

Name: \_\_\_\_\_

**ECON 337: Agricultural Marketing**

**Spring 2013**

**Homework 3: Livestock Marketing**

**Due: 04/02/2013**

1. Use the Price and Basis Forecast tool from BeefBasis.com. Chose two auction market locations in Iowa and use the information provided to forecast feeder cattle prices. Record the date and time of making the forecast, basis estimate, feeder cattle futures price, and calculate the cash price forecast. Which expected sale date and auction market is expected to offer the highest price?

Date and Time of Forecast: _____						
State:	Iowa			Iowa		
Location:	_____			_____		
Sex:	Steer			Steer		
Frame:	Lg & Med/Lg			Lg & Med/Lg		
Grade:	1			1		
Weight:	750 lbs/head			750 lbs/head		
Head:	100			100		
Expected Sale Date	Basis	Futures	Cash Forecast	Basis	Futures	Cash Forecast
4/2/2013						
4/9/2013						
4/16/2013						
4/23/2013						

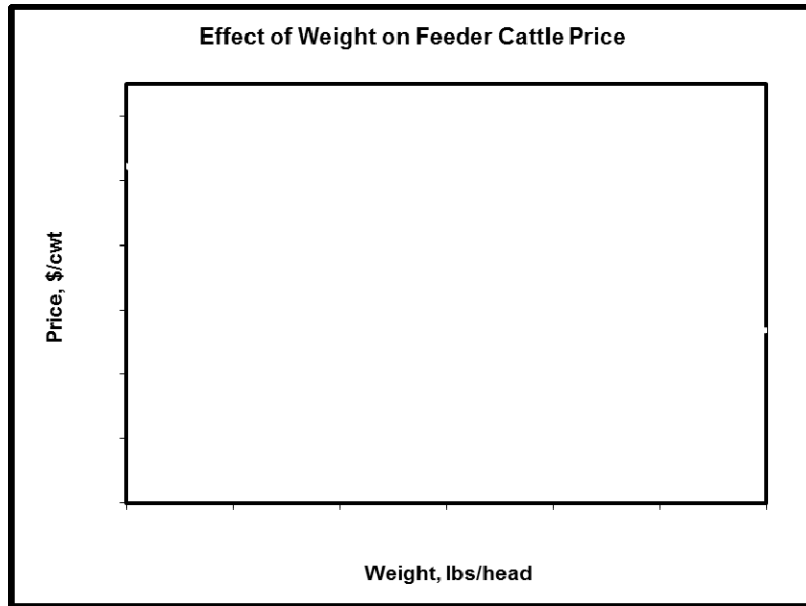
2. Use the Value of Gain tool from BeefBasis.com. Consider the case of buying a 550 pound steer on April 2 and selling it at 650, 750, or 850 pounds in the future using the Dunlap, Iowa market location for appraisal. Assume Lg & Med/Lg frame, grade 1, and 100 head. Record the date and time of making the forecast and the projected value of gain (\$/cwt).

Date and Time of Forecast: _____					
Placement Date	Marketing Date	Placement Weight, lbs	Marketing Weight, lbs	Weight Gain, lbs/head	Value of Gain, \$/cwt
04/02/13	05/16/13	550	650	100	
04/02/13	05/29/13	550	650	100	
04/02/13	06/29/13	550	750	200	
04/02/13	07/25/13	550	750	200	
04/02/13	07/31/13	550	850	300	
04/02/13	08/30/13	550	850	300	

3. Use the K-State Feeder Cattle Price Analyzer from AgManager.info. The spreadsheet can be downloaded from the Ag Manager.info website (<http://www.agmanager.info/Tools/default.asp>) and look for *K-State Feeder Cattle Price Analyzer*. Select cattle and market characteristics and record how weight affects price. Sketch the price-weight slide.

Cattle Characteristics	
Sex (Steer, Heifer, Bull)	_____
Weight, lbs/head	_____
Season (Fall, Spring)	_____
Lot size, number of head	_____
Breed (Angus, Hereford, Angus X Hereford, Other English X, Exotic X, Longhorn, Brahman, Dairy, Mixed)	_____
Color (Black, White, Red, Mix)	_____
Condition (Very Thin, Thin, Moderate, Fat, Very Fat)	_____
Fill (Very Gant, Gant, Average, Full, Very Full)	_____
Muscling, (Light, Average, Heavy, Extremely Heavy)	_____
Frame size (Small, Medium, Large)	_____
Horns (None, Some, Predominant)	_____
Lot uniformity (Yes, No)	_____
Healthy (Yes, No)	_____
Expected Feeder cattle futures price, \$/cwt	_____
Auction Location (Joplin or Dodge City)	_____
Time of Sale (Qtr 1, Qtr 2, Qtr 3, Qtr 4)	_____

Weight	Predicted Price
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____



4. Use the K-State Feeder Cattle Price Analyzer from AgManager.info. The spreadsheet can be downloaded from the Ag Manager.info website (<http://www.agmanager.info/Tools/default.asp>) and look for *K-State Feeder Cattle Price Analyzer*. Select cattle and market characteristics and record how lot size affects price. Sketch the price-lot size slide.

Cattle Characteristics	
Sex (Steer, Heifer, Bull)	_____
Weight, lbs/head	_____
Season (Fall, Spring)	_____
Lot size, number of head	_____
Breed (Angus, Hereford, Angus X Hereford, Other English X, Exotic X, Longhorn, Brahman, Dairy, Mixed)	_____
Color (Black, White, Red, Mix)	_____
Condition (Very Thin, Thin, Moderate, Fat, Very Fat)	_____
Fill (Very Gant, Gant, Average, Full, Very Full)	_____
Muscling, (Light, Average, Heavy, Extremely Heavy)	_____
Frame size (Small, Medium, Large)	_____
Horns (None, Some, Predominant)	_____
Lot uniformity (Yes, No)	_____
Healthy (Yes, No)	_____
Expected Feeder cattle futures price, \$/cwt	_____
Auction Location (Joplin or Dodge City)	_____
Time of Sale (Qtr 1, Qtr 2, Qtr 3, Qtr 4)	_____

Lot Size	Predicted Price
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
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