



## Sterling Beef Profit Tracker

"Monitoring Free Market Beef Industry Profits"

Sterling Marketing, Inc.

	Week Ending September 21, 2018	Week Ago	Month Ago	Year Ago
<b>Feedlot Margin (\$ / head)</b>	<b>(\$48.86)</b>	\$37.77	<b>(\$77.49)</b>	\$10.57
Choice Steers (5-Area Direct, \$ / cwt)	110.85	111.19	108.94	108.45
Feeder Steer (Ok City 750-800 lb, \$ / cwt)				
For this Week's Feedlot Placement	151.74	150.40	150.55	153.84
Against this Week's Marketing	144.75	134.50	145.11	137.25
Feed Cost (\$ / head)				
For this Week's Feedlot Placement	278.31	265.74	272.88	266.67
Against this Week's Marketing	290.10	291.49	291.03	262.02
Total Cost (\$ / head)				
For this Week's Feedlot Placement	1,614.80	1,591.27	1,599.72	1,616.18
Against this Week's Marketing	1,569.42	1,487.41	1,572.07	1,477.35
Calculated Breakeven Price (\$ / cwt)				
For this Week's Feedlot Placement	117.78	116.05	116.67	117.88
Against this Week's Marketing	114.44	108.41	114.64	107.67
<b>Packer Margin (\$ / head) <sup>5</sup></b>	<b>\$173.19</b>	<b>\$205.81</b>	<b>\$268.48</b>	<b>\$146.05</b>
Choice Steers (5-Area Direct, \$ cwt) <sup>4</sup>	110.85	111.19	108.94	108.45
Beef Cutout <sup>1</sup> (\$ / cwt)	203.35	203.85	212.15	191.43
Drop Credit <sup>2</sup> (\$/hd)	136.45	137.57	137.47	154.19
<b>Relative Feeding Cost</b> (against current <u>Placement</u> week)				
Feeder Steer	72.83%	73.25%	72.94%	73.77%
Feed	17.73%	17.87%	17.36%	18.05%
<b>Relative Feeding Cost</b> (against current <u>Marketing</u> week)				
Feeder Steer	71.48%	70.08%	71.54%	72.00%
	<b>2019*</b>	<b>2018*</b>	<b>2017</b>	<b>2016</b>
<b>Cow-Calf Margin <sup>3</sup> (\$ / cow)</b>	<b>\$134.00</b>	<b>\$146.00</b>	<b>\$157.99</b>	<b>\$172.68</b>
Estimated annual revenue - annual variable costs				
<b>Feedlot Margin (\$ / head)</b>	<b>\$53.00</b>	<b>\$31.00</b>	<b>\$181.33</b>	<b>(\$4.25)</b>
<b>Packer Margin (\$ / head)</b>	<b>\$135.75</b>	<b>\$159.00</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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