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Weekly Cattle Market Update

For the Week Ending March 23, 2018

All prices are quoted in Canadian dollars per hundredweight (\$/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices (\$/cwt)								
Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
March 23/2018	Average	\$248.00	\$245.67	\$222.13	\$205.38	\$184.40	\$169.44	\$155.21
March 23/2018	Range	240-264	231-257	214-239	195-217	175-194	161-176	151-158
week/week	Change	-\$9.60	-\$6.96	-\$8.62	-\$6.22	-\$3.98	-\$1.37	-\$6.67
March 16/2018	Average	\$257.60	\$252.63	\$230.75	\$211.60	\$188.38	\$170.81	\$161.88
Feeder Heifers		300-400	400-500	500-600	600-700	700-800	800+ lb.	
March 23/2018	Average	\$209.00	\$205.90	\$187.60	\$177.00	\$165.00	\$151.38	
March 23/2018	Range	201-212	193-214	181-199	169-188	157-174	147-158	
week/week	Change	-\$6.90	-\$6.85	-\$10.90	-\$6.83	-\$2.50	-\$6.42	
March 16/2018	Average	\$215.90	\$212.75	\$198.50	\$183.83	\$167.50	\$157.80	

Source: Canadian data is provide by CanFax and cannot be redistributed without Canfax consent (www.canfax.ca).

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data.

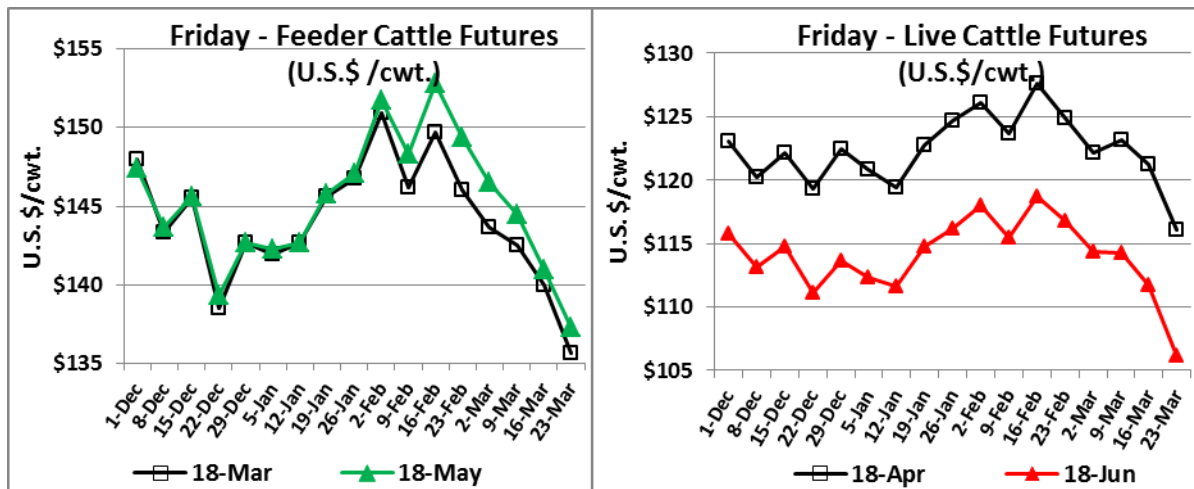
Canfax reported that a total of 14,949 head of cattle were sold in Saskatchewan this week, down from 17,858 head the previous week, and down from 19,345 head the same week a year ago.

Saskatchewan feeder steer prices were lower over the week in all the weight categories. Saskatchewan feeder steer prices declined between \$1.37 per cwt and \$9.60 per cwt over the week. The largest price decline was in the 300-400 lb. feeder steer weight category. On average; Saskatchewan feeder steer prices declined by over \$6 per cwt over the week.

Saskatchewan feeder heifer prices were also lower in all the weight categories over the week. Feeder heifer prices declined between \$2.50 per cwt and \$10.90 per cwt. The largest price decline was in the 500-600 lb. feeder heifer weight category. On average; Saskatchewan feeder heifer prices declined by almost \$7 per cwt. Saskatchewan feeder cattle prices are provided by Canfax (#403-275-5110) or (www.canfax.ca) and cannot be redistributed without permission.

The Saskatchewan 750 lb. feeder steer basis compared to the March 22, 2018, U.S. feeder cattle index at US\$137.98 per cwt was calculated at (+\$7.00) per cwt (\$184.40 - US\$137.98/0.7778), a basis strengthening of \$5.52 per cwt from the basis of (+\$1.48) per cwt from March 15, 2018.

Feeder cattle daily futures prices were primarily lower over the week except for Thursday to push prices lower, week-over-week. The March 2018 feeder cattle futures contract declined US\$4.275 per cwt to settle Friday at US\$135.700 per cwt. The April contract declined US\$4.100 per cwt; while the May contract declined US\$3.650 per cwt to settle Friday at US\$137.300 per cwt.



Source: CME, LMIC

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Live daily cattle futures prices were also primarily lower over the week except for Thursday; to push prices lower, week-over-week. The nearby April contract declined US\$5.200 per cwt over the week to settle Friday at US\$116.050 per cwt; while the June contract declined US\$5.550 per cwt to settle Friday at US\$106.200 per cwt.

Fed and Non-fed Cattle

	March 23, 2018	March 16, 2018	Week Over Week
<u>Steers (Alberta)</u>			
Live	\$162.76	\$165.19	-\$2.43
Rail	\$272.00-\$273.50	\$273.50-\$276.50	-\$1.50 to -\$3.00
<u>Cows (Alberta)</u>			
D1,2 Live	\$90.38	\$89.00	+\$1.38
D3 Live	\$79.67	\$78.60	+\$1.07
Rail	\$177-183	\$175-180	+\$2 to +\$3

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were higher over the week. The price of D1,2 slaughter cows increased \$1.38 per cwt to average \$90.38 per cwt; while the price of D3 slaughter cows increased \$1.07 per cwt to average \$79.67 per cwt.

Fed cattle prices for Alberta fed steers were reported to average \$162.76 per cwt, down \$2.43 per cwt from \$165.19 per cwt the previous week. Western Canadian slaughter cattle prices are provided by Canfax and cannot be redistributed without their permission. www.canfax.ca

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US\$125.90 per cwt, down US\$2.01 per cwt or 1.6 per cent from US\$127.91 per cwt the previous week; and down 3.8 per cent from US\$130.91 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US\$201.79 per cwt, down US\$3.68 per cwt or 1.8 per cent from US\$205.47 per cwt the previous week, and down 4.4 per cent from US\$210.99 per cwt the same week a year ago.

USDA released the latest U.S. cold storage numbers on March 22, 2018. The U.S. beef stocks in cold storage totaled 460.3 million lb. on February 28, 2018, down 8.3 per cent from 501.7 million lb. on January 31, 2018, and down 8.4 per cent from 502.4 million lb. on February 28, 2017. U.S. beef stocks in cold storage at the end of February 2018 were above the 14 year average for February, but below the monthly highs.

The *Cattle on Feed Report* was released on Friday March 23, by the United States Department of Agriculture (USDA), for the March 1 inventory numbers.

March 1, 2017 and 2018, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)			
	2017	2018	Per cent of previous year
On feed February 1	10,782,000	11,630,000	107.9
Placed during February	1,694,000	1,817,000	107.3
Marketed during February	1,648,000	1,675,000	101.6
Other disappearance during February	56,000	57,000	101.8
On feed March 1	10,772,000	11,715,000	108.8

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in February 2018 was 1.817 million head, up 7.3 per cent from 1.694 million head in February 2017, but down 12.1 per cent from 2.068 million head placed in January 2018. The number of fed cattle marketed in February 2018 was 1.675 million head, up 1.6 per cent from 1.648 million head in February 2017, but down 9.8 per cent from 1.858 million head marketed in January 2018. The February 2018 cattle placements were 107.3 per cent of the February 2017 numbers which were almost three per cent higher than the average trade estimates (104.5 per cent). The cattle marketed in February 2018 were 101.6 per cent of the February 2017 numbers; which were slightly higher than the average trade estimates (101.4 per cent).

The USDA cattle on feed numbers for March 1, 2018 were 11.715 million head, up 8.8 per cent from the March 2017 inventory numbers of 10.772 million head, and up 0.7 per cent from the February 2017 numbers. The USDA year-over-year numbers were about 0.3 per cent higher than the average trade estimates (108.5 per cent).

The USDA numbers were overall slightly higher than trade estimates except the cattle placed in February which was almost three per cent higher than the average trade estimates. The cattle futures markets will likely view the numbers as overall negative, particularly with the higher placements and large March inventory numbers; which indicate larger future marketing numbers.

U.S. Beef production for the week ending March 24, 2018 was estimated at 498.5 million lb., up 2.0 per cent from 488.7 million lb. the previous week, but unchanged from 498.5 million lb. the same week a year ago.

U.S. choice beef cutout prices (600-900 lb.) averaged US\$224.18 per cwt over the week, down slightly (US\$0.28 per cwt) from US\$224.46 per cwt the previous week, but up 0.5 per cent from US\$223.12 per cwt the same week a year ago.

Friday Price Information

Product	This Week (March 23, 2018)	Week of: (March 16, 2018)	Week of: (March 24, 2017)
Canadian Dollar (closing rate US\$)	.7778	.7641	.7474
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US\$ per cwt)	137.98	142.81	132.46
Seven-day Weighted Average FC Index Wt. (lb.)	804	798	800
Live Fed 5-area Steer Price (US\$ per cwt)	125.90	127.91	130.91
Feed Grains			
Barley			
Lethbridge (\$/tonne)	238.00	239.00	160.00
(\$ per bu.)	5.18	5.20	3.48
Corn			
Iowa State Average (CDN\$/tonne)*	167.53	173.63	168.03
(US\$ per bu.)	3.31	3.37	3.19
Omaha, NE (CDN\$/tonne)*	176.64	178.78	167.50
(US\$ per bu.)	3.49	3.47	3.18
Futures			
May Corn (US\$ per bu.)	3.77 ¼	3.82 ¾	3.56 ¼
July Corn (US\$ per bu.)	3.85 ¾	3.91	3.63 ¼
April Live Cattle (US\$ per cwt)	116.050	121.250	122.100
June Live Cattle (US\$ per cwt)	106.200	111.750	112.850
March Feeder Cattle (US\$ per cwt)	135.700	139.975	133.375
May Feeder Cattle (US\$ per cwt)	137.300	140.950	133.800

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN\$ is based on Friday's CDN\$ closing rate.

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