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Weekly Cattle Market Update

For the Week Ending May 11, 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.
May 11/2018	Average	\$234.17	\$231.60	\$224.63	\$205.80	\$189.10	\$172.63	\$156.70
May 11/2018	Range	228-240	223-240	216-237	198-218	180-200	164-184	154-160
week/week	Change	\$5.17	-\$2.78	-\$3.25	-\$5.95	-\$2.10	\$2.73	\$0.62
May 4/2018	Average	\$229.00	\$234.38	\$227.88	\$211.75	\$191.20	\$169.90	\$156.08
Feeder Heifers		300-400	400-500	500-600	600-700	700-800	800+ lb.	
May 11/2018	Average	\$206.75	\$203.13	\$192.20	\$180.08	\$169.30	\$155.80	
May 11/2018	Range	198-216	194-215	183-203	170-194	159-179	146-167	
week/week	Change	\$3.37	-\$4.00	-\$1.05	-\$2.92	-\$1.08	-\$4.37	
May 4/2018	Average	\$203.38	\$207.13	\$193.25	\$183.00	\$170.38	\$160.17	

Source: Canadian data is provided 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.

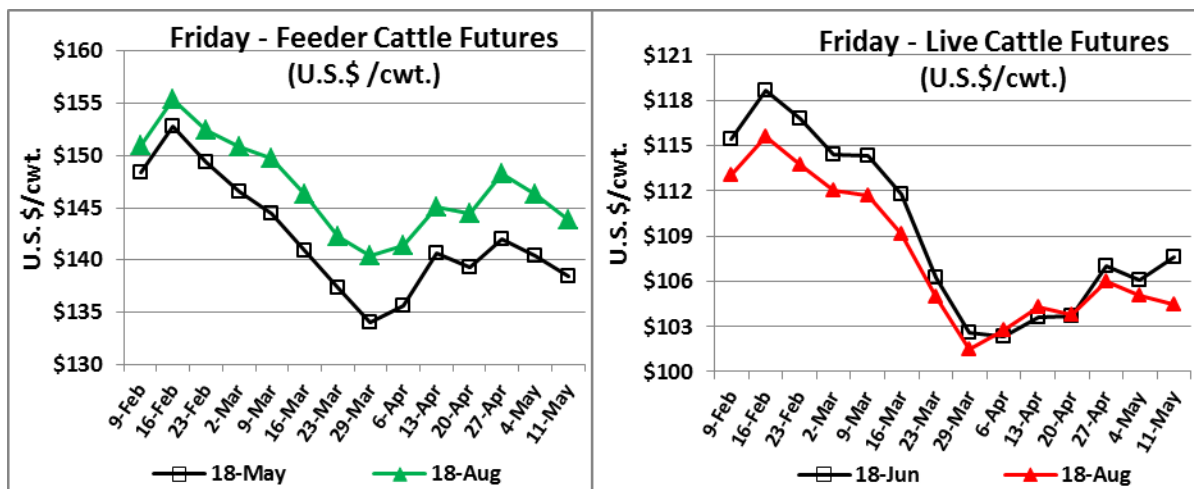
Canfax reported that a total of 7,531 head of cattle were sold in Saskatchewan this week, down from 13,617 head the previous week, but up from 6,917 head the same week a year ago.

Saskatchewan feeder steer prices were mixed over the week in the reported weight categories. Saskatchewan feeder steer prices ranged between \$5.95 per cwt lower and \$5.17 per cwt higher over the week. The largest price increase was in the 300-400 lb. feeder steer weight category; while the biggest price decline was in the 600-700 lb. weight category.

Saskatchewan feeder heifer prices were primarily lower in the reported weight categories over the week. Feeder heifer prices ranged between \$4.37 per cwt lower and \$3.37 per cwt higher. The only price increase was in the 300-400 lb. feeder heifer weight category; while the biggest price decline over the week was in the 800+ lb. weight category. 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 May 10, 2018, U.S. feeder cattle index at US\$137.21 per cwt was calculated at (+\$13.75) per cwt (\$189.10 - US\$137.21/0.7825), a slight basis weakening of \$0.09 per cwt from the basis of (+\$13.84) per cwt from May 3, 2018.

Feeder cattle daily futures prices were mixed over the week with prices moving lower, week-over-week. The May contract declined US\$1.97 per cwt to settle Friday at US\$138.42 per cwt; while the August contract declined US\$2.42 per cwt to settle Friday at US\$143.90 per cwt.



Source: CME, LMIC

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Live daily cattle futures prices were mixed over the week with prices ending mixed, week-over-week. The nearby June contract increased US\$1.57 per cwt to settle Friday at US\$107.62 per cwt; while the August contract declined US\$0.65 per cwt to settle Friday at US\$104.42 per cwt.

Fed and Non-fed Cattle

	May 11, 2018	May 4, 2018	Week Over Week
Steers (Alberta)			
Live	\$157.77	\$163.83	-\$6.06
Rail	\$260.50 to \$267.50	\$269.00 to \$273.50	-\$8.50 to -\$6.00
Cows (Alberta)			
D1,2 Live	\$98.30	\$95.43	+\$2.87
D3 Live	\$86.00	\$86.14	-\$0.14
Rail	\$183-188	\$182-187	+\$1.00

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

Prices for liveweight, non-fed cattle in Alberta were mixed over the week. The price of D1,2 slaughter cows increased \$2.87 per cwt to average \$98.30 per cwt; while the price of D3 slaughter cows declined \$0.14 per cwt to average \$86.00 per cwt.

Fed cattle prices for Alberta fed steers were reported to average \$157.77 per cwt, down \$6.06 per cwt from \$163.83 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\$121.65 per cwt, down US\$3.16 per cwt or 2.5 per cent from US\$124.81 per cwt the previous week; and down 11.4 per cent from US\$137.28 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\$191.99 per cwt, down US\$1.66 per cwt or 0.9 per cent from US\$193.65 per cwt the previous week, and down 12.9 per cent from US\$220.33 per cwt the same week a year ago.

U.S. Beef production for the week ending May 12, 2018 was estimated at 517.0 million lb., down 1.1 per cent from 522.6 million lb. the previous week, but up 6.1 per cent from 487.4 million lb. the same week a year ago.

U.S. choice beef cutout prices (600-900 lb.) averaged US\$230.61 per cwt over the week, up US\$3.81 per cwt or 1.7 per cent from US\$226.80 per cwt the previous week, but down 5.7 per cent from US\$244.55 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On May 10, the USDA released the May World Agricultural Supply and Demand Estimates (WASDE). The May USDA WASDE report revised the 2018 United States Red Meat and Poultry production estimates 0.5 per cent lower to 102.989 billion lb., from the April estimates. USDA estimates were reduced from the previous month on all major meats with beef production reducing the most as second quarter slaughter and marketing numbers were slower than expected.

U.S. May meat production estimates for 2018 were reduced from the April estimates but still projected to increase 2.8 per cent from 2017. United States meat production numbers for 2018 were estimated to increase for beef (+4.0%), pork (+4.6%), and broilers (+1.6%); while turkeys were projected to decline 1.1 per cent. (Source: USDA WASDE) Projections for the 2019 year were also made with further production increases from 2018 for pork (+3.3%), broilers (2.3%), beef (+1.8%), and turkey (+0.9%).

USDA May World Agricultural Supply and Demand Estimates

Quarter		Million Pounds				Total Red Meat & Poultry
		Beef	Pork	Broiler	Turkey	
2014	Annual	24,252	22,843	38,550	5,756	92,171
2015	Annual	23,698	24,501	40,048	5,627	94,630
2016	Annual	25,221	24,941	40,695	5,981	97,612
2017	April Proj.	26,173	25,581	41,662	5,981	100,151
% Chg.	2016 to 2017	3.77%	2.57%	2.38%	0.00%	2.60%
2018	April proj.	27,635	26,805	42,350	5,945	103,493
2018	May proj.	27,215	26,770	42,330	5,917	102,989
% Chg.	April to May	-1.52%	-0.13%	-0.05%	-0.47%	-0.49%
% Chg.	2017 to 2018	3.98%	4.65%	1.60%	-1.07%	2.83%
2019	May proj.	27,715	27,660	43,300	5,970	105,358
% Chg.	2018 to 2019	1.84%	3.32%	2.29%	0.90%	2.30%

Source: USDA May WASDE Report, May 10, 2018

United States current corn crop projections for May have projected the new (2018/19) corn crop area planted at 88.0 million acres, down 2.4 per cent from 90.2 million acres planted the previous year. Projected yield per acre was also reduced 2.6 bushels per acre to 174.0 bushels per acre, from 176.6 bushels per acre the previous year.

USDA corn production (2018/19) is estimated at 14.040 billion bushels, down 564 million bushels or 3.9 per cent from the previous year. Both domestic corn usage and exports numbers were reduced from the previous estimates. Ending corn stocks are estimated to decline by 500 million bushels or 22.9 per cent to 1.682 billion bushels; down from 2.182 billion bushels the previous year. Global ending corn stocks for the 2018/2019 year were projected at 159.15 million metric tons, a decline of 18.3 per cent from 194.85 million metric tons the previous 2017/18 year.

Friday Price Information

Product	This Week (May 11, 2018)	Week of: (May 4, 2018)	Week of: (May 12, 2017)
Canadian Dollar (closing rate US\$)	.7825	.7775	.7292
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US\$ per cwt)	137.21	137.90	143.48
Seven-day Weighted Average FC Index Wt. (lb.)	803	804	810
Live Fed 5-area Steer Price (US\$ per cwt)	121.65	124.81	137.28
Feed Grains			
Barley Lethbridge (\$/tonne)	\$255-\$260	\$256-\$262	180.00
(\$ per bu.)	\$5.55-\$5.66	\$5.57-\$5.70	3.92
Corn Iowa State Average (CDN\$/tonne)*	177.09	182.79	175.46
(US\$ per bu.)	3.52	3.61	3.25
Omaha, NE (CDN\$/tonne)*	190.17	194.94	185.18
(US\$ per bu.)	3.78	3.85	3.43
Futures			
May Corn (US\$ per bu.)	3.89 ³ / ₄	3.98 ³ / ₄	3.61 ³ / ₄
July Corn (US\$ per bu.)	3.96 ¹ / ₂	4.06 ¹ / ₄	3.71
June Live Cattle (US\$ per cwt)	107.625	106.050	125.175
August Live Cattle (US\$ per cwt)	104.425	105.075	121.775
May Feeder Cattle (US\$ per cwt)	138.425	140.400	144.550
Aug. Feeder Cattle (US\$ per cwt)	143.900	146.325	151.825

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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