



Sterling Beef Profit Tracker

"Monitoring Free Market Beef Industry Profits"

Sterling Marketing, Inc.

| | Week Ending January 3, 2020 | Week Ago | Month Ago | Year Ago |
|--|--------------------------------|-----------------|-----------------|-----------------|
| Feedlot Margin (\$ / head) | \$151.82 | \$83.84 | \$81.23 | \$78.04 |
| Choice Steers (5-Area Direct, \$ / cwt) | 124.27 | 122.41 | 118.86 | 122.94 |
| Feeder Steer (Ok City 750-800 lb, \$ / cwt) | | | | |
| For this Week's Feedlot Placement | 151.35 | 150.25 | 146.48 | 142.83 |
| Against this Week's Marketing | 139.12 | 143.54 | 138.20 | 150.45 |
| Feed Cost (\$ / head) | | | | |
| For this Week's Feedlot Placement | 287.15 | 289.32 | 281.10 | 294.29 |
| Against this Week's Marketing | 313.83 | 320.81 | 318.18 | 281.26 |
| Total Cost (\$ / head) | | | | |
| For this Week's Feedlot Placement | 1,609.59 | 1,602.94 | 1,564.23 | 1,548.25 |
| Against this Week's Marketing | 1,538.25 | 1,580.94 | 1,535.26 | 1,593.94 |
| Calculated Breakeven Price (\$ / cwt) | | | | |
| For this Week's Feedlot Placement | 118.35 | 117.86 | 115.02 | 113.84 |
| Against this Week's Marketing | 113.11 | 116.25 | 112.89 | 117.20 |
| Lowest packer margin since week ending May 19, 2018 | | | | |
| Packer Margin (\$ / head) | \$34.90 | \$76.68 | \$255.99 | \$93.72 |
| Choice Steers (5-Area Direct, \$ cwt) ⁴ | 124.27 | 122.41 | 118.86 | 122.94 |
| Beef Cutout ¹ (\$ / cwt) | 208.20 | 209.41 | 225.19 | 214.81 |
| Drop Credit ² (\$/hd) | 131.63 | 134.54 | 136.88 | 132.04 |
| Relative Feeding Cost (against current <u>Placement</u> week) | | | | |
| Feeder Steer | 72.87% | 72.64% | 72.57% | 71.50% |
| Feed | 18.67% | 18.30% | 18.31% | 18.46% |
| Relative Feeding Cost (against current <u>Marketing</u> week) | | | | |
| Feeder Steer | 70.09% | 70.37% | 69.76% | 73.15% |
| January 6, 2020 | | | | |
| | 2020* | 2019 | 2018 | 2017 |
| Cow-Calf Margin ³ (\$ / cow) | \$142.00 | \$114.00 | \$162.43 | \$164.06 |
| Estimated annual revenue - annual variable costs | | | | |
| Feedlot Margin (\$ / head) | \$111.00 | \$39.50 | \$24.04 | \$181.33 |
| Packer Margin (\$ / head) | \$220.00 | \$216.50 | \$169.48 | \$97.08 |

¹ Adjusted for percentage Choice and Select.

² Per head value adjusted for yield.

³ Based on Sterling Marketing revenue and cost of production projections.

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



"The Sterling Difference"

Economic Research & Advisory Services to the Livestock & Meat Industry

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