | 1,595 | 1,748 |

**Cattle on Feed: Number on Feed by Class,**
**1,000+ Head Capacity Feedlots, By Quarter, State, and United States, 2003-2004**

| State | Steers & Steer Calves | | | Heifers & Heifer Calves | | | Cows and Bulls | | |
|---|---|---|---|---|---|---|---|---|---|
| | Jan. 1, 2003 | Oct. 1, 2003 | Jan. 1, 2004 | Jan. 1, 2003 | Oct. 1, 2003 | Jan. 1, 2004 | Jan. 1, 2003 | Oct. 1, 2003 | Jan. 1, 2004 |
| | 1,000 Head | | | | | | | | |
| CO | 585 | 580 | 625 | 425 | 365 | 410 | 10 | 5 | 5 |
| **KS** | **1,180** | **1,220** | **1,270** | **1,010** | **1,060** | **1,150** | **10** | **20** | **10** |
| NE | 1,240 | 1,010 | 1,310 | 870 | 805 | 940 | 30 | 15 | 30 |
| TX | 1,630 | 1,700 | 1,720 | 999 | 1,018 | 1,107 | 1 | 2 | 3 |
| Other States | 1,902 | 1,728 | 1,915 | 674 | 663 | 723 | 27 | 22 | 30 |
| U.S. | 6,537 | 6,238 | 6,840 | 3,978 | 3,911 | 4,330 | 78 | 64 | 78 |

## Milk Production

The October-December 2003 **milk production in Kansas** totaled 530 million pounds, up 15 million pounds from the same quarter in 2002. The average number of milk cows was estimated at 110,000 head for the fourth quarter, up 5 percent from the same quarter a year ago. The quarterly production per cow averaged 4,820 pounds, an 80 pound decrease from the October-December period last year.

The quarterly **production of milk for the U.S.** was 41.3 billion pounds, 0.6 percent below the October-December period in 2002. The average number of milk cows in the U.S. during the October-December quarter was 9.01 million head, 141,000 head fewer than the same period last year. U.S. milk production per cow during the fourth quarter averaged 4,588 pounds, up 45 pounds from the comparable 2002 average.

Dave Ranek and Dan Kolterman
Agricultural Statisticians

Eldon J. Thiessen, State Statistician
Eddie Wells, Deputy State Statistician

**MARKET IMPLICATION - Provided by Jim Mintert, Extension Ag Economist at KSU - Research & Extension Service**

What a difference two weeks makes! Kansas slaughter steers averaged $78.41/cwt. this week with some cattle changing hands at $81/cwt. on January 16th.. This compares to a $74 average the first week of January. The cash price recovery was driven by growing evidence that finding a single cow testing positive for BSE in Washington state has had very little impact on U.S. consumer's demand for beef. Wholesale beef prices rose sharply this week as retailers resumed their normal purchases and the trade recognized that, even adjusting for the loss of exports, beef production was still smaller than a year ago. During the first two weeks of January, federally inspected beef production averaged 15% below a year ago. As a result, the light Choice cutout averaged over $137/cwt. the week ending January 16th, about $6/cwt. higher than the first week of January.

Although USDA has discussed the possibility of resuming trade with major beef importers, it does not appear likely that trade will resume quickly. USDA still has not completed their investigation of the Washington state BSE case. In particular, USDA has not located all of the cattle that were imported from Canada during 2001 along with the cow that tested positive for BSE. It's unlikely that U.S. beef customers will relax their bans on imports of U.S. beef until USDA completes its investigation. Moreover, Japan has expressed concerns about testing procedures for BSE in the U.S. that are less stringent than those employed in Japan. All this suggests that U.S. beef exports will not resume before spring.

Today's *Cattle On Feed* report indicated the U.S. on feed inventory was 6.2% larger than last year and about equal to the five-year January average. The on feed inventory was slightly larger than expected prior to the report's release, primarily because placements during December were larger than expected. Net placements (placements minus other disappearance) rose 10.8% above a year and were also 9.5% larger than the five-year December average. The placements increase was larger than expected by the trade, which was looking for gross placements to rise about 5% above a year ago. The large placement estimate could put some pressure on deferred futures contracts early next week, although markets are expected to continue to focus on domestic consumer behavior and the likelihood that exports will resume later this year.

Market direction from here is cloudy at best. Now that prices have recovered somewhat, look for slaughter rates to pick up. At year-end, most feedyards were still current. But that will change this winter with a slower slaughter pace, which is likely to push dressed steer weights above a year ago by the end of the winter. Given that beef exports are not expected to resume this winter, U.S. per capita beef supplies should rise modestly (about 1%) above a year ago during January-March. Look for cash prices to average in the mid-to-upper $70's during the winter quarter.

For a more detailed narrative, visit www.agecon.ksu.edu/livestock