

# Cattle Situation and Outlook Backgrounding

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[www.ndsu.edu/livestockeconomics](http://www.ndsu.edu/livestockeconomics)

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# Feeder Cattle Fundamental Highlights

Record meat production in 2018 (beef, pork, chicken & total)

Prices for fed and feeder cattle same as last year at this time

2018 US calf crop up 692,000 (1.9%)

Beef demand robust

US economy strong

record beef exports in 2017 and 2018

Top 4 US beef customers (Japan, S. Korea, Mexico, Canada) in trade negotiations which causes price volatility

Good calf demand for winter wheat grazing in Southern Plains

Good feed supplies and moderate prices

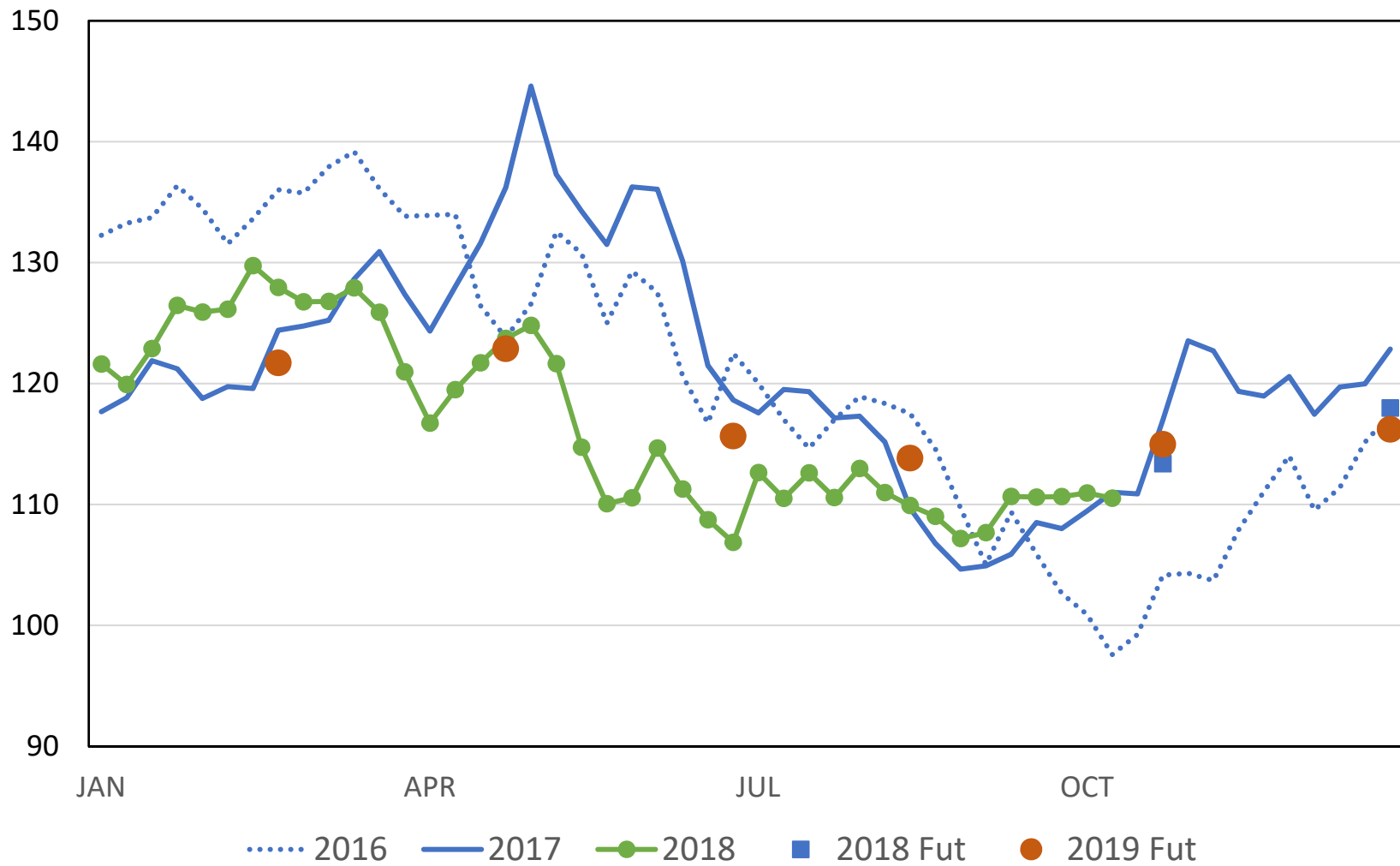
Some normal seasonal weakness for fall calf prices expected

# Nov Fdr Cat vs Dec Corn



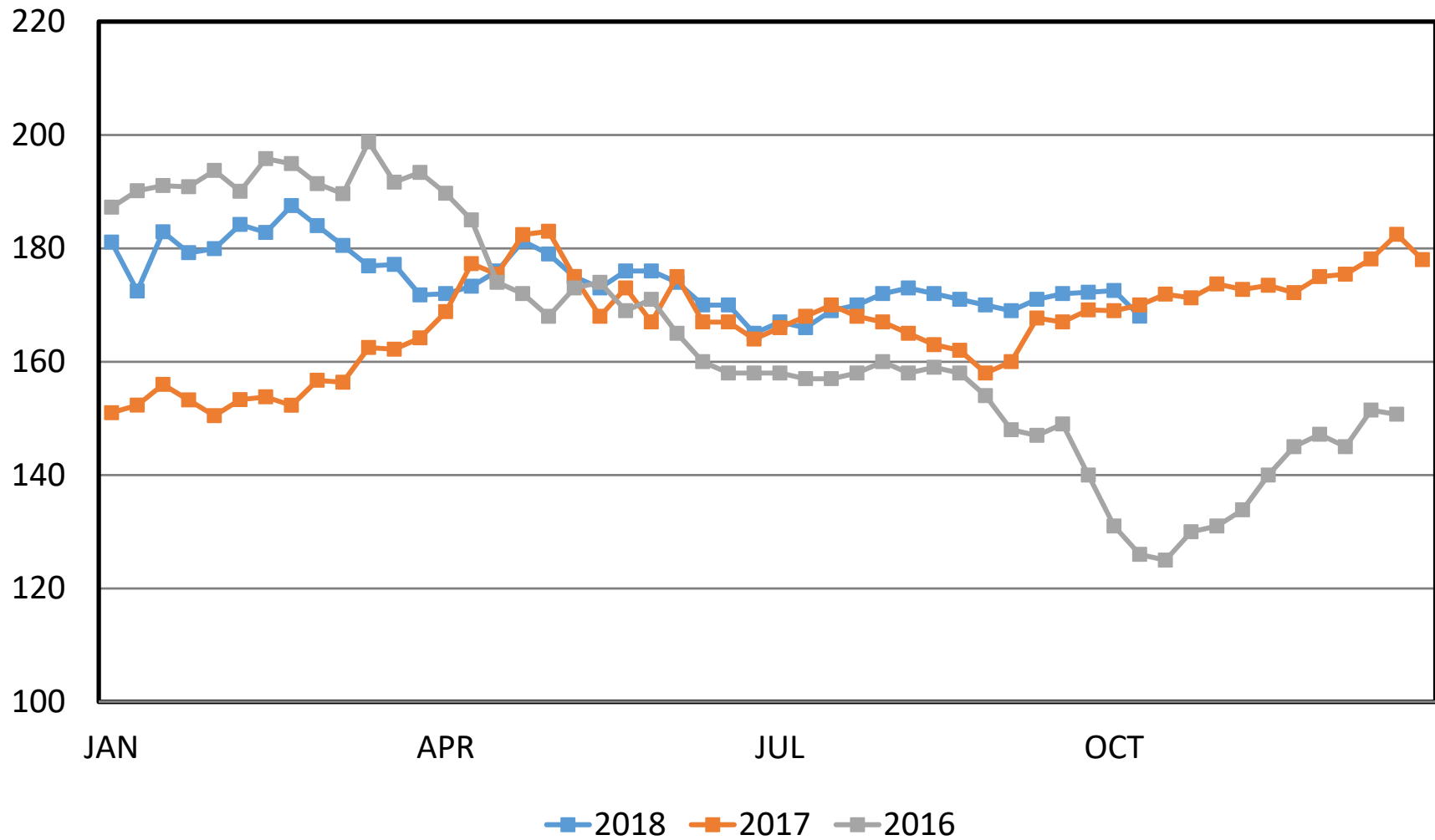
# SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly



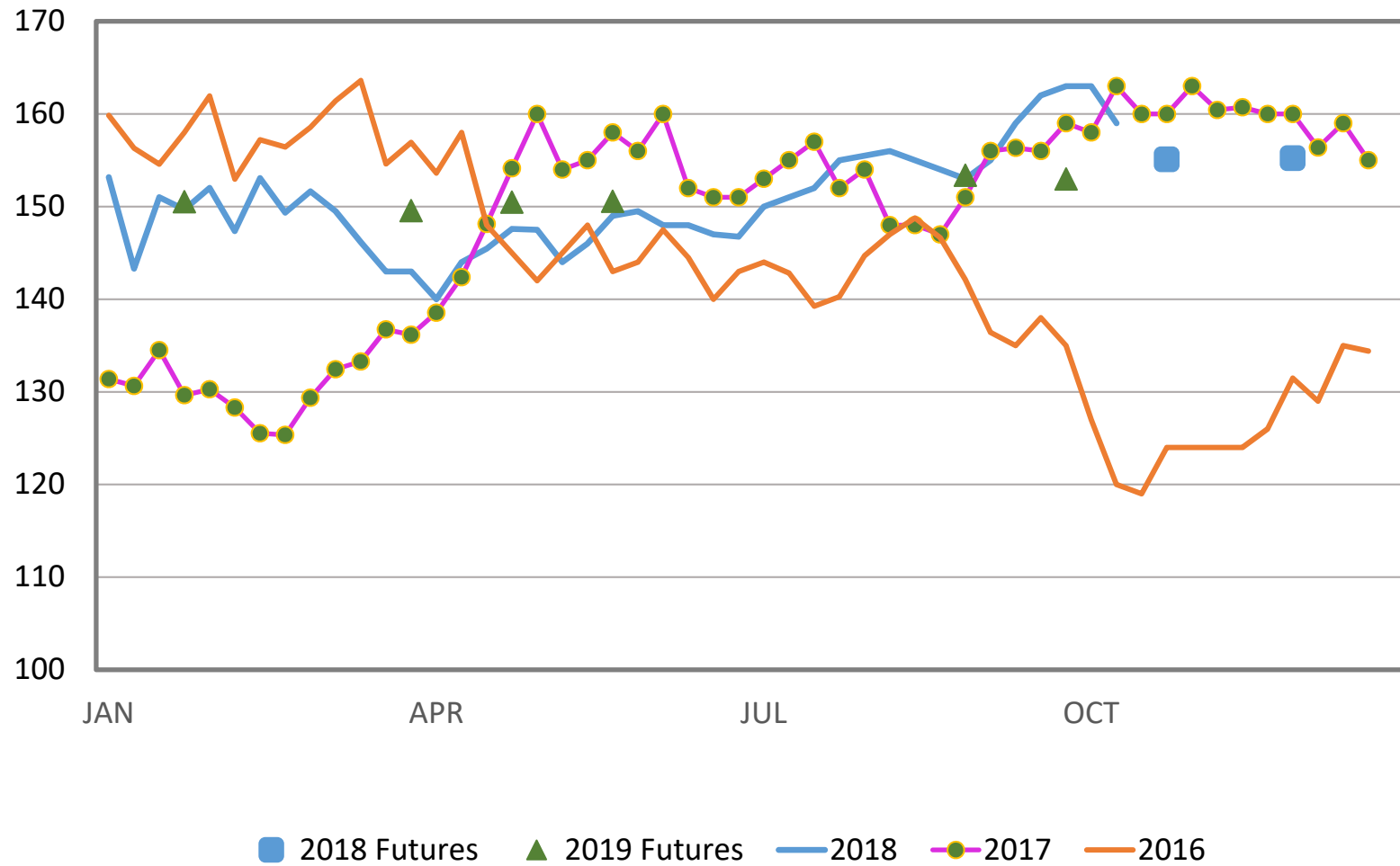
# MED. FRAME #1 STEER CALF PRICES

550-600 Pounds, N.D., Weekly



# MED. & LRG. #1 FEEDER STEER PRICES

## 750-800 Pounds, N.D., Weekly



SF\_LS766

Sioux Falls, SD      Thu Oct 11, 2018      USDA-ND Dept of Ag Market News

Stockmans Livestock Exchange - Dickinson, ND

Feeder Cattle Weighted Average Report for 10/11/2018

Receipts: 1814      Last Week: 1129      Year Ago: 4425

Compared to last week: Feeder steers traded 2.00 to 4.00 lower. Feeder heifers traded steady to 1.00 higher. Good demand for today's offering of spring calves that were preconditioned and off the cow in moderate to light flesh. Feeder steers made up 65 percent. Feeder heifers made up 32 percent. Feeder bulls made up 3 percent. 22 percent over 600 lbs. Next sale is October 18, 2018, expecting 2000 new crop calves.

Feeder Steers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price	
25	408-438	426	184.50-205.00	189.46	
123	450-487	471	174.50-188.50	178.93	
255	501-549	518	166.00-180.75	175.58	
266	561-584	574	164.00-169.25	168.03	
131	607-649	625	161.50-172.00	169.52	Calves
16	668-688	676	157.00-158.00	157.38	Calves
21	729-747	738	156.00-161.25	158.47	Calves

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Feeder Heifers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price	
5	310	310	203.00	203.00	
12	353-399	368	166.00-175.00	171.75	
48	402-439	423	166.50-174.00	168.96	
43	451-477	470	153.00-164.00	159.14	
147	502-545	516	152.00-154.75	154.03	
72	554-598	581	142.50-150.00	147.15	
6	635	635	143.50	143.50	Calves
22	657-695	688	135.00-144.50	138.73	Calves
17	812-840	828	149.50-150.25	149.95	
11	956-985	964	135.00-138.00	137.16	
13	1023-1038	1026	127.50-130.00	128.08	
35	1078-1093	1088	131.00-132.50	131.84	



## Projected Calf Backgrounding Profit

550 lb. to 750 lb.  
\$3.10 corn, \$90 hay

750 lb. Sales Price	550 lb. Steer Purchase Price (\$/cwt)					
	160	165	170	175	180	185
140	21	-6	-33	-59	-86	-113
145	57	30	3	-24	-50	-77
150	93	66	39	12	-14	-41
155	129	102	75	48	22	-5
160	165	138	111	84	58	31
165	201	174	147	120	93	67

JAN FC - \$150.52

MAR FC - \$149.55

CME CS - \$156.26

# Price Risk Management Tools

- Cash forward contract
- Video and internet auctions
- CME futures
- CME options
- Livestock Risk Protection (LRP)
- Which one or combination fits your marketing plan?

# LRP – Feeder Cattle

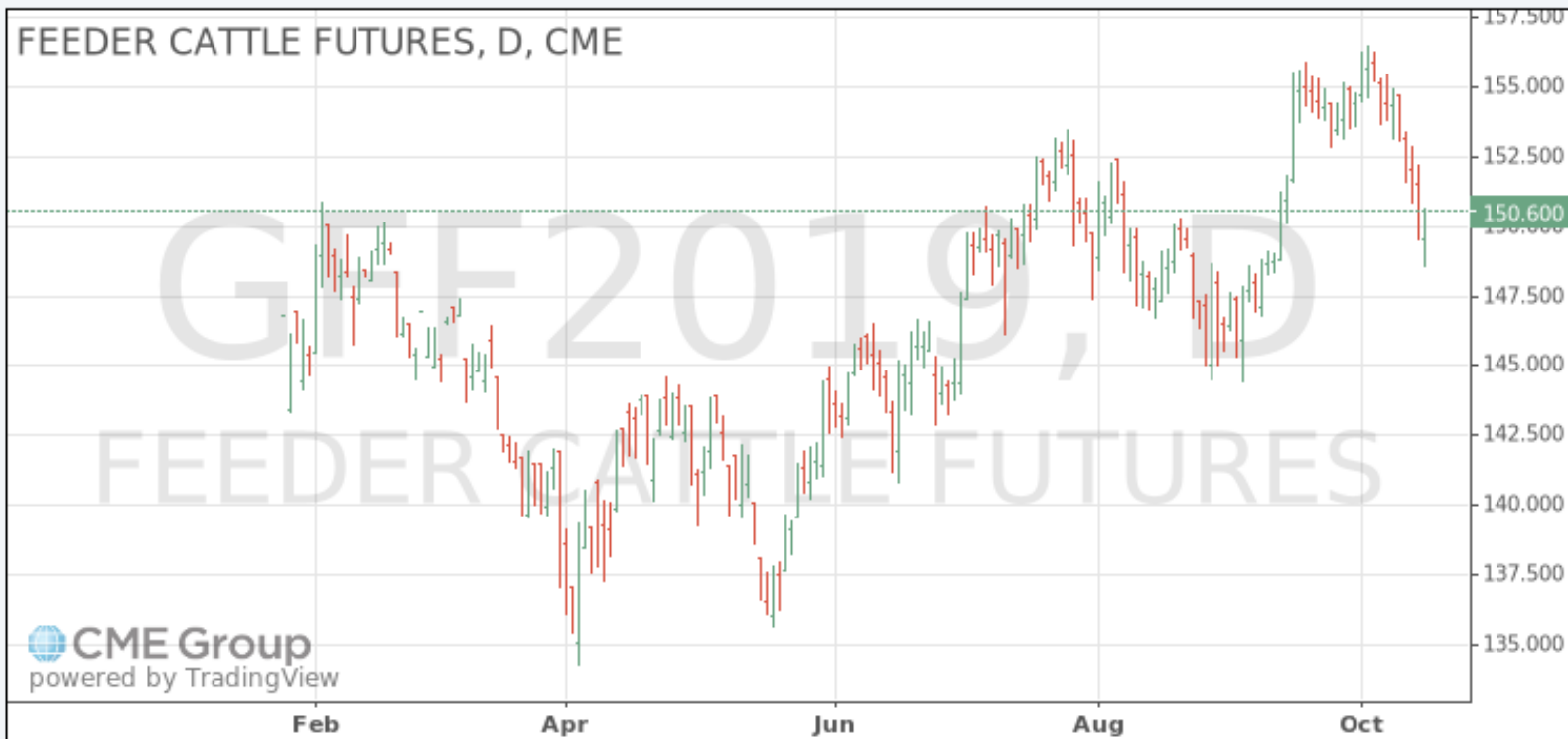
## 10/12/18

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# Risk Management?

## JAN FDR CAT

CME:GFF2019 O:149.600 H:150.700 L:148.675 C:150.600



# 2019: Corn Prices and Trade Issues? Questions!

