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All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
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Weekly Cattle Market Update

For the Week Ending December 14, 2018

*This is the final edition of the Cattle Market Update for 2018.
The report will resume on January 14, 2019. Happy Holidays everyone!*

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.
Dec. 14/2018	Average	\$241.13	\$228.25	\$211.75	\$198.07	\$188.64	\$181.96	\$171.56
Dec. 14/2018	Range	233-252	219-244	203-226	191-213	182-202	178-187	161-178
week/week	Change	-\$3.97	-\$5.35	\$1.42	\$3.64	\$0.84	-\$1.10	\$6.73
Dec. 7/2018	Average	\$245.10	\$233.60	\$210.33	\$194.43	\$187.80	\$183.06	\$164.83
Feeder Heifers		300-400	400-500	500-600	600-700	700-800	800+ lb.	
Dec. 14/2018	Average	\$201.90	\$193.00	\$179.00	\$174.40	\$167.88	\$168.08	
Dec. 14/2018	Range	193-222	180-210	172-190	169-184	160-179	157-175	
week/week	Change	-\$0.27	\$1.00	-\$1.36	\$1.76	-\$2.33	\$5.83	
Dec. 7/2018	Average	\$202.17	\$192.00	\$180.36	\$172.64	\$170.21	\$162.25	

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.

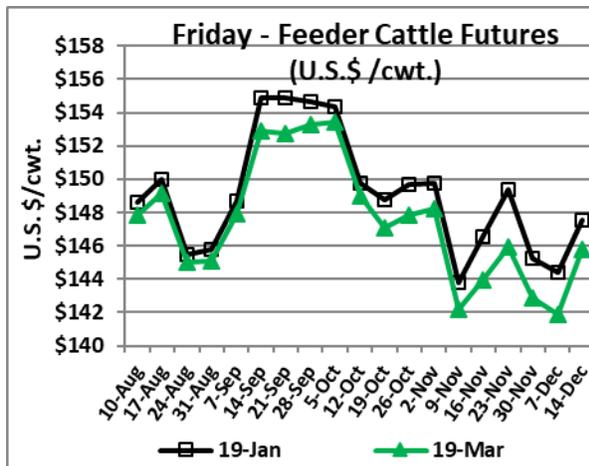
Canfax reported that a total of 14,973 head of cattle were sold in Saskatchewan over the week, down from 22,410 head the previous week, but up from 12,313 head the same week a year ago.

Saskatchewan feeder cattle prices were mixed in the various weight categories over the week with prices lower in the light weight categories and higher in the mid-weight categories. Saskatchewan feeder steer prices ranged between \$5.35 per cwt lower and \$6.73 per cwt higher over the week. The biggest price declines were in the 400-500 lb. feeder steer weight category; while the largest price gains in the 900+ lb. weight category.

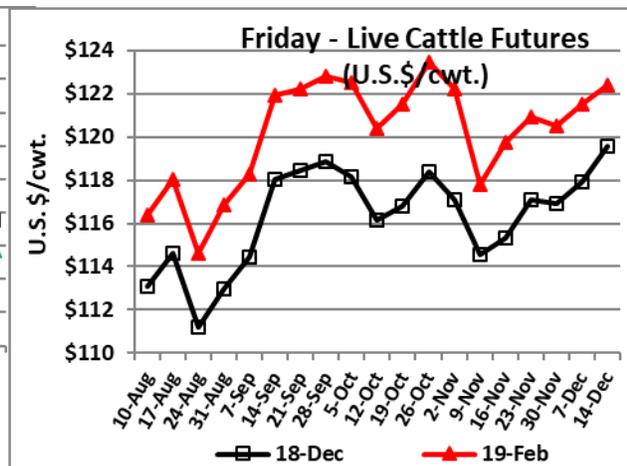
Saskatchewan feeder heifer prices were mixed over the week in the different weight categories. Feeder heifer prices ranged between \$2.33 per cwt lower and \$5.83 per cwt higher over the week. The biggest price declines over the week were in the 700-800 lb. feeder heifer weight category; while the largest price gains were in the 800+ lb. weight category. On average, Saskatchewan feeder heifer prices were close to \$1 per cwt higher over the week. 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 Dec. 13, 2018, U.S. feeder cattle index at US\$146.91 per cwt was calculated at (-\$7.92) per cwt ($\$188.64 - \text{US}\$146.91/0.7474$), a basis weakening of \$2.78 per cwt from the basis of (-\$5.14) per cwt from December 6, 2018.

Feeder cattle daily futures prices were primarily higher over the week with strong gains Tuesday to push prices higher, week-over-week. The January feeder cattle contract increased US\$3.200 per cwt over the week to settle Friday US\$147.575 per cwt; while the March feeder cattle contract increased US\$3.900 per cwt to settle Friday at US\$145.775 per cwt.



Source: CME, LMIC



Source: CME, LMIC

Live daily cattle futures prices were mixed over the week with gains mid-week to push prices higher, week-over-week. The December contract increased US\$1.675 per cwt over the week to settle Friday at US\$119.575 per cwt; while the February contract increased US\$0.875 per cwt to settle Friday at US\$122.400 per cwt.

Fed and Non-Fed Cattle

	December 14, 2018	December 7, 2018	Over Week
Steers (Alberta)			
Live	\$154.54	\$151.06	+\$3.48
Rail	\$256.00 to \$257.75	\$248.50 to \$252.50	+\$7.50 to +\$5.25
Cows (Alberta)			
D1,2 Live	\$74.50	\$73.42	+\$1.08
D3 Live	\$65.17	\$66.00	-\$0.83
Rail	\$149-153	\$149-152	\$0 to +\$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 \$1.08 per cwt to average \$74.50 per cwt; while the price of D3 slaughter cows declined \$0.83 per cwt to average \$65.17 per cwt over the week.

Fed cattle prices for Alberta fed steers were reported to average \$154.54 per cwt over the week, a price increase of \$3.48 per cwt from \$151.06 per cwt from the previous week.

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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\$118.14 per cwt, up slightly from US\$118.11 per cwt the previous week; but down 1.3 per cent from US\$119.71 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\$187.62 per cwt, up US\$1.62 per cwt or 0.9 per cent from US\$185.99 per cwt the previous week, but down 0.7 per cent from US\$188.92 per cwt the same week a year ago.

U.S. beef production for the week ending December 15, 2018 was estimated at 542.1 million lb., down 1.9 per cent from 552.5 million lb. the previous week, but up 3.6 per cent from 523.5 million lb. the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On December 11, the USDA released the December World Agricultural Supply and Demand Estimates (WASDE). The December USDA WASDE report revised the 2018 United States Red Meat and Poultry production estimates slightly higher to 102.580 billion lb. from the November estimates. USDA estimates from the previous month were slightly reduced for pork on lower second-half commercial hog slaughter numbers; while beef production estimates were slightly increased from the previous month due to higher fourth-quarter fed cattle slaughter numbers.

USDA December World Agricultural Supply and Demand Estimates

Quarter		Million Pounds				Total Red Meat & Poultry
		Beef	Pork	Broiler	Turkey	
2016	Annual	25,221	24,941	40,695	5,981	97,612
2017	Annual	26,187	25,584	41,662	5,981	100,169
% Chg.	2016 to 2017	3.83%	2.58%	2.38%	0.00%	2.62%
2018	Nov. proj.	26,914	26,320	42,649	5,875	102,526
2018	Dec. proj.	26,939	26,310	42,670	5,890	102,580
% Chg.	Nov. to Dec.	0.09%	-0.04%	0.05%	0.26%	0.05%
% Chg.	2017 to 2018	2.87%	2.84%	2.42%	-1.52%	2.41%
2019	Nov. proj.	27,810	27,715	43,370	5,905	105,570
2019	Dec. proj.	27,785	27,715	43,250	5,905	105,431
% Chg.	Nov. to Dec.	-0.09%	0.00%	-0.28%	0.00%	-0.13%
% Chg.	2018 to 2019	3.23%	5.34%	1.64%	0.25%	2.91%

Source: USDA December WASDE Report, December 11, 2018

U.S. meat production estimates for 2018 are projected to increase 2.41 per cent from 2017. United States meat production numbers for 2018 were estimated to increase for pork (+2.84%), and broilers (+2.42%); while turkeys were projected to decline 1.52 per cent. Projections for the 2019 production year were estimated to further increase 2.9 per cent from 2018; with increases to pork (+5.3%), beef (+3.2%), broilers (1.6%), and turkey (+0.3%). (Source: USDA WASDE). Choice beef cutout prices (600-900 lb.) for the week averaged US\$213.11 per cwt over the week, down slightly (US\$0.04 per cwt) from US\$213.43 per cwt the previous week, but up 5.0 per cent from US\$203.00 per cwt the same week a year ago.

Friday Price Information

Product	Week of: (Dec. 14, 2018)	Week of: (Dec.7, 2018)	Week of: (Dec. 15, 2017)
Canadian Dollar (closing rate US\$)	.7474	.7519	.7792
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US\$ per cwt)	146.91	145.07	154.31
Seven-day Weighted Average FC Index Wt. (lb.)	776	781	770
Live Fed 5-area Steer Price (US\$ per cwt)	118.14	118.11	119.71
Feed Grains			
Barley			
Lethbridge (\$/tonne)	\$255.00	\$252.00	\$220.00
(\$ per bu.) mid-point price	\$5.55	\$5.49	\$4.79
Corn			
Iowa State Average (CDN\$/tonne)*	180.14	179.59	153.59
(US\$ per bu.)	3.42	3.43	3.04
Omaha, NE (CDN\$/tonne)*	190.15	188.49	162.69
(US\$ per bu.)	3.61	3.60	3.22
Futures			
December Corn (US\$ per bu.)	3.76 ³ / ₄	3.74	3.36 ¹ / ₄
March Corn (US\$ per bu.)	3.84 ³ / ₄	3.85 ¹ / ₂	3.47 ¹ / ₂
December Live Cattle (US\$ per cwt)	119.575	117.900	118.900
February Live Cattle (US\$ per cwt)	122.400	121.525	121.025
January Feeder Cattle (US\$ per cwt)	147.575	144.375	147.750
March Feeder Cattle (US\$ per cwt)	145.775	141.875	145.550

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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