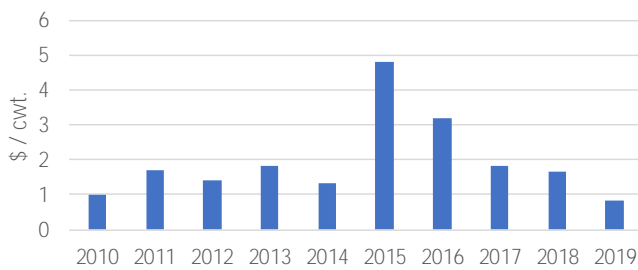


Feeder cattle prices so far this year have averaged below a year earlier. This has been the case for both cash and futures markets, with cash 700-800 pound steers generally averaging close to \$10 per cwt below a year ago in the Southern Plains. Feeder cattle futures prices have not been down as much as cash prices with the average decline of only \$5 per cwt. The lower prices can be rationalized from the supply side of the market by more calves born last year than in prior years. From the demand side, slaughter cattle prices this quarter will be similar to what they were a year ago while the cost of feed (mostly corn and hay) is more expensive. Corn price in the Western Cornbelt this quarter should average \$3.60-\$3.70 per bushel compared to \$3.40-\$3.50 a year ago. Also, muddy feedlot conditions in key cattle feedlot regions are limiting interest in moving cattle from pastures into feedlots.

Another interesting feature of this year's feeder cattle market has been the lack of price volatility. The average week-to-week price

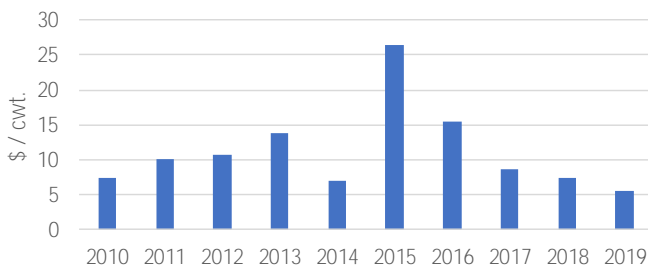
change for nearby futures has been 85 cents per cwt, the smallest change for the first 11 weeks of the year that has been seen this decade. This is 60% less than the average for this decade and down 50% from 2017 and 2018. Similarly, the range in futures prices during the first 11 weeks is also the least for this decade, at \$5.54. The prior low was \$7.04 in 2014 and last year the range was \$7.36. This reduced price volatility should have an impact on the cost of market risk insurance, either by way of options premiums or government sponsored market insurance programs.

Feeder Cattle Futures Nearby Contract  
Average Weekly Change, First 11 Weeks of Year

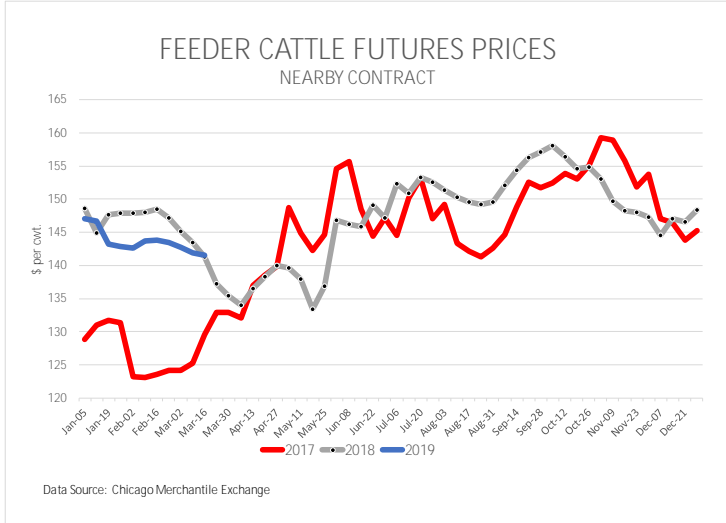


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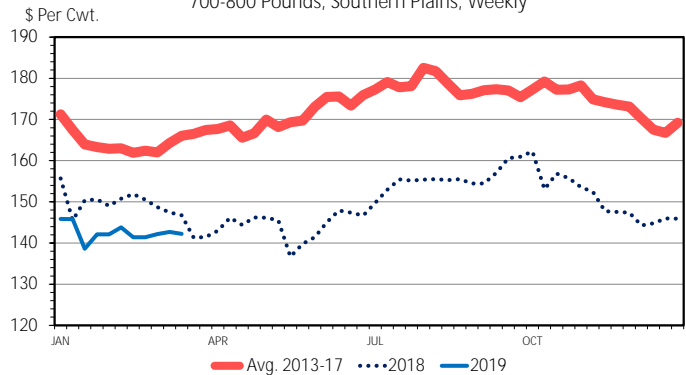
Feeder Cattle Futures Nearby Contract  
Price Range, First 11 Weeks of Year



Prepared by Livestock Marketing Information Center



MED. & LRG. #1 FEEDER STEER PRICES  
700-800 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS  
Livestock Marketing Information Center

CP-49  
03/18/19



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