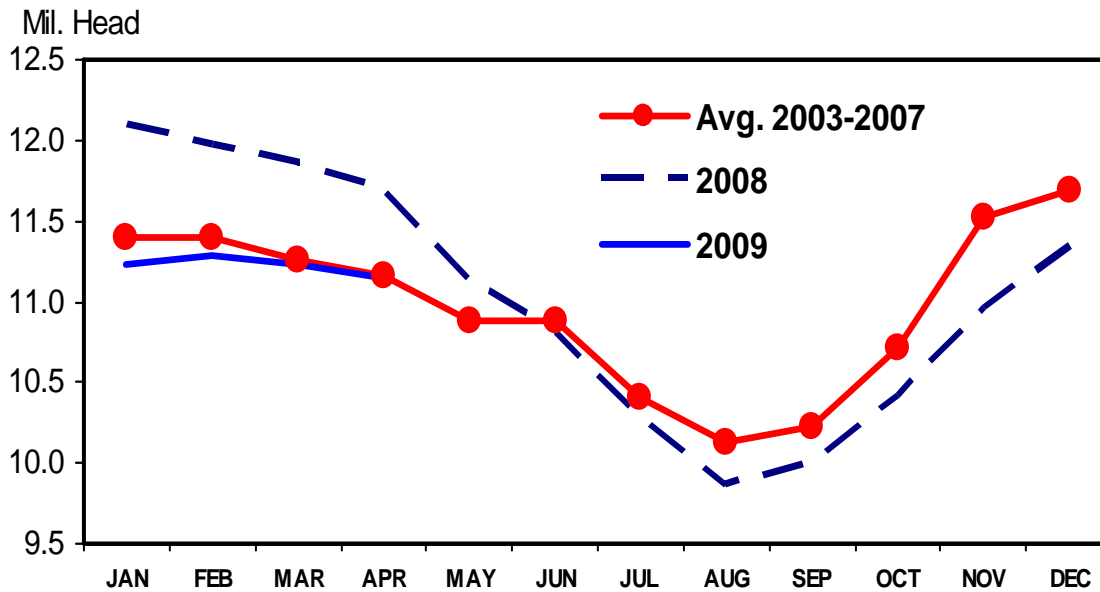


April Cattle on feed Update

Nationally, March fed cattle marketings were down 0.8 percent and feeder cattle placements were up 3.8 percent, putting April 1 inventories at 11.15 million head, down 4.6 percent from a year ago. Inventories at the beginning of March were down 5.3 percent from 2008, so the cattle feeding sector is rebuilding inventories after a period staggering losses and fewer placements. The turn in the number of placements is occurring for several reasons. Feeder cattle demand and feedlot placements declined in the fall of 2008 as fed cattle prices dropped dramatically. Faced with lower demand and dramatically lower prices for feeder cattle, more cattle were held over the winter period instead of being placed in feedlots. Now those cattle are being placed in feedlots or will go to pasture as stockers. Last year placements were down because feed was so expensive. Now that feed prices have moderated and there are signs that fed cattle prices may once again surpass \$90/cwt, feedlots are regaining some enthusiasm for feeding cattle. Further evidence of this the recent increase in futures price for feeder cattle contracts in the near by months.

Figure 1. US Cattle on Feed Inventories, 1000+ Hd. Feedlots



Iowa cattle on feed numbers were up just slightly from a year ago. Iowa cattle marketings were significantly lower in the first quarter while placements in March were slightly more than a year ago. Figure 2 compares current Iowa inventories with those of last year. With Iowa’s new definition of “on feed” adopted this year it may be beneficial to compare the small and large feedlot inventories. Iowa’s small feedlots were up 5.3 percent while large feedlots are lower 5.5 percent. Figure 3 tracks these feedlot inventories over the past 16 months.

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