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## Feedyard margins a train wreck, packers cozy

Greg Henderson, Editor, Associate Publisher, Drovers CattleNetwork | Updated: 06/17/2013

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It just gets worse for cattle feeders. Average losses now approach \$200 per head as cash prices tumbled another \$2 lower.

Last week saw cattle feeding margins drop an average of \$63 per head, with the result an average loss of \$196.41, according to the Sterling Beef Profit Tracker. Beef packer margins gained \$12 per head, and packers are finding average profits of nearly \$78 per head, according to estimates developed by Sterling Marketing, Inc., Vale, Ore.

Pork producer margins improved \$11.07 per head, with margins now a positive \$18.42 per hog marketed, according to the Sterling Pork Profit Tracker. Negotiated cash hog prices gained \$4.90 per hundredweight last week to \$101.85. Pork packer margins declined \$1 per head for the week, resulting in losses of \$9.86 per head.

A year ago cattle feeders sold cash cattle at \$118.83 per hundredweight, resulting in losses of \$152.18 per head. Last year cash hogs fetched \$96.96 per hundredweight, resulting in profits of \$30.86 per head.

The Sterling Beef and Pork Profit Trackers are calculated using actual weekly prices for both cattle and hogs, feed costs, beef and pork cutout prices, drop credits and other factors that influence profit margins.

The **Sterling Beef Profit Tracker** for the week ending June 15:

- Average feedyard margins: -\$196.41 per head.
- Average packer margins: \$77.76 per head.

The **Sterling Pork Profit Tracker** for the week ending June 14:

- Average farrow-to-finish margins: \$18.42 per head.
- Average pork packer margins: -\$9.86 per head.

The Sterling Beef and Pork Profit Trackers are produced by Sterling Marketing Inc. and John Nalivka, president, Vale, Ore., and are published weekly by *Drovers/CattleNetwork*, and *PorkNetwork*.



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**Brad**

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Arkansas | June, 18, 2013 at 08:34 AM

Packers have a monopoly now that there are only 3 of them and retailers are doubling their money. I would like to see us use our check off dollars to start our own cattlemans packing facilities and american cattleman retail facilities with pure 100 percent US beef coming to a town near you! Call me a dreamer. In south korea their fat cattle (1350 lbs) brings \$ 3.20 A pound. We are suckers!!

**Martin**

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Nebraska | June, 18, 2013 at 09:28 AM

Could not agree more Brad. Their are a couple of things that lead to this. #1 direct sales to packers, yes auction yard expenses were eliminated - but at what cost? #2 government regs honestly are not their for the protection of consumers, they are in place to protect big corporations that want no competition. #3 for those of you that think this traceability thing is good just wait - all of you but the perffered feeders ( read those that make political contributions) will be driven out of business using government inspectors to harass you. #4 the check off program while it may help feeders and cattlemen some it helps packers and retail more. - Who's making money here and who's losing? For the future of cattle just look at the hog market -we are following the same model.

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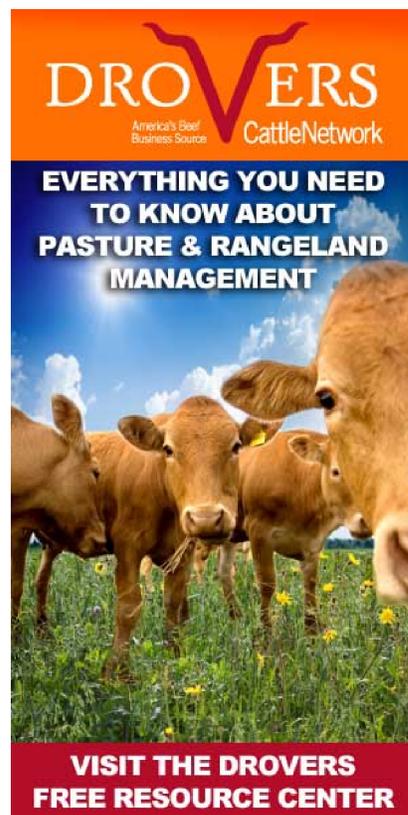
**Amy**

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June, 18, 2013 at 11:39 AM

Yeah. I'd like to see y'all do that. Form your own packing plant and then come back and tell me how you're raking in the dough. That 1300 lb animal ain't all steaks & burger.

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