



Sterling Beef Profit Tracker

"Monitoring Free Market Beef Industry Profits"

Sterling Marketing, Inc.

	Week Ending November 9, 2018	Week Ago	Month Ago	Year Ago
Feedlot Margin (\$ / head)	\$58.05	\$67.14	(\$67.52)	\$103.22
Choice Steers (5-Area Direct, \$ / cwt)	114.04	115.38	110.98	123.34
Feeder Steer (Ok City 750-800 lb, \$ / cwt)				
For this Week's Feedlot Placement	151.20	153.58	153.61	166.28
Against this Week's Marketing	136.82	136.82	147.49	149.65
Feed Cost (\$ / head)				
For this Week's Feedlot Placement	276.76	277.69	269.93	263.57
Against this Week's Marketing	290.25	299.25	288.55	272.41
Total Cost (\$ / head)				
For this Week's Feedlot Placement	1,610.10	1,630.19	1,622.55	1,712.76
Against this Week's Marketing	1,505.89	1,515.03	1,589.84	1,587.21
Calculated Breakeven Price (\$ / cwt)				
For this Week's Feedlot Placement	117.43	118.91	118.35	124.98
Against this Week's Marketing	109.77	110.44	115.94	115.75
Packer Margin (\$ / head) ⁵	\$219.50	\$220.71	\$154.74	\$65.27
Choice Steers (5-Area Direct, \$ cwt) ⁴	114.04	115.38	110.98	123.34
Beef Cutout ¹ (\$ / cwt)	214.63	214.34	200.87	209.84
Drop Credit ² (\$/hd)	136.39	135.11	136.14	149.77
Relative Feeding Cost (against current <u>Placement</u> week)				
Feeder Steer	72.78%	73.01%	73.37%	75.24%
Feed	18.38%	18.33%	16.98%	16.61%
Relative Feeding Cost (against current <u>Marketing</u> week)				
Feeder Steer	70.41%	69.99%	71.90%	73.07%
	2019*	2018*	2017	2016
Cow-Calf Margin ³ (\$ / cow)	\$170.00	\$165.00	\$164.06	\$176.54
Estimated annual revenue - annual variable costs				
Feedlot Margin (\$ / head)	\$50.00	\$22.00	\$181.33	(\$4.25)
Packer Margin (\$ / head)	\$142.00	\$165.00	\$120.64	\$113.85

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.

⁵ **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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