



## Sterling Beef Profit Tracker

"Monitoring Free Market Beef Industry Profits"

Sterling Marketing, Inc.

	Week Ending October 5, 2018	Week Ago	Month Ago	Year Ago
<b>Feedlot Margin (\$ / head)</b>	<b>(\$83.38)</b>	<b>(\$65.90)</b>	<b>(\$1.08)</b>	<b>(\$5.66)</b>
Choice Steers (5-Area Direct, \$ / cwt)	110.88	110.71	108.02	109.30
Feeder Steer (Ok City 750-800 lb, \$ / cwt)				
For this Week's Feedlot Placement	160.42	154.58	150.19	149.34
Against this Week's Marketing	149.63	147.40	134.40	141.74
Feed Cost (\$ / head)				
For this Week's Feedlot Placement	275.83	268.38	267.14	264.50
Against this Week's Marketing	285.91	284.05	288.08	253.95
Total Cost (\$ / head)				
For this Week's Feedlot Placement	1,682.04	1,627.54	1,591.00	1,577.90
Against this Week's Marketing	1,604.35	1,584.56	1,483.15	1,505.14
Calculated Breakeven Price (\$ / cwt)				
For this Week's Feedlot Placement	122.72	118.72	116.03	115.07
Against this Week's Marketing	117.01	115.56	108.10	109.72
<b>Packer Margin (\$ / head) <sup>5</sup></b>	<b>\$167.90</b>	<b>\$174.04</b>	<b>\$259.86</b>	<b>\$159.31</b>
Choice Steers (5-Area Direct, \$ cwt) <sup>4</sup>	110.88	110.71	108.02	109.30
Beef Cutout <sup>1</sup> (\$ / cwt)	202.34	203.14	207.52	196.01
Drop Credit <sup>2</sup> (\$/hd)	135.76	135.61	138.50	151.14
<b>Relative Feeding Cost</b> (against current <u>Placement</u> week)				
Feeder Steer	73.91%	73.61%	73.16%	73.35%
Feed	17.19%	16.94%	18.01%	17.57%
<b>Relative Feeding Cost</b> (against current <u>Marketing</u> week)				
Feeder Steer	72.28%	72.09%	70.23%	72.98%
	<b>2019*</b>	<b>2018*</b>	<b>2017</b>	<b>2016</b>
<b>Cow-Calf Margin <sup>3</sup> (\$ / cow)</b>	<b>\$140.00</b>	<b>\$156.00</b>	<b>\$157.99</b>	<b>\$172.68</b>
Estimated annual revenue - annual variable costs				
<b>Feedlot Margin (\$ / head)</b>	<b>\$36.00</b>	<b>\$26.00</b>	<b>\$181.33</b>	<b>(\$4.25)</b>
<b>Packer Margin (\$ / head)</b>	<b>\$158.00</b>	<b>\$140.50</b>	<b>\$120.64</b>	<b>\$113.85</b>

<sup>1</sup> Adjusted for percentage Choice and Select.

<sup>2</sup> Per head value adjusted for yield.

<sup>3</sup> Based on Sterling Marketing revenue and cost of production projections.

<sup>4</sup> Packer's cattle cost is a mix of cattle purchased prior week and current week.

<sup>5</sup> **Increased fabrication cost by \$20 / head for 2018 which is a 12% increase in wage rates from 2013 to 2018 and the last time that I increased the cost in my margin model.**



"The Sterling Difference"

Economic Research & Advisory Services to the Livestock & Meat Industry

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John Nalivka 541-473-3266 jnalivka@fmtc.com