

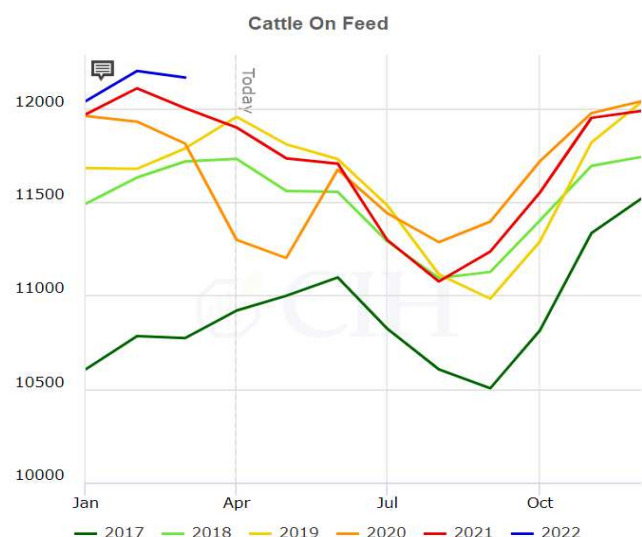
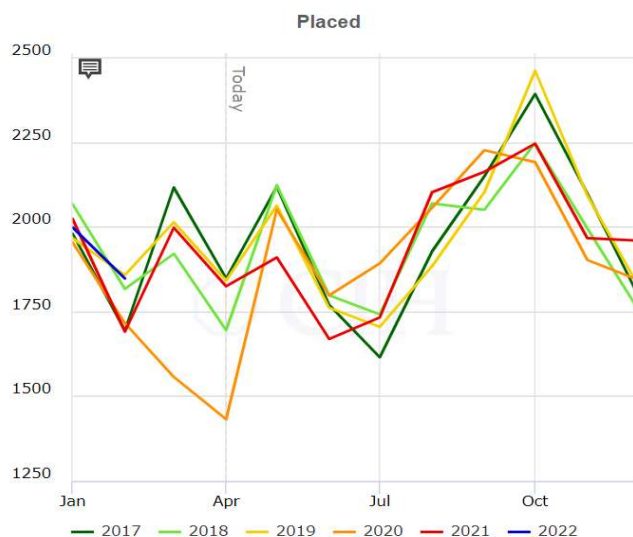
# Beef Margin Watch: March



Cattle futures traded flat to slightly higher over the second half of March while the corn market consolidated in front of the month-end Prospective Plantings and Quarterly Stocks reports. USDA also released the March Cattle on Feed report which showed the total number of cattle on feed as of March 1<sup>st</sup> at 12.163 million head, down 36,000 from February but 163,000 or 1.4% higher than last year and larger than the 1.1% increase on average expected by analysts. The inventory on feed more than 120 days was estimated at 4.623 million head which is down 3.1% from last year but still 6.9% higher than the five-year average, while the inventory on feed more than 150 days at 2.45 million head is down 7.3% from last year but still 16.8% higher than the five-year average as the industry struggles to get current. February placements of 1.848 million head were up 157,000 or 9.3% from last year and one of the largest February placement figures on record as drought conditions led to double-digit increases in Texas, Kansas, and Nebraska – each up by about 13%. USDA reported total beef inventories in Cold Storage at the end of February at 532.5 million pounds, up 3.9% from last year and 9% higher than the five-year average. The increase was led by inventories of beef cuts which at 47.8 million pounds were up 30.3% from last year and 32.4% higher than the five-year average. USDA's Prospective Plantings report estimated corn acreage down 4% from last year at 89.5 million with soybean acreage up 4% from 2021 at 91 million. Both figures were outside of the range of estimates and if realized, would represent only the third time in history that soybean acreage has exceeded that of corn. Our clients have benefited from holding strong delta on corn feed hedges while maintaining upside flexibility on cattle hedges.

## USDA March Cattle on Feed Summary:

Cattle on Feed Report									Edit
	2020	2021	2022	Actual	Avg Est	Low Est	High Est	Previous Month	Diff From Est
Placed On Feed in Feb (1,000 head)	1716	1691	1848	109.28%	106.5%	104.5%	109.8%	92.4%	2.8
Fed Cattle Marketed in Feb (1,000 head)	1775	1739	1825	104.95%	104.3%	103.3%	104.5%	102.9%	0.6
Other Disappearance in Feb (1,000 head)	58	58	59	101.72%	0.0%	0.0%	0.0%	92.2%	101.7
On Feed Mar 1 (1,000 head)	11811	12000	12163	101.36%	101.1%	100.8%	101.5%	99.7%	0.3



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