

Feeder Cattle Basis-Iowa

Table 1. Combined Iowa auction feeder cattle basis, 2013-2019 for 500-600 lb. no. 1 steers (\$/cwt)

Market Period	Contract For Basis	3-year								Standard Deviation	
		Average Futures	2013 Basis	2014 Basis	2015 Basis	2016 Basis	2017 Basis	2018 Basis	2019 Basis		
January	January	140.98	21.13	37.05	64.77	30.42	24.55	33.55	24.20	27.43	4.89
February	March	138.28	22.73	39.28	66.19	38.93	31.90	40.72	29.63	34.09	5.55
March	March	137.25	24.28	42.22	64.91	38.89	34.95	45.96	32.65	37.85	6.89
April	April	139.99	23.76	46.77	66.92	32.41	40.48	42.96	34.35	39.26	5.15
May	May	139.87	22.80	52.21	64.98	29.37	38.28	40.63	36.47	38.46	2.22
June	August	144.45	17.31	51.42	60.52	32.72	33.55	26.75	25.25	28.52	4.18
July	August	147.21	19.01	50.35	54.01	20.67	32.06	26.10	20.96	26.37	5.34
August	August	143.94	22.40	56.83	53.58	19.06	31.97	29.73	23.04	28.25	5.60
September	September	146.91	27.17	54.21	42.42	17.22	27.19	20.19	21.41	22.93	6.78
October	October	151.09	20.18	44.11	30.59	10.88	18.73	19.52	13.31	17.19	4.88
November	November	150.01	20.55	46.27	23.06	9.79	15.90	13.87	12.19	13.99	2.23
December	January	145.78	26.21	58.67	22.22	21.08	30.59	19.20	19.03	22.94	6.90

Table 2. Combined Iowa auction feeder cattle basis, 2013-2019 for 700-800 lb. no. 1 steers (\$/cwt)

Market Period	Contract For Basis	3-year								Standard Deviation	
		Average Futures	2013 Basis	2014 Basis	2015 Basis	2016 Basis	2017 Basis	2018 Basis	2019 Basis		
January	January	140.98	-0.02	4.65	10.54	-0.34	4.32	5.54	2.44	4.10	2.69
February	March	138.28	-1.86	5.16	16.63	5.65	7.20	4.93	3.83	5.32	2.14
March	March	137.25	2.23	3.78	9.74	4.02	7.51	11.79	5.43	8.24	3.41
April	April	139.99	0.54	6.31	14.11	2.87	8.80	13.47	7.41	9.89	3.70
May	May	139.87	4.25	7.54	11.42	4.84	9.26	8.66	10.71	9.54	1.63
June	August	144.45	-2.37	0.26	17.18	7.82	7.55	3.38	5.40	5.44	2.98
July	August	147.21	-4.91	12.03	17.80	8.26	11.63	7.17	3.02	7.27	5.18
August	August	143.94	2.37	10.61	8.63	5.56	8.51	10.02	7.62	8.72	4.87
September	September	146.91	7.47	8.94	12.32	8.22	9.53	5.70	8.37	7.86	3.72
October	October	151.09	8.44	11.51	10.26	5.99	7.64	3.85	4.60	5.36	4.56
November	November	150.01	3.85	6.39	1.46	3.53	2.76	0.56	3.09	2.14	5.05
December	January	145.78	3.48	12.98	0.67	7.57	11.89	1.41	2.58	5.29	5.42

Notes:

^{1/} Basis is calculated as Cash - Futures. A negative sign means that futures are greater than cash.

^{2/} Cash price is for large- and medium-frame steers.

^{3/} 68% of the time basis is expected to fall within (+) or (-) one standard deviation of the average basis.

^{4/} Weight parameters for the CME feeder cattle contracts and the CME Feeder Cattle Index used to settle them increased 50 pounds on both ends of the range—from 650-849 pounds to 700-899 pounds—starting with the November 2016 contract. As a result, feeder cattle futures would be expected to decline, reflecting the heavier cattle. The change in the weight range would have the expected affect of causing basis to grow wider.

Lee Schulz, extension livestock economist, 515-294-3356, lschulz@iastate.edu

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