

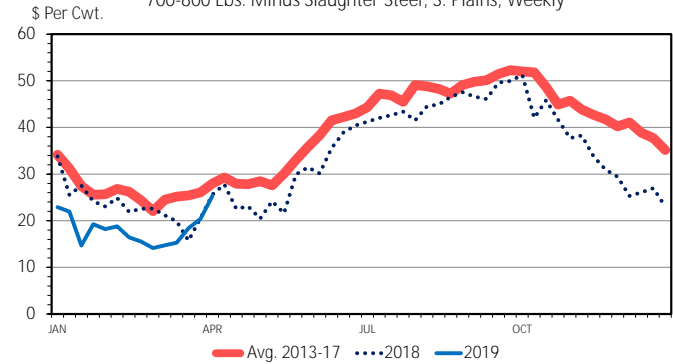
Feeder cattle prices are generally determined by the confluence of Choice slaughter cattle prices and the cost of feed needed to produce an animal of appropriate weight and grade (finish). Corn prices are typically the best barometer of feed cost. Feeder cattle prices are at a premium to the slaughter cattle price to capitalize the value of lower priced corn. So far this year, the premium for feeder steer prices (700-800#) has been below prior years (see chart at right).

Corn prices in the Western Cornbelt started the year about 5% above a year earlier but moved sideways as the year has progressed, leaving corn prices at about the same level as a year ago during March. Feeder cattle price premiums to the slaughter cattle market started to recover in the absence of price strength in the corn market in the second half of March.

Yearling feeder cattle price trends (700-800# cattle) were static for most of January through early March. This compared to a bounce in prices during the same period of 2018. The lack of price strength for yearling feeder cattle was a little surprising given the trend in corn prices along with slaughter cattle prices that were posting steady gains consistent with rising wholesale beef prices.

Some of the reason for rising beef and slaughter cattle prices is tied to wet, cold weather in primary feedlot regions that was slowing down weight gains and marketing rates for cattle coming out of feedlots. In turn, this reduced the demand from feedlots to purchase cattle to maintain feedlot inventories, thereby putting a lid on feeder cattle prices. The passing of winter weather issues was another factor supporting the impressive rally in feeder cattle prices as March came to a close.

FEEDER STEER vs FED STEER PRICES
700-800 Lbs. Minus Slaughter Steer, S. Plains, Weekly



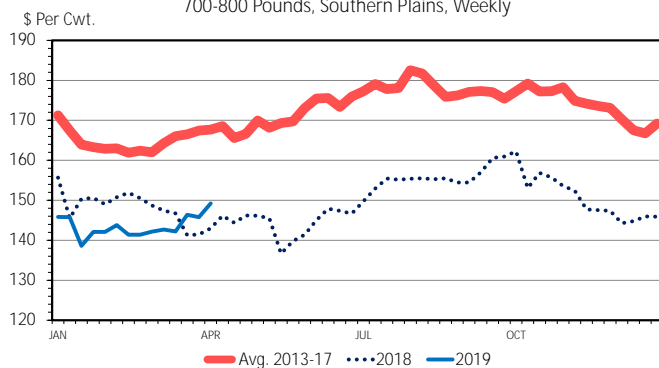
Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

C-P-53
04/08/19

as March came to a close.

The rebound in feeder cattle prices from the low \$140 per cwt value to \$150 per cwt in early April reflects better demand for feeder cattle from feedlots. This was somewhat induced by a seasonal moderation in weather. Industry expectations for a 4% increase in cattle placed into feedlots during March are in line with the better feeder cattle demand. The USDA Cattle on Feed report due out on Thursday will provide better insight into the cattle market of recent months.

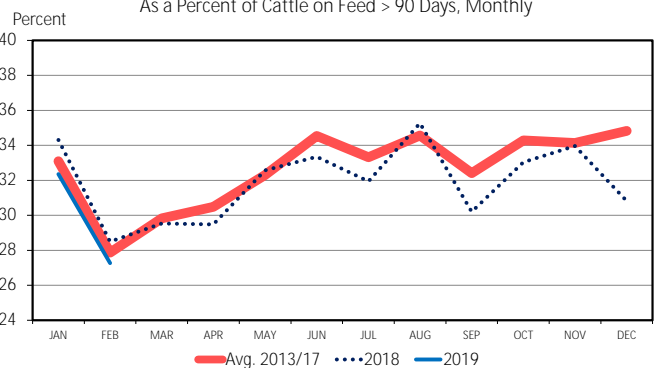
MED. & LRG. #1 FEEDER STEER PRICES
700-800 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

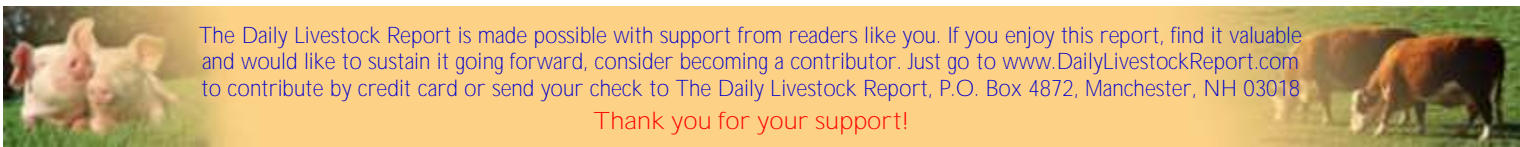
C-P-49
04/08/19

FED CATTLE MARKETINGS
As a Percent of Cattle on Feed > 90 Days, Monthly



Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-M-24
04/16/19



The Daily Livestock Report is made possible with support from readers like you. If you enjoy this report, find it valuable and would like to sustain it going forward, consider becoming a contributor. Just go to www.DailyLivestockReport.com to contribute by credit card or send your check to The Daily Livestock Report, P.O. Box 4872, Manchester, NH 03018

Thank you for your support!

The Daily Livestock Report is published by Steiner Consulting Group, DLR Division, Inc.. To subscribe, support or unsubscribe please visit www.dailylivestockreport.com.

The Daily Livestock Report is not owned, controlled, endorsed or sold by CME Group Inc. or its affiliates and CME Group Inc. and its affiliates disclaim any and all responsibility for the information contained herein. CME Group, CME and the Globe logo are trademarks of Chicago Mercantile Exchange, Inc.

Disclaimer: The Daily Livestock Report is intended solely for information purposes and is not to be construed, under any circumstances, by implication or otherwise, as an offer to sell or a solicitation to buy or trade any commodities or securities whatsoever. Information is obtained from sources believed to be reliable, but is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. Futures trading is not suitable for all investors, and involves the risk of loss. Past results are no indication of future performance. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money initially deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyle. And only a portion of those funds should be devoted to any one trade because a trader cannot expect to profit on every trade.