

The daily 100 5-area live steer price set a new high last week for the year, eclipsing the February 22nd high of \$145 per cwt. Live steer trades last week and so far this week have ranged from \$140.15 to \$145.86 per cwt on Wednesday. This puts the April average daily live steer price over \$140 per cwt. Last week's weekly average for the 5-area did not break through the weekly high set in February, but this week will if Friday's negotiated live steer trades above \$142 per cwt. Packers continue to bid cash cattle at elevated levels ahead of Memorial day, but the window for processing is closing.

The April 2022 contract traded a very wide range of \$115.95 per cwt when it opened in November 2021 all the way up to a high of \$148.70 per cwt in February. **The basis between the futures market and the Western Kansas (Dodge City) market for April was negative, -2.56 per cwt with futures leading cash on average in the 13 weeks**

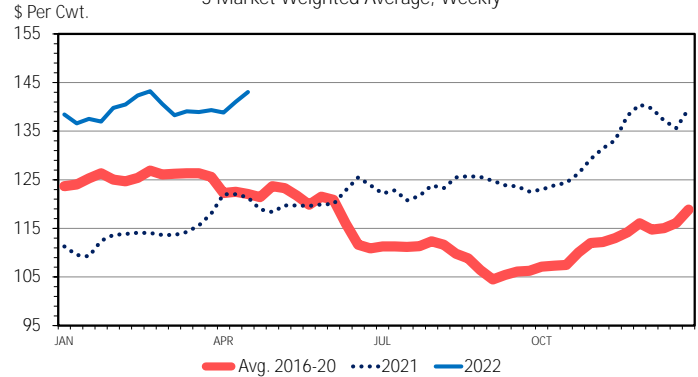
AVERAGE BASIS FED STEERS^a
Live, Kansas, Weekly

| | | April | | | | | Avg. | Std | |
|------|-------------|-------|------|-------|-------|--------|------------|------|------|
| Week | Week Ending | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 16-20 | Dev | |
| 14 | 01/29/22 | 3.73 | 2.19 | -3.58 | -1.74 | -9.77 | -5.01 | 0.86 | 3.33 |
| 13 | 02/05/22 | 4.21 | 1.45 | -3.22 | 1.60 | -8.90 | -6.87 | 0.99 | 2.68 |
| 12 | 02/12/22 | 5.06 | 1.64 | -2.32 | 0.95 | -9.74 | -6.78 | 1.52 | 2.66 |
| 11 | 02/19/22 | 5.92 | 3.97 | -2.58 | 0.42 | -10.14 | -4.59 | 1.65 | 3.33 |
| 10 | 02/26/22 | 8.92 | 1.89 | -2.91 | 0.23 | -7.57 | -1.96 | 1.77 | 4.37 |
| 9 | 03/05/22 | 8.21 | 2.72 | -1.70 | 3.29 | -5.13 | 0.51 | 2.40 | 3.87 |
| 8 | 03/12/22 | 7.96 | 3.49 | -0.96 | 3.62 | -5.12 | 0.40 | 2.89 | 3.46 |
| 7 | 03/19/22 | 9.37 | 4.96 | -0.80 | 7.29 | -4.80 | -2.10 | 3.86 | 4.85 |
| 6 | 03/26/22 | 8.67 | 7.23 | -1.33 | 15.41 | -4.13 | -1.84 | 5.88 | 6.97 |
| 5 | 04/02/22 | 7.02 | 5.84 | -1.24 | 15.05 | -3.62 | -1.89 | 5.19 | 6.66 |
| 4 | 04/09/22 | 6.88 | 4.56 | -2.45 | 15.39 | -2.47 | 0.09 | 5.04 | 6.80 |
| 3 | 04/16/22 | 3.87 | 4.21 | -1.93 | 15.26 | -1.35 | -0.93 | 4.56 | 6.46 |
| 2 | 04/23/22 | 2.67 | 3.55 | -1.21 | 9.27 | -0.30 | -2.28 | 2.92 | 4.01 |
| 1 | 04/30/22 | 3.90 | 0.81 | -0.81 | 10.04 | 0.12 | | 2.58 | 4.61 |

| | | June | | | | | Avg. | Std | |
|------|-------------|-------|-------|-------|-------|-------|------------|-------|------|
| Week | Week Ending | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 16-20 | Dev | |
| 14 | 03/26/22 | 16.32 | 16.26 | 5.33 | 25.81 | -5.22 | 1.50 | 14.71 | 7.75 |
| 13 | 04/02/22 | 15.56 | 15.29 | 3.90 | 24.76 | -5.46 | 0.75 | 13.62 | 7.92 |
| 12 | 04/09/22 | 13.59 | 15.63 | 3.55 | 20.96 | -3.89 | 3.68 | 12.92 | 6.41 |
| 11 | 04/16/22 | 14.71 | 17.60 | 3.77 | 18.63 | 0.20 | 2.91 | 13.27 | 5.97 |
| 10 | 04/23/22 | 17.84 | 17.78 | 7.33 | 15.31 | 1.75 | 2.14 | 13.59 | 4.82 |
| 9 | 04/30/22 | 16.56 | 19.81 | 8.35 | 16.09 | 2.34 | | 13.62 | 5.51 |
| 8 | 05/07/22 | 12.19 | 14.91 | 7.84 | 17.52 | 4.01 | | 12.34 | 3.97 |
| 7 | 05/14/22 | 10.98 | 12.09 | 5.57 | 18.76 | 1.91 | | 11.36 | 4.82 |
| 6 | 05/21/22 | 7.92 | 5.05 | 3.41 | 19.20 | 2.46 | | 8.95 | 6.17 |
| 5 | 05/28/22 | 9.91 | 5.14 | 4.40 | 15.99 | 3.32 | | 8.34 | 4.77 |
| 4 | 06/04/22 | 5.69 | 7.19 | 5.36 | 16.44 | 3.91 | | 8.22 | 4.65 |
| 3 | 06/11/22 | 6.31 | 4.37 | 1.32 | 9.38 | 2.41 | | 5.43 | 2.94 |
| 2 | 06/18/22 | 2.38 | -0.11 | 1.26 | 4.94 | 1.17 | | 2.32 | 1.91 |
| 1 | 06/25/22 | -1.26 | -0.60 | -0.08 | 1.84 | 1.17 | | 0.13 | 1.21 |

^aThrough the last full week of trading of the Chicago Mercantile Exchange's Live Cattle Contract. Weekly weighted average live slaughter steer price

SLAUGHTER STEER PRICES
5 Market Weighted Average, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

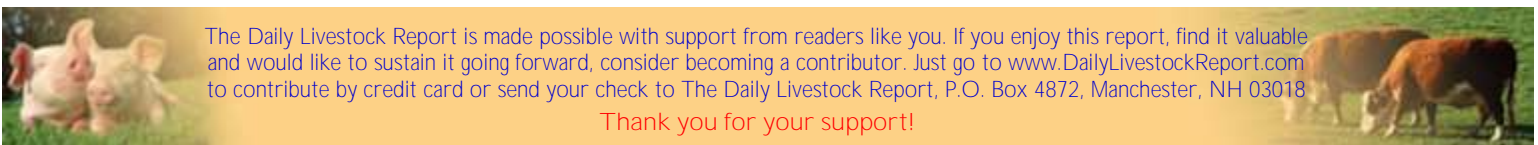
04/25/22

preceding contract close. The five year history indicates the typical pattern is for cash to average about \$3 over futures.

The market has now largely turned its focus to the June contract, which is typically a lower price point. The five year average basis calculation is usually wide, with futures trading an average of about \$10 under the cash market, with most of the premiums occurring in April. The basis typically narrows about mid-May and into contract expiration. This year April cash values have been much smaller than historical basis, with cash holding only a \$2.20 per cwt premium to the futures contract. The five year average during these same five weeks is \$13.62 per cwt. Last year, basis was smaller as well and actually was negative during these five weeks by \$2.52 per cwt.

Beef Cutout Recap: Beef cutout values have declined almost daily since mid April, but have only lost about \$12 per cwt. Large declines have happened in the rib primal, down \$24 since mid April and chuck, round, and loin have all lost between \$10-\$12 per cwt. Brisket and short plate have lost less than \$10 a piece, while the flank primal has increased about \$3.50 per cwt.

Load counts over the month of April have been strong in negotiated trade compared to 2021, up 9% in Choice cuts and 42% in Select. Trimmings are substantially smaller, down 30%. Course grinds are off 9% from a year ago.



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