

BASIS ESTIMATES FOR FEEDER CATTLE AND FED CATTLE

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Data Sources

USDA/Tennessee Department of Agriculture Market News Service
Livestock Marketing Information Center
Iowa State University Extension

BASIS

The Key To Successful Forward Pricing

The term basis is used in different ways to define prices in relation to something else. It may be in relation to location, or the futures price. In this discussion, basis is defined as the cash price minus the nearby futures price. If the feeder cattle futures price is \$130 per hundred and the cash price for feeder cattle is \$125 per hundred, the basis is -\$5.00 (\$125 minus \$130 = -\$5.00).

Other uses of the term basis need to be understood to avoid possible confusion. Contract basis is the fixed discount or premium which a buyer is willing to offer in setting the price for cattle to be delivered at a specific time in the future. Another use of the term might be to quote a price such as fed cattle are \$85 per hundred basis Dodge City. This simply means the quoted price is for the Dodge City areas. It has nothing to do with forward pricing, futures or options.

Why Basis Is Important

The basis or historical difference in the cash and futures price should be used to adjust or localize the futures price. The historical data is usually available from the Extension Marketing Specialist. The most accurate basis information is that which can be recorded by beef producers when their cattle are sold. Simply note what the cash price is for the cattle and what the futures price is on the same day. If a producer has some record of prices received in the past, the state Extension Marketing Specialist can usually supply the futures prices for those dates.

In hedging with a futures contract the basis should be used to localize the futures price. This is accomplished by subtracting or adding the basis to or from the futures price. Similarly the basis is subtracted from or added to the strike price of an option in order to know what floor or minimum selling price is being set by using the option. Once a futures position is taken in the market the producer should follow the basis as the time of cattle sale approaches. Usually the cash and futures prices come together during the contract month, but it does not always happen. It is to the seller's advantage for the basis to become less negative or more positive at time of sale. This will allow the net price to be equal to or higher than projected using the futures and basis estimate before initiating the hedge.

Example 1: Hedging 1 load (50,000 lbs) of 725 lb. steers in October for sale in April

April Feeder Cattle Futures	\$130.00	
Estimated Basis	<u>- 5.95</u>	(from page 17)
Expected Hedged Price	\$124.05	

<u>DATE</u>		<u>CASH</u>		<u>FUTURES</u>	<u>BASIS</u>
October	Expected Hedged Price	\$124.05		Sell April \$130.00	-\$5.95
April	Sell Cattle	\$120.00		Buy April \$125.95	-\$5.95
				Futures Profit	\$4.05
	Net Price on Cattle				
	Sell cattle	\$120.00			
	Futures Profit	<u>+ 4.05</u>			
	Net Price	\$124.05			

Widening Basis

October	Expected Hedged Price	\$124.05		Sell April \$130.00	-\$5.95
April	Sell Cattle	\$118.00		Buy April \$125.95	-\$7.95
				Futures Profit	\$4.05
	Net Price on Cattle				
	Sell cattle	\$118.00			
	Futures Profit	<u>+ 4.05</u>			
	Net Price	\$122.05			

Narrowing Basis

October	Expected Hedged Price	\$124.05		Sell April \$130.00	-\$5.95
April	Sell Cattle	\$122.00		Buy April \$125.95	-\$3.95
				Futures Profit	\$4.05
	Net Price on Cattle				
	Sell cattle	\$122.00			
	Futures Profit	<u>+ 4.05</u>			
	Net Price	\$126.05			

Example 2: Use of a Put Option in October to set a floor price on feeder steers which will be sold in April weighing 725 lbs.

Buy April Put Option	\$130.00	
Basis	- 5.95	(from page 17)
Premium	- 2.00	
Floor Price	<u>\$122.05</u>	

Cattle Prices Increase

<u>DATE</u>	<u>CASH</u>		<u>OPTION</u>		<u>BASIS</u>
October	Expected Floor Price	\$122.05	Buy April \$130 Put option	\$2.00	-\$5.95
April	Sell Cattle	\$134.05	Put Option expires worthless (April Futures \$140)		-\$5.95

Option Loss \$2.00 (cost of option)

Net Price on Cattle	
Sell cattle	\$134.05
Option Loss	<u>- 2.00</u>
Net Price	\$132.05

Cattle Prices Decrease

October	Expected Floor Price	\$122.05	Buy April \$130 Put option	\$2.00	-\$5.95
April	Sell Cattle	\$119.05	Sell April \$130 Put option (April Futures \$125.00)	\$5.00	-\$5.95

Option Profit \$3.00

Net Price on Cattle	
Sell cattle	\$119.05
Option Profit	<u>+ 3.00</u>
Net Price	\$122.05

Use of basis to localize the option strike price gives one a more accurate estimate of where their floor price or protection actually is.

Feeder Cattle Basis

It is very important for producers of feeder cattle and calves to track their own basis data. The data contained in these tables are based on Medium and Large Frame No. 1 steer and heifer averages from Tennessee Auction Markets where 80 percent or more of the cattle sell as singles. Prices for uniform loads of 50,000 pounds may sell for \$4 to \$5 per cwt. more than the average of auction cattle. Historical basis have been calculated for load lots of steers and heifers using price data from selected video and graded sale locations and are presented on page 17. Also, if the producer is selling or buying mixed No. 1 and No. 2 cattle, the basis needs to be adjusted to account for the lower cash prices for the lower grading cattle. The estimates in these tables are a starting point, but the beef producer's own data is more reliable. Some record of cash prices received or paid is needed as well as the futures prices on the day of sale. These are available from the UT Extension, Department of Agricultural and Resource Economics.

Use Of Basis In A Long Hedge

A long hedge involves the use of an initial buying of a feeder cattle contract or call option to protect against higher feeder cattle prices. An individual planning to buy stocker calves might do this or an individual or feedlot planning to acquire cattle in the future.

The futures price or call option strike price would need to be adjusted by the basis to know the approximate purchase price (in the case of futures) or ceiling price (in the case of options) being set.

Example 3: To lock in a purchase price in October for 400-500 lbs steers to be purchased in April

Feeder Cattle Futures	130.00
Basis	+ <u>14.74</u> (from page 9)
Expected Hedged Purchase Price	\$ 144.74

If futures increase

<u>DATE</u>	<u>CASH</u>	<u>FUTURES</u>	<u>BASIS</u>
October	Expected Hedged Price in April		
	\$144.74	Buy April	\$130.00
			+\$14.74
April	Buy Cattle	Sell April	
	\$149.74		\$135.00
			+\$14.74
Futures Profit \$5.00			

Actual Cost of Cattle	
Buy cattle	\$149.74
Futures Profit	<u>- 5.00</u>
Net Price	\$144.74

If futures decrease

<u>DATE</u>	<u>CASH</u>		<u>FUTURES</u>	<u>BASIS</u>	
October	Expected Hedged Price in April	\$144.74	Buy April	\$130.00	+\$14.74
April	Buy Cattle	\$139.74	Sell April	\$125.00	+\$14.74
		Futures Loss	\$5.00		
	Actual Cost of Cattle				
	Buy cattle	\$139.74			
	Futures Loss	<u>+ 5.00</u>			
	Net Price	\$144.74			

Example 4: Use of a call option in October to set a ceiling price on a planned purchase of 450 lb. steers in April using a \$135 strike price and a premium cost of \$2/cwt.

Buy April \$135 Call Option	
Strike price	\$135.00
Basis	+ 14.74 (from page 9)
Premium	<u>+ 2.00</u>
Ceiling Price	\$151.74

If futures increase

<u>DATE</u>	<u>CASH</u>		<u>OPTION</u>	<u>BASIS</u>	
October	Ceiling Price	\$151.74	Buy April \$135 Call option	\$2.00	+\$14.74
April	Buy Cattle	\$154.74	Sell April \$135 Call option (April Futures \$140)	\$5.00	+\$14.74
		Option Profit	\$3.00		
	Net price on cattle				
	Buy cattle	\$154.74			
	Less option profit	<u>3.00</u>			
	Net price	\$151.74			

If futures decrease

<u>DATE</u>	<u>CASH</u>	<u>OPTION</u>	<u>BASIS</u>
October	Ceiling Price \$151.74	Buy April \$135 Call option \$2.00	+\$14.74
April	Buy Cattle \$144.74	Call option expires worthless (April Futures \$130)	+\$14.74

Option Loss \$2.00 (cost of option)

Net price on cattle	
Buy cattle	\$144.74
Plus call premium	+ 2.00
Net price	\$146.74

Use Of Basis In Forward Contracting

Feeder cattle basis estimates are also used in forward cash contracts with a cattle buyer to buy feeder cattle. Buyers will look at the futures price when the cattle will be delivered and adjust that price using historical basis information. They may also deduct an additional amount for their costs associated with their use of the futures market which protects them should the cattle market decline.

In the fed cattle business most packers offer cattle feeders the opportunity to price cattle in advance of delivery using either a fixed price or basis contract. The fixed price contract is typically even with to \$2 per cwt. under the futures price for the particular month of delivery. The futures price is usually the same as the cattle delivery month or the month following the month of delivery. The futures price is discounted by the basis. That basis is taken from the historical basis adjusted for the particular set of cattle being contracted. A set of desirable cattle likely to grade a high percent Choice of Yield grade 1, 2 or 3 would have a smaller discount to the futures or perhaps no discount at all. A less desirable set of cattle would have a larger (more negative) basis and consequently a lower contract price. A review of historical basis would help the cattle feeder to know whether the basis being offered was reasonable. If they believed it was too wide (negative) they could hedge the cattle directly on the futures market and hope to have a smaller basis.

Basis contracts offered by packers result in a commitment for the packer to buy the cattle at a certain basis. That basis would again reflect the historical basis and that particular set of cattle (quality). The seller would then have a period of time to set the price. That price would depend on the futures price for the month specified in the contract. Again the seller could use historical basis data to decide if the basis offered by the packer is reasonable. Some forward price contracts and basis contracts have specifications requiring that the cattle grade a certain percentage Choice with limits on the yield grade and carcass weights.

BASIS
Tennessee Feeder Cattle: M-1 Steers
400 - 500 lbs.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Futures Price												
2004	87.09	84.15	89.23	93.20	103.50	109.47	112.12	115.60	113.15	113.20	105.46	102.68
2005	104.51	98.04	105.00	109.78	111.09	109.99	108.77	110.28	114.41	117.10	115.55	114.94
2006	112.76	107.93	104.22	101.45	103.21	112.26	114.67	115.96	117.03	108.35	99.06	98.65
2007	96.28	99.36	104.83	108.71	109.17	108.65	114.99	116.32	117.08	112.43	108.98	105.01
2008	99.47	104.95	101.15	101.16	108.68	111.63	112.22	113.84	108.66	97.96	96.04	90.57
2009	94.42	92.64	92.37	98.07	99.49	98.00	103.04	100.32	97.77	93.97	93.64	93.60
2010	97.08	100.08	104.31	112.51	110.67	110.83	113.85	113.53	111.36	109.62	113.85	119.47
Tennessee Cash Price												
2004	108.63	108.96	114.77	116.17	120.60	122.58	123.99	125.98	121.51	119.34	118.12	125.87
2005	120.58	126.64	135.29	138.48	140.62	133.52	124.22	122.88	124.54	123.09	124.65	109.33
2006	136.63	139.35	132.66	128.51	126.13	127.43	124.14	125.94	127.97	117.20	105.70	109.33
2007	108.37	119.02	122.28	123.48	121.90	114.96	121.52	118.35	118.36	113.15	111.63	112.64
2008	107.87	121.28	117.59	109.96	112.76	109.47	105.87	110.58	106.09	99.08	94.73	88.72
2009	100.75	102.78	104.77	109.82	110.42	106.82	107.10	104.67	101.20	96.09	97.70	99.30
2010	106.78	112.93	120.15	123.81	124.59	121.31	122.46	121.20	114.11	113.25	115.13	123.79
Tennessee Cash vs. Futures												
2004	21.54	24.81	25.54	22.97	17.10	13.11	11.87	10.38	8.36	6.14	12.66	23.19
2005	16.07	28.60	30.29	28.70	29.53	23.53	15.45	12.60	10.13	5.99	9.10	-5.61
2006	23.87	31.42	28.44	27.06	22.92	15.17	9.47	9.98	10.94	8.85	6.64	10.68
2007	12.09	19.66	17.45	14.77	12.73	6.30	6.53	2.03	1.28	0.72	2.65	7.63
2008	8.40	16.33	16.44	8.80	4.08	-2.16	-6.35	-3.26	-2.57	1.12	-1.31	-1.85
2009	6.33	10.14	12.40	11.75	10.93	8.82	4.06	4.35	3.43	2.12	4.06	5.70
2010	9.70	12.85	15.84	11.30	13.92	10.48	8.61	7.67	2.75	3.63	1.28	4.32
2006-2010 Avg.	12.08	18.08	18.11	14.74	12.91	7.72	4.46	4.15	3.17	3.29	2.66	5.30

Sources: USDA/Tennessee Department of Agriculture Market News Service and Livestock Marketing Information Center

BASIS

Tennessee Feeder Cattle: M-1 Steers

500 - 600 lbs.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Futures Price												
2004	87.09	84.15	89.23	93.20	103.50	109.47	112.12	115.60	113.15	113.20	105.46	102.68
2005	104.51	98.04	105.00	109.78	111.09	109.99	108.77	110.28	114.41	117.10	115.55	114.94
2006	112.76	107.93	104.22	101.45	103.21	112.26	114.67	115.96	117.03	108.35	99.06	98.65
2007	96.28	99.36	104.83	108.71	109.17	108.65	114.99	116.32	117.08	112.43	108.98	105.01
2008	99.47	104.95	101.15	101.16	108.68	111.63	112.22	113.84	108.66	97.96	96.04	90.57
2009	94.42	92.64	92.37	98.07	99.49	98.00	103.04	100.32	97.77	93.97	93.64	93.60
2010	97.08	100.08	104.31	112.51	110.67	110.83	113.85	113.53	111.36	109.62	113.85	119.47
Tennessee Cash Price												
2004	97.84	97.60	104.42	106.37	112.86	114.11	115.65	116.95	112.06	108.91	106.76	107.14
2005	108.82	112.72	120.88	125.83	128.74	122.97	112.52	114.71	114.81	113.56	114.28	115.38
2006	121.15	123.08	118.95	116.31	116.11	118.79	115.66	116.05	116.77	107.67	96.07	97.33
2007	96.52	105.58	113.22	115.90	114.65	109.94	114.95	113.44	112.72	107.10	102.59	102.49
2008	98.08	110.45	108.97	103.62	107.62	106.62	102.36	106.11	99.35	92.38	87.69	82.39
2009	93.32	96.00	99.87	105.44	104.92	101.03	101.54	99.80	94.68	89.51	89.02	90.17
2010	98.88	105.90	112.24	116.56	116.07	114.48	115.41	113.83	107.11	105.93	108.67	113.17
Tennessee Cash vs. Futures												
2004	10.75	13.45	15.19	13.17	9.36	4.64	3.53	1.35	-1.09	-4.29	1.30	4.46
2005	4.31	14.68	15.88	16.05	17.65	12.98	3.75	4.43	0.40	-3.54	-1.27	0.44
2006	8.39	15.15	14.73	14.86	12.90	6.53	0.99	0.09	-0.26	-0.68	-3.00	-1.32
2007	0.24	6.22	8.39	7.19	5.48	1.29	-0.05	-2.88	-4.36	-5.33	-6.40	-2.52
2008	-1.39	5.50	7.82	2.46	-1.06	-5.01	-9.86	-7.73	-9.31	-5.58	-8.35	-8.18
2009	-1.10	3.36	7.50	7.37	5.43	3.03	-1.50	-0.52	-3.09	-4.46	-4.62	-3.43
2010	1.80	5.82	7.93	4.05	5.40	3.65	1.56	0.30	-4.26	-3.69	-5.18	-6.30
2006-2010 Avg.	1.59	7.21	9.27	7.18	5.63	1.90	-1.77	-2.15	-4.26	-3.95	-5.51	-4.35

Sources: USDA/Tennessee Department of Agriculture Market News Service and Livestock Marketing Information Center

BASIS
Tennessee Feeder Cattle: M-1 Steers
600 - 700 lbs.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Futures Price												
2004	87.09	84.15	89.23	93.20	103.50	109.47	112.12	115.60	113.15	113.20	105.46	102.68
2005	104.51	98.04	105.00	109.78	111.09	109.99	108.77	110.28	114.41	117.10	115.55	114.94
2006	112.76	107.93	104.22	101.45	103.21	112.26	114.67	115.96	117.03	108.35	99.06	98.65
2007	96.28	99.36	104.83	108.71	109.17	108.65	114.99	116.32	117.08	112.43	108.98	105.01
2008	99.47	104.95	101.15	101.16	108.68	111.63	112.22	113.84	108.66	97.96	96.04	90.57
2009	94.42	92.64	92.37	98.07	99.49	98.00	103.04	100.32	97.77	93.97	93.64	93.60
2010	97.08	100.08	104.31	112.51	110.67	110.83	113.85	113.53	111.36	109.62	113.85	119.47
Tennessee Cash Price												
2004	88.42	88.22	93.85	95.88	104.30	108.77	110.51	111.43	106.61	103.85	99.79	99.66
2005	100.94	101.73	110.01	113.62	117.11	112.70	106.70	110.23	110.51	108.65	107.41	108.88
2006	109.67	109.45	107.10	104.15	106.14	111.06	109.22	110.56	110.19	100.46	89.64	92.11
2007	90.21	94.10	100.29	106.81	106.60	104.02	108.64	108.73	108.19	100.01	96.20	96.65
2008	90.25	100.87	96.87	96.75	102.43	102.03	100.12	103.42	96.59	86.81	82.37	78.02
2009	87.39	87.54	91.25	97.79	98.69	94.83	97.28	94.39	90.35	83.99	83.48	83.31
2010	91.11	97.52	103.22	109.50	108.97	108.39	110.17	109.30	103.50	101.14	103.11	106.61
Tennessee Cash vs. Futures												
2004	1.33	4.07	4.62	2.68	0.80	-0.70	-1.61	-4.17	-6.54	-9.35	-5.67	-3.02
2005	-3.57	3.69	5.01	3.84	6.02	2.71	-2.07	-0.05	-3.90	-8.45	-8.14	-6.06
2006	-3.09	1.52	2.88	2.69	2.93	-1.21	-5.45	-5.40	-6.84	-7.89	-9.42	-6.54
2007	-6.07	-5.26	-4.54	-1.90	-2.57	-4.64	-6.35	-7.59	-8.90	-12.42	-12.79	-8.36
2008	-9.22	-4.08	-4.28	-4.41	-6.25	-9.60	-12.10	-10.42	-12.07	-11.15	-13.67	-12.55
2009	-7.03	-5.10	-1.12	-0.28	-0.80	-3.17	-5.76	-5.93	-7.42	-9.98	-10.16	-10.29
2010	-5.97	-2.56	-1.10	-3.01	-1.71	-2.44	-3.68	-4.23	-7.86	-8.49	-10.75	-12.86
2006-2010 Avg.	-6.28	-3.10	-1.63	-1.38	-1.68	-4.21	-6.67	-6.71	-8.62	-9.99	-11.36	-10.12

Sources: USDA/Tennessee Department of Agriculture Market News Service and Livestock Marketing Information Center

BASIS

Tennessee Feeder Cattle: M-1 Steers

700 - 800 lbs.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Futures Price												
2004	87.09	84.15	89.23	93.20	103.50	109.47	112.12	115.60	113.15	113.20	105.46	102.68
2005	104.51	98.04	105.00	109.78	111.09	109.99	108.77	110.28	114.41	117.10	115.55	114.94
2006	112.76	107.93	104.22	101.45	103.21	112.26	114.67	115.96	117.03	108.35	99.06	98.65
2007	96.28	99.36	104.83	108.71	109.17	108.65	114.99	116.32	117.08	112.43	108.98	105.01
2008	99.47	104.95	101.15	101.16	108.68	111.63	112.22	113.84	108.66	97.96	96.04	90.57
2009	94.42	92.64	92.37	98.07	99.49	98.00	103.04	100.32	97.77	93.97	93.64	93.60
2010	97.08	100.08	104.31	112.51	110.67	110.83	113.85	113.53	111.36	109.62	113.85	119.47
Tennessee Cash Price												
2004	85.01	82.31	86.41	88.43	98.77	103.01	105.04	104.82	102.65	100.07	95.8	97.83
2005	97.73	95.42	102.3	104.5	108.19	103.86	100.57	104.79	107.23	105.48	104.74	105.2
2006	104.83	101.63	96.96	93.75	98.40	103.11	104.37	105.46	105.52	98.60	88.09	88.15
2007	86.17	90.88	94.33	99.55	101.41	96.99	104.47	103.76	104.30	98.62	100.81	97.03
2008	87.03	92.85	88.45	90.68	97.80	97.58	97.68	101.14	94.11	84.16	81.28	76.30
2009	85.35	83.86	83.13	89.82	90.97	90.31	91.85	91.18	87.38	81.55	80.43	80.06
2010	87.78	94.20	96.87	106.89	107.13	103.68	105.25	105.79	96.74	100.89	104.89	107.76
Tennessee Cash vs. Futures												
2004	-2.08	-1.84	-2.82	-4.77	-4.73	-6.46	-7.08	-10.78	-10.50	-13.13	-9.66	-4.85
2005	-6.78	-2.62	-2.70	-5.28	-2.90	-6.13	-8.20	-5.49	-7.18	-11.62	-10.81	-9.74
2006	-7.94	-6.30	-7.27	-7.71	-4.82	-9.15	-10.30	-10.50	-11.52	-9.76	-10.98	-10.50
2007	-10.12	-8.48	-10.50	-9.16	-7.77	-11.66	-10.53	-12.56	-12.79	-13.82	-8.18	-7.98
2008	-12.44	-12.10	-12.70	-10.48	-10.88	-14.05	-14.54	-12.70	-14.55	-13.80	-14.76	-14.27
2009	-9.07	-8.78	-9.24	-8.25	-8.52	-7.69	-11.19	-9.14	-10.39	-12.42	-13.21	-13.54
2010	-9.30	-5.88	-7.44	-5.62	-3.54	-7.15	-8.60	-7.75	-14.63	-8.73	-8.97	-11.71
2006-2010 Avg.	-9.77	-8.31	-9.43	-8.24	-7.10	-9.94	-11.03	-10.53	-12.77	-11.70	-11.22	-11.60

Sources: USDA/Tennessee Department of Agriculture Market News Service and Livestock Marketing Information Center

BASIS

Tennessee Feeder Cattle: M-1 Heifers 400 - 500 lbs.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Futures Price												
2004	87.09	84.15	89.23	93.20	103.50	109.47	112.12	115.60	113.15	113.20	105.46	102.68
2005	104.51	98.04	105.00	109.78	111.09	109.99	108.77	110.28	114.41	117.10	115.55	114.94
2006	112.76	107.93	104.22	101.45	103.21	112.26	114.67	115.96	117.03	108.35	99.06	98.65
2007	96.28	99.36	104.83	108.71	109.17	108.65	114.99	116.32	117.08	112.43	108.98	105.01
2008	99.47	104.95	101.15	101.16	108.68	111.63	112.22	113.84	108.66	97.96	96.04	90.57
2009	94.42	92.64	92.37	98.07	99.49	98.00	103.04	100.32	97.77	93.97	93.64	93.60
2010	97.08	100.08	104.31	112.51	110.67	110.83	113.85	113.53	111.36	109.62	113.85	119.47
Tennessee Cash Price												
2004	96.43	97.26	104.29	105.71	111.89	115.09	115.84	116.53	110.67	108.92	107.13	107.22
2005	110.69	115.05	122.72	127.23	128.25	123.12	112.83	113.90	114.08	110.99	124.65	113.44
2006	120.44	123.42	121.57	119.33	116.74	117.62	113.50	114.22	114.52	104.57	93.03	94.38
2007	93.85	103.46	107.08	110.54	108.94	102.83	109.29	107.43	106.14	98.82	95.45	96.79
2008	93.83	106.25	101.41	97.56	101.19	98.46	96.29	97.44	94.75	85.16	78.97	74.85
2009	85.58	86.92	89.70	94.38	96.26	93.76	94.13	92.55	87.32	81.94	81.39	82.97
2010	90.51	96.92	104.59	111.23	112.66	109.83	110.18	108.86	100.09	96.83	99.68	107.88
Tennessee Cash vs. Futures												
2004	9.34	13.11	15.06	12.51	8.39	5.62	3.72	0.93	-2.48	-4.28	1.67	4.54
2005	6.18	17.01	17.72	17.45	17.16	13.13	4.06	3.62	-0.33	-6.11	9.10	-1.50
2006	7.68	15.49	17.35	17.88	13.53	5.36	-1.18	-1.74	-2.52	-3.78	-6.03	-4.28
2007	-2.43	4.10	2.25	1.83	-0.23	-5.83	-5.70	-8.89	-10.94	-13.62	-13.54	-8.22
2008	-5.64	1.30	0.26	-3.60	-7.49	-13.17	-15.93	-16.40	-13.91	-12.80	-17.07	-15.72
2009	-8.84	-5.72	-2.67	-3.69	-3.23	-4.24	-8.92	-7.77	-10.45	-12.03	-12.25	-10.63
2010	-6.58	-3.16	0.28	-1.29	1.99	-1.01	-3.67	-4.68	-11.28	-12.79	-14.17	-11.59
2006-2010 Avg.	-3.16	2.40	3.49	2.22	0.91	-3.78	-7.08	-7.90	-9.82	-11.00	-12.61	-10.09

Sources: USDA/Tennessee Department of Agriculture Market News Service and Livestock Marketing Information Center

BASIS
Tennessee Feeder Cattle: M-1 Heifers
500 - 600 lbs.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Futures Price												
2004	87.09	84.15	89.23	93.20	103.50	109.47	112.12	115.60	113.15	113.20	105.46	102.68
2005	104.51	98.04	105.00	109.78	111.09	109.99	108.77	110.28	114.41	117.10	115.55	114.94
2006	112.76	107.93	104.22	101.45	103.21	112.26	114.67	115.96	117.03	108.35	99.06	98.65
2007	96.28	99.36	104.83	108.71	109.17	108.65	114.99	116.32	117.08	112.43	108.98	105.01
2008	99.47	104.95	101.15	101.16	108.68	111.63	112.22	113.84	108.66	97.96	96.04	90.57
2009	94.42	92.64	92.37	98.07	99.49	98.00	103.04	100.32	97.77	93.97	93.64	93.60
2010	97.08	100.08	104.31	112.51	110.67	110.83	113.85	113.53	111.36	109.62	113.85	119.47
Tennessee Cash Price												
2004	88.25	87.83	94.42	96.84	104.33	108.05	109.41	110.02	102.63	100.90	98.20	99.54
2005	100.80	104.36	111.39	116.08	118.76	114.16	105.60	107.60	108.24	105.51	114.28	105.79
2006	108.78	110.69	108.67	107.11	107.25	109.67	107.44	107.59	106.91	97.89	86.27	87.44
2007	85.84	93.48	98.32	102.73	103.33	98.62	105.28	105.04	102.45	94.03	90.03	89.52
2008	86.76	97.17	93.32	91.08	96.91	95.86	93.59	95.33	91.12	81.47	75.91	72.03
2009	81.25	81.51	83.72	89.90	92.64	90.54	91.04	89.70	84.49	77.66	76.85	77.37
2010	84.67	92.89	98.16	103.58	106.13	104.04	106.32	104.77	96.10	92.47	94.55	100.29
Tennessee Cash vs. Futures												
2004	1.16	3.68	5.19	3.64	0.83	-1.42	-2.71	-5.58	-10.52	-12.30	-7.26	-3.14
2005	-3.71	6.32	6.39	6.30	7.67	4.17	-3.17	-2.68	-6.17	-11.59	-1.27	-9.15
2006	-3.98	2.76	4.45	5.66	4.04	-2.60	-7.24	-8.37	-10.12	-10.47	-12.80	-11.21
2007	-10.44	-5.88	-6.51	-5.99	-5.85	-10.03	-9.71	-11.28	-14.64	-18.40	-18.96	-15.50
2008	-12.71	-7.78	-7.83	-10.08	-11.77	-15.77	-18.63	-18.51	-17.54	-16.49	-20.13	-18.54
2009	-13.17	-11.13	-8.65	-8.17	-6.85	-7.46	-12.00	-10.62	-13.28	-16.31	-16.79	-16.22
2010	-12.41	-7.20	-6.15	-8.94	-4.54	-6.80	-7.54	-8.77	-15.27	-17.16	-19.31	-19.19
2006-2010 Avg.	-10.54	-5.85	-4.94	-5.50	-4.99	-8.53	-11.02	-11.51	-14.17	-15.76	-17.59	-16.13

Sources: USDA/Tennessee Department of Agriculture Market News Service and Livestock Marketing Information Center

BASIS

Tennessee Feeder Cattle: M-1 Heifers

600 - 700 lbs.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Futures Price												
2004	87.09	84.15	89.23	93.20	103.50	109.47	112.12	115.60	113.15	113.20	105.46	102.68
2005	104.51	98.04	105.00	109.78	111.09	109.99	108.77	110.28	114.41	117.10	115.55	114.94
2006	112.76	107.93	104.22	101.45	103.21	112.26	114.67	115.96	117.03	108.35	99.06	98.65
2007	96.28	99.36	104.83	108.71	109.17	108.65	114.99	116.32	117.08	112.43	108.98	105.01
2008	99.47	104.95	101.15	101.16	108.68	111.63	112.22	113.84	108.66	97.96	96.04	90.57
2009	94.42	92.64	92.37	98.07	99.49	98.00	103.04	100.32	97.77	93.97	93.64	93.60
2010	97.08	100.08	104.31	112.51	110.67	110.83	113.85	113.53	111.36	109.62	113.85	119.47
Tennessee Cash Price												
2004	82.71	81.37	86.23	89.00	96.27	101.40	102.93	103.66	97.86	96.00	92.14	92.55
2005	93.28	95.50	100.61	105.47	107.62	103.67	98.01	102.09	104.89	101.02	107.41	100.38
2006	99.95	100.75	97.20	97.17	99.27	100.76	101.01	102.06	101.16	92.35	83.31	85.60
2007	82.72	87.41	90.15	94.85	97.54	93.62	100.09	101.25	99.31	90.46	86.34	85.29
2008	81.92	88.58	85.31	84.26	91.82	91.75	90.26	92.69	88.42	78.26	73.64	69.88
2009	76.52	76.45	78.50	84.02	87.92	85.79	87.35	86.03	81.34	74.80	73.33	73.62
2010	83.52	87.15	89.95	99.28	101.17	98.35	102.10	100.38	91.82	89.06	91.39	95.08
Tennessee Cash vs. Futures												
2004	-4.38	-2.78	-3.00	-4.20	-7.23	-8.07	-9.19	-11.94	-15.29	-17.20	-13.32	-10.13
2005	-11.23	-2.54	-4.39	-4.31	-3.47	-6.32	-10.76	-8.19	-9.52	-16.08	-8.14	-14.56
2006	-12.82	-7.19	-7.02	-4.29	-3.94	-11.50	-13.67	-13.91	-15.87	-16.00	-15.75	-13.05
2007	-13.56	-11.96	-14.69	-13.87	-11.64	-15.04	-14.90	-15.08	-17.77	-21.98	-22.64	-19.72
2008	-17.55	-16.37	-15.84	-16.90	-16.86	-19.88	-21.96	-21.15	-20.24	-19.70	-22.40	-20.69
2009	-17.90	-16.19	-13.88	-14.06	-11.57	-12.21	-15.69	-14.29	-16.44	-19.18	-20.31	-19.98
2010	-13.56	-12.93	-14.36	-13.23	-9.51	-12.48	-11.76	-13.15	-19.55	-20.56	-22.47	-24.39
2006-2010 Avg.	-15.08	-12.93	-13.16	-12.47	-10.70	-14.22	-15.59	-15.51	-17.97	-19.48	-20.71	-19.57

Sources: USDA/Tennessee Department of Agriculture Market News Service and Livestock Marketing Information Center

BASIS
Tennessee Feeder Cattle: M-1 Heifers
700 - 800 lbs.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Futures Price												
2004	87.09	84.15	89.23	93.20	103.50	109.47	112.12	115.60	113.15	113.20	105.46	102.68
2005	104.51	98.04	105.00	109.78	111.09	109.99	108.77	110.28	114.41	117.10	115.55	114.94
2006	112.76	107.93	104.22	101.45	103.21	112.26	114.67	115.96	117.03	108.35	99.06	98.65
2007	96.28	99.36	104.83	108.71	109.17	108.65	114.99	116.32	117.08	112.43	108.98	105.01
2008	99.47	104.95	101.15	101.16	108.68	111.63	112.22	113.84	108.66	97.96	96.04	90.57
2009	94.42	92.64	92.37	98.07	99.49	98.00	103.04	100.32	97.77	93.97	93.64	93.60
2010	97.08	100.08	104.31	112.51	110.67	110.83	113.85	113.53	111.36	109.62	113.85	119.47
Tennessee Cash Price												
2004	78.98	78.17	81.29	82.41	89.16	94.17	96.52	98.64	92.61	91.94	86.90	85.83
2005	88.12	89.54	93.64	98.27	98.89	99.41	90.14	95.54	103.59	96.26	104.74	94.85
2006	97.12	96.35	92.40	88.78	86.97	93.85	95.97	95.98	96.54	89.86	82.31	83.88
2007	80.82	85.20	87.44	89.80	93.46	88.63	99.46	95.10	92.94	89.54	88.62	88.30
2008	79.11	84.18	81.09	81.34	87.71	88.02	87.66	90.47	85.74	75.93	71.74	68.93
2009	74.71	74.02	74.14	80.28	82.83	81.36	83.84	82.69	78.69	73.17	71.85	71.24
2010	81.42	84.53	88.00	98.28	97.95	97.30	99.24	98.96	93.34	97.25	99.62	100.69
Tennessee Cash vs. Futures												
2004	-8.11	-5.98	-7.94	-10.79	-14.34	-15.30	-15.60	-16.96	-20.54	-21.26	-18.56	-16.85
2005	-16.39	-8.50	-11.36	-11.51	-12.20	-10.58	-18.63	-14.74	-10.82	-20.84	-10.81	-20.09
2006	-15.65	-11.58	-11.83	-12.68	-16.25	-18.41	-18.71	-19.99	-20.50	-18.50	-16.75	-14.77
2007	-15.46	-14.16	-17.40	-18.91	-15.71	-20.02	-15.53	-21.23	-24.14	-22.89	-20.36	-16.71
2008	-20.36	-20.77	-20.06	-19.82	-20.97	-23.61	-24.56	-23.37	-22.92	-22.03	-24.30	-21.64
2009	-19.71	-18.62	-18.24	-17.79	-16.65	-16.64	-19.20	-17.63	-19.08	-20.80	-21.79	-22.35
2010	-15.66	-15.55	-16.32	-14.23	-12.73	-13.54	-14.62	-14.57	-18.03	-12.38	-14.24	-18.79
2006-2010 Avg.	-17.37	-16.14	-16.77	-16.69	-16.46	-18.44	-18.52	-19.36	-20.93	-19.32	-19.49	-18.85

Sources: USDA/Tennessee Department of Agriculture Market News Service and Livestock Marketing Information Center

2008-2010 Average Basis for Load Lots - Steers

East TN Livestock Center, Knoxville Livestock Center, Wilson Livestock Network, Lower Middle TN Cattlemen's Association, Athens Stockyard, KY Blue Grass Stockyard (TN)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	2008	2009	2010
550-600					11.24			-1.26	-6.87				4.45	0.76	6.92	13.02
600-650		-3.52	5.80		4.15	2.18	-1.06	-2.43	-2.96			-5.72	-1.55	-2.23	-0.36	-2.82
650-700	-3.61		-1.64	-0.74	1.92	8.78	3.97	4.20	-8.56	-5.70	-3.17	-2.75	-1.58	-4.68	-0.67	0.46
700-750	-1.87	-5.71	-4.24	-1.59	0.99	-7.07	-6.11	-3.54	-4.70	-4.79	-5.99	-5.17	-4.28	-5.50	-4.59	-1.47
750-800	-5.31	-9.34	-5.79	-4.23	-2.75	-2.84	-2.03	-4.30	-5.79	-2.85	-5.97	-4.69	-4.67	-6.62	-3.88	-3.37
800-850	-6.71	-8.57	-8.79	-8.03	-6.62	-5.39	-6.30	-6.61	-7.10	-7.18	-7.14	-6.34	-7.03	-7.49	-7.29	-6.41
850-900	-10.08	-10.63	-11.36	-7.75	-6.86	-7.08	-7.89	-6.99	-9.09	-8.77	-9.04	-7.45	-8.30	-8.74	-8.30	-7.45
900-1000	-9.55	-15.13	-14.83	-11.75	-11.44	-10.53	-12.13	-11.01	-11.84	-9.20	-10.90	-11.48	-11.37	-12.35	-10.85	-10.04
1000-1100 *																
Monthly Avg	-6.40	-8.84	-7.48	-5.95	-4.00	-5.52	-5.31	-5.73	-9.33	-7.05	-6.94	-8.18				

2008-2010 Average Basis for Load Lots - Heifers

East TN Livestock Center, Knoxville Livestock Center, Wilson Livestock Network, Lower Middle TN Cattlemen's Association, Athens Stockyard, KY Blue Grass Stockyard (TN)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	2008	2009	2010
500-550					6.89	-3.01							-2.98	-4.39	0.99	-3.46
550-600	-4.93	-7.75	-2.35	-3.99	-4.11	-9.37	-6.36	-7.69	-14.62	-9.99		-13.85	-7.65	-8.26	-5.20	-7.27
600-650	-8.07	-9.91	-8.48	-8.62	-4.95	-6.10	-6.48	-8.61	-11.32	-9.99		-11.44	-8.28	-9.04	-7.96	-7.30
650-700	-10.17	-10.58	-9.94	-9.63	-9.29	-7.93	-8.47	-7.89	-11.42	-8.74	-10.44	-12.34	-9.69	-11.04	-9.05	-7.53
700-750	-10.73	-13.26	-12.19	-11.02	-9.27	-8.87	-9.04	-10.09	-10.89	-9.43	-12.56	-11.35	-10.73	-12.53	-10.39	-9.99
750-800	-12.38	-14.39	-14.29	-14.40	-12.13	-11.56	-15.61	-11.79	-13.96	-11.60	-12.86	-12.38	-13.12	-14.75	-12.14	-11.81
800-850 *	-13.44	-21.51	-19.16	-14.04	-15.21	-10.24		-13.31	-12.09	-10.23		-13.11	-13.18	-14.96	-12.13	-11.18
850-900 *									-15.47			-11.90	-14.99	-11.66		-11.84
900-1000 *								-20.24					-20.18			
Monthly Avg	-10.42	-13.07	-10.34	-11.05	-7.91	-8.61	-9.29	-10.75	-12.31	-9.94	-12.00	-11.99				

* Very few feeder heifers are sold weighing over 800 pounds or steers weighing over 1000 pounds.

**BASIS CALCULATIONS BETWEEN SLAUGHTER CATTLE FUTURES
AND SPECIFIED STEER CASH MARKETS ^a**
(\$ Per CWT.)

07/21/11
2.130

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cattle Futures ^b												
2006	95.44	91.32	83.40	80.66	76.77	81.56	84.17	87.15	91.31	89.40	86.51	86.93
2007	91.64	93.34	98.30	97.95	92.35	89.06	91.93	92.65	96.21	94.92	95.43	93.24
2008	92.09	92.00	90.04	89.58	94.13	95.99	99.78	101.56	101.98	91.77	89.50	84.77
2009	83.61	82.84	84.09	86.83	82.33	80.79	84.84	84.36	86.39	83.95	84.24	82.03
2010	86.16	89.47	94.91	98.56	93.63	90.41	91.80	95.79	97.40	98.13	99.70	103.38
2011	107.80	109.23	115.27	118.77	107.23	107.49						
Texas-Oklahoma Cash												
2006	94.98	89.97	86.01	82.15	79.03	82.92	81.02	84.53	90.16	88.94	87.50	86.42
2007	88.15	90.37	96.58	97.65	96.65	90.02	90.41	92.32	94.73	92.86	93.61	93.01
2008	92.42	91.82	89.39	88.86	94.13	96.05	98.49	99.09	98.93	91.92	91.06	85.69
2009	83.45	82.11	82.30	86.71	84.63	81.97	82.90	83.12	84.64	84.70	85.26	83.04
2010	85.50	90.32	95.38	98.56	98.40	92.50	93.52	96.81	97.46	98.88	100.01	104.39
2011	106.10	109.21	115.52	119.48	110.04	106.77						
Texas-Oklahoma Basis												
2006	-0.46	-1.35	2.61	1.49	2.26	1.36	-3.15	-2.62	-1.15	-0.46	0.99	-0.51
2007	-3.49	-2.97	-1.72	-0.30	4.30	0.96	-1.52	-0.33	-1.48	-2.06	-1.82	-0.23
2008	0.33	-0.18	-0.65	-0.72	0.00	0.06	-1.29	-2.47	-3.05	0.15	1.56	0.92
2009	-0.16	-0.73	-1.79	-0.12	2.30	1.18	-1.94	-1.24	-1.75	0.75	1.02	1.01
2010	-0.66	0.85	0.47	0.00	4.77	2.09	1.72	1.02	0.06	0.75	0.31	1.01
2011	-1.70	-0.02	0.25	0.71	2.81	-0.72	-1.24	-1.13	-1.47	-0.18	0.41	0.44
2006-010 Avg.	-0.89	-0.88	-0.21	0.07	2.73	1.13						
Iowa-Minn Cash												
2006	92.96	89.70	86.07	82.25	79.74	81.72	80.90	85.41	88.03	87.24	86.17	85.76
2007	87.30	90.17	96.90	98.69	96.28	88.02	89.07	91.45	92.46	89.98	91.21	91.03
2008	90.27	90.49	89.39	89.86	93.22	93.90	98.02	98.34	95.32	87.21	88.42	83.93
2009	83.15	80.31	81.79	87.55	85.26	81.61	82.39	82.06	81.52	80.71	81.85	81.54
2010	84.70	87.26	92.30	98.77	98.03	92.60	93.34	94.83	96.06	97.43	98.68	101.93
2011	105.63	108.04	117.94	119.89	111.74	109.60						
Iowa-Minn Basis												
2006	-2.48	-1.62	2.67	1.59	2.97	0.16	-3.27	-1.74	-3.28	-2.16	-0.34	-1.17
2007	-4.34	-3.17	-1.40	0.74	3.93	-1.04	-2.86	-1.20	-3.75	-4.94	-4.22	-2.21
2008	-1.82	-1.51	-0.65	0.28	-0.91	-2.09	-1.76	-3.22	-6.66	-4.56	-1.08	-0.84
2009	-0.46	-2.53	-2.30	0.72	2.93	0.82	-2.45	-2.30	-4.87	-3.24	-2.39	-0.49
2010	-1.46	-2.21	-2.61	0.21	4.40	2.19	1.54	-0.96	-1.34	-0.70	-1.02	-1.45
2011	-2.17	-1.19	2.67	1.12	4.51	2.11	-1.76	-1.88	-3.98	-3.12	-1.81	-1.23
2006-010 Avg.	-2.11	-2.21	-0.86	0.71	2.66	0.01						
Colorado Cash												
2006	93.76	89.42	85.73	81.90	78.96	81.23	81.21	85.01	89.81	88.41	86.59	86.29
2007	86.39	89.38	96.87	97.73	95.60	88.25	89.29	92.02	93.78	92.55	94.20	91.81
2008	90.30	90.70	89.43	89.51	94.20	95.50	99.93	99.28	98.68	91.13	91.57	84.56
2009	82.64	80.62	81.73	86.97	84.96	81.84	82.71	82.78	84.00	84.42	84.68	80.35
2010	84.08	88.94	94.19	99.41	96.69	92.48	93.70	97.26	97.72	99.07	100.57	103.96
2011	105.56	109.25	116.01	120.63	110.72	108.35						
Colorado Basis												
2006	-1.68	-1.90	2.33	1.24	2.19	-0.33	-2.96	-2.14	-1.50	-0.99	0.08	-0.64
2007	-5.25	-3.96	-1.43	-0.22	3.25	-0.81	-2.64	-0.63	-2.43	-2.37	-1.23	-1.43
2008	-1.79	-1.30	-0.61	-0.07	0.07	-0.49	0.15	-2.28	-3.30	-0.64	2.07	-0.21
2009	-0.97	-2.22	-2.36	0.14	2.63	1.05	-2.13	-1.58	-2.39	0.47	0.44	-1.68
2010	-2.08	-0.53	-0.72	0.85	3.06	2.07	1.90	1.47	0.32	0.94	0.87	0.58
2011	-2.24	0.02	0.74	1.86	3.49	0.86	-1.14	-1.03	-1.86	-0.52	0.45	-0.68
2006-010 Avg.	-2.35	-1.98	-0.56	0.39	2.24	0.30						

**BASIS CALCULATIONS BETWEEN SLAUGHTER CATTLE FUTURES
AND SPECIFIED STEER CASH MARKETS ^a**
(\$ Per CWT.)

07/21/11
2.130

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cattle Futures ^b												
2006	95.44	91.32	83.40	80.66	76.77	81.56	84.17	87.15	91.31	89.40	86.51	86.93
2007	91.64	93.34	98.30	97.95	92.35	89.06	91.93	92.65	96.21	94.92	95.43	93.24
2008	92.09	92.00	90.04	89.58	94.13	95.99	99.78	101.56	101.98	91.77	89.50	84.77
2009	83.61	82.84	84.09	86.83	82.33	80.79	84.84	84.36	86.39	83.95	84.24	82.03
2010	86.16	89.47	94.91	98.56	93.63	90.41	91.80	95.79	97.40	98.13	99.70	103.38
2011	107.80	109.23	115.27	118.77	107.23	107.49						
Kansas Cash												
2006	94.73	89.76	86.21	81.85	79.10	82.66	81.39	84.81	90.68	88.87	87.26	86.28
2007	87.20	89.96	96.51	97.79	96.77	90.08	90.32	92.36	94.80	92.93	94.05	92.65
2008	92.23	91.62	89.44	89.33	93.59	95.07	98.41	98.83	98.56	91.93	90.75	84.73
2009	82.92	81.79	82.15	86.61	84.79	81.83	82.75	82.95	84.44	84.38	84.16	82.04
2010	84.93	89.67	94.48	98.46	97.88	91.97	92.78	96.55	97.25	98.41	99.41	102.59
2011	106.08	107.98	115.76	119.63	110.21	107.15						
Kansas Basis												
2006	-0.71	-1.56	2.81	1.19	2.33	1.10	-2.78	-2.34	-0.63	-0.53	0.75	-0.65
2007	-4.44	-3.38	-1.79	-0.16	4.42	1.02	-1.61	-0.29	-1.41	-1.99	-1.38	-0.59
2008	0.14	-0.38	-0.60	-0.25	-0.54	-0.92	-1.37	-2.73	-3.42	0.16	1.25	-0.04
2009	-0.69	-1.05	-1.94	-0.22	2.46	1.04	-2.09	-1.41	-1.95	0.43	-0.08	0.01
2010	-1.23	0.20	-0.43	-0.10	4.25	1.56	0.98	0.76	-0.15	0.28	-0.29	-0.79
2011	-1.72	-1.25	0.49	0.86	2.98	-0.34	-1.38	-1.20	-1.51	-0.33	0.05	-0.41
2006-010 Avg.	-1.38	-1.23	-0.39	0.09	2.58	0.76						
Nebraska Cash												
2006	93.17	89.31	85.65	81.32	79.00	81.24	81.24	85.48	89.44	88.21	86.83	85.89
2007	86.65	88.87	96.28	97.64	95.26	87.23	89.16	91.69	93.57	91.55	93.23	91.14
2008	90.31	90.51	89.28	89.77	93.86	95.10	98.91	98.89	97.52	90.71	90.43	83.46
2009	81.98	79.89	81.96	87.01	85.19	81.28	82.78	82.46	83.10	83.07	83.31	80.27
2010	83.62	87.59	92.66	99.42	97.86	92.24	93.23	96.12	97.08	97.71	99.92	102.59
2011	105.32	108.86	116.53	120.09	111.56	109.06						
Nebraska Basis												
2006	-2.27	-2.01	2.25	0.66	2.23	-0.32	-2.93	-1.67	-1.87	-1.19	0.32	-1.04
2007	-4.99	-4.47	-2.02	-0.31	2.91	-1.83	-2.77	-0.96	-2.64	-3.37	-2.20	-2.10
2008	-1.78	-1.49	-0.76	0.19	-0.27	-0.89	-0.87	-2.67	-4.46	-1.06	0.93	-1.31
2009	-1.63	-2.95	-2.13	0.18	2.86	0.49	-2.06	-1.90	-3.29	-0.88	-0.93	-1.76
2010	-2.54	-1.88	-2.25	0.86	4.23	1.83	1.43	0.33	-0.32	-0.42	0.22	-0.79
2011	-2.48	-0.37	1.26	1.32	4.33	1.57	-1.44	-1.37	-2.52	-1.38	-0.33	-1.40
2006-010 Avg.	-2.64	-2.56	-0.98	0.32	2.39	-0.14						

^a Monthly weighted average live slaughter steer total price

^b Average of daily close of nearby futures contract (using Feb, Apr, Jun, Aug, Oct & Dec contracts)
Source: AMS reports and CME futures prices

AVERAGE BASIS FED STEERS^a
Live, Kansas, Weekly

07/21/11
2.133

February										April										August										December									
Week	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 05-09	Std Dev	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 05-09	Std Dev	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 05-09	Std Dev	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 04-08	Std Dev			
14	11/27/10	-2.76	-2.65	-2.08	2.14	-2.72	-4.55	-1.02	2.15	01/29/11	1.76	-6.36	-3.69	-3.52	-4.58	-7.61	-2.08	3.53	14	07/31/10	-1.91	-8.09	-6.28	-9.35	-8.00	-1.25	-5.51	3.46	10/02/10	-2.27	1.75	-4.11	-5.12	-0.92	-2.57	2.64			
13	12/04/10	-3.67	-3.28	-2.38	2.10	-2.44	-4.21	-1.23	2.64	02/05/11	1.18	-4.79	-4.40	-4.63	-3.73	-7.90	-1.89	3.78	13	08/07/10	-0.64	-8.00	-6.45	-7.50	-6.83	-2.29	-4.90	3.39	10/09/10	-1.88	0.67	-5.55	-3.19	-2.57	-2.74	-2.61	2.26		
12	12/11/10	-4.48	-2.45	-3.32	0.81	-3.40	-4.05	-2.39	1.97	02/12/11	0.38	-4.53	-2.94	-3.63	-2.47	-5.86	-1.77	2.76	12	08/14/10	-1.02	-5.35	-5.07	-7.30	-6.24	-1.70	-3.88	2.92	10/16/10	-2.41	0.48	-4.56	-2.21	-3.21	-2.44	-2.54	1.97		
11	12/18/10	-1.85	-3.83	-4.74	-2.36	-3.94	-9.93	-2.98	1.25	02/19/11	0.38	-5.35	-3.18	-4.81	-1.00	-4.67	-2.38	2.95	11	08/21/10	-1.51	-6.05	-4.71	-6.75	-5.24	1.49	-4.01	2.62	10/23/10	-2.25	0.63	-3.47	-2.33	-2.58	-0.16	-1.96	1.53		
10	12/25/10	-0.96	-4.94	-3.36	-1.94	-3.16	-4.51	-2.42	1.72	02/26/11	1.22	-5.24	-2.45	-3.91	-0.60	-3.10	-1.90	2.87	10	08/28/10	-0.02	-3.64	-3.27	-5.68	-2.92	0.36	-2.82	2.16	10/30/10	-2.73	0.89	-3.54	-0.47	-2.15	0.26	-1.40	1.77		
9	01/01/11	-2.27	-3.80	-0.49	-0.49	-1.41	-1.81	-1.75	1.38	03/05/11	1.21	-3.08	-1.71	-3.70	-0.88	-0.73	-0.94	2.73	9	09/04/10	-1.02	-0.74	-2.46	-4.45	-1.74	-1.26	-1.74	1.75	11/06/10	-1.05	1.42	-2.12	0.98	0.42	0.18	-0.48	1.59		
8	01/08/11	-2.38	-3.73	-1.96	-1.89	-0.77	-1.01	-2.19	0.99	03/12/11	1.73	-0.90	-0.85	-2.04	-0.73	1.73	0.21	2.13	8	09/11/10	0.12	-2.56	-1.98	-3.66	-2.54	0.04	-1.82	1.45	11/13/10	0.36	0.46	-2.49	0.22	1.33	-0.95	-0.60	1.34		
7	01/15/11	-2.21	-5.12	-0.17	-0.24	-1.17	-1.26	-1.40	2.34	03/19/11	2.90	-1.69	-0.02	-2.81	-0.34	1.82	-0.09	2.26	7	09/18/10	1.02	-1.79	-1.36	-3.65	-2.29	-0.54	-1.29	1.87	11/20/10	-1.33	-0.12	-2.36	1.06	-0.21	-2.07	-0.16	1.73		
6	01/22/11	0.47	-5.16	-0.50	-0.56	-2.28	-2.74	-1.13	2.29	03/26/11	3.23	-1.32	-0.28	-1.55	0.65	-1.35	0.55	2.05	6	09/25/10	0.27	-0.73	-1.36	-3.47	-1.64	0.91	-0.85	1.73	11/27/10	0.80	0.26	-0.79	1.76	-0.80	-0.80	-0.16	0.83		
5	02/05/11	-0.88	-1.80	0.23	-0.78	-0.28	-2.64	-0.73	0.74	04/09/11	3.47	0.78	-2.18	0.22	0.89	2.52	0.82	2.08	5	10/02/10	-0.78	0.90	-1.10	-1.24	-2.16	0.24	-0.39	0.94	12/04/10	-1.19	-0.02	-0.17	3.00	-0.66	-0.83	0.46	1.57		
4	02/05/11	-0.88	-1.80	0.23	-0.78	-0.28	-2.64	-0.73	0.74	04/09/11	3.47	0.78	-2.18	0.22	0.89	2.52	0.82	2.08	4	10/09/10	-1.05	-0.56	-3.17	-0.06	-1.39	-0.38	-1.13	1.20	12/11/10	-1.58	0.45	-0.09	2.30	-0.19	-1.31	0.39	1.41		
3	02/12/11	-1.75	-2.16	-0.50	-1.71	0.05	-1.81	-1.48	0.63	04/16/11	2.86	-0.83	-0.99	-0.63	1.51	0.73	0.67	2.04	3	10/16/10	-1.93	-0.65	-1.85	-0.67	-0.29	0.04	-1.23	0.62	12/18/10	0.36	-0.98	-0.31	0.40	-0.73	-2.00	-0.41	0.86		
2	02/19/11	-1.83	-3.25	0.05	-0.84	0.11	0.03	-1.61	1.26	04/23/11	-0.28	-0.72	0.09	0.31	-0.19	0.16	0.47	1.45	2	10/23/10	-1.24	0.07	-1.16	0.12	-0.96	0.34	-0.83	0.89	12/25/10	-0.18	-1.88	-1.39	-1.96	-1.05	-1.41	-1.21	0.79		
1	02/26/11	-1.50	-2.65	-0.04	-0.68	0.09	-0.15	-1.22	0.97	04/30/11	-0.63	-0.67	0.59	0.21	-0.92	-0.07	-0.19	0.55	1	10/30/10	-0.66	0.22	-2.52	0.02	2.23	-0.43	-0.83	1.10	01/01/11	-0.33	-1.04	-0.05	-1.28	-0.70	-0.19	-0.63	0.51		

^a Through the last full week of trading of the Chicago Mercantile Exchange's Live Cattle Contract. Weekly weighted average live slaughter steer price

**BASIS CALCULATIONS BETWEEN SLAUGHTER CATTLE FUTURES
AND SPECIFIED HEIFER CASH MARKETS ^a**
(\$ Per CWT.)

07/21/11
2.131

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cattle Futures ^b												
2006	95.44	91.32	83.40	80.66	76.77	81.56	84.17	87.15	91.31	89.40	86.51	86.93
2007	91.64	93.34	98.30	97.95	92.35	89.06	91.93	92.65	96.21	94.92	95.43	93.24
2008	92.09	92.00	90.04	94.13	89.58	95.99	99.78	101.56	101.98	99.77	89.50	84.77
2009	83.61	82.84	84.09	86.83	82.33	80.79	84.84	84.36	86.39	83.95	84.24	82.03
2010	86.16	89.47	94.91	98.56	93.63	90.41	91.80	95.79	97.40	98.13	99.70	103.38
2011	107.80	109.23	115.27	118.77	107.23	107.49						
Texas-Oklahoma Cash												
2006	95.07	89.96	86.16	81.88	79.19	82.99	80.70	84.64	90.26	89.00	87.47	86.70
2007	88.21	90.33	96.27	97.63	96.61	89.80	90.45	92.14	94.98	92.98	93.73	93.15
2008	92.51	91.78	89.41	88.97	94.09	95.78	99.17	99.12	98.98	91.89	91.02	85.72
2009	83.76	82.24	82.43	86.90	84.64	82.00	82.77	83.03	84.68	84.88	85.11	83.14
2010	85.65	89.70	94.94	98.49	98.10	92.47	93.51	97.10	97.53	99.03	100.11	104.14
2011	106.26	109.06	115.88	119.58	109.95	107.10						
Texas-Oklahoma Basis												
2006	-0.37	-1.36	2.76	1.22	2.42	1.43	-3.47	-2.51	-1.05	-0.40	0.96	-0.23
2007	-3.43	-3.01	-2.03	-0.32	4.26	0.74	-1.48	-0.51	-1.23	-1.94	-1.70	-0.09
2008	0.42	-0.22	-0.63	-0.61	-0.04	-0.21	-0.61	-2.44	-3.00	0.12	1.52	0.95
2009	0.15	-0.60	-1.66	0.07	2.31	1.21	-2.07	-1.33	-1.71	0.93	0.87	1.11
2010	-0.51	0.23	0.03	-0.07	4.47	2.06	1.71	1.31	0.13	0.90	0.41	0.76
2011	-1.54	-0.17	0.61	0.81	2.72	-0.39						
2006-010 Avg.	-0.75	-0.99	-0.30	0.06	2.68	1.05	-1.19	-1.09	-1.37	-0.08	0.41	0.50
Iowa-Minn Cash												
2006	92.90	89.39	85.92	81.80	78.92	81.59	80.87	85.80	88.42	86.95	85.79	85.95
2007	87.62	89.97	97.09	98.00	95.40	88.19	88.78	91.36	92.80	90.53	91.81	91.33
2008	91.30	90.75	89.05	90.25	92.80	94.21	97.79	98.35	95.30	87.82	89.13	83.47
2009	83.65	79.90	81.40	87.34	85.09	81.30	82.41	82.28	81.82	81.02	82.23	81.40
2010	84.29	86.89	92.89	98.59	97.18	92.43	93.23	95.76	96.10	97.24	98.93	102.07
2011	105.49	107.04	117.16	119.51	111.40	109.01						
Iowa-Minn Basis												
2006	-2.54	-1.93	2.52	1.14	2.15	0.03	-3.30	-1.35	-2.89	-2.45	-0.72	-0.98
2007	-4.02	-3.37	-1.21	0.05	3.05	-0.87	-3.15	-1.29	-3.41	-4.39	-3.62	-1.91
2008	-0.79	-1.25	-0.99	0.67	-1.33	-1.78	-1.99	-3.21	-6.68	-3.95	-0.37	-1.30
2009	0.04	-2.94	-2.69	0.51	2.76	0.51	-2.43	-2.08	-4.57	-2.93	-2.01	-0.63
2010	-1.87	-2.58	-2.02	0.03	3.55	2.02	1.43	-0.03	-1.30	-0.89	-0.77	-1.31
2011	-2.31	-2.19	1.89	0.74	4.17	1.52						
2006-010 Avg.	-1.83	-2.41	-0.88	0.48	2.04	-0.02	-1.89	-1.59	-3.77	-2.92	-1.50	-1.23
Colorado Cash												
2006	93.86	89.37	86.12	82.51	79.27	81.99	81.26	85.43	90.14	89.01	87.78	86.30
2007	86.66	89.04	96.87	97.71	95.74	89.14	89.65	92.14	94.54	92.81	94.18	91.68
2008	91.36	90.94	89.25	89.31	93.86	95.65	99.04	99.22	98.68	91.14	90.65	84.76
2009	82.36	80.97	81.83	86.74	84.93	81.64	82.63	82.34	84.02	84.36	84.95	80.60
2010	84.44	89.25	93.66	99.14	97.87	91.97	93.78	96.93	97.60	98.17	99.89	103.93
2011	105.63	108.66	116.08	119.86	111.68	110.09						
Colorado Basis												
2006	-1.58	-1.95	2.72	1.85	2.50	0.43	-2.91	-1.72	-1.17	-0.39	1.27	-0.63
2007	-4.98	-4.30	-1.43	-0.24	3.39	0.08	-2.28	-0.51	-1.67	-2.11	-1.25	-1.56
2008	-0.73	-1.06	-0.79	-0.27	-0.27	-0.34	-0.74	-2.34	-3.30	-0.63	1.15	-0.01
2009	-1.25	-1.87	-2.26	-0.09	2.60	0.85	-2.21	-2.02	-2.37	0.41	0.71	-1.43
2010	-1.72	-0.22	-1.25	0.58	4.24	1.56	1.98	1.14	0.20	0.04	0.19	0.55
2011	-2.17	-0.57	0.81	1.09	4.45	2.60						
2006-010 Avg.	-2.05	-1.88	-0.60	0.37	2.49	0.52	-1.23	-1.09	-1.66	-0.54	0.41	-0.62

**BASIS CALCULATIONS BETWEEN SLAUGHTER CATTLE FUTURES
AND SPECIFIED HEIFER CASH MARKETS ^a**
(\$ Per CWT.)

07/21/11
2.131

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cattle Futures ^b												
2006	95.44	91.32	83.40	80.66	76.77	81.56	84.17	87.15	91.31	89.40	86.51	86.93
2007	91.64	93.34	98.30	97.95	92.35	89.06	91.93	92.65	96.21	94.92	95.43	93.24
2008	92.09	92.00	90.04	89.58	94.13	95.99	99.78	101.56	101.98	91.77	89.50	84.77
2009	83.61	82.84	84.09	86.83	82.33	80.79	84.84	84.36	86.39	83.95	84.24	82.03
2010	86.16	89.47	94.91	98.56	93.63	90.41	91.80	95.79	97.40	98.13	99.70	103.38
2011	107.80	109.23	115.27	118.77	107.23	107.49						
Kansas Cash												
2006	94.66	89.74	86.22	82.33	79.09	82.57	81.52	84.78	90.73	89.09	87.43	86.24
2007	87.17	90.11	96.58	97.63	96.75	90.19	90.35	92.39	95.05	93.33	94.11	92.52
2008	92.47	91.55	89.61	88.97	93.55	94.91	98.38	98.85	98.73	92.28	90.81	84.67
2009	83.02	81.78	82.16	86.62	84.78	81.90	82.79	82.86	84.45	84.04	84.13	81.94
2010	85.05	89.61	94.72	98.56	97.74	91.94	92.90	96.47	97.33	98.96	99.70	102.64
2011	105.86	107.91	116.05	119.48	109.61	107.09						
Kansas Basis												
2006	-0.78	-1.58	2.82	1.67	2.32	1.01	-2.65	-2.37	-0.58	-0.31	0.92	-0.69
2007	-4.47	-3.23	-1.72	-0.32	4.40	1.13	-1.58	-0.26	-1.16	-1.59	-1.32	-0.72
2008	0.38	-0.45	-0.43	-0.61	-0.58	-1.08	-1.40	-2.71	-3.25	0.51	1.31	-0.10
2009	-0.59	-1.06	-1.93	-0.21	2.45	1.11	-2.05	-1.50	-1.94	0.09	-0.11	-0.09
2010	-1.11	0.14	-0.19	0.00	4.11	1.53	1.10	0.68	-0.07	0.83	0.00	-0.74
2011	-1.94	-1.32	0.78	0.71	2.38	-0.40	-1.32	-1.23	-1.40	-0.09	0.16	-0.47
2006-010 Avg.	-1.31	-1.24	-0.29	0.11	2.54	0.74	-1.32	-1.23	-1.40	-0.09	0.16	-0.47
Nebraska Cash												
2006	93.56	89.59	85.96	81.82	78.96	81.44	81.41	85.71	89.75	88.33	86.99	86.17
2007	86.63	88.83	96.58	97.73	95.07	87.02	89.40	91.80	93.93	92.01	93.71	91.28
2008	90.75	90.90	89.48	90.19	93.87	95.67	98.96	99.26	97.80	90.38	90.71	83.82
2009	82.10	80.11	81.64	86.71	85.20	81.33	82.86	82.60	83.62	83.19	83.74	80.67
2010	83.86	88.21	92.60	99.63	98.01	91.89	93.29	96.25	97.26	98.01	100.01	102.94
2011	105.27	108.54	116.38	120.11	110.90	109.11						
Nebraska Basis												
2006	-1.88	-1.73	2.56	1.16	2.19	-0.12	-2.76	-1.44	-1.56	-1.07	0.48	-0.76
2007	-5.01	-4.51	-1.72	-0.22	2.72	-2.04	-2.53	-0.85	-2.28	-2.91	-1.72	-1.96
2008	-1.34	-1.10	-0.56	0.61	-0.26	-0.32	-0.82	-2.30	-4.18	-1.39	1.21	-0.95
2009	-1.51	-2.73	-2.45	-0.12	2.87	0.54	-1.98	-1.76	-2.77	-0.76	-0.50	-1.36
2010	-2.30	-1.26	-2.31	1.07	4.38	1.48	1.49	0.46	-0.14	-0.12	0.31	-0.44
2011	-2.53	-0.69	1.11	1.34	3.67	1.62						
2006-010 Avg.	-2.41	-2.27	-0.89	0.50	2.38	-0.09	-1.32	-1.18	-2.19	-1.25	-0.04	-1.09

^a Monthly weighted average live slaughter heifer (35-65% choice)

^b Average of daily close of nearby futures contract (using Feb, Apr, Jun, Aug, Oct & Dec contracts)
Source: AMS reports and CME futures prices

AVERAGE BASIS FED HEIFERS^a
Live, Kansas, Weekly

07/21/11
 2.134

February										April										August										December									
Week	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 05-09	Std Dev	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 05-09	Std Dev	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 05-09	Std Dev	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 04-08	Std Dev			
14	01/27/10	-2.66	-2.57	-1.92	2.10	-2.67	-4.49	-0.94	2.09	01/29/11	1.63	-6.30	-3.49	-3.61	-4.47	-7.50	-2.05	3.49																					
13	02/04/10	-3.61	-3.27	-2.44	2.03	-2.29	-3.99	-1.26	2.59	02/05/11	1.10	-4.78	-4.32	-4.62	-3.53	-7.89	-1.80	3.90																					
12	02/11/10	-4.43	-2.42	-3.48	0.39	-3.20	-4.01	-2.47	1.81	02/12/11	0.18	-4.44	-2.93	-3.54	-2.36	-5.75	-1.73	2.75																					
11	02/18/10	-1.96	-3.56	-4.63	-2.23	-3.97	-9.93	-2.86	1.20	02/19/11	0.18	-5.17	-3.17	-4.82	-0.88	-4.68	-2.37	2.88																					
10	02/25/10	-0.95	-4.87	-3.64	-1.94	-3.08	-4.55	-2.45	1.76	02/26/11	1.29	-5.13	-2.46	-3.77	-0.55	-4.22	-1.81	2.86																					
9	01/01/11	-2.24	-3.67	-0.55	-0.31	-1.40	-1.79	-1.69	1.36	03/05/11	1.24	-3.03	-1.64	-3.70	-0.80	-0.72	-0.89	2.76																					
8	01/08/11	-2.32	-4.27	-1.90	-1.84	-0.67	-0.92	-2.26	1.23	03/12/11	1.84	-0.84	-0.82	-2.02	-0.54	1.70	0.29	2.20																					
7	01/15/11	-2.07	-5.06	-0.15	-0.15	-1.02	-1.26	-1.35	2.31	03/19/11	2.98	-1.74	-0.09	-2.71	-0.49	1.88	-0.08	2.26																					
6	01/22/11	0.36	-5.10	-0.30	-0.65	-2.24	-2.57	-1.14	2.24	03/26/11	3.30	-0.94	-0.17	-1.58	0.92	-1.30	0.55	2.08																					
5	01/29/11	-0.16	-3.36	-0.92	-1.43	-0.77	-2.43	-1.21	1.32	04/02/11	3.20	-1.23	-1.71	-1.31	-0.36	0.94	0.24	2.30																					
4	02/05/11	-0.96	-1.79	0.24	-0.69	-0.08	-2.63	-0.63	0.81	04/09/11	3.60	-0.76	-1.05	-0.72	1.62	0.73	0.68	2.09																					
3	02/12/11	-1.95	-2.07	-0.49	-1.72	0.06	-1.70	-1.46	0.67	04/16/11	2.95	-0.70	-1.05	-0.72	1.62	0.73	0.68	2.09																					
2	02/19/11	-1.94	-3.07	0.04	-0.70	0.23	0.02	-1.57	1.23	04/23/11	-0.28	-0.70	-1.05	-0.72	1.62	0.73	0.68	2.09																					
1	02/26/11	-1.43	-2.54	0.03	-0.68	0.14	-0.27	-1.14	0.95	04/30/11	-0.42	-0.61	0.57	0.24	-0.63	-0.20	-0.10	0.49																					
June										August										October																			
Week	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 05-09	Std Dev	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 05-09	Std Dev	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 05-09	Std Dev	Week Ending	2006	2007	2008	2009	2010	2011	Avg. 04-08	Std Dev			
14	03/26/11	8.80	1.64	-1.75	1.08	3.78	-0.70	3.02	4.11	05/28/11	2.08	1.88	-6.68	1.73	3.35	-0.35	3.99																						
13	04/02/11	8.96	4.19	-3.15	2.33	2.56	1.71	3.74	4.55	06/04/11	2.36	0.94	-6.66	0.95	4.77	-0.39	3.74																						
12	04/09/11	8.96	3.88	-2.39	1.75	5.10	4.53	3.72	4.35	06/11/11	0.90	-0.42	-7.72	0.64	4.77	0.75	4.11																						
11	04/16/11	6.65	3.33	-1.85	3.38	5.97	2.95	3.84	3.73	06/18/11	-0.11	-3.75	-9.14	0.65	2.44	2.01	-1.75	4.89																					
10	04/23/11	5.54	3.25	-0.61	4.71	4.02	2.70	4.31	3.39	06/25/11	-0.29	-2.82	-6.47	-0.87	1.89	-0.63	-1.67	3.23																					
9	04/30/11	3.51	3.20	-0.70	3.63	4.13	3.47	3.28	2.66	07/02/11	-2.39	-0.67	-2.68	-2.30	1.16	0.31	-1.16	2.06																					
8	05/07/11	3.03	4.90	1.34	1.76	2.90	4.17	3.33	1.89	07/09/11	-2.83	-1.66	-2.55	-1.83	1.00	0.69	-1.34	2.03																					
7	05/14/11	1.69	5.08	-0.52	2.08	4.03	2.79	2.44	2.15	07/16/11	-3.00	-1.23	-1.71	-1.41	1.25	-1.99	-1.15	1.68																					
6	05/21/11	2.98	2.50	-0.62	2.70	5.35	1.42	2.04	1.50	07/23/11	-4.47	-1.20	-4.02	-2.30	1.48	-1.89	-2.39	1.89																					
5	05/28/11	3.09	2.14	-1.67	2.37	2.38	0.78	1.65	1.89	07/30/11	-3.97	-1.59	-1.39	-2.62	0.35	-1.81	-1.64	1.64																					
4	06/04/11	1.33	0.74	-0.57	2.10	2.67	0.96	0.91	0.98	08/06/11	-3.03	-0.80	-1.33	-2.87	0.40	-1.45	-1.57	1.57																					
3	06/11/11	1.13	-0.53	-1.36	1.89	2.59	1.55	0.51	1.39	08/13/11	-1.29	-0.96	-2.82	-1.98	-0.07	-1.42	-1.04	1.04																					
2	06/18/11	1.15	-2.27	-1.27	1.65	1.22	2.74	0.21	1.86	08/20/11	-2.10	0.07	-2.42	-1.42	1.83	-1.22	-1.11	1.11																					
1	06/25/11	-1.14	0.53	-0.21	-0.03	0.46	-0.34	-0.14	0.63	08/27/11	0.45	0.71	-2.43	-0.19	0.56	-0.08	-0.08	1.40																					

^a Through the last full week of trading of the Chicago Mercantile Exchange's Live Cattle Contract. Weekly weighted average live slaughter heifer price

Live Cattle Basis: Interior Iowa-Southern Minnesota \$/CWT - Live Basis

Market Period	Contract for Basis	3-yr Avg Futures	2006 Basis	2007 Basis	2008 Basis	2009 Basis	2010 Basis	3-yr Avg Basis	3-yr Std. Dev.
Jan 1-15	February	88.11	-2.94	-4.35	-1.24	0.46	-2.27	-1.01	1.71
Jan 16-31	February	86.51	-0.47	-4.13	-1.93	0.61	-1.85	-1.06	1.57
Feb 1-15	February	87.72	-1.69	-4.18	-1.07	-2.69	-3.22	-2.33	1.56
Feb 16-28	February	88.55	-1.56	-2.38	-1.24	-1.21	-3.75	-2.07	2.55
Mar 1-15	April	89.27	2.08	-4.59	0.07	-3.20	-4.46	-2.53	2.36
Mar 16-31	April	90.03	2.82	0.26	-0.37	-2.55	-1.67	-1.53	1.77
Apr 1-15	April	91.01	1.19	0.36	-0.69	-1.84	0.66	-0.62	1.29
Apr 16-30	April	92.48	1.06	1.00	-0.31	1.02	-0.36	0.12	1.22
May 1-15	June	90.42	3.54	4.66	-0.07	3.16	3.87	2.32	2.06
May 16-31	June	89.60	1.91	4.10	-2.56	3.75	4.41	1.87	3.28
Jun 1-15	June	88.25	2.03	1.16	-1.51	2.58	3.51	1.52	2.57
Jun 16-30	June	89.83	-1.99	-1.53	-3.26	-0.56	0.80	-1.01	2.04
Jul 1-15	August	92.38	-2.27	-3.76	-2.27	-3.02	1.38	-1.30	2.22
Jul 16-31	August	91.98	-3.08	-3.11	-2.34	-2.12	0.93	-1.18	1.73
Aug 1-15	August	92.95	-3.67	-1.42	-3.93	-2.15	-0.33	-2.14	1.64
Aug 16-31	August	94.69	-2.72	-2.21	-3.35	-2.57	-1.84	-2.59	1.26
Sep 1-15	October	95.80	-2.91	-3.13	-6.50	-5.08	-1.25	-4.28	2.31
Sep 16-30	October	94.76	-3.57	-4.89	-5.82	-4.65	-1.04	-3.84	2.43
Oct 1-15	October	90.11	-1.98	-4.74	-2.19	-4.40		-3.78	1.56
Oct 16-31	October	90.34	-2.73	-4.76	-5.56	-4.08		-4.80	1.89
Nov 1-15	December	90.81	0.23	-5.75	-3.41	-1.40		-3.52	2.24
Nov 16-30	December	88.54	-0.83	-2.69	1.16	-2.49		-1.34	2.21
Dec 1-15	December	86.08	-0.76	-0.98	0.76	-0.70		-0.31	2.14
Dec 16-31	December	87.29	-2.71	-2.55	-2.21	-1.98		-2.25	1.34

1/ Basis is calculated as Cash - Futures. Negative sign means that futures are greater than cash.

2/ 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.

3/ 68% of the time the basis is expected to fall within plus or minus one standard deviation of the average basis.

Prepared by Shane Ellis, Extension Economist.