Ag Decision Maker

File B2-42
January 2012
www.extension.iastate.edu/agdm

Live Cattle Basis

Table 1. Live cattle basis, Interior Iowa—Southern Minnesota, 2007-2011.

			(Dollars/cwt.)						
Market Period	Contract for Basis	3-yr Avg Futures	2007 Basis	2008 Basis	2009 Basis	2010 Basis	2011 Basis	3-yr Avg Basis	3-yr Std. Dev.
Jan 1-15	February	92.91	-4.35	-1.24	0.46	-2.27	-1.75	-1.19	1.73
Jan 16-31	February	92.14	-4.13	-1.93	0.61	-1.85	-2.21	-1.15	1.65
Feb 1-15	February	93.30	-4.18	-1.07	-2.69	-3.22	-2.75	-2.89	1.29
Feb 16-28	February	94.53	-2.38	-1.24	-1.21	-3.75	-2.04	-2.33	1.83
Mar 1-15	April	97.36	-4.59	0.07	-3.20	-4.46	-0.43	-2.70	2.17
Mar 16-31	April	98.74	0.26	-0.37	-2.55	-1.67	1.99	-0.74	2.67
Apr 1-15	April	101.65	0.36	-0.69	-1.84	0.66	2.03	0.28	1.68
Apr 16-30	April	101.33	1.00	-0.31	1.02	-0.36	0.48	0.38	1.17
May 1-15	June	96.05	4.66	-0.07	3.16	3.87	5.05	4.02	1.43
May 16-31	June	92.82	4.10	-2.56	3.75	4.41	4.03	4.06	1.37
Jun 1-15	June	91.27	1.16	-1.51	2.58	3.51	4.12	3.40	1.45
Jun 16-30	June	94.52	-1.53	-3.26	-0.56	0.80	-0.78	-0.18	1.90
Jul 1-15	August	96.10	-3.76	-2.27	-3.02	1.38	0.49	-0.38	2.23
Jul 16-31	August	96.28	-3.11	-2.34	-2.12	0.93	-0.94	-0.71	1.66
Aug 1-15	August	97.26	-1.42	-3.93	-2.15	-0.33	-1.85	-1.44	1.06
Aug 16-31	August	99.03	-2.21	-3.35	-2.57	-1.84	-0.74	-1.72	1.39
Sep 1-15	October	100.83	-3.13	-6.50	-5.08	-1.25	-2.23	-2.85	1.85
Sep 16-30	October	100.74	-4.89	-5.82	-4.65	-1.04	-3.40	-3.03	1.98
Oct 1-15	October	100.07	-4.74	-2.19	-4.40	-0.77	-1.99	-2.38	1.82
Oct 16-31	October	102.36	-4.76	-5.56	-4.08	-1.83	-0.57	-2.16	2.19
Nov 1-15	December	101.85	-5.75	-3.41	-1.40	-1.27	1.80	-0.29	2.22
Nov 16-30	December	101.91	-2.69	1.16	-2.49	-2.05	4.50	-0.01	3.29
Dec 1-15	December	100.83	-0.98	0.76	-0.70	-1.31	4.31	0.76	2.65
Dec 16-31	December	103.17	-2.55	-2.21	-1.98	-2.27	2.42	-0.61	1.81

Note:
- Basis is calculated as Cash - Futures. Negative sign means that futures are greater than cash.
- Market periods were divided on the 15th day of the month. It is important to note that during delivery months the futures contract used to calculate the basis changes when the nearby contract expires.
- 68% of the time the basis is expected to fall within plus or minus one standard deviation of the average basis.

. . . and justice for all
The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

Issued in furtherance of Cooperative Extension work, Acts of May 8 and July 30, 1914, in cooperation with the U.S. Department of Agriculture. Cathann A. Kress, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.

IOWA STATE UNIVERSITY
Extension and Outreach

Shane Ellis, extension economist
515-294-8030, shanee@iastate.edu