



RETURN TO 419 M.H.

ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

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CATTLE ON FEED INDICATE OVERHOLDING

THE JULY 1 CATTLE ON FEED REPORT showed a decrease of 6 percent from the year-ago level, indicating smaller supplies of fed cattle during the months ahead. However, the number of cattle in the heavier weight brackets is high, suggesting continued supply pressure on through September.

There were 10.309 million cattle on feed in the 23 principal feeding states on July 1, compared to 11.074 million April 1 and 10.920 million on feed July 1, 1978. The decrease of 6 percent from last July 1 was just equal to the 6 percent decrease from April 1, 1978 to April 1, 1979. Both of the past two quarterly reports reflect the decreased availability of feeder cattle from a reduced cow herd.

The weight distribution within the total was substantially different from a year ago. There were more heavier animals and fewer lightweight ones. The number of heifers at 900 pounds and over plus steers at 1,100 pounds and over totalled 1.121 million, compared to .939 million a year ago. These animals should be out of the feedlots during July. Heifers at 700 to 899 pounds plus steers at 900 to 1,099 pounds totalled 4.026 million, compared to 4.068 million last year, a decrease of only 1 percent. These animals will move to market mainly during late July and early September. The weight group of heifers at 500 to 699 pounds and steers at 700 to 899 pounds totalled 3.540 million, compared to 3.807 million a year ago, a decrease of 7 percent. These animals will be marketed during the September-December period. The lighter-weight groups totalled 1.579 million, a decrease of 32 percent from 2.313 million a year ago.

The number of heavier-weight cattle on feed was larger than indicated by the April 1 Cattle on Feed report if cattle had moved out at a normal rate. The decrease in marketings during the April-June period was greater than the decrease in cattle on feed April 1. The slow rate of marketing has resulted in a backup of heavy, over-fat cattle. The discounts on lower-yielding animals have been larger than usual. This overholding of cattle can be attributed to two forces. The strike of independent truckers in June created confusion in the movement of live animals and dressed beef. Second, the price of choice steers decreased from a high of \$77.70 during the third week of April to \$68.20 by the end of June. Cattle feeders typically resist price

