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## Weekly Cattle Market Update

For the Week Ending February 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.
Feb. 23/2018	Average	\$262.80	\$250.50	\$234.60	\$212.96	\$192.42	\$180.33	\$171.70
Feb. 23/2018	Range	250-276	244-267	224-246	203-224	185-204	174-185	168-175
week/week	Change	\$3.42	\$0.57	\$6.00	\$3.16	-\$1.08	\$1.20	\$1.20
Feb. 16/2018	Average	\$259.38	\$249.93	\$228.60	\$209.80	\$193.50	\$179.13	\$170.50
Feeder Heifers		300-400	400-500	500-600	600-700	700-800	800+ lb.	
Feb. 23/2018	Average	\$216.00	\$214.00	\$200.10	\$186.57	\$173.67	\$163.40	
Feb. 23/2018	Range	209-227	202-223	193-209	179-196	167-180	161-168	
week/week	Change	-\$3.00	\$1.90	\$3.85	\$2.57	\$1.17	\$0.20	
Feb. 16/2018	Average	\$219.00	\$212.10	\$196.25	\$184.00	\$172.50	\$163.20	

Source: Canadian data is provided by CanFax and cannot be redistributed without Canfax consent ([www.canfax.ca](http://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.

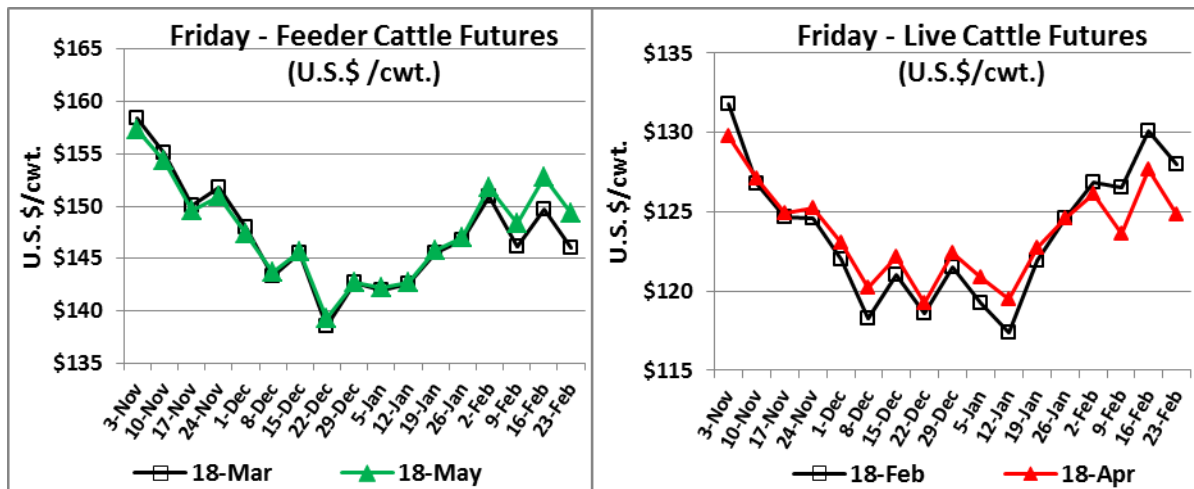
Canfax reported that a total of 13,225 head of cattle were sold in Saskatchewan this week, up from 9,677 head the previous week, and up from 12,722 head the same week a year ago.

Saskatchewan feeder steer prices were primarily higher over the week in the different weight categories. Saskatchewan feeder steer prices ranged between \$1.08 per cwt lower to \$6.00 per cwt higher over the week. The only price decline was in the 700-800 lb. feeder steer weight category; while the biggest price gains in the 500-600 lb. weight category. Feeder steer prices on average over all the weight categories increased by just over \$2 per cwt.

Saskatchewan feeder heifer prices were also primarily higher in the different weight categories over the week. Feeder heifer prices ranged between \$3.00 per cwt lower to \$3.85 per cwt higher. The only price decline was in the 300-400 lb. feeder heifer weight category; while the biggest price gain was in the 500-600 lb. weight category. Saskatchewan feeder cattle prices are provided by Canfax (#403-275-5110) or ([www.canfax.ca](http://www.canfax.ca)) and cannot be redistributed without permission.

The Saskatchewan 750 lb. feeder steer basis compared to the Feb. 22, 2018, U.S. feeder cattle index at US\$147.63 per cwt was calculated at (+\$5.40) per cwt (\$192.42 - US\$147.63/0.7894, a basis weakening of \$2.31 per cwt from the basis of (+\$7.71) per cwt from February 15, 2018.

Feeder cattle daily futures prices were mixed over the week with big price declines on Wednesday to push prices lower, week-over-week. The March 2018 feeder cattle futures contract declined US\$3.725 per cwt to settle Friday at US\$146.000 per cwt. The April contract declined US\$3.900 per cwt; while the May contract declined US\$3.450 per cwt to settle Friday at US\$149.375 per cwt.



Source: CME, LMIC

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Live daily cattle futures prices were mixed over the week with prices lower the last few sessions to push prices lower, week-over-week. The nearby February contract declined US\$2.100 per cwt over the week to settle Friday at US\$128.000 per cwt; while the April contract declined US\$2.800 per cwt over the week to settle Friday at US\$124.850 per cwt.

### *Fed and Non-fed Cattle*

	February 23, 2018	February 16, 2018	Week Over Week
<b><u>Steers (Alberta)</u></b>			
Live	N/A	\$164.40	N/A
Rail	N/A	\$273.00 to \$273.75	N/A
<b><u>Cows (Alberta)</u></b>			
D1,2 Live	\$88.38	\$88.39	-\$0.01
D3 Live	\$79.58	\$79.90	-\$0.32
Rail	\$173-178	\$173-178	N/C

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

Prices for liveweight, non-fed cattle in Alberta were steady-to-slightly lower over the week. The price of D1,2 slaughter cows was down only one cent to average \$88.38 per cwt; while the price of D3 slaughter cows declined \$0.32 per cwt to average \$79.58 per cwt.

Fed cattle prices for Alberta fed steers were not reported over the week with the last price of \$164.40 per cwt reported for the week ending February 15, 2018. Ontario fed steer prices over the week (Feb. 23) were reported to move over \$3 per cwt higher from the previous week. Western Canadian slaughter cattle prices are provided by Canfax and cannot be redistributed without their permission. [www.canfax.ca](http://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\$127.95 per cwt, down US\$1.80 per cwt or 1.4 per cent from US\$129.75 per cwt the previous week; but up 2.8 per cent from US\$124.40 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\$204.69 per cwt, down US\$0.34 per cwt or 0.2 per cent from US\$205.03 per cwt the previous week, but up 4.5 per cent from US\$195.90 per cwt the same week a year ago.

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

February 1, 2017 and 2018, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)			
	2017	2018	Per cent of previous year
On feed January 1	10,605,000	11,489,000	108.3
Placed during January	1,981,000	2,068,000	104.4
Marketed during January	1,751,000	1,858,000	106.1
Other disappearance during January	53,000	69,000	130.2
On feed February 1	10,782,000	11,630,000	107.9

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in January 2018 was 2.068 million head, up 4.4 per cent from 1.981 million head in January 2017, and up 14.9 per cent from 1.799 million head placed in December 2017. The number of fed cattle marketed in January 2018 was 1.858 million head, up 6.1 per cent from 1.751 million head in January 2017, and up 6.0 per cent from 1.752 million head marketed in December 2017. The January 2018 cattle placements were 104.4 per cent of the January 2017 numbers which were over four per cent higher than the average trade estimates (100 per cent). The cattle marketed in January 2018 were 106.1 per cent of the January 2017 numbers; which were in line with the average trade estimates (106.1 per cent).

The USDA cattle on feed numbers for February 1, 2018 were 11.630 million head, up almost eight per cent above the February 2017 inventory numbers of 10.782 million head, and up 1.2 per cent from the January 2017 numbers. The USDA year-over-year numbers were over a half per cent above the average trade estimates (107.2 per cent).

The USDA numbers were close to trade estimates except the cattle placed in January which was over four per cent higher than the average trade estimates. January 2018 cattle marketing's were over six per cent higher than year-ago numbers, and previous month numbers, but in-line with trade estimates. Futures markets will likely view the numbers as overall negative with higher placements and higher inventory numbers; which will indicate higher future marketing numbers.

U.S. Beef production for the week ending February 23, 2018 was estimated at 472.1 million lb., down 4.1 per cent from 492.3 million lb. the previous week, but up 0.4 per cent from 470.0 million lb. the same week a year ago.

U.S. choice beef cutout prices (600-900 lb.) averaged US\$216.53 per cwt over the week, up US\$8.06 per cwt or 3.9 per cent from US\$208.47 per cwt the previous week, and up 11.3 per cent from US\$194.48 per cwt the same week a year ago.

USDA released the latest U.S. cold storage numbers on February 22, 2018. The U.S. beef stocks in cold storage totaled 499.5 million lb. on January 31, 2018, up 2.4 per cent from 488.1 million lb. on December 31, 2017, but down 7.2 per cent from 538.2 million lb. on January 31, 2017. U.S. beef stocks in cold storage at the end of January 2018 were above the 12 year average for January, but below the monthly highs.

### ***Friday Price Information***

<b>Product</b>	<b>This Week (Feb. 23, 2018)</b>	<b>Week of: (Feb. 16, 2018)</b>	<b>Week of: (Feb. 24, 2017)</b>
<b>Canadian Dollar</b> (closing rate US\$)	.7894	.7974	.7628
<b>U.S. Cash Cattle</b>			
Thurs. Feeder Cattle (FC) Index (US\$ per cwt)	147.63	148.15	127.20
Seven-day Weighted Average FC Index Wt. (lb.)	795	793	794
Live Fed 5-area Steer Price (US\$ per cwt)	127.95	129.75	124.40
<b>Feed Grains</b>			
<b>Barley</b>			
Lethbridge (\$/tonne)	224.00	224.00	156.00
(\$ per bu.)	4.88	4.88	3.40
<b>Corn</b>			
Iowa State Average (CDN\$/tonne)*	164.07	163.42	166.70
(US\$ per bu.)	3.29	3.31	3.23
Omaha, NE (CDN\$/tonne)*	173.55	171.81	171.34
(US\$ per bu.)	3.48	3.48	3.32
<b>Futures</b>			
March Corn (US\$ per bu.)	3.66 ¼	3.67 ½	3.64
May Corn (US\$ per bu.)	3.74 ½	3.75	3.70 ¾
February Live Cattle (US\$ per cwt)	128.000	130.100	123.750
April Live Cattle (US\$ per cwt)	124.850	127.650	114.950
March Feeder Cattle (US\$ per cwt)	146.000	149.725	121.700
May Feeder Cattle (US\$ per cwt)	149.375	152.400	121.075

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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