



## Sterling Beef Profit Tracker

"Monitoring Free Market Beef Industry Profits"

Sterling Marketing, Inc.

|  | Week Ending              | Week Ago        | Month Ago        | Year Ago        |
|--|--------------------------|-----------------|------------------|-----------------|
|  | <b>November 22, 2019</b> |                 |                  |                 |
| <b>Feedlot Margin (\$ / head)</b>                                    | \$24.17                  | \$58.97         | <b>(\$24.80)</b> | \$38.62         |
| Choice Steers (5-Area Direct, \$ / cwt)                              | 115.94                   | 115.32          | 110.38           | 116.50          |
| Feeder Steer (Ok City 750-800 lb, \$ / cwt)                          |                          |                 |                  |                 |
| For this Week's Feedlot Placement                                    | 145.68                   | 147.68          | 148.42           | 147.15          |
| Against this Week's Marketing  | 138.67                   | 136.22          | 79.95            | 145.30          |
| Feed Cost (\$ / head)  |                          |                 |                  |                 |
| For this Week's Feedlot Placement                                    | 279.24                   | 280.79          | 290.41           | 270.09          |
| Against this Week's Marketing  | 331.52                   | 308.40          | 210.92           | 274.59          |
| Total Cost (\$ / head)   |                          |                 |                  |                 |
| For this Week's Feedlot Placement                                    | 1,555.89                 | 1,573.57        | 1,588.12         | 1,557.25        |
| Against this Week's Marketing  | 1,552.61                 | 1,509.38        | 1,525.96         | 1,545.78        |
| Calculated Breakeven Price (\$ / cwt)                                |                          |                 |                  |                 |
| For this Week's Feedlot Placement                                    | 114.40                   | 115.70          | 116.77           | 114.50          |
| Against this Week's Marketing  | 114.16                   | 110.98          | 112.20           | 113.66          |
| <b>Packer Margin (\$ / head)</b>                                     | \$363.03                 | \$399.96        | \$308.46         | \$223.92        |
| Choice Steers (5-Area Direct, \$ cwt) <sup>4</sup>                   | 115.94                   | 115.32          | 110.38           | 116.50          |
| Beef Cutout <sup>1</sup> (\$ / cwt)                                  | 233.02                   | 236.28          | 218.54           | 214.55          |
| Drop Credit <sup>2</sup> (\$/hd)                                     | 134.96                   | 134.39          | 133.86           | 139.84          |
| <b>Relative Feeding Cost</b> (against current <u>Placement</u> week) |                          |                 |                  |                 |
| Feeder Steer   | 72.56%                   | 72.73%          | 72.43%           | 73.23%          |
| Feed   | 17.99%                   | 18.60%          | 19.03%           | 17.47%          |
| <b>Relative Feeding Cost</b> (against current <u>Marketing</u> week) |                          |                 |                  |                 |
| Feeder Steer   | 69.22%                   | 69.94%          | 40.60%           | 72.85%          |
|  | <b>November 13, 2019</b> |                 |                  |                 |
|  | <b>2019*</b>             | <b>2018</b>     | <b>2017</b>      | <b>2016</b>     |
| <b>Cow-Calf Margin</b> <sup>3</sup> (\$ / cow)                       | <b>\$114.00</b>          | <b>\$162.43</b> | <b>\$164.06</b>  | <b>\$176.54</b> |
| Estimated annual revenue - annual variable costs                     |                          |                 |                  |                 |
| <b>Feedlot Margin (\$ / head)</b>                                    | <b>\$36.00</b>           | <b>\$24.04</b>  | <b>\$181.33</b>  | <b>(\$4.25)</b> |
| <b>Packer Margin (\$ / head)</b>                                     | <b>\$215.00</b>          | <b>\$169.48</b> | <b>\$97.08</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.



"The Sterling Difference"

Economic Research & Advisory Services to the Livestock & Meat Industry

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