

Angus \$Value Update – Economic Assumptions

January 2013

Weaned Calf Assumptions

Base Calf Price	\$140 per cwt (updated from \$130)
Cow/Heifer Mix	80%/20%
Cow weight	1,300 lb
Feed energy cost	\$.095 per MCal NEm (updated from .0825)

Beef Value Assumptions

Feedlot assumptions:

Time on feed	160 days
Days Ration cost	\$315 per dry ton (updated from \$290)
Fed market	\$110 per cwt. live (updated from \$100)

Grid assumptions:

Quality components:

Prime premium (above Choice)	\$12.00 (updated from \$10.00)
CAB premium (above Choice)	\$4.00
Choice-Select spread	\$10.00
Standard discount	\$-20.00 (updated from \$-18.00)

Yield components:

YG 1 premium	\$4.50 (updated from \$3.00)
YG 2 premium	\$2.25 (updated from \$1.75)
YG 3 base	\$0.00
YG 4 & 5 discount	\$-20.00 (updated from \$-25.00)

The \$Values are sensitive to the assumptions for the industry-relevant components used in calculating the indexes. A **three-year rolling average** is used to establish typical industry economic values. Quality grade premiums are specified for Prime, CAB and Choice carcasses, as well as Select and Standard discounts. Yield grade premiums are incorporated for YG 1 and YG 2 (high-yielding carcasses), with discounts for YG 4 and YG 5 (low red meat yields).