Ag Decision Maker

File B2-43
July 2009
www.extension.iastate.edu/agdm

# Feeder Cattle Basis

## Table 1. St. Joseph, MO, 2006-2009

(500-600 lb. No. 1 Steers, Dollar/cwt.)

| Market period | Contract for basis | 3-yr avg futures | 2006 basis | 2007 basis | 2008 basis | 2009 basis | 3 yr avg basis * | Std dev |
|---|---|---|---|---|---|---|---|---|
| January | January | 96.88 | 22.56 | 15.90 | 12.94 | 18.34 | 15.73 | 4.95 |
| February | March | 97.18 | 33.86 | 15.96 | 19.46 | 22.73 | 19.38 | 4.20 |
| March | March | 103.33 | 33.32 | 20.72 | 21.75 | | 25.26 | 5.89 |
| April | April | 103.40 | 30.17 | 22.08 | 23.71 | | 25.32 | 5.26 |
| May | May | 106.68 | 28.95 | 19.02 | 13.35 | | 20.44 | 7.05 |
| June | August | 81.08 | 22.60 | 20.11 | 12.30 | | 18.34 | 6.11 |
| July | August | 113.85 | 20.21 | 12.13 | 8.64 | | 13.66 | 5.88 |
| August | August | 115.22 | 2.17 | 8.99 | 9.27 | | 6.81 | 5.65 |
| September | September | 114.53 | 5.04 | 11.83 | 11.68 | | 9.51 | 4.24 |
| October | October | 106.70 | 5.11 | 10.48 | 7.83 | | 7.81 | 3.07 |
| November | November | 101.53 | -0.02 | 15.31 | 10.74 | | 8.67 | 7.60 |
| December | January | 97.91 | 5.64 | 8.20 | 14.21 | | 9.35 | 4.60 |

(700-800 lb. No. 1 Steers, Dollar/cwt.)

| Market period | Contract for basis | 3-yr avg futures | 2006 basis | 2007 basis | 2008 basis | 2009 basis | 3 yr avg basis * | Std dev |
|---|---|---|---|---|---|---|---|---|
| January | January | 96.88 | 0.07 | 0.76 | -2.10 | 0.87 | -0.16 | 2.00 |
| February | March | 97.18 | 1.96 | -0.36 | -0.87 | 4.79 | 1.19 | 4.68 |
| March | March | 103.33 | 2.87 | 2.01 | 0.51 | | 1.80 | 2.22 |
| April | April | 103.40 | 6.46 | 3.26 | 2.69 | | 4.14 | 2.90 |
| May | May | 106.68 | 7.59 | 4.28 | 1.87 | | 4.58 | 4.48 |
| June | August | 81.08 | 3.15 | 4.36 | -2.39 | | 1.71 | 5.72 |
| July | August | 113.85 | 5.02 | 1.01 | 6.66 | | 4.23 | 4.03 |
| August | August | 115.22 | 2.17 | 6.17 | 0.29 | | 2.88 | 3.87 |
| September | September | 114.53 | 5.04 | 3.88 | 3.65 | | 4.19 | 2.33 |
| October | October | 106.70 | 5.11 | 2.45 | 3.69 | | 3.75 | 3.97 |
| November | November | 101.53 | -0.02 | 1.21 | 1.64 | | 0.94 | 5.17 |
| December | January | 97.91 | -3.11 | 1.70 | 3.43 | | 0.67 | 4.53 |

Note:
* Three year basis has been calculated from March 2006 through February 2009.
- Basis is calculated as cash - futures. Negative sign means that futures are greater than cash.
- 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 June 30, 1914, in cooperation with the U.S. Department of Agriculture. Jack M. Payne, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.

IOWA STATE UNIVERSITY
University Extension

**John D. Lawrence**
**extension livestock economist**
**515-294-6290, jdlaw@iastate.edu**
**Cody Ostendorf, undergraduate assistant**