

2017 Kansas State University

Agricultural Lenders Conference



FEATURING...

- Grain Market Outlook for 2018
- Rainfall Index and Margin Protection Insurance
- Farm Bill Changes and Crop Insurance
- Macroeconomic and Interest Rate Outlook
- Beef Cattle Market Outlook for 2018
- Land Values and Rental Rates in Kansas

Eagles Lodge
Garden City, October 10, 2017

K-State Alumni Center
Manhattan, October 11, 2017

Cattle & Beef Outlook

Glynn Tonsor
Dept. of Agricultural Economics,
Kansas State University



Overarching Beef Industry Economic Outlook

- Supplies
 - Expansion continues, but has moderated
- Demand
 - Mixed signals
 - Role of export demand has become clear
 - Domestic Retail vs. Food Service?

Overarching Beef Industry Economic Outlook



How the Trans-Pacific Partnership will benefit U.S. beef

The benefits of the Trans-Pacific Partnership for U.S. beef are mainly in Japan, Vietnam.

By Joe Schuele | Nov 02, 2015



Beef Labels

Cattle Groups Sue USDA Over Country-of-Origin Labeling

Victoria G. Myers, Progressive Farmer Senior Editor
6/26/2017 | 12:30 PM CDT



NAFTA Benefits Beef Trade Across U.S.-Canada Border

By Wyatt Bechtel (users/wbechtel) May 23, 2017 | 7:39 pm EDT

Market Highlights: Should JBS Scandal Concern Cattlemen?

By Andrew P. Griffith, University of Tennessee June 12, 2017 | 11:01 am EDT



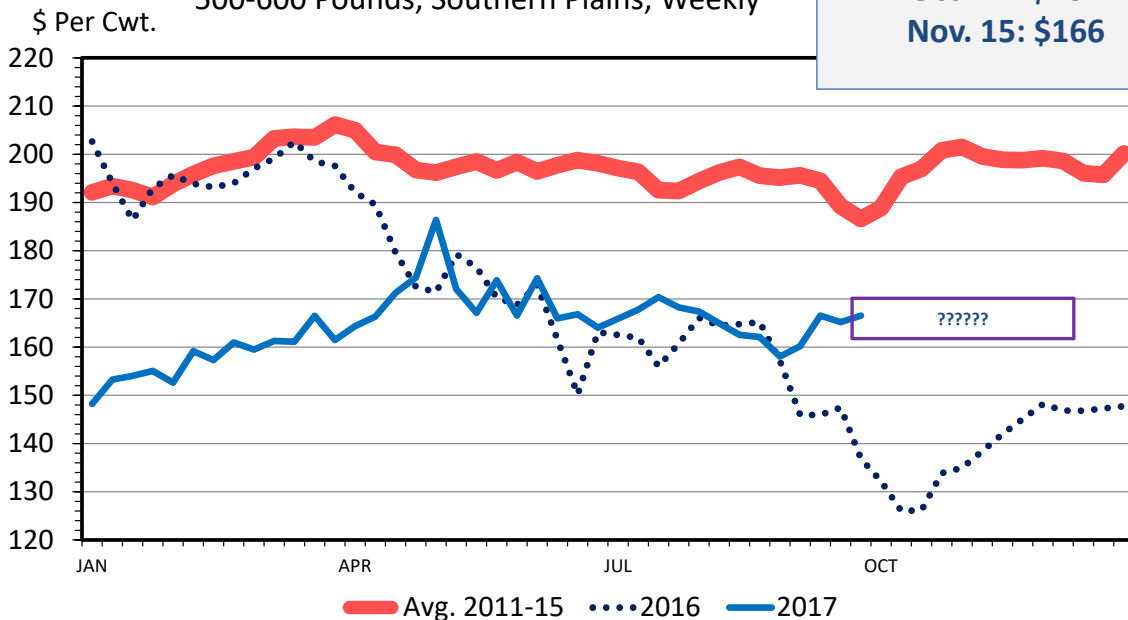
INDUSTRY NEWS - PM

Tyson CEO: Strong support for new plant in other towns

INDUSTRY NEWS - PM

Triumph Foods to expand Missouri pork plant

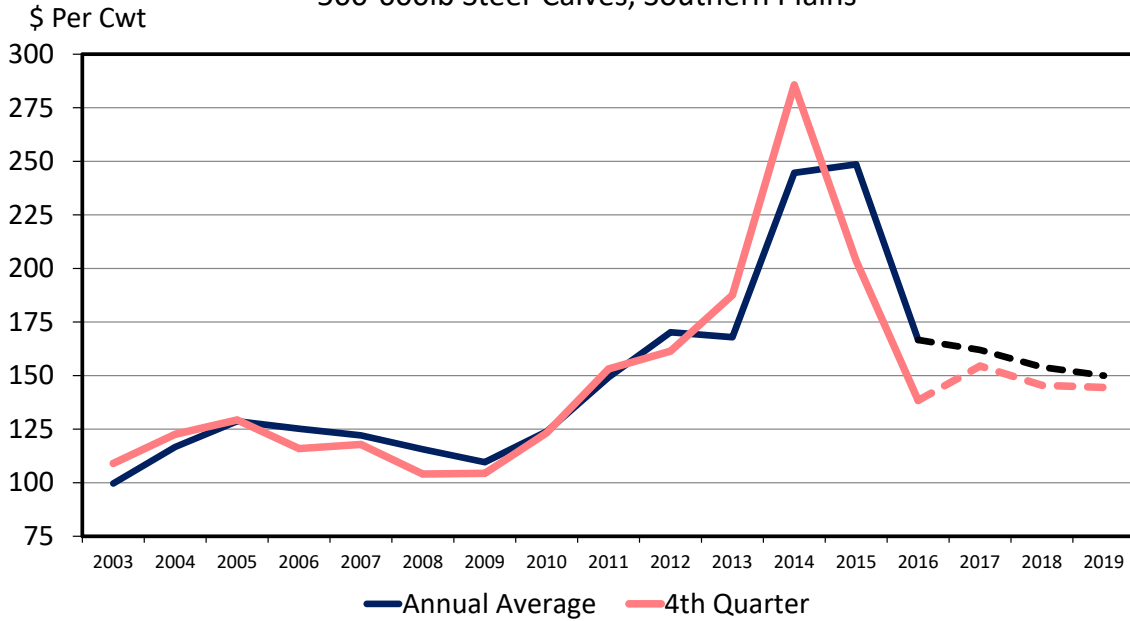
MED. & LRG. #1 STEER CALF PRICES 500-600 Pounds, Southern Plains, Weekly



**Beef Basis, Salina KS
Projections (as of 10/5):
Oct. 11: \$164
Nov. 15: \$166**

AVERAGE CALF PRICES

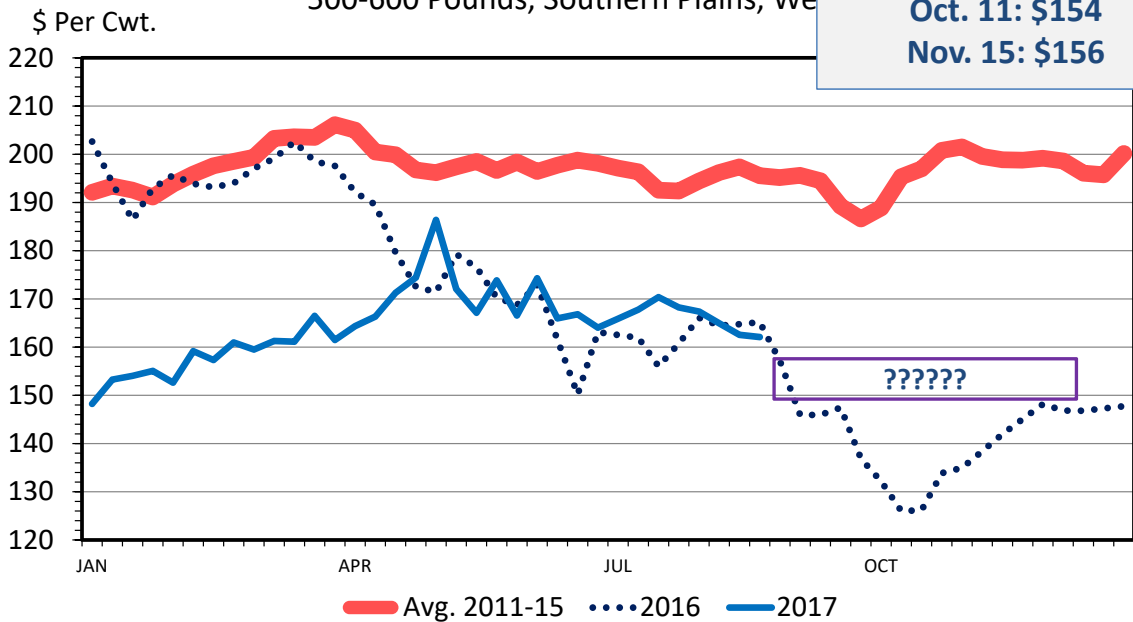
500-600lb Steer Calves, Southern Plains



Data Source: USDA-AMS, Compiled and Forecasts by LMIC
Livestock Marketing Information Center

MED. & LRG. #1 STEER CALF PR

500-600 Pounds, Southern Plains, We

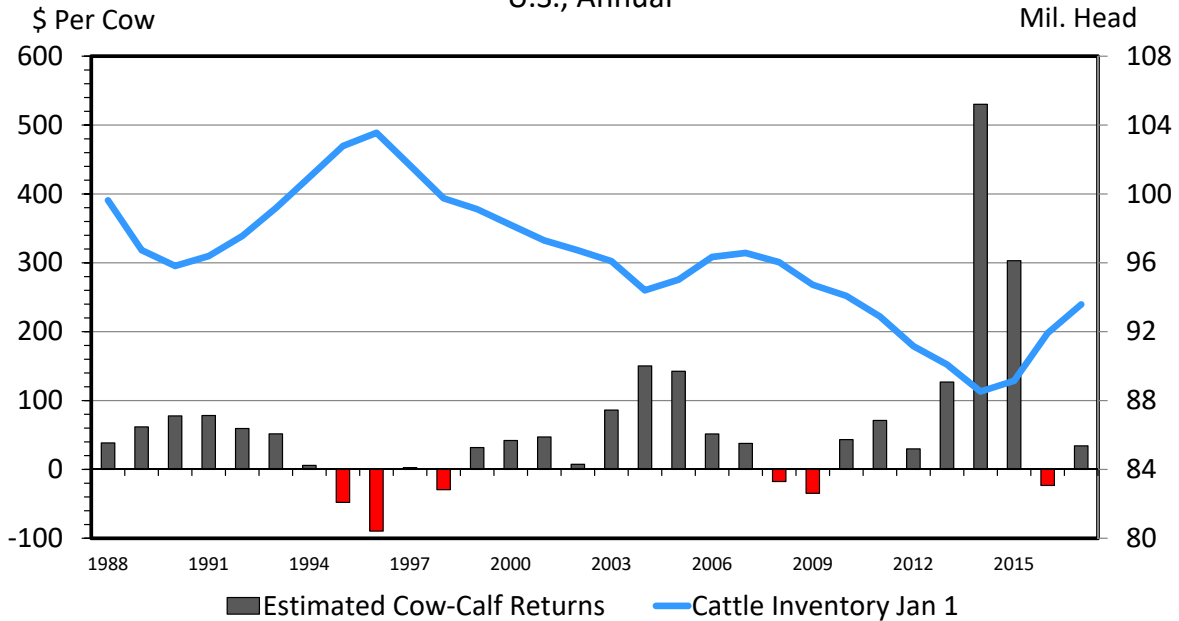


Data Source: USDA-AMS
Livestock Marketing Information Center

C-P-54
08/28/17

COW-CALF RETURNS AND CATTLE INVENTORY

U.S., Annual

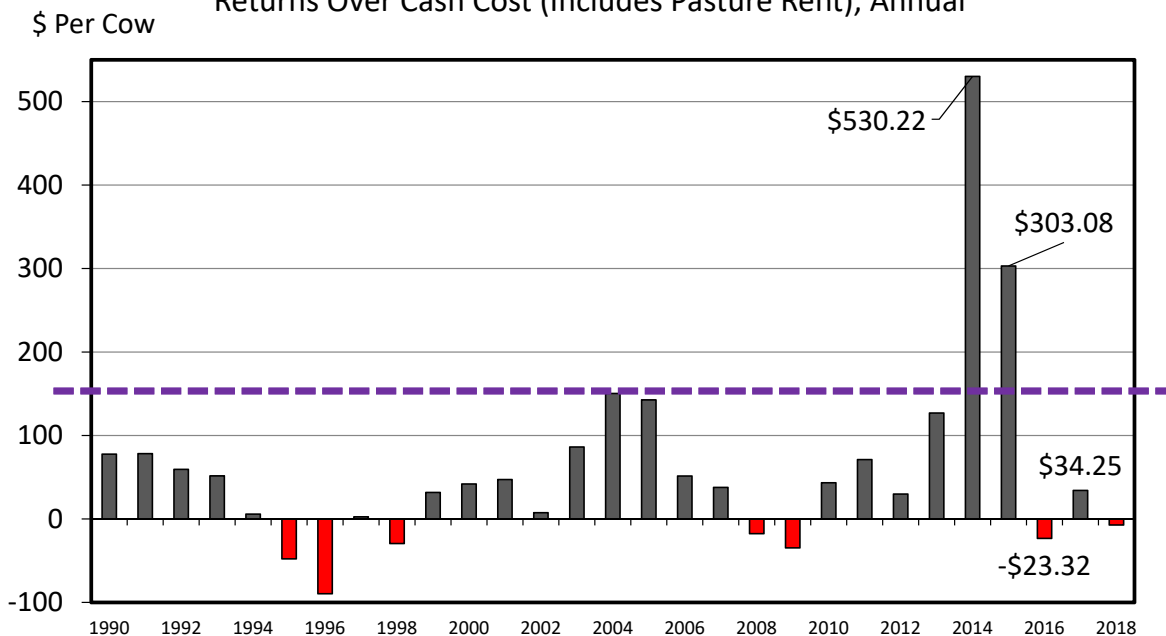


Data Source: USDA-AMS & USDA-NASS, Compiled and Analysis by LMIC
Livestock Marketing Information Center

C-P-67
10/03/17

ESTIMATED AVERAGE COW CALF RETURNS

Returns Over Cash Cost (Includes Pasture Rent), Annual

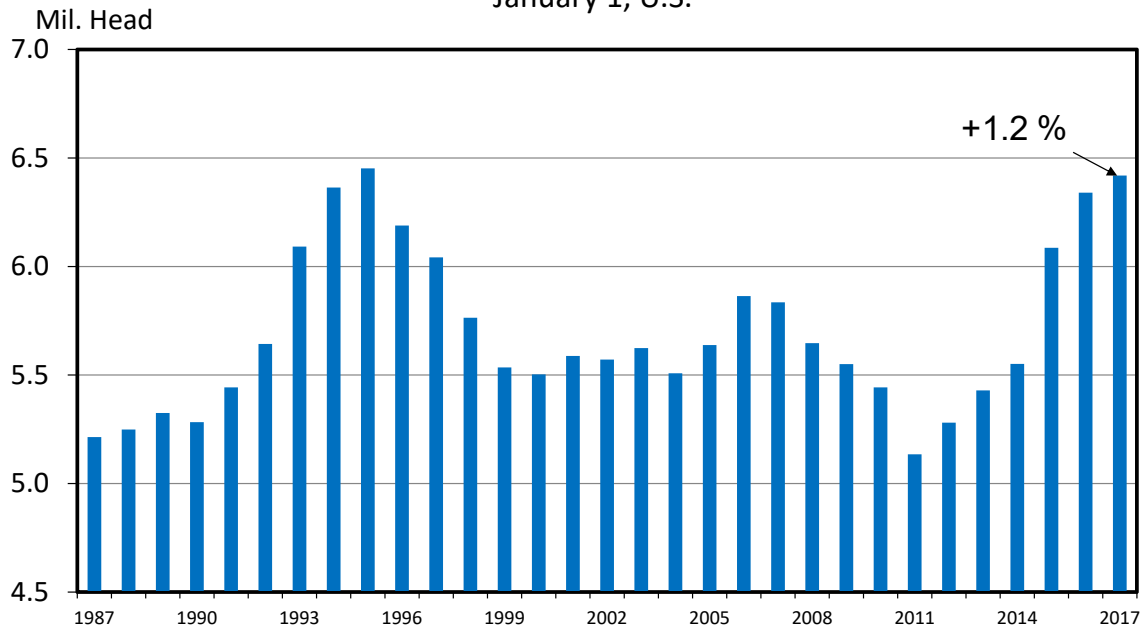


Data Source: USDA & LMIC, Compiled by LMIC
Livestock Marketing Information Center

C-P-66
10/03/17

HEIFERS HELD AS BEEF COW REPLACEMENTS

January 1, U.S.

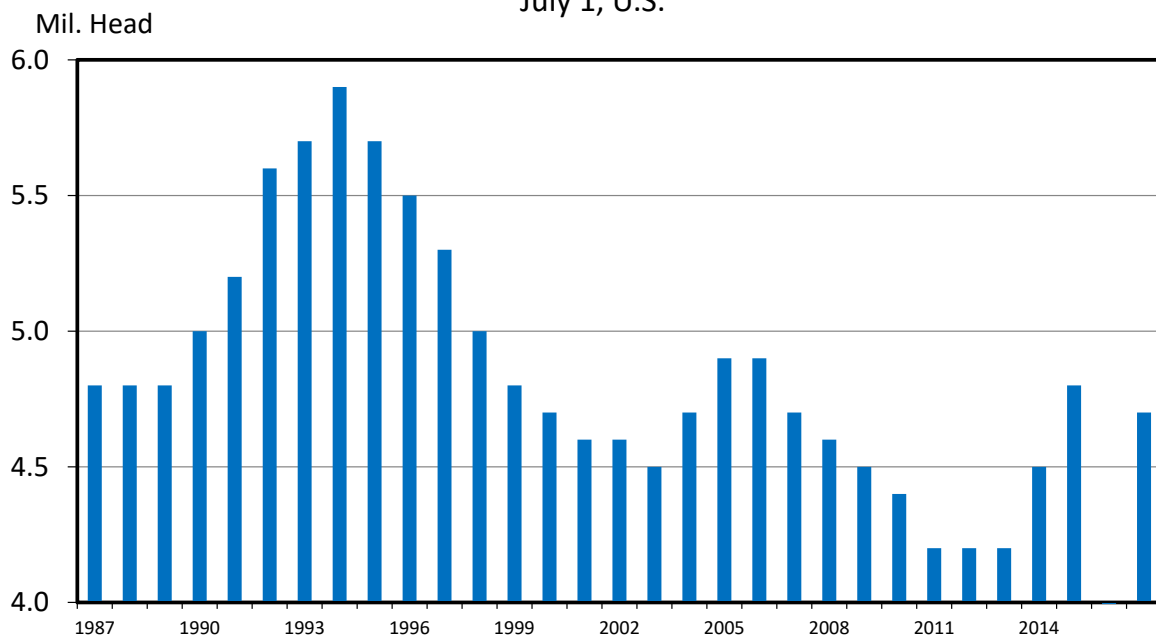


Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-38
08/13/17

HEIFERS HELD AS BEEF COW REPLACEMENTS

July 1, U.S.

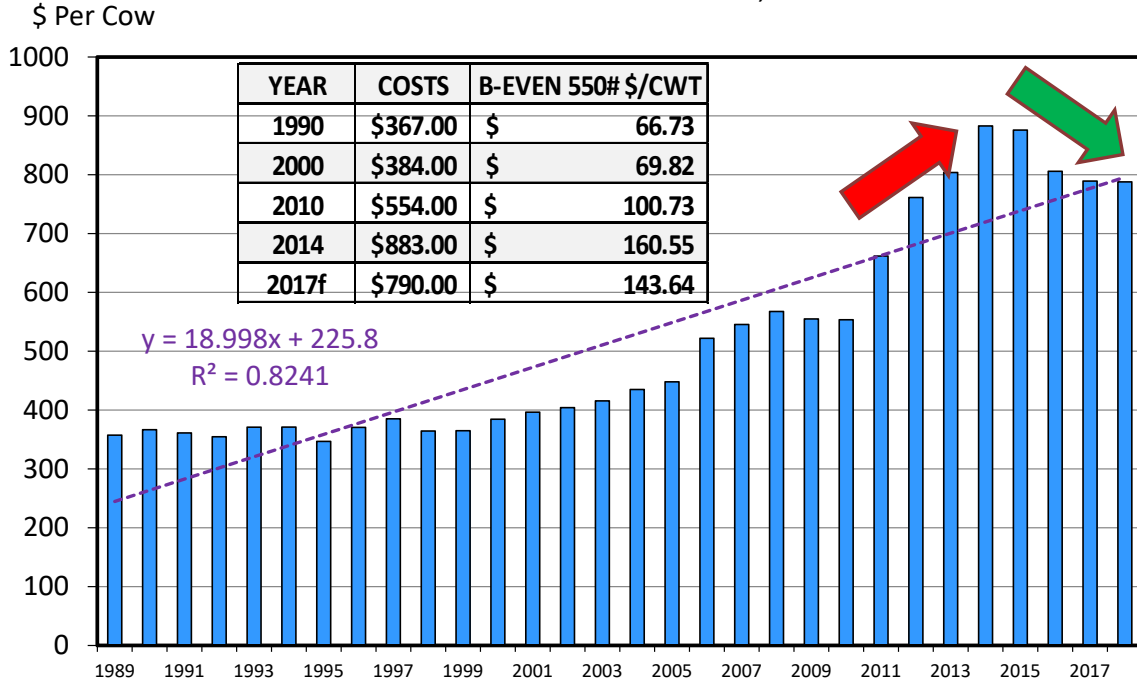


Data Source: USDA-NASS; 2013 Was Unreported, LMIC Made Estimates
Livestock Marketing Information Center

C-N-37
08/13/17

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual

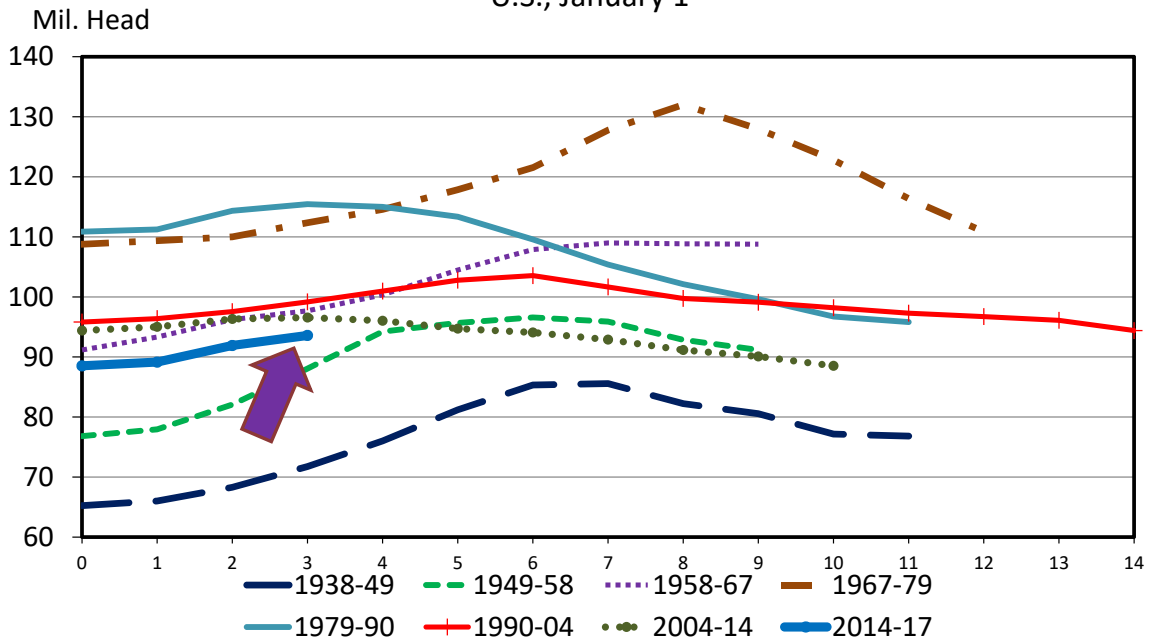


Data Source: USDA & LMIC, Compiled by LMIC
 Livestock Marketing Information Center

08/28/17

TOTAL CATTLE INVENTORY BY CYCLE

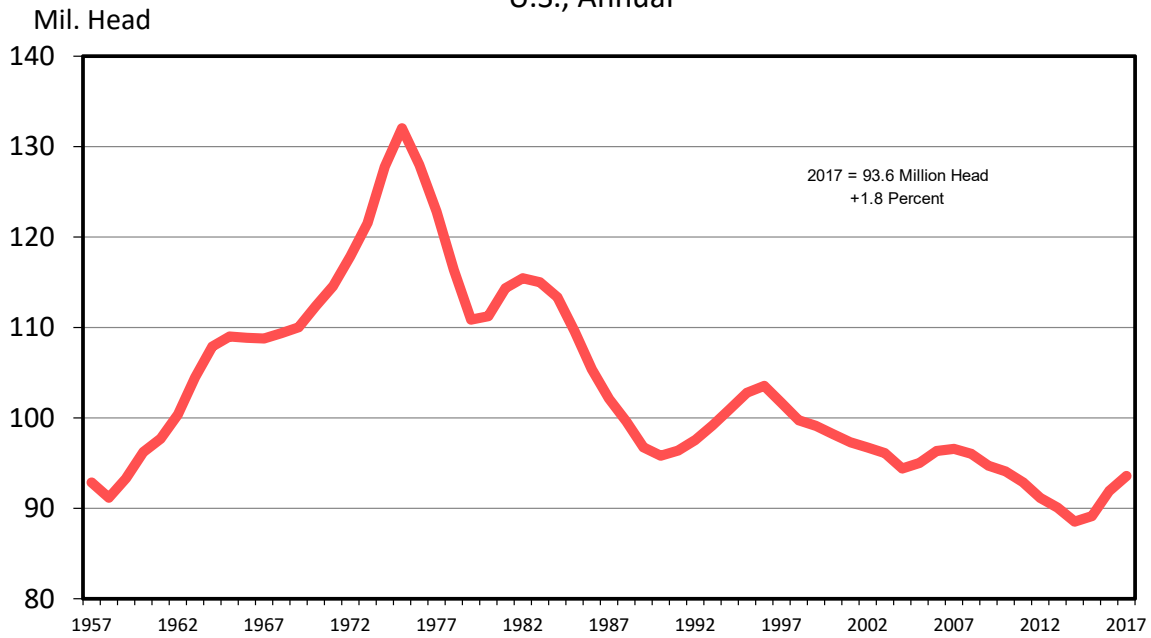
U.S., January 1



Data Source: USDA-NASS
 Livestock Marketing Information Center

C-N-40
 08/13/17

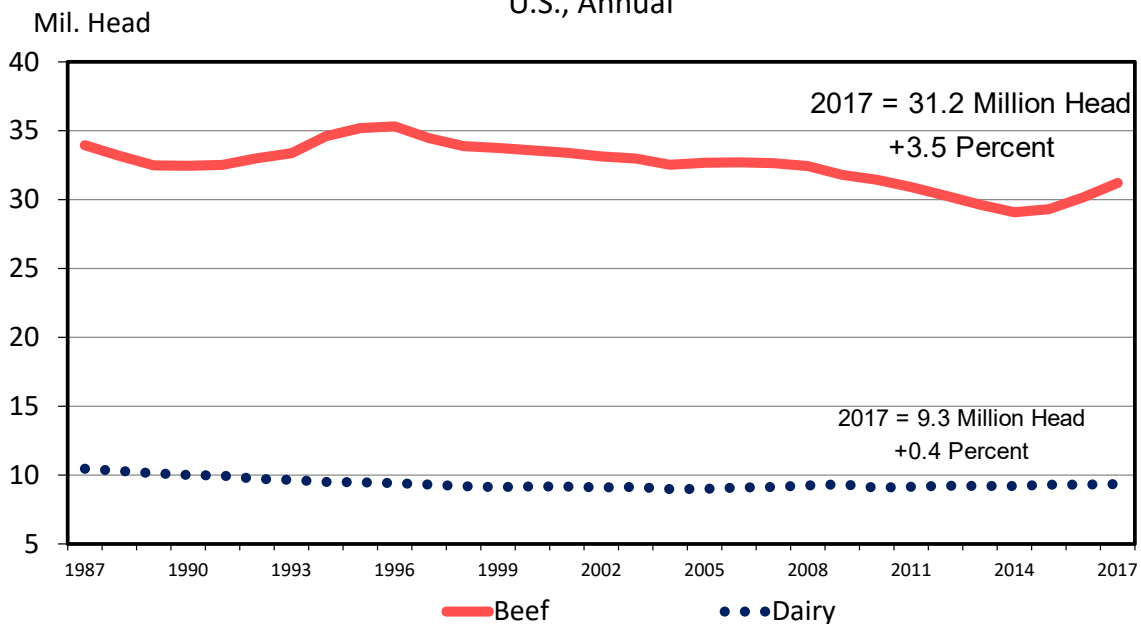
JANUARY 1 TOTAL CATTLE INVENTORY U.S., Annual



Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-01
08/13/17

JANUARY 1 COW INVENTORY U.S., Annual

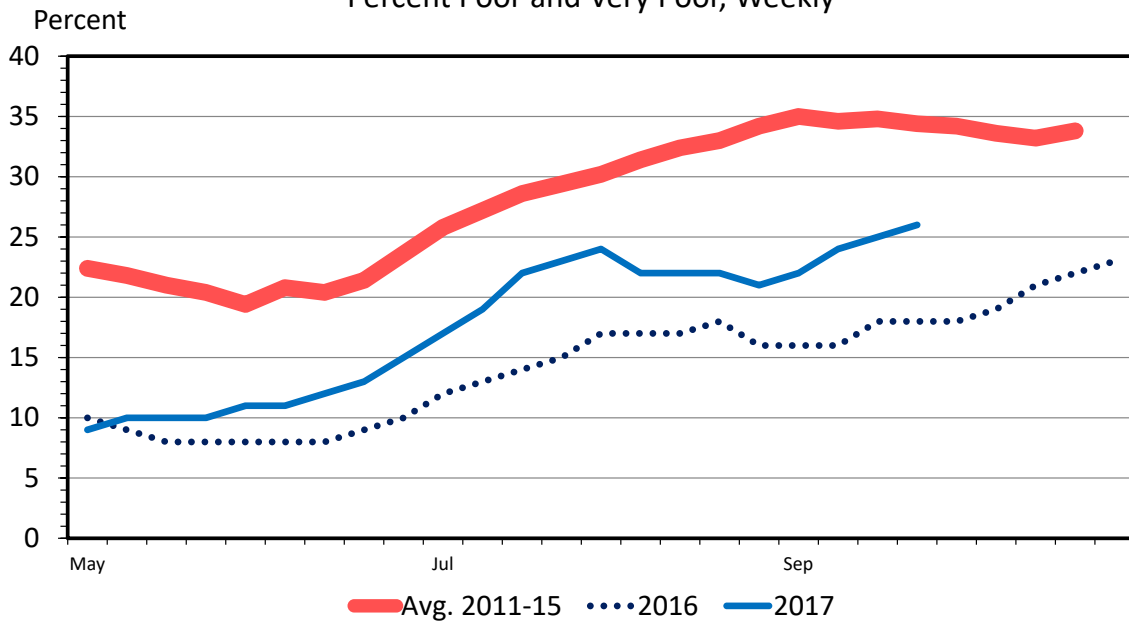


Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-02
08/13/17

US RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly

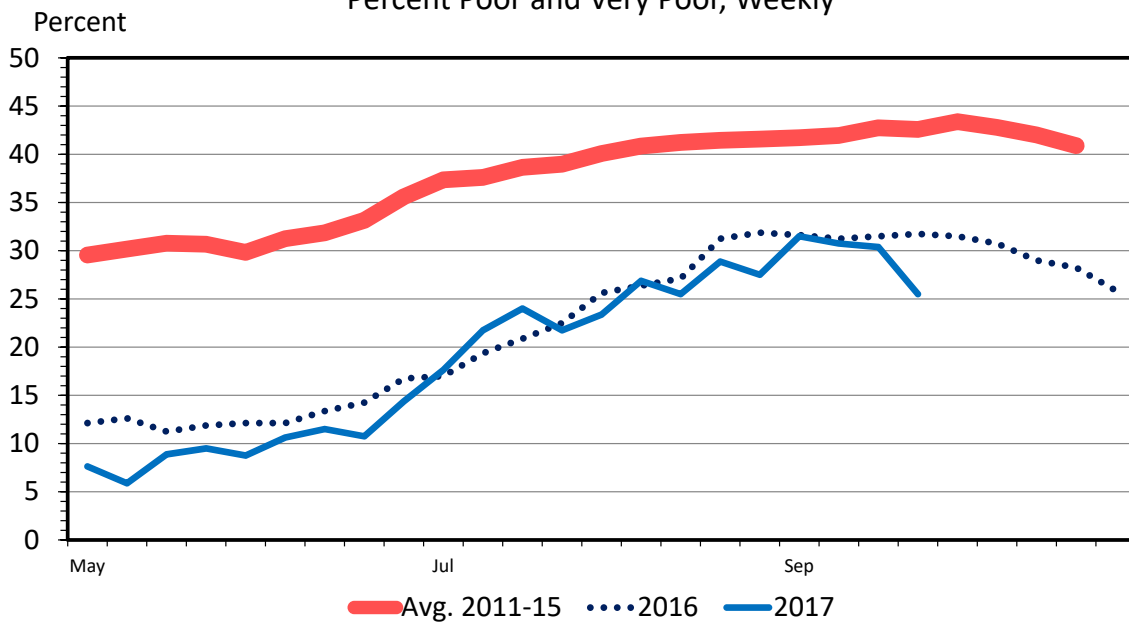


Data Source: USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

G-NP-30
10/02/17

WESTERN REGION RANGE AND PASTURE CONDITION

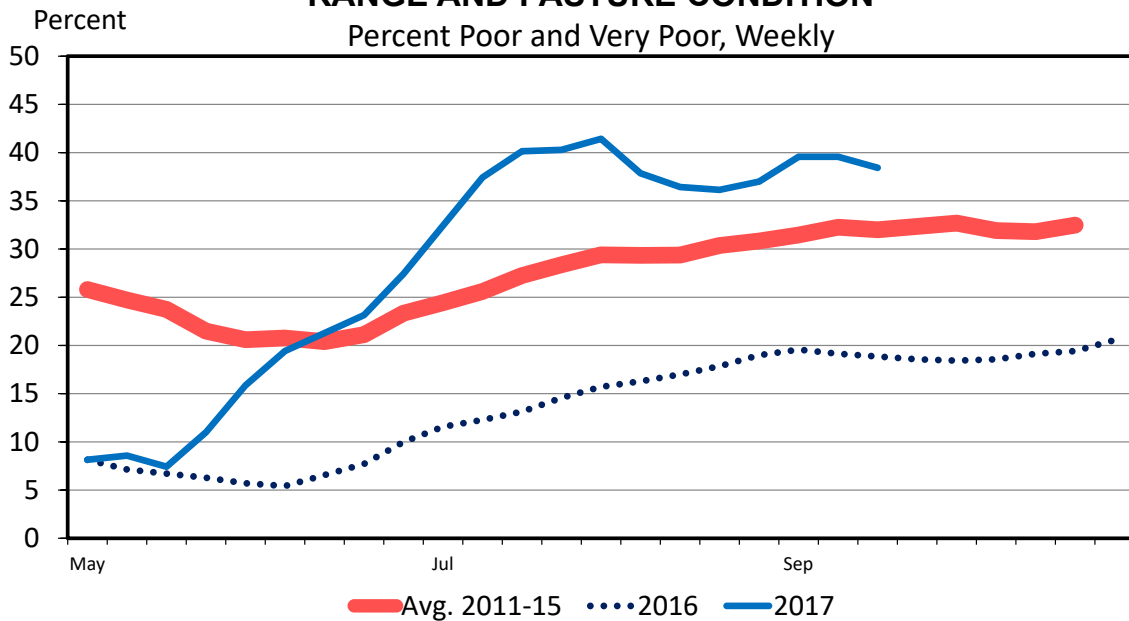
Percent Poor and Very Poor, Weekly



Data Source: USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

G-NP-31
10/02/17

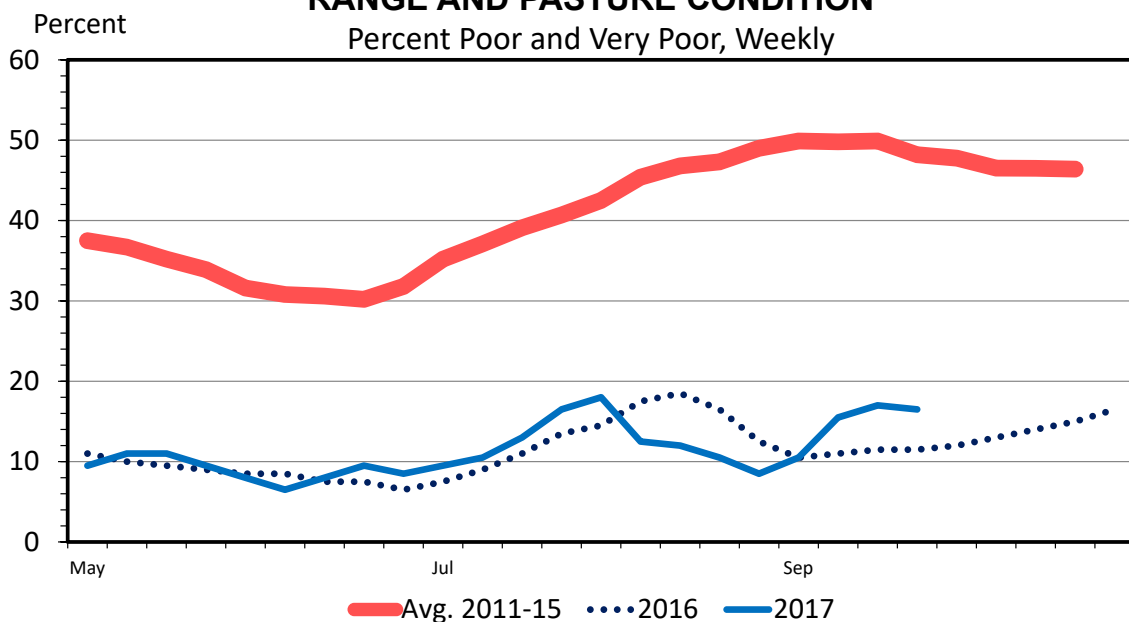
GREAT PLAINS REGION RANGE AND PASTURE CONDITION



Data Source: USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

G-NP-32
10/02/17

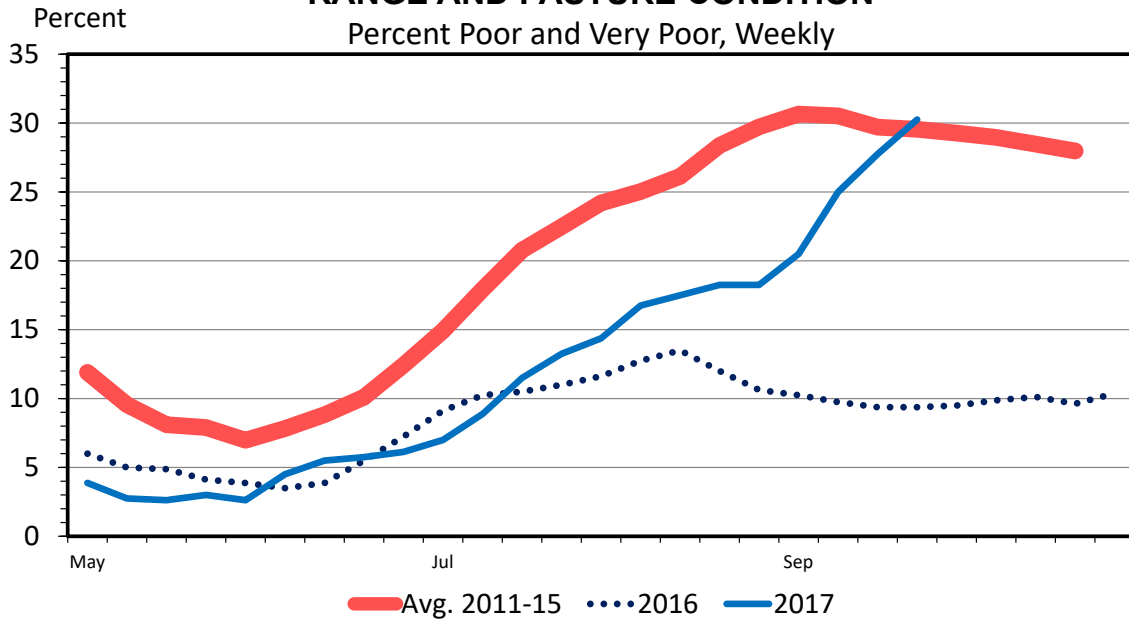
SOUTHERN PLAINS REGION RANGE AND PASTURE CONDITION



Data Source: USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

G-NP-33
10/02/17

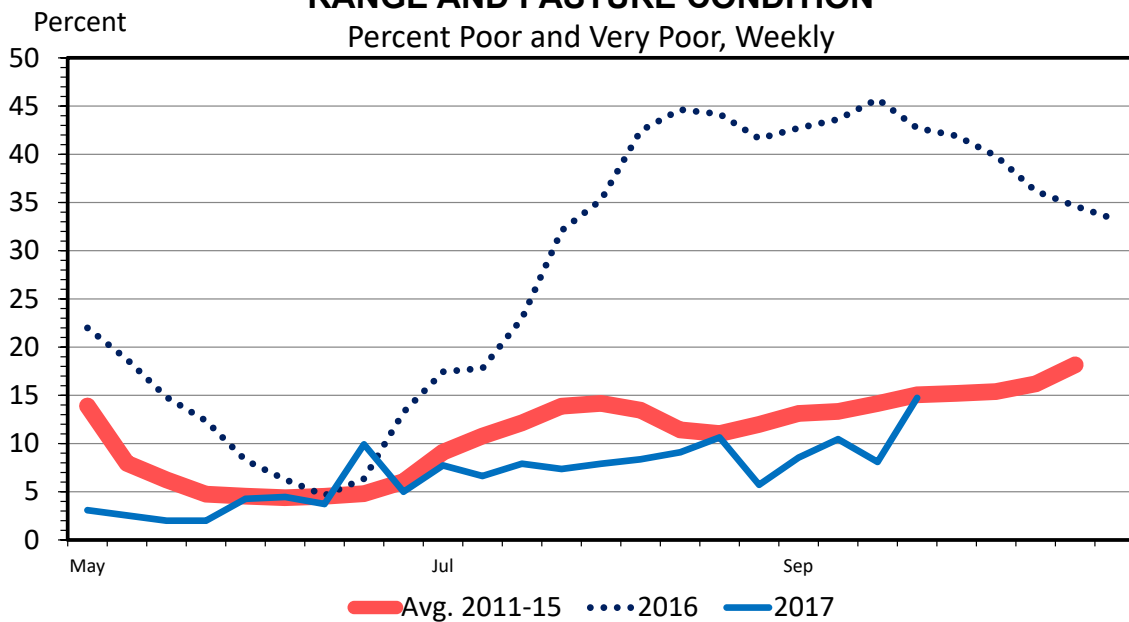
CORNBELT REGION RANGE AND PASTURE CONDITION



Data Source: USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

G-NP-34
10/02/17

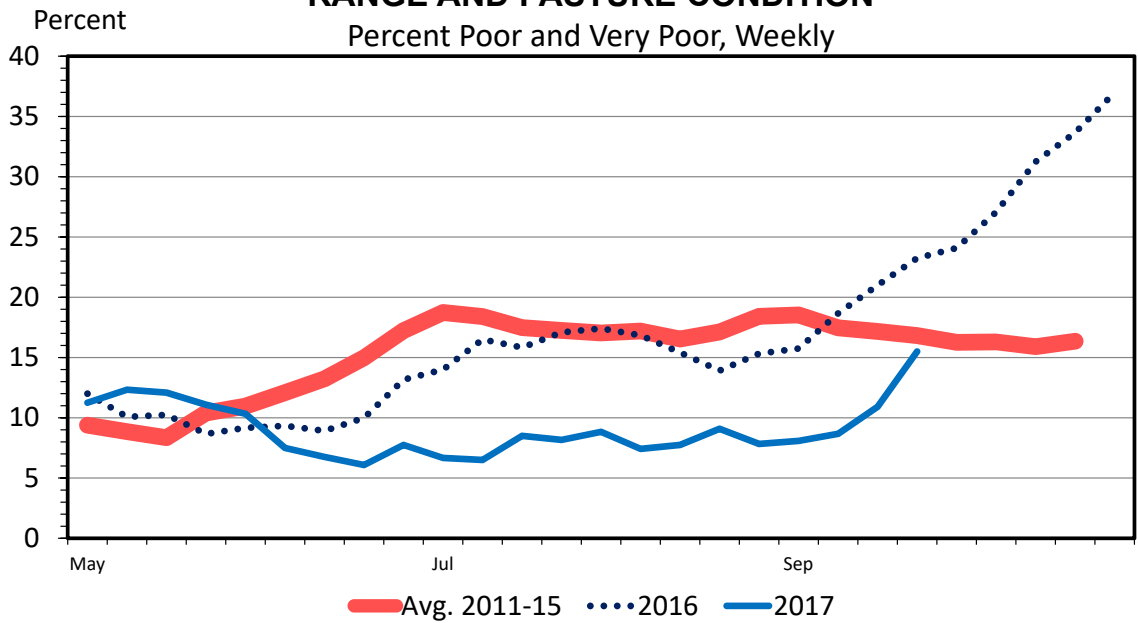
NORTHEAST REGION RANGE AND PASTURE CONDITION



Data Source: USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

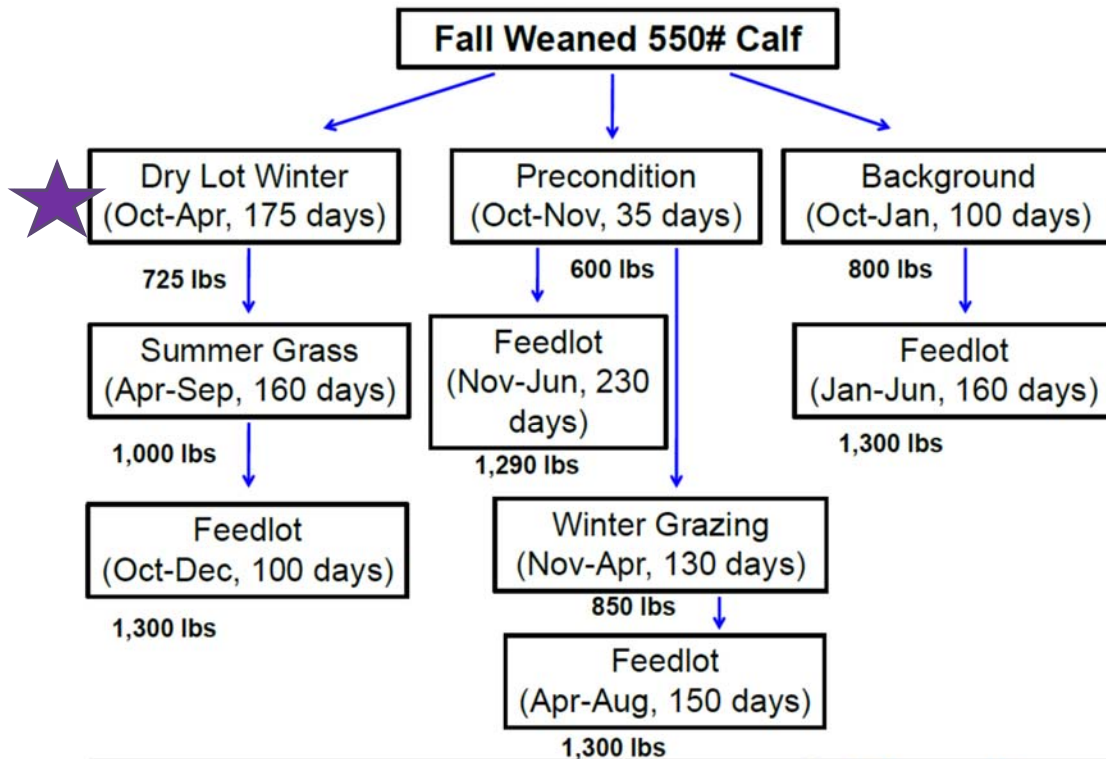
G-NP-35
10/02/17

SOUTHEAST REGION RANGE AND PASTURE CONDITION



Data Source: USDA-NASS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

G-NP-36
10/02/17



Economic Outlook Overview: Post Weaning
Forward-Looking Margin Perspective

<http://www.beefbasis.com/VOG.aspx>

- Dodge City, KS 10/6/17 situation:

PRE-CONDITIONING

- Buy 550 lb steer on 10/11/17 (\$163)
- Sell 600 lb steer on 11/15/17 (\$159) {1.4 ADG}
- VOG: \$120/cwt (w/o any extra pre-conditioned premium) [\$60/hd]
 - Reflects CME NOV > OCT

Economic Outlook Overview: Post Weaning
Forward-Looking Margin Perspective

<http://www.beefbasis.com/VOG.aspx>

- Dodge City, KS 10/6/17 situation:

BACKGROUNDING

- Buy 550 lb steer on 10/11/17 (\$163)
- Sell 800 lb steer on 1/31/18 (\$143) {2.21 ADG}
- VOG: \$98/cwt
 - If COG=\$70/cwt then Exp Profit = \$70/hd

Economic Outlook Overview: Post Weaning

Forward-Looking Margin Perspective

<http://www.beefbasis.com/VOG.aspx>

- Dodge City, KS 10/6/17 situation:

DRYLOT WINTERING

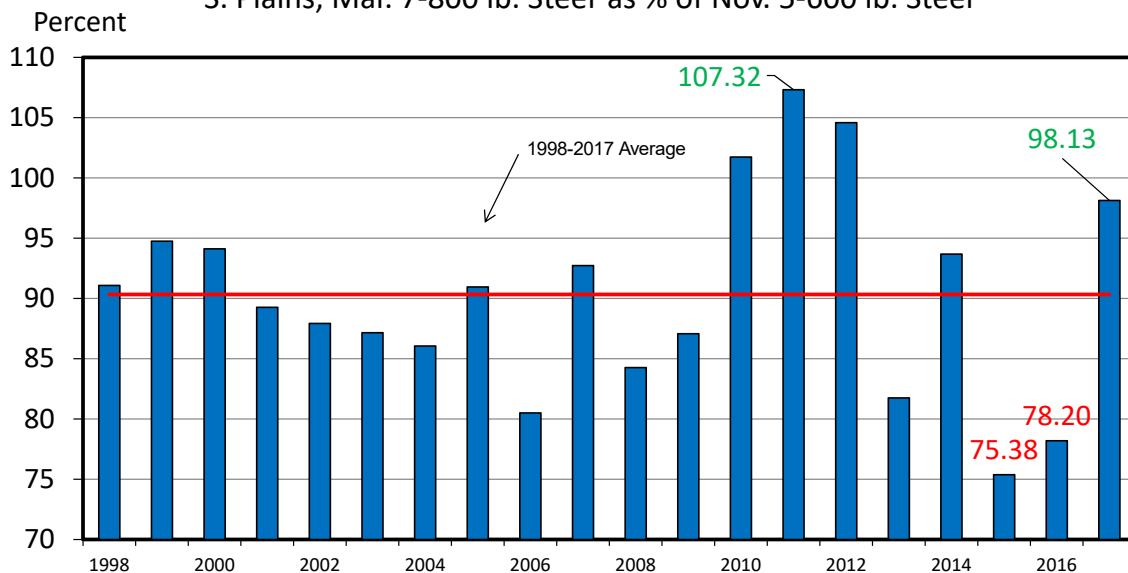
- Buy 550 lb steer on 10/11/17 (\$163)
- Sell 750 lb steer on 3/21/18 (\$146) {1.23 ADG}
- VOG: \$100/cwt
 - If COG=\$60/cwt then Exp Profit = \$80/hd

Economic Outlook Overview: Stockers

Historical Margin Perspective

BUY/SELL MARGINS

S. Plains, Mar. 7-800 lb. Steer as % of Nov. 5-600 lb. Steer



— 1998-2017 Average

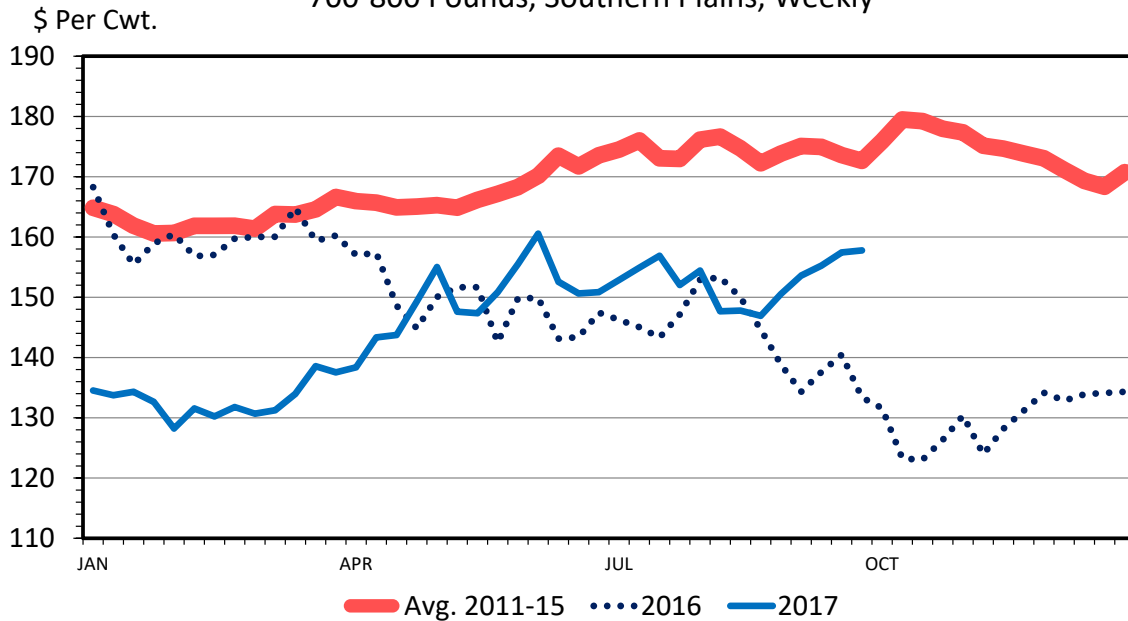
Data Source: USDA-AMS, Compiled and Analysis by LMIC

Livestock Marketing Information Center

C-P-60

08/13/17

MED. & LRG. #1 FEEDER STEER PRICES 700-800 Pounds, Southern Plains, Weekly



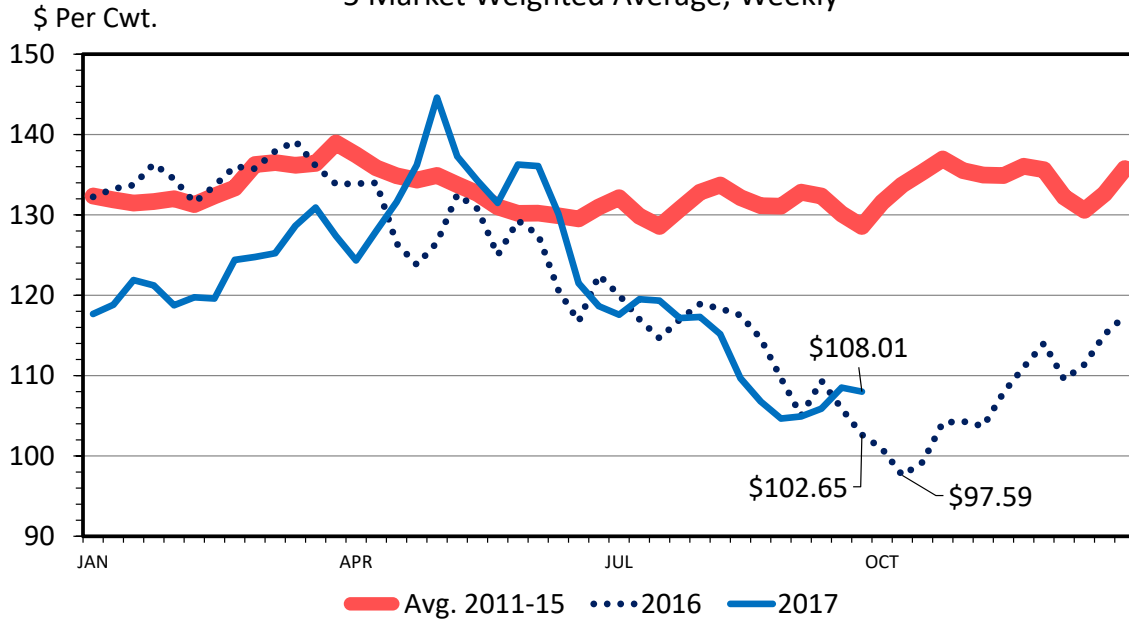
Data Source: USDA-AMS
Livestock Marketing Information Center

C-P-49
10/02/17

Economic Outlook Overview: Feedlots

- 2017
 - Jan-July very strong
 - BUT**
 - Q4 declined fast

SLAUGHTER STEER PRICES 5 Market Weighted Average, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

10/02/17

Historical and Projected Kansas Feedlot Net Returns (as of 9/11/17')

(<http://www.agmanager.info/livestock/marketing/outlook/newsletters/FinishingReturns/default.asp>)

July 17': +\$147.67/steer

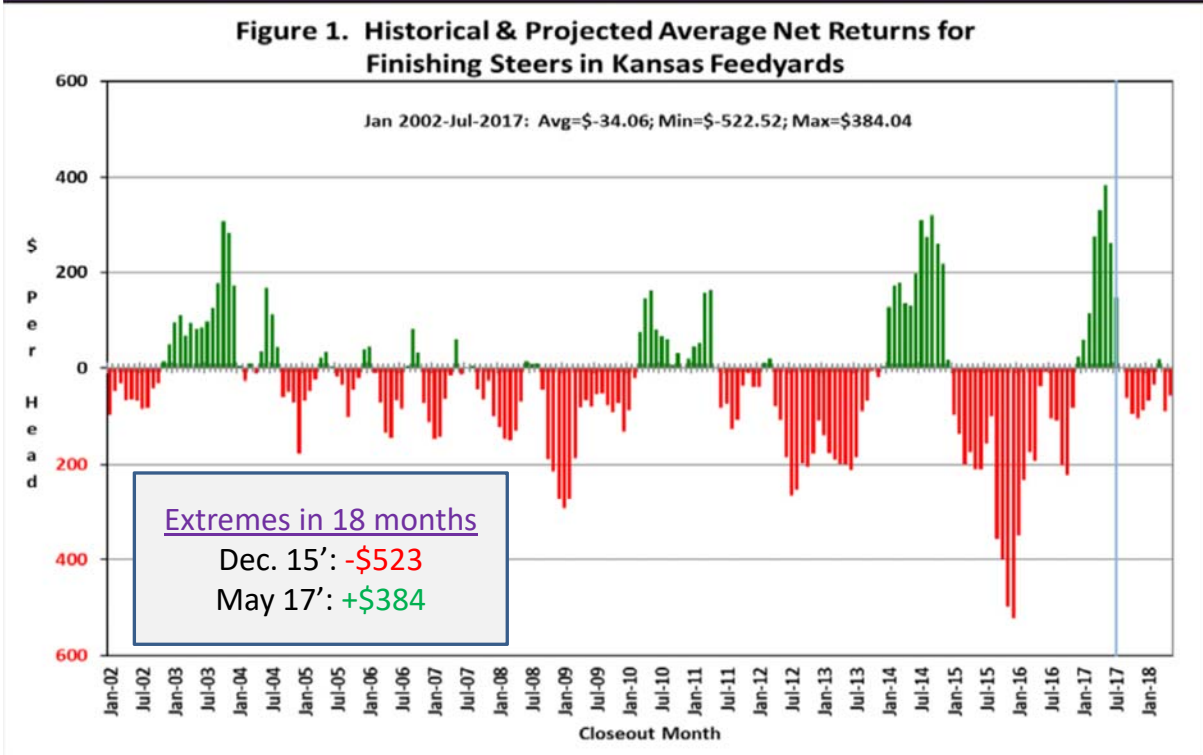
Table 1. Projected Values for Finishing Steers in Kansas Feedyards*

Closeout Mo-Yr	Net Return	FCOG**	Fed Price	Fed Futures	Fed Basis	Feeder Price	Breakeven FCOG**	Breakeven Fed Price	Breakeven Feeder Price
Aug-17	1.50	77.95	110.97	108.98	1.99	129.70	78.23	110.86	129.88
Sep-17	-60.30	77.27	108.56	107.20	1.36	135.43	66.74	112.93	127.96
Oct-17	-94.22	79.30	113.29	112.88	0.41	144.85	62.33	120.14	133.36
Nov-17	-103.94	80.17	114.12	112.88	1.24	148.67	62.40	121.62	135.69
Dec-17	-87.68	80.00	117.64	116.55	1.09	152.85	64.84	124.02	141.84
Jan-18	-66.34	82.95	119.12	116.55	2.57	150.23	71.33	123.97	141.89
Feb-18	-33.09	83.10	119.73	118.30	1.43	147.28	77.29	122.17	143.07
Mar-18	19.03	81.48	122.05	118.30	3.75	147.61	84.72	120.63	150.12
Apr-18	-88.21	82.89	114.58	111.88	2.70	147.04	67.00	121.38	135.14
May-18	-56.95	87.40	119.59	111.88	7.71	146.94	77.01	123.96	139.39

Representative Barometer for Trends in Profitability

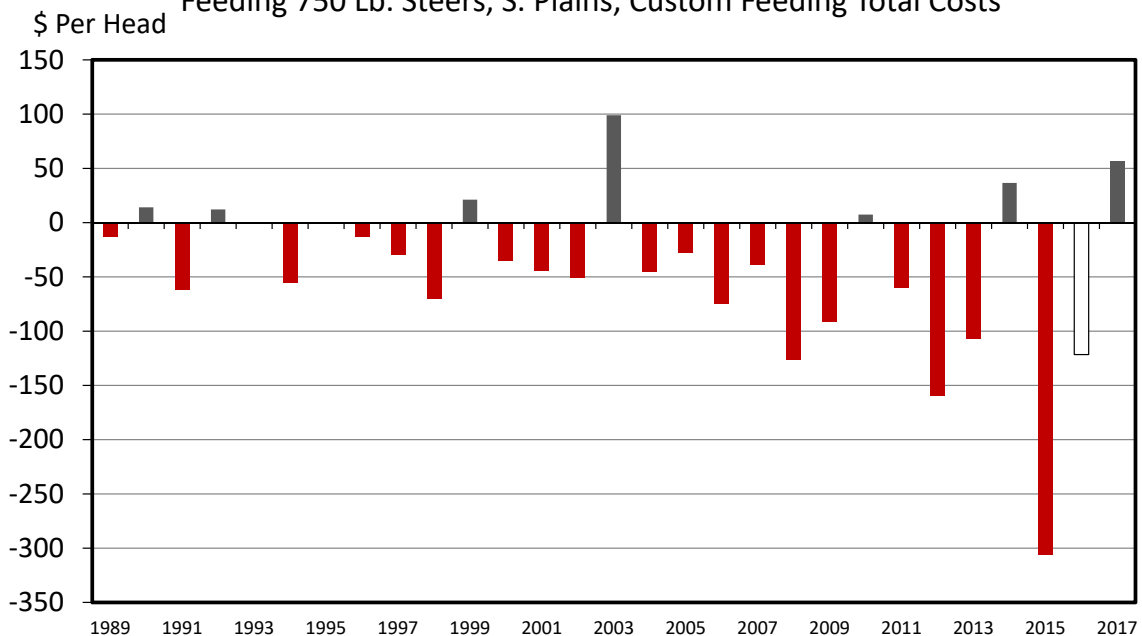
Historical and Projected Kansas Feedlot Net Returns (as of 9/11/17')

(<http://www.agmanager.info/livestock/marketing/outlook/newsletters/FinishingReturns/default.asp>)



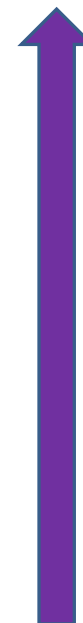
AVERAGE ANNUAL RETURNS TO CATTLE FEEDERS

Feeding 750 Lb. Steers, S. Plains, Custom Feeding Total Costs



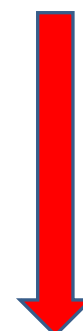
Quarterly Forecasts (LMIC: 10/5/17)

Year	Comm'l	% Chg. from	Average Dressed	% Chg. from	Comm'l Beef	% Chg. from
Quarter	Slaughter	Year Ago	Weight	Year Ago	Production	Year Ago
2017						
I	7,711	7.3	817.0	-1.1	6,300	6.1
II	8,074	5.8	793.2	-2.2	6,404	3.5
III	8,251	5.2	817.1	-0.9	6,742	4.2
IV	8,192	3.5	833.0	-0.4	6,824	3.0
Year	32,228	5.4	815.1	-1.2	26,270	4.2
2018						
I	8,014	3.9	821.6	0.6	6,584	4.5
II	8,309	2.9	807.8	1.8	6,712	4.8
III	8,497	3.0	823.7	0.8	6,999	3.8
IV	8,420	2.8	837.4	0.5	7,051	3.3
Year	33,240	3.1	822.7	0.9	27,346	4.1
2019						
I	8,057	0.5	827.0	0.7	6,663	1.2
II	8,449	1.7	813.1	0.7	6,870	2.4
III	8,787	3.4	829.7	0.7	7,291	4.2
IV	8,514	1.1	842.3	0.6	7,171	1.7
Year	33,807	1.7	828.1	0.7	27,995	2.4



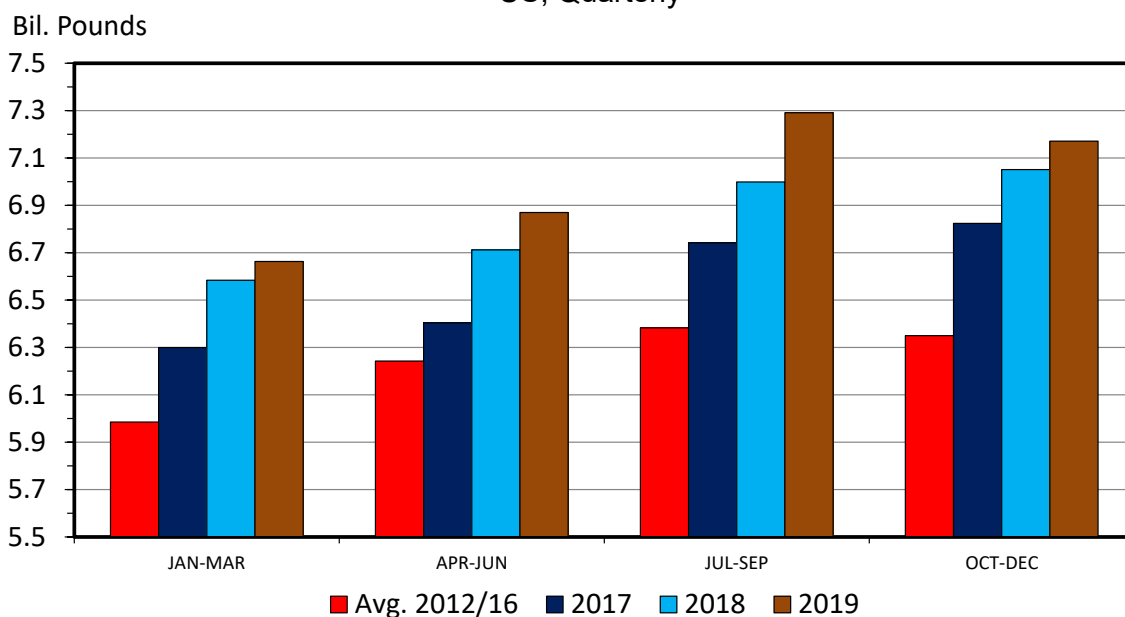
Quarterly Forecasts (LMIC: 10/5/17)

Year	Live Sltr. Steer Price	% Chg. from	Feeder Steer Price Southern Plains	
Quarter	5-Mkt Avg	Year Ago	7-800#	5-600#
2017				
I	122.96	-8.8	132.88	157.38
II	132.76	4.0	149.30	170.49
III	112	-0.6	153	165
IV	115-116	7.3	144-146	153-156
Year	120-121	-0.3	144-146	161-163
2018				
I	118-120	-3.2	140-143	156-160
II	120-123	-8.5	137-141	158-163
III	110-114	-0.4	132-137	150-156
IV	112-117	-0.9	128-134	142-149
Year	115-119	-2.9	135-138	152-156
2019				
I	113-119	-2.5	131-138	147-155
II	114-121	-3.3	130-138	149-158
III	106-114	-1.8	124-133	145-155
IV	107-116	-2.6	121-131	139-150
Year	112-116	-2.6	128-134	146-154

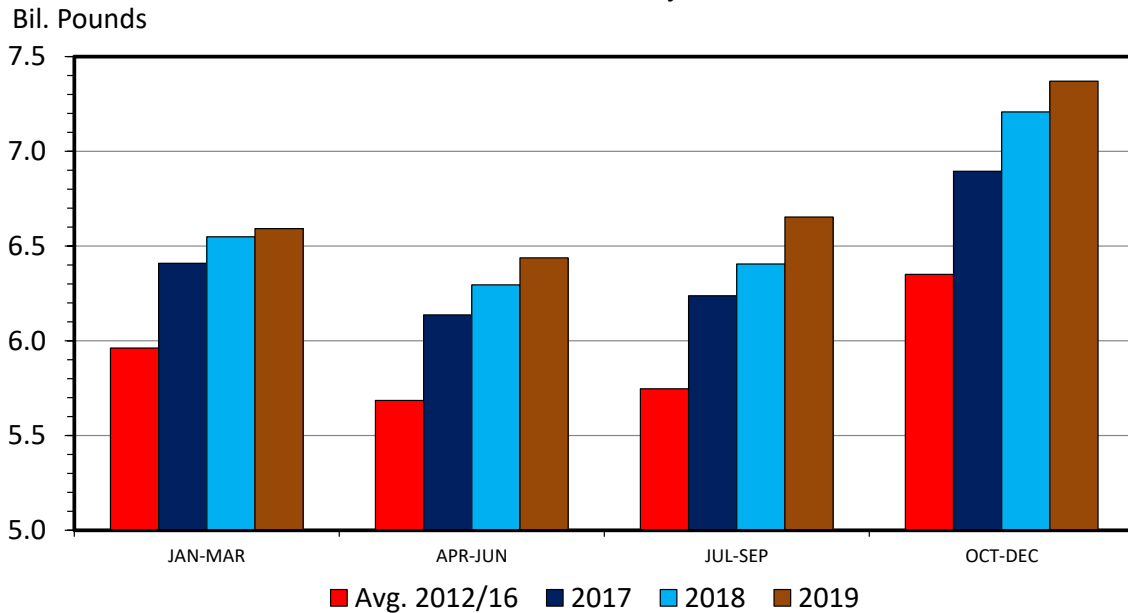


Meat Supplies & Trade

COMMERCIAL BEEF PRODUCTION US, Quarterly



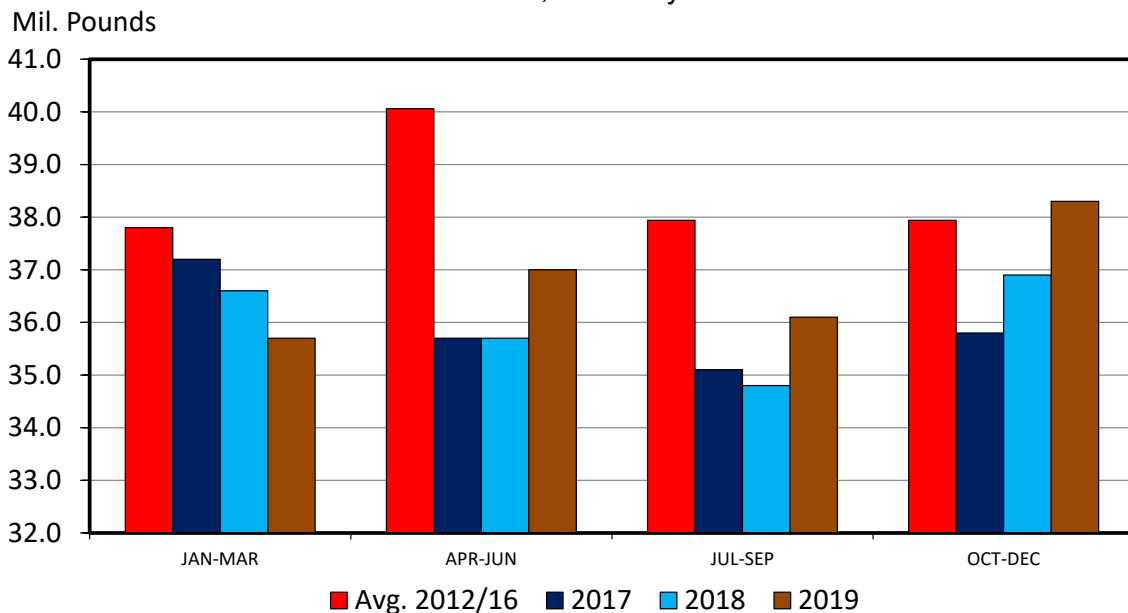
COMMERCIAL PORK PRODUCTION US, Quarterly



Data Source: USDA-NASS, Forecasts by LMIC
Livestock Marketing Information Center

M-S-06
10/01/17

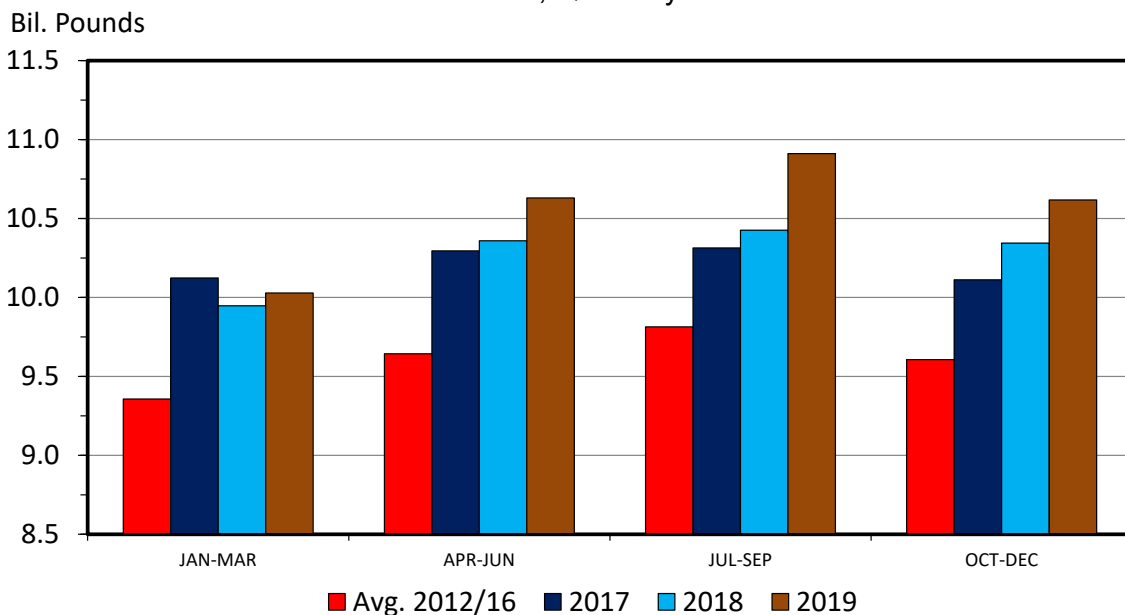
COMMERCIAL LAMB AND MUTTON PRODUCTION US, Quarterly



Data Source: USDA-NASS, Forecasts by LMIC
Livestock Marketing Information Center

M-S-07
10/01/17

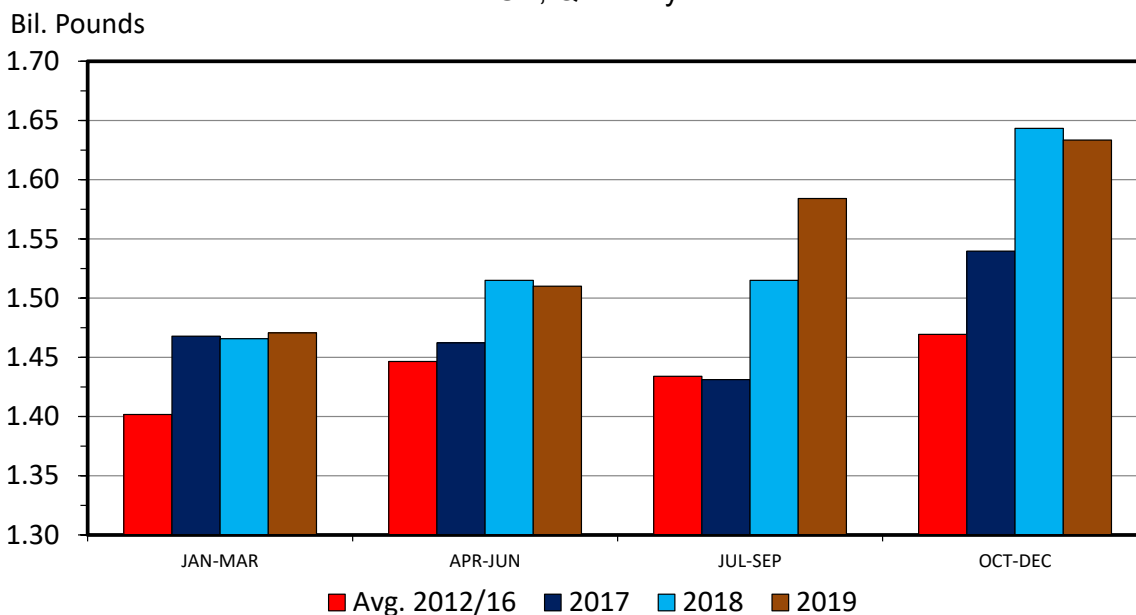
RTC BROILER PRODUCTION US, Quarterly



Data Source: USDA-NASS, Forecasts by LMIC
Livestock Marketing Information Center

M-S-30
10/01/17

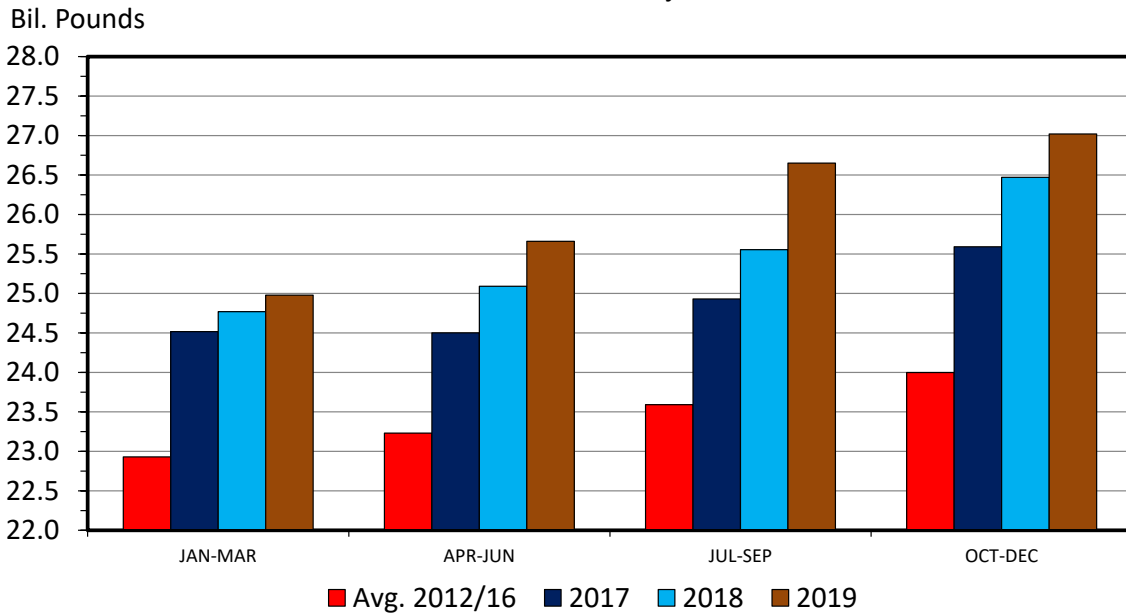
RTC TURKEY PRODUCTION US, Quarterly



Data Source: USDA-NASS, Forecasts by LMIC
Livestock Marketing Information Center

10/01/17

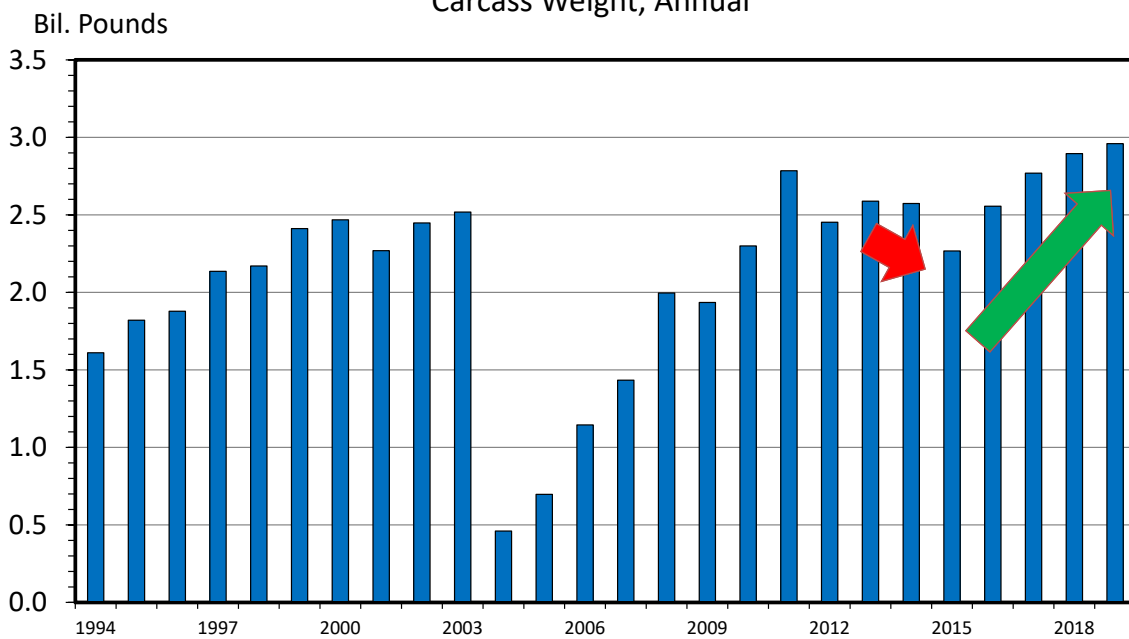
TOTAL RED MEAT & POULTRY PRODUCTION US, Quarterly



Data Source: USDA-NASS, Forecasts by LMIC
Livestock Marketing Information Center

M-S-31
10/01/17

US BEEF AND VEAL EXPORTS Carcass Weight, Annual

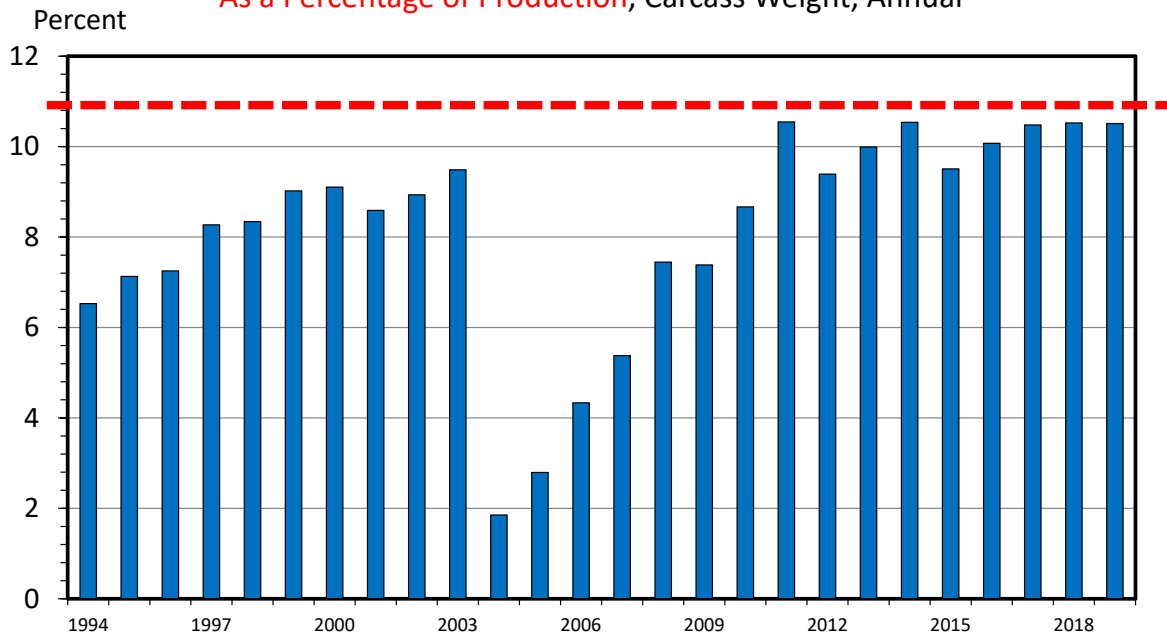


Data Source: USDA-ERS & USDA-FAS, Compiled by LMIC
Livestock Marketing Information Center

I-N-06
10/01/17

US BEEF AND VEAL EXPORTS

As a Percentage of Production, Carcass Weight, Annual

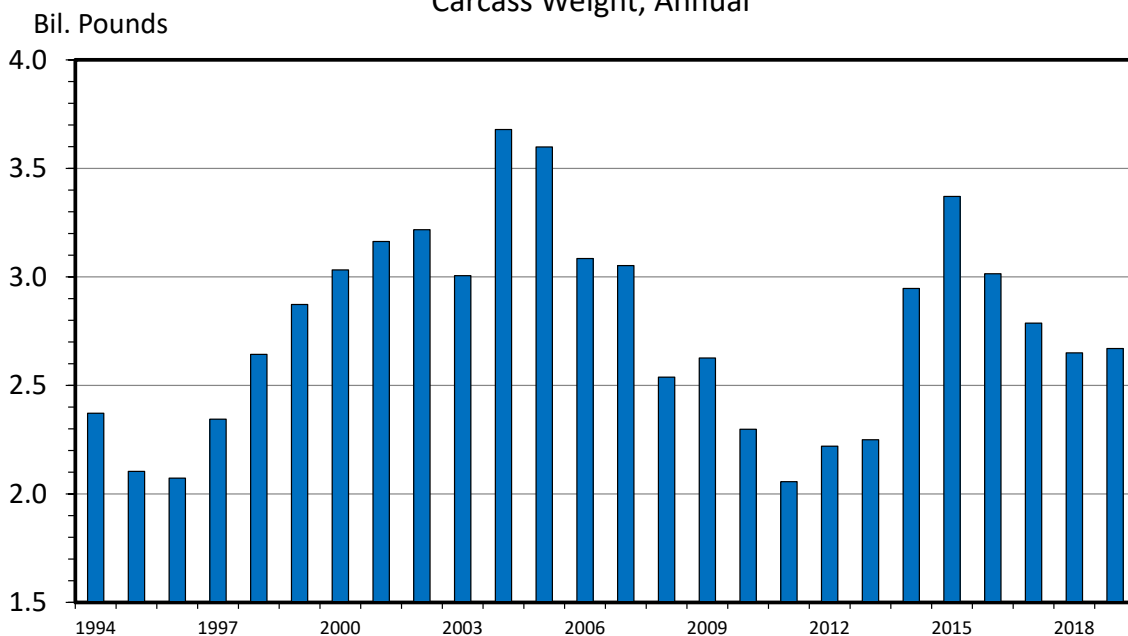


Data Source: USDA-ERS & USDA-FAS, Compiled by LMIC
Livestock Marketing Information Center

I-N-07
10/01/17

US BEEF AND VEAL IMPORTS

Carcass Weight, Annual

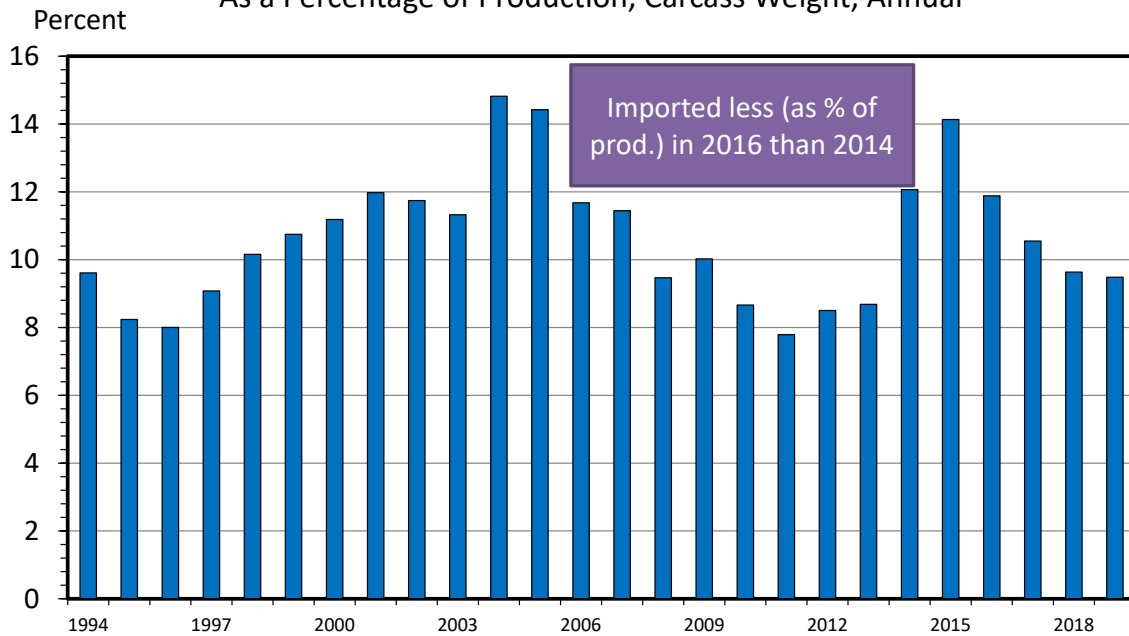


Data Source: USDA-ERS & USDA-FAS, Compiled by LMIC
Livestock Marketing Information Center

I-N-12
10/01/17

US BEEF AND VEAL IMPORTS

As a Percentage of Production, Carcass Weight, Annual

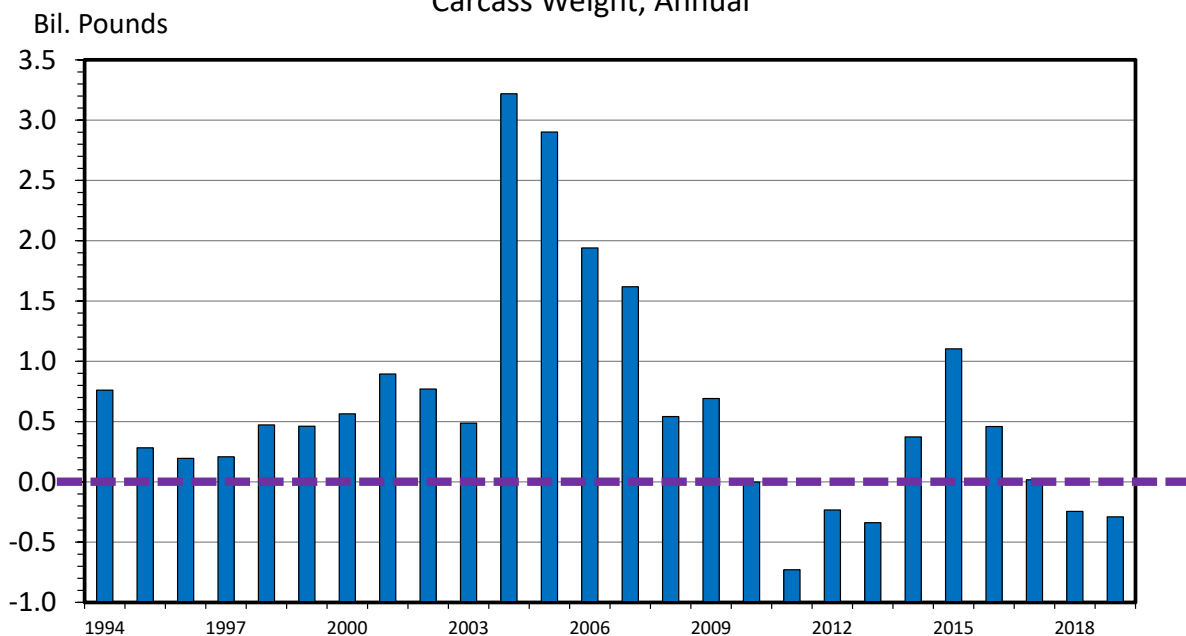


Data Source: USDA-ERS & USDA-FAS, Compiled by LMIC
Livestock Marketing Information Center

I-N-08
10/01/17

US BEEF AND VEAL NET IMPORTS

Carcass Weight, Annual

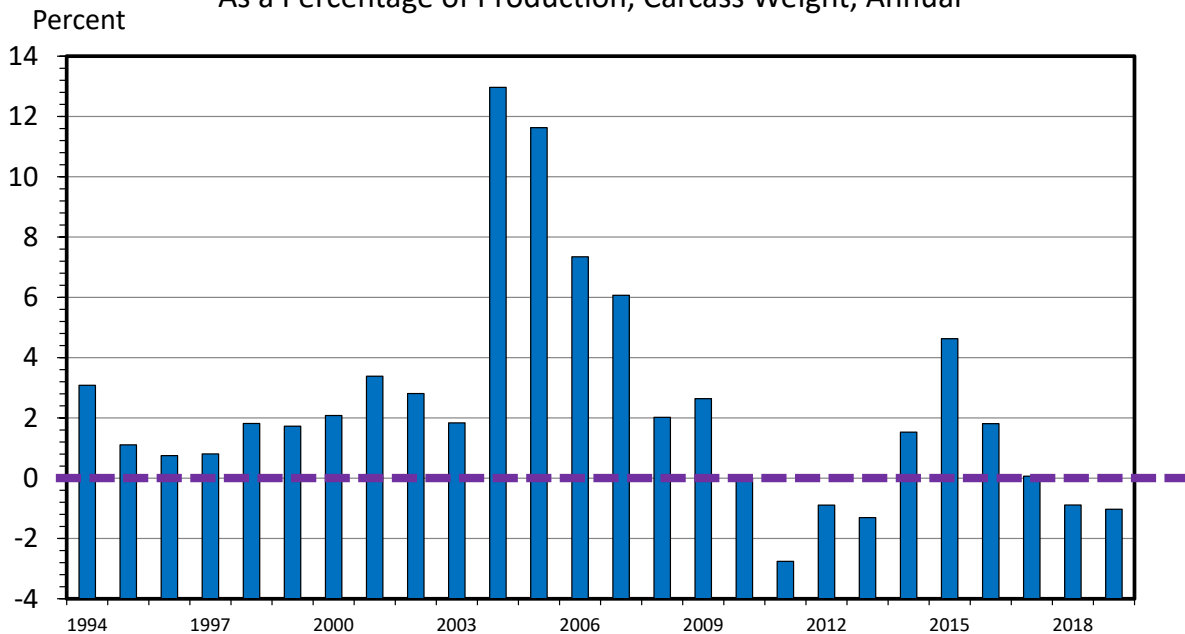


Data Source: USDA-ERS & USDA-FAS, Compiled by LMIC
Livestock Marketing Information Center

I-N-28
10/01/17

US BEEF AND VEAL NET IMPORTS

As a Percentage of Production, Carcass Weight, Annual



Data Source: USDA-ERS & USDA-FAS, Compiled by LMIC
Livestock Marketing Information Center

I-N-11
10/01/17

USDA Long-Term projections

Feb. 2017 release (<http://www.usda.gov/oce/commodity/projections/>)

Table 17. Per capita meat consumption, retail weight

Item		2016	2017	2018	2019	2020	2026
	<i>Pounds</i>						
Beef		55.4	56.6	57.9	57.1	56.8	56.0
Pork		49.9	51.0	50.0	50.3	50.4	51.4
Total red meat		106.6	108.8	109.0	108.5	108.4	108.4
Broilers		89.6	90.4	88.3	88.5	89.0	89.5
Total poultry		107.7	108.7	106.7	107.0	107.5	108.0
Red meat & poultry		214.3	217.5	215.7	215.5	215.8	216.5
	Yr-O-Yr % Ch.		1.5%	-0.8%	-0.1%	0.1%	0.0%

Projections INCLUDE growing export forecasts...

USDA Long-Term projections

Feb. 2017 release (<http://www.usda.gov/oce/commodity/projections/>)

Table 18. Beef long-term projections

Item	Units	2016	2017	2018	2019	2020	2026
Commercial production	Mil. lbs.	25,055	26,160	27,143	26,853	26,844	27,742
Change from previous year	Percent	5.7	4.4	3.8	-1.1	0.0	0.8
Total production	Mil. lbs.	25,119	26,224	27,207	26,917	26,908	27,806
Imports	Mil. lbs.	3,011	2,680	2,748	2,820	2,854	2,994
Total supply	Mil. lbs.	28,813	29,604	30,555	30,297	30,322	31,360
Exports	Mil. lbs.	2,459	2,630	2,747	2,639	2,621	2,857
Change from previous year			7.0%	4.4%	-3.9%	-0.7%	0.4%
Total consumption	Mil. lbs.	25,654	26,374	27,248	27,098	27,141	27,943
Per capita, retail weight	Pounds	55.4	56.6	57.9	57.1	56.8	56.0
Prices:							
Beef cattle, farm	\$/cwt	119.47	105.87	117.57	118.15	114.88	104.16
Calves, farm	\$/cwt	171.85	165.24	172.03	169.23	156.15	138.81
Steers, 5-area	\$/cwt	119.94	106.25	117.99	118.57	115.28	104.52
Feeder steers, Oklahoma City	\$/cwt	144.25	139.00	144.71	142.36	131.36	116.77
Cattle inventory	1,000 head	91,988	93,300	93,700	94,200	94,600	95,450
Beef cow inventory	1,000 head	30,331	30,944	30,616	31,121	31,328	31,246

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USDA Long-Term projections

Feb. 2017 release (<http://www.usda.gov/oce/commodity/projections/>)

Table 36. Beef trade long-term projections

	2016	2017	2018	2019	2020	2026
Exports, thousand metric tons, carcass weight						
Exporters						
Australia	1,385	1,325	1,384	1,419	1,439	1,572
New Zealand	580	550	527	514	524	562
India	1,850	1,925	2,017	2,077	2,155	2,497
European Union ¹	330	350	344	344	344	346
Argentina	210	235	231	227	224	200
Brazil	1,850	1,950	2,019	2,144	2,204	2,646
Other Latin America	861	856	590	670	754	783
Canada	430	445	441	442	441	435
United States	1,115	1,193	1,246	1,197	1,189	1,296
		7%	4%	-4%	-1%	0%
Major exporters	9,083	9,278	9,287	9,534	9,779	10,947
		2%	0%	3%	3%	2%

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USDA Long-Term projections

Feb. 2017 release (<http://www.usda.gov/oce/commodity/projections/>)

Table 19. Pork long-term projections

Item	Units	2016	2017	2018	2019	2020	2026
Commercial production	Mil. lbs.	24,946	25,800	25,653	26,009	26,447	28,443
Change from previous year	Percent	1.8	3.4	-0.6	1.4	1.7	1.4
Total production	Mil. lbs.	24,961	25,816	25,669	26,025	26,463	28,459
Total supply	Mil. lbs.	26,657	27,536	27,304	27,700	28,156	30,277
Exports	Mil. lbs.	5,179	5,440	5,445	5,566	5,778	6,458
Total consumption	Mil. lbs.	20,853	21,461	21,224	21,499	21,738	23,129
Per capita, retail weight	Pounds	49.9	51.0	50.0	50.3	50.4	51.4
Change from previous year	Percent	0.5	2.2	-2.0	0.5	0.3	0.5
Prices:							
National base, live equivalent	\$/cwt	45.65	40.00	40.64	41.50	42.50	49.91
Feed price ratio:							
Hog-corn	Ratio	13.6	13.2	12.9	13.0	13.3	14.4
Hog inventory,							
December 1, previous year	1,000 head	68,919	69,925	69,900	70,429	71,080	74,043

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USDA Long-Term projections

Feb. 2017 release (<http://www.usda.gov/oce/commodity/projections/>)

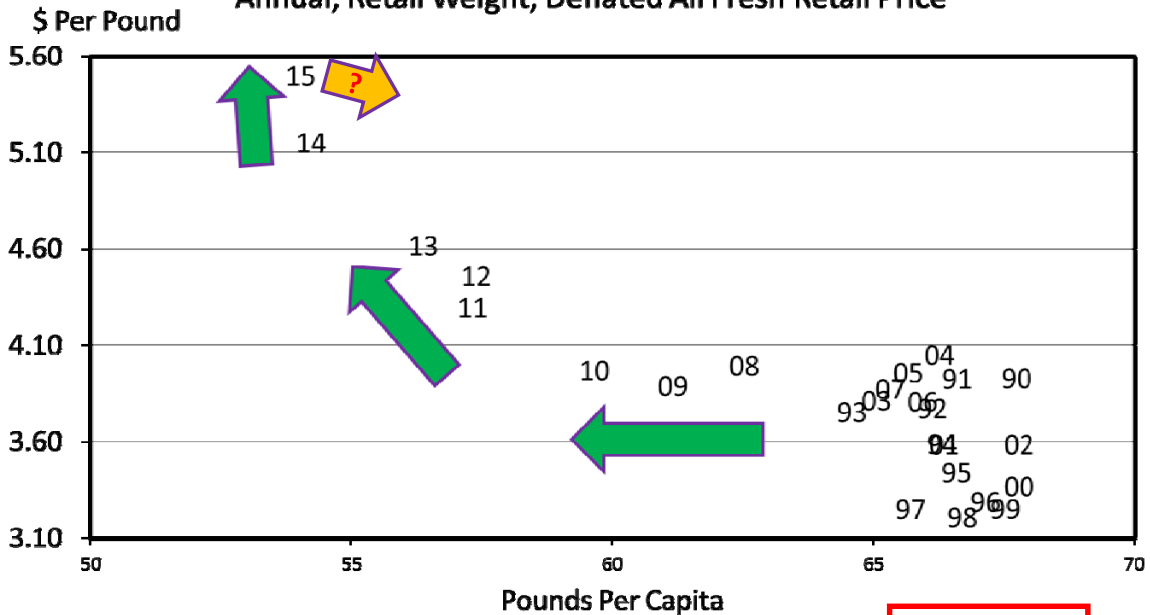
Table 20. Young chicken long-term projections

Item	Units	2016	2017	2018	2019	2020	2026
Federally inspected slaughter	Mil. lbs.	40,725	41,550	41,567	42,053	42,643	44,796
Change from previous year	Percent	1.7	2.0	0.0	1.2	1.4	0.3
Production	Mil. lbs.	40,289	41,105	41,123	41,603	42,187	44,317
Change from previous year	Percent	2.0	1.8	-0.1	1.1	1.4	0.3
Exports	Mil. lbs.	6,666	6,925	7,402	7,530	7,678	8,066
Consumption	Mil. lbs.	33,823	34,357	33,854	34,207	34,644	36,392
Per capita, retail weight	Pounds	89.6	90.4	88.3	88.5	89.0	89.5
Change from previous year	Percent	0.9	0.9	-2.4	0.3	0.5	-0.4
Prices:							
Broilers, National composite	Cents/lb.	83.1	80.5	82.4	83.7	84.2	84.7
Feed price ratio:							
Broiler-feed 1/	Ratio	4.8	4.7	4.9	5.0	5.0	4.9

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BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price

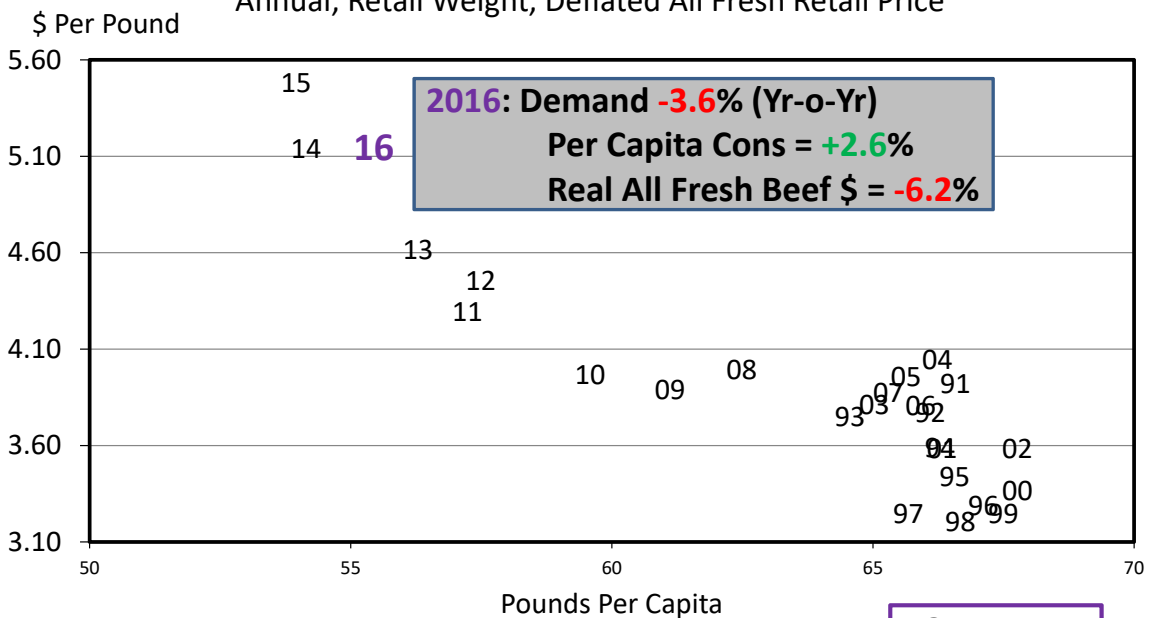


Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled and Analysis by LMIC Livestock Marketing Information Center

C-P-65A
03/25/16

BEEF PRICE-QUANTITY RELATIONSHIP

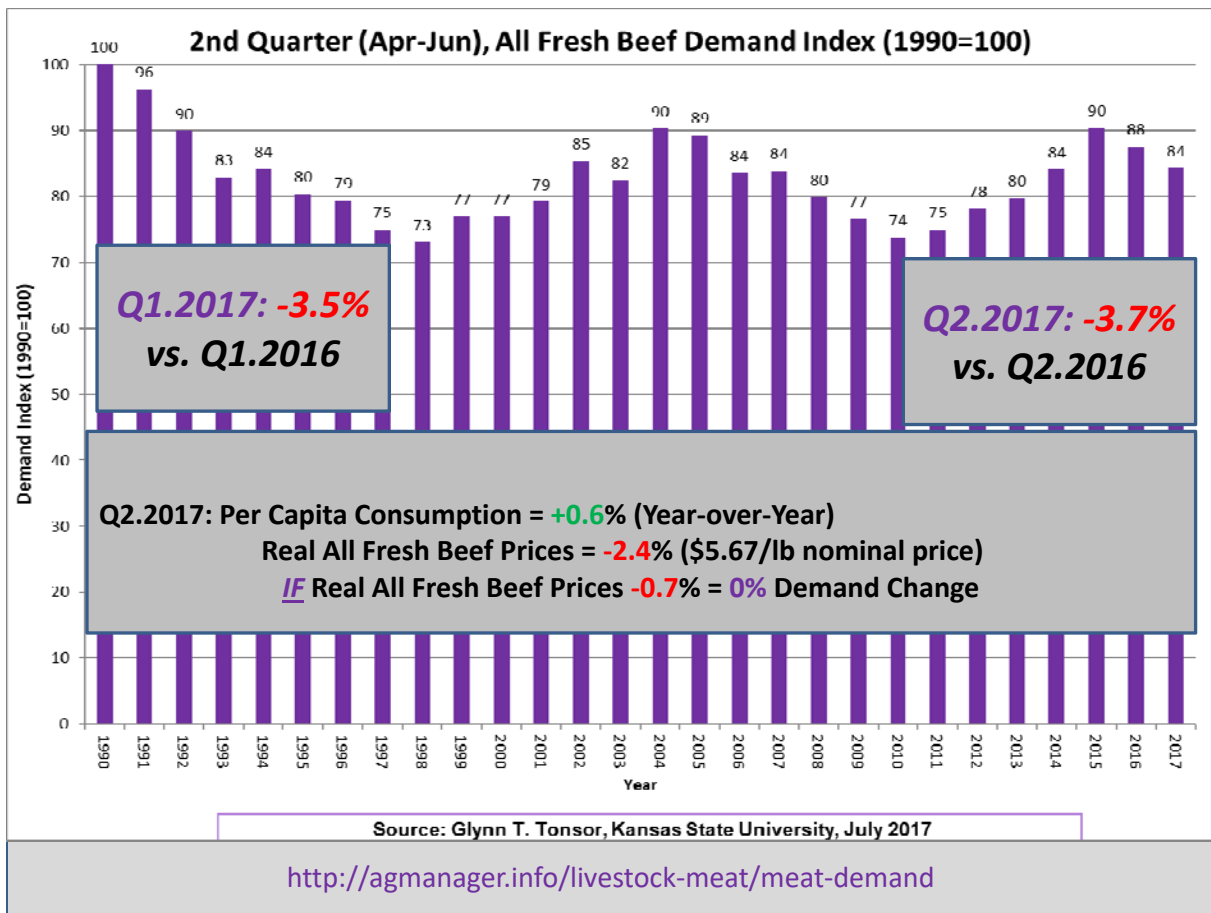
Annual, Retail Weight, Deflated All Fresh Retail Price



2016: Demand -3.6% (Yr-o-Yr)
Per Capita Cons = +2.6%
Real All Fresh Beef \$ = -6.2%

Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC Livestock Marketing Information Center

C-P-65A
03/09/17



Updated Retail Beef Demand Indices

Cattlemen's Beef Board
Sept. 18, 2017

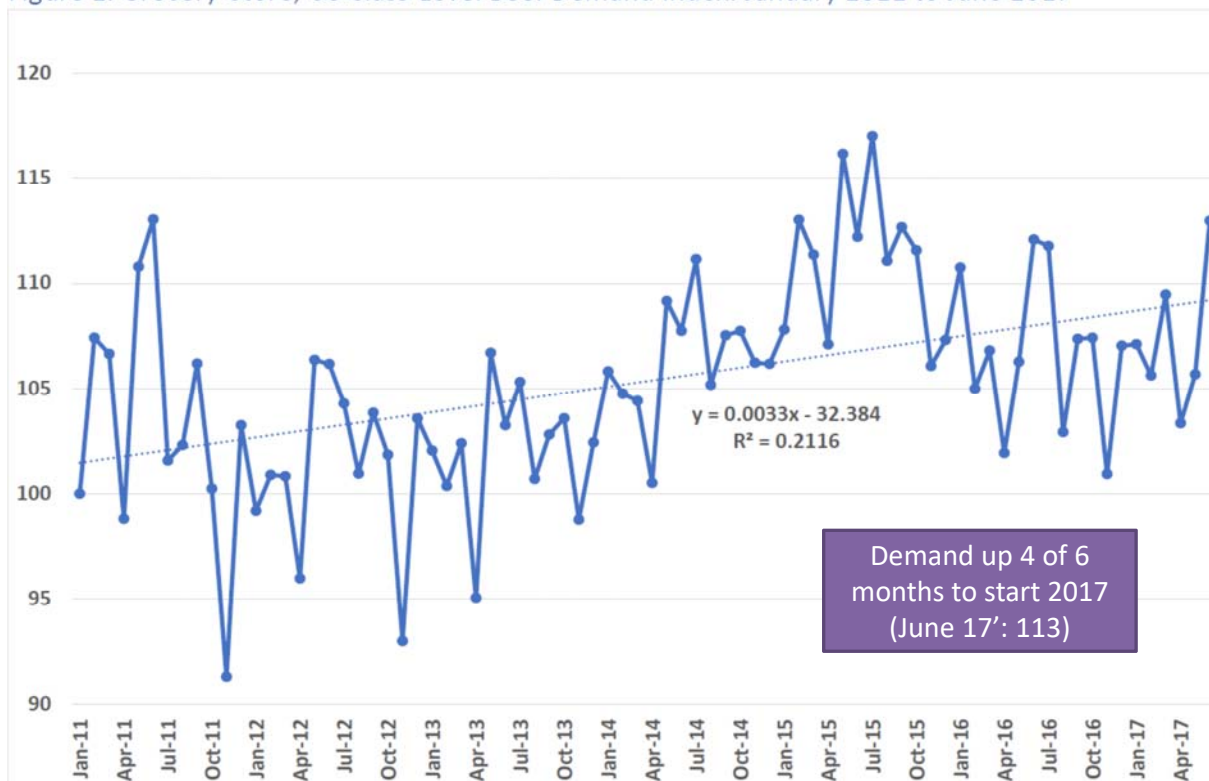
[https://www.beefboard.org/about/Retail%20Demand%20Indices%20Update%20\(9.18.17\).pdf](https://www.beefboard.org/about/Retail%20Demand%20Indices%20Update%20(9.18.17).pdf)

Table 1. Summary Statistics of Grocery-Store, Beef Demand Indices: January 2011 to June 2017

Variable	Mean	Min.	Max.	Min Date	Max Date	Current Month	Last Month	Last Year	Last Month	Last Year
						Jun-17	May-17	Jun-16	% Change	
US Class-Level, Beef	105.33	91.31	117.00	Nov-11	Jul-15	112.96	105.67	112.07	6.90	0.79
US Category-Level, Chuck	87.67	70.25	108.24	Jul-11	Oct-16	77.91	79.34	79.24	-1.81	-1.67
US Category-Level, Ground	113.49	98.46	140.13	Mar-12	Jul-15	120.85	110.90	118.85	8.97	1.68
US Category-Level, Loin	128.78	91.20	263.94	Nov-11	Jun-11	203.23	174.94	205.32	16.17	-1.02
US Category-Level, Round	81.30	73.16	100.00	Apr-17	Jan-11	74.72	73.81	76.83	1.22	-2.75
West Region Class-Level, Beef	108.75	97.18	122.08	Nov-12	Jul-15	112.80	106.94	113.67	5.47	-0.76
Midwest Region Class-Level, Beef	111.70	96.77	127.36	Nov-11	Oct-15	116.61	111.18	120.75	4.88	-3.43
South Region Class-Level, Beef	103.67	90.63	120.03	Nov-11	Feb-15	102.87	97.75	106.28	5.23	-3.21
Northeast Region Class-Level, Beef	103.49	84.07	123.07	Nov-11	Jun-16	122.77	106.44	123.07	15.34	-0.24

Note: All estimates and analyses based upon IRI data are by the author and not by IRI.

Figure 1. Grocery-Store, US Class-Level Beef Demand Index: January 2011 to June 2017



Note: All estimates and analyses based upon Information Resources, Inc. data are by the authors and not by Information Resources, Inc.

Figure 2. Grocery-Store, US Category-Level Beef Demand Indices: January 2011 to June 2017

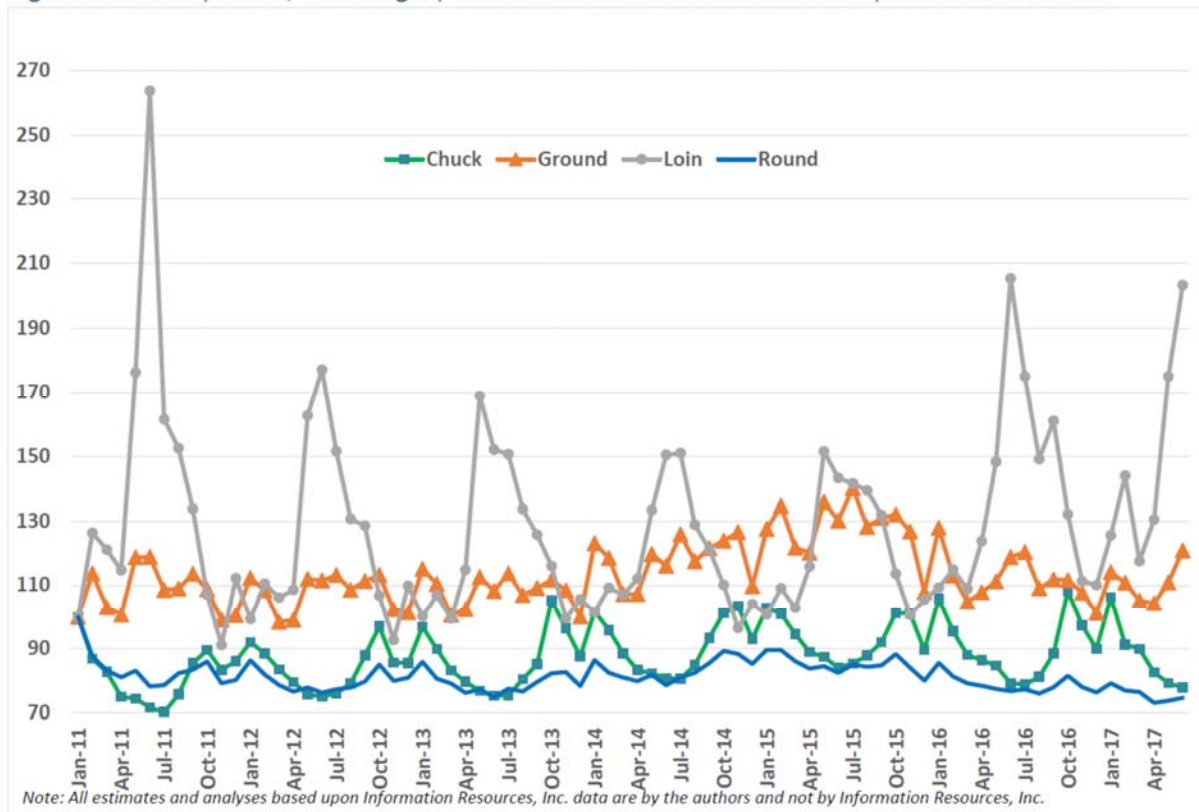
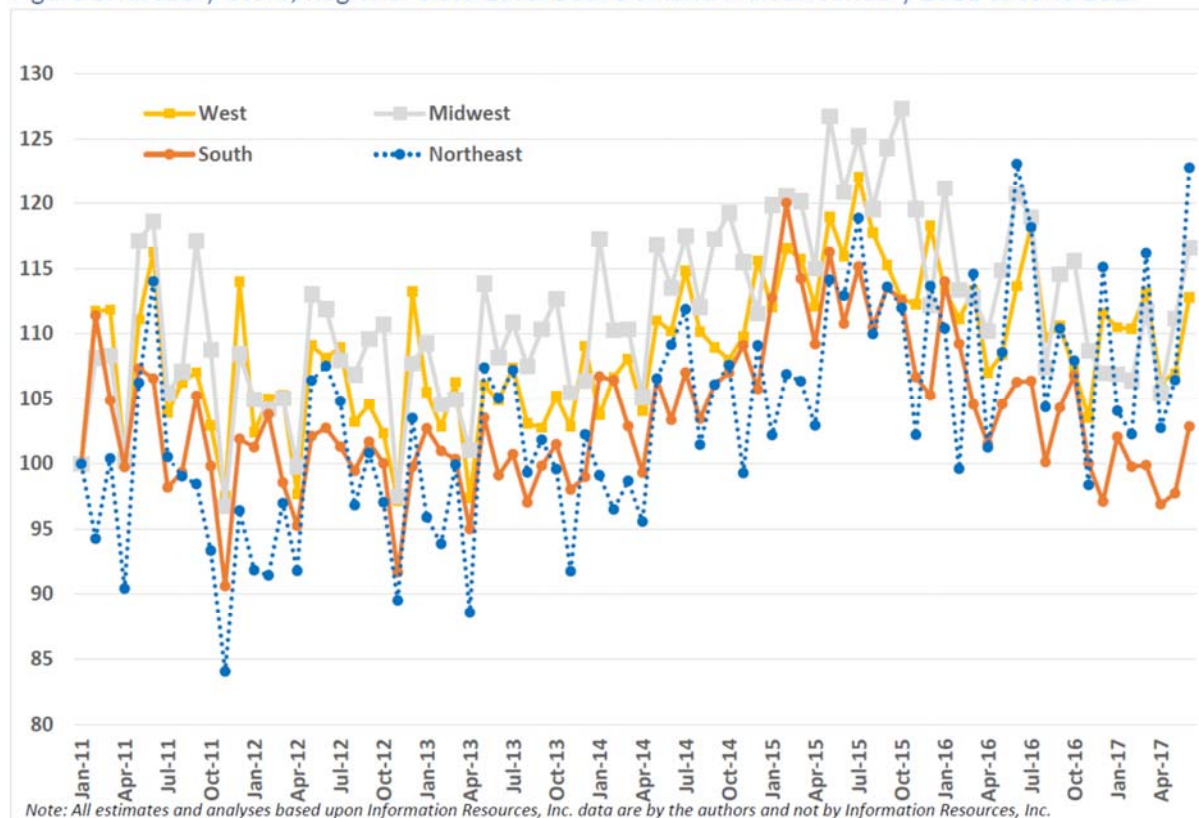


Figure 3. Grocery-Store, Regional Class-Level Beef Demand Indices: January 2011 to June 2017



Assessing Beef Demand Determinants

Glynn T. Tonsor, Ted C. Schroeder, and Jayson L. Lusk

Interim Research Project Update

Cattlemen's Beef Board

July 12, 2017

Presentation at 2017 Cattle Industry Summer Business Meeting
Denver, CO

Wrap-Up

- Broad 2017-2019 Profitability Outlook
 - Cow-calf:
 - Converging toward Long-Term Levels
 - 2017 Better than Expected
 - Stocker:
 - \$ at stake has moderated
 - Margins vary widely across situations but opportunity exist
 - Feedlot:
 - Early 2017 offered notable equity recovery
 - Aug. 2017 forward present challenges

More information available at:



This presentation will be available in PDF format at:
<http://www.agmanager.info/about/contributors/individual/tonsor.asp>

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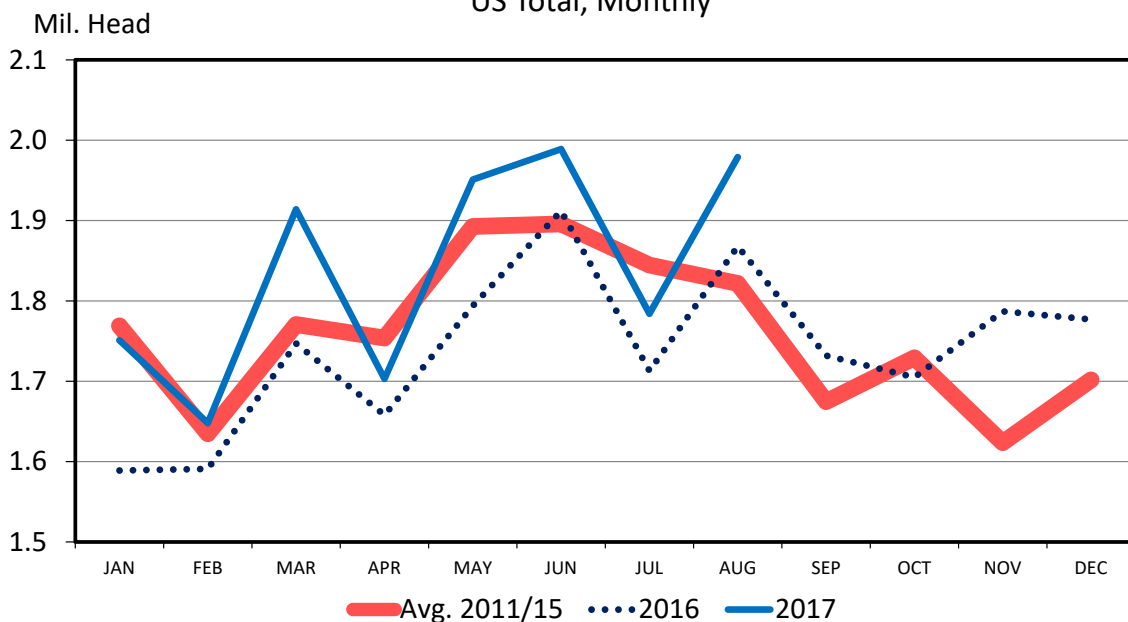


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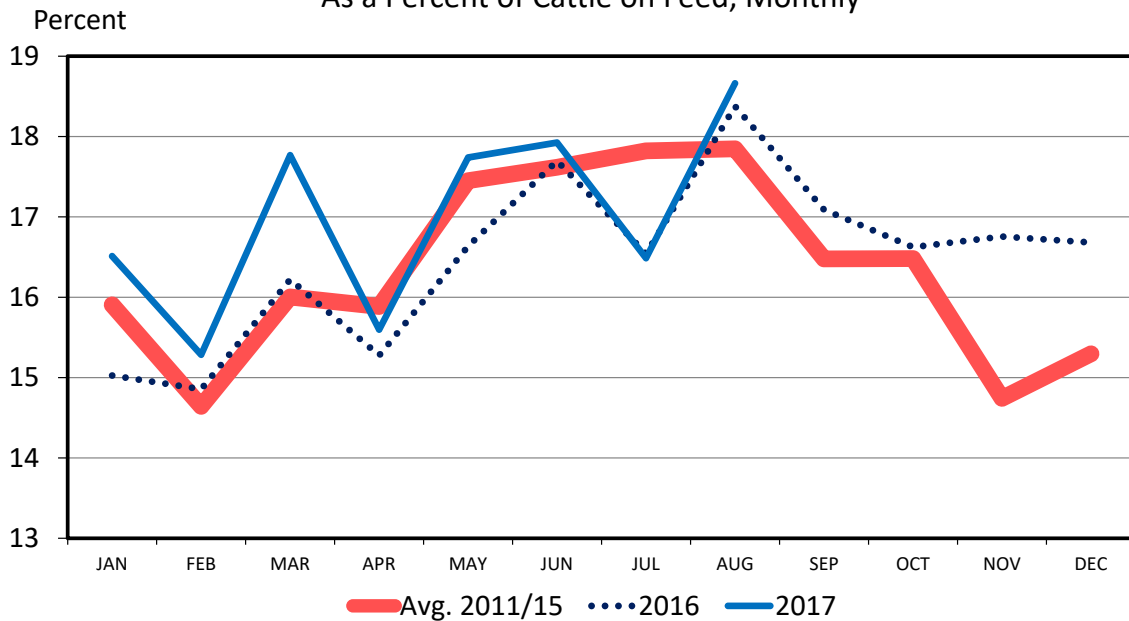


FED CATTLE MARKETINGS US Total, Monthly



FED CATTLE MARKETINGS

As a Percent of Cattle on Feed, Monthly

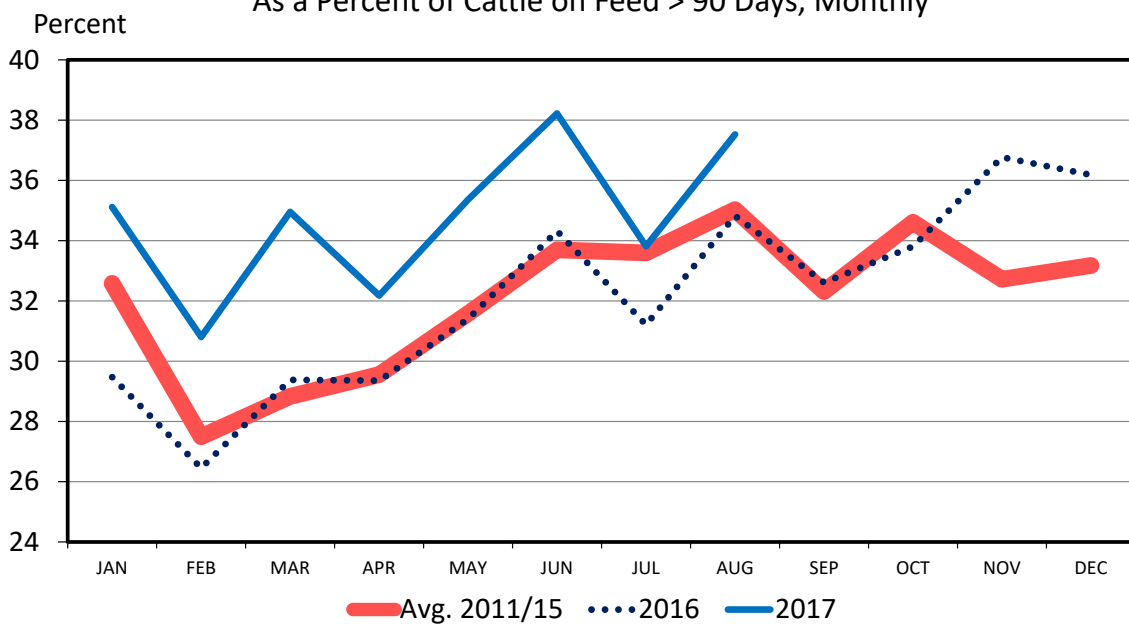


Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-M-23
09/22/17

FED CATTLE MARKETINGS

As a Percent of Cattle on Feed > 90 Days, Monthly



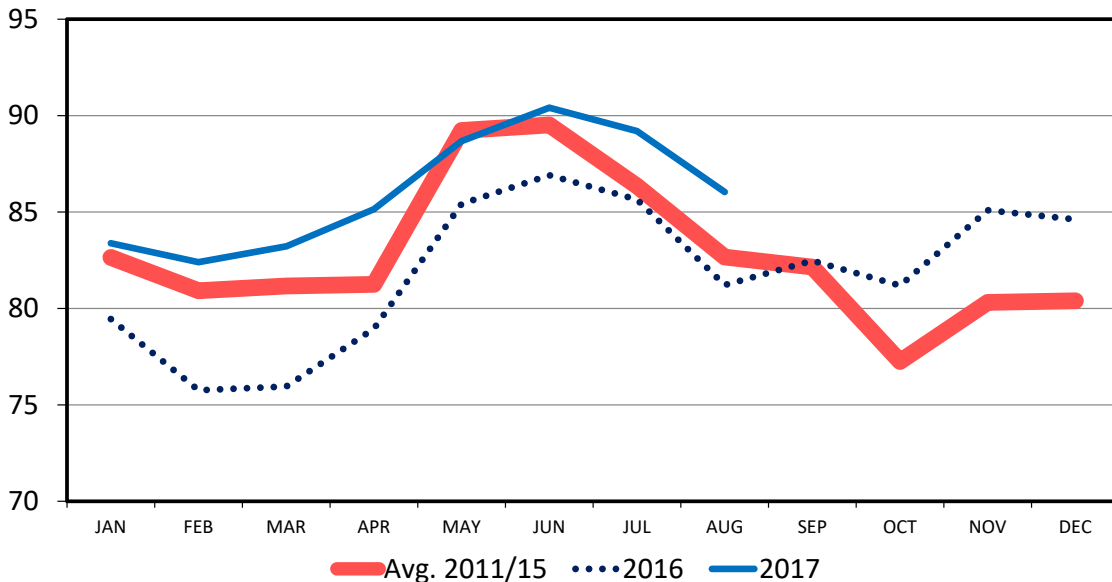
Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-M-24
09/22/17

DAILY AVERAGE FED CATTLE MARKETINGS

US Total, Monthly

Thou. Head



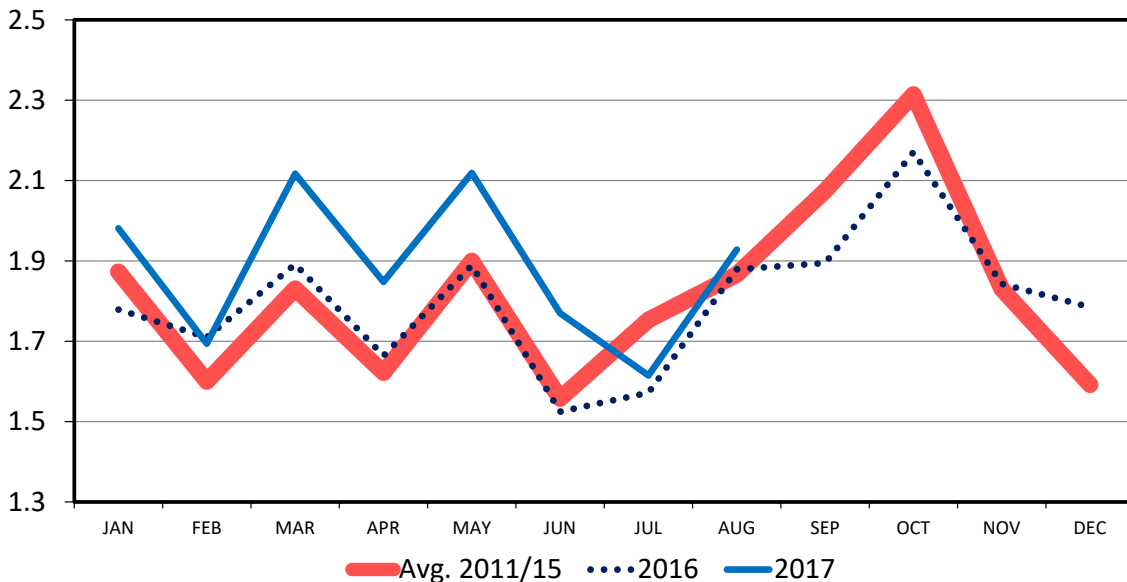
Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-M-25
09/22/17

FEEDLOT PLACEMENTS

US Total, Monthly

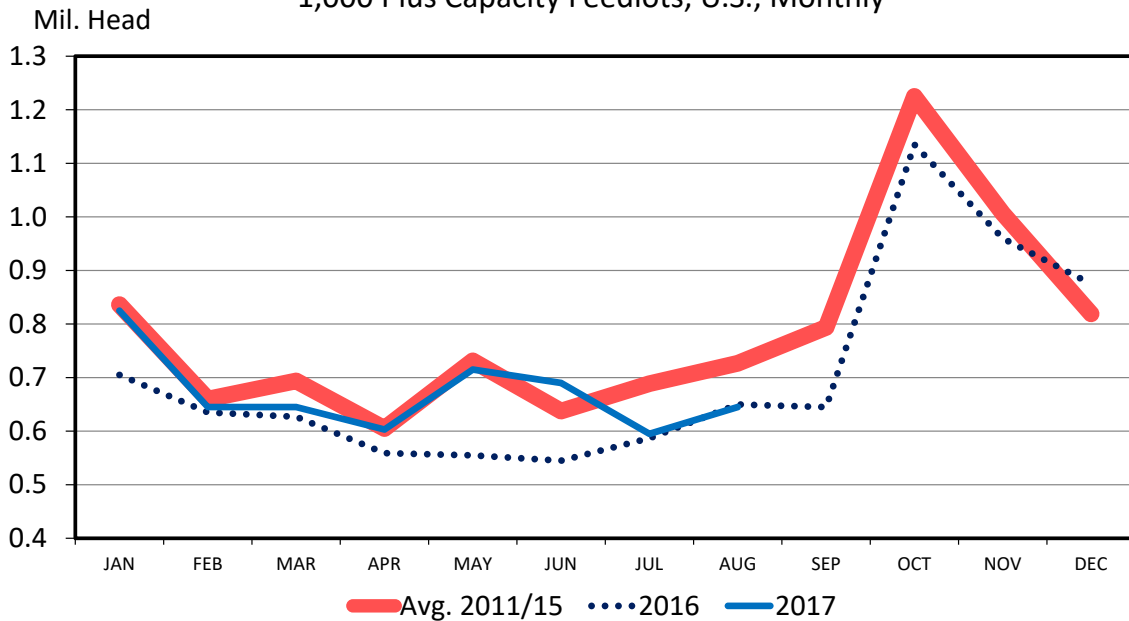
Mil. Head



Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-08
09/22/17

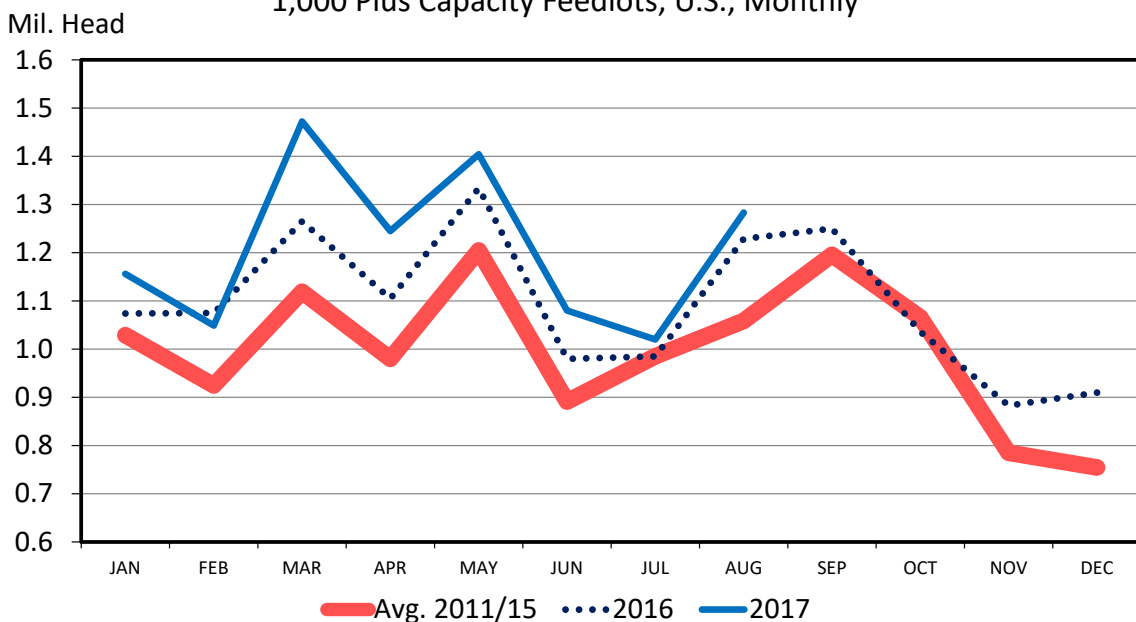
CATTLE PLACED WEIGHING LESS THAN 700 POUNDS 1,000 Plus Capacity Feedlots, U.S., Monthly



Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-08A
09/22/17

CATTLE PLACED WEIGHING MORE THAN 700 POUNDS 1,000 Plus Capacity Feedlots, U.S., Monthly

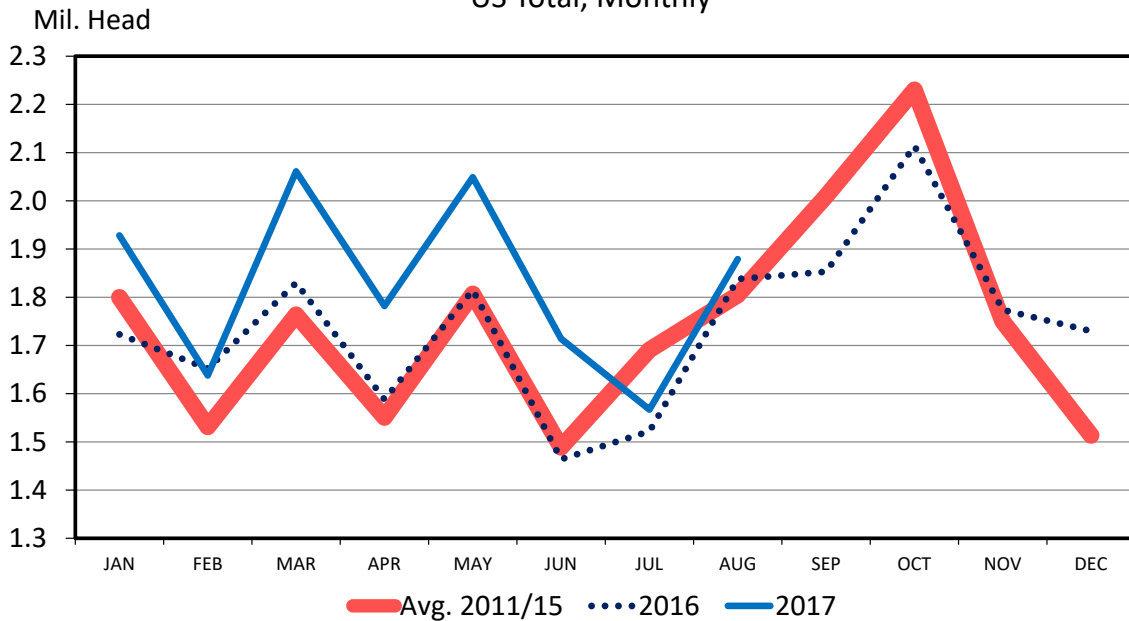


Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-08B
09/22/17

NET FEEDLOT PLACEMENTS

US Total, Monthly

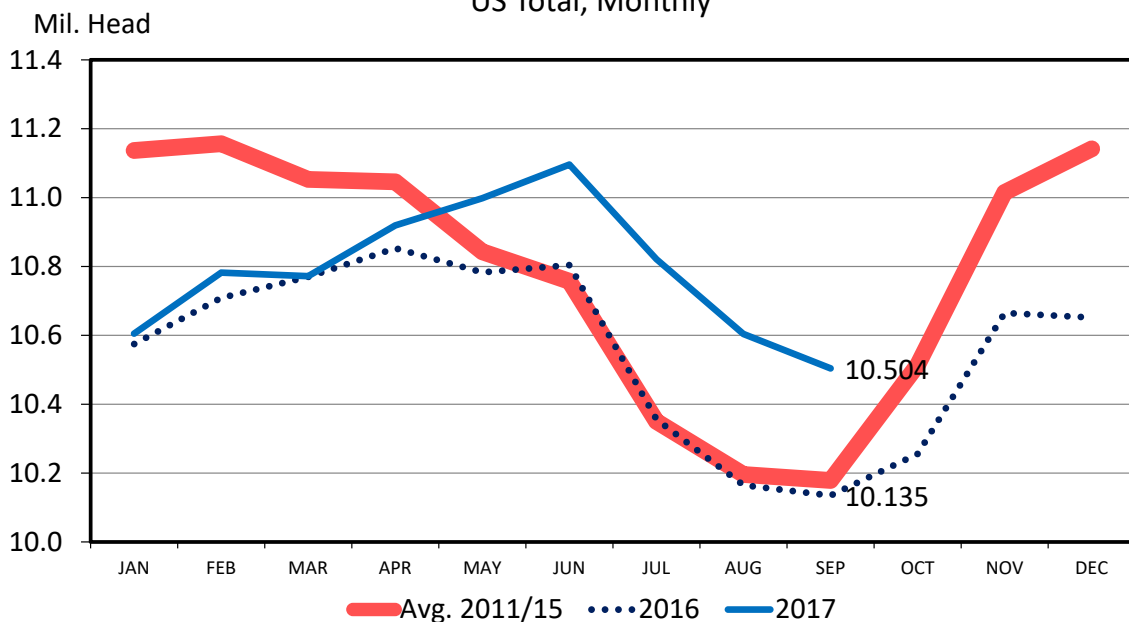


Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-N-09
09/22/17

CATTLE ON FEED

US Total, Monthly

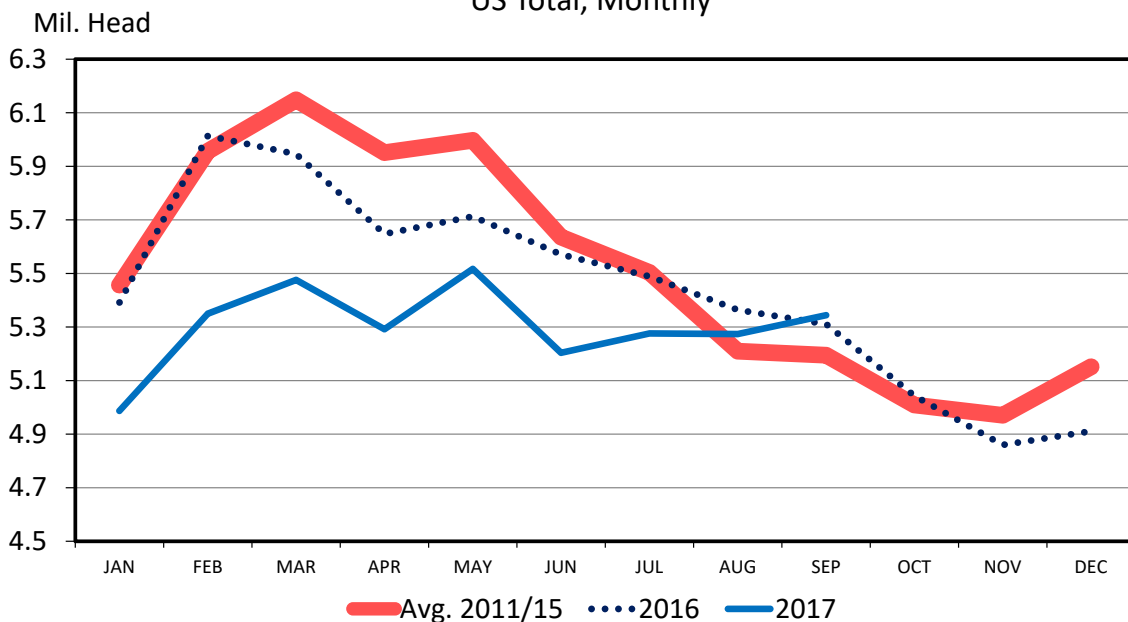


Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-10
09/22/17

CATTLE ON FEED OVER 90 DAYS

US Total, Monthly

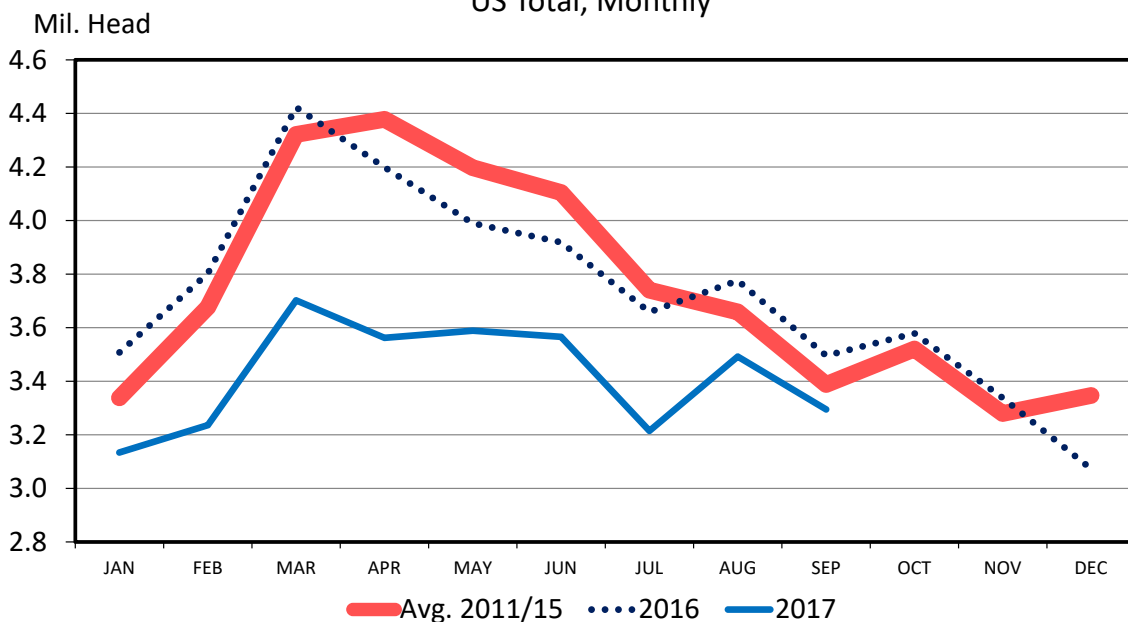


Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-N-11
09/22/17

CATTLE ON FEED OVER 120 DAYS

US Total, Monthly

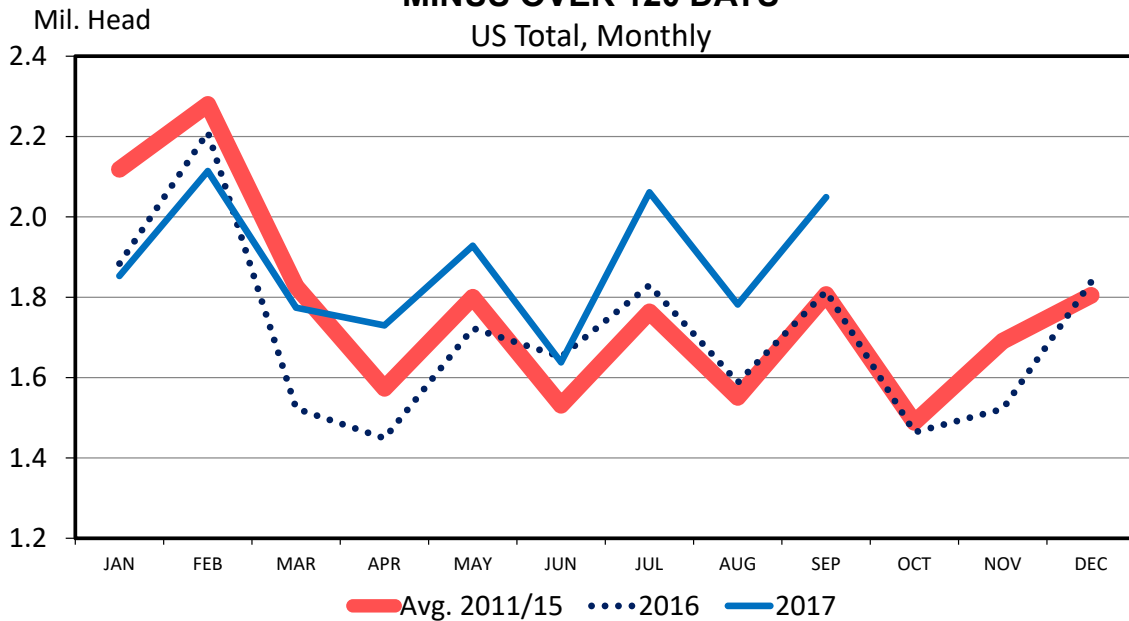


Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-N-12
09/22/17

CATTLE ON FEED OVER 90 DAYS MINUS OVER 120 DAYS

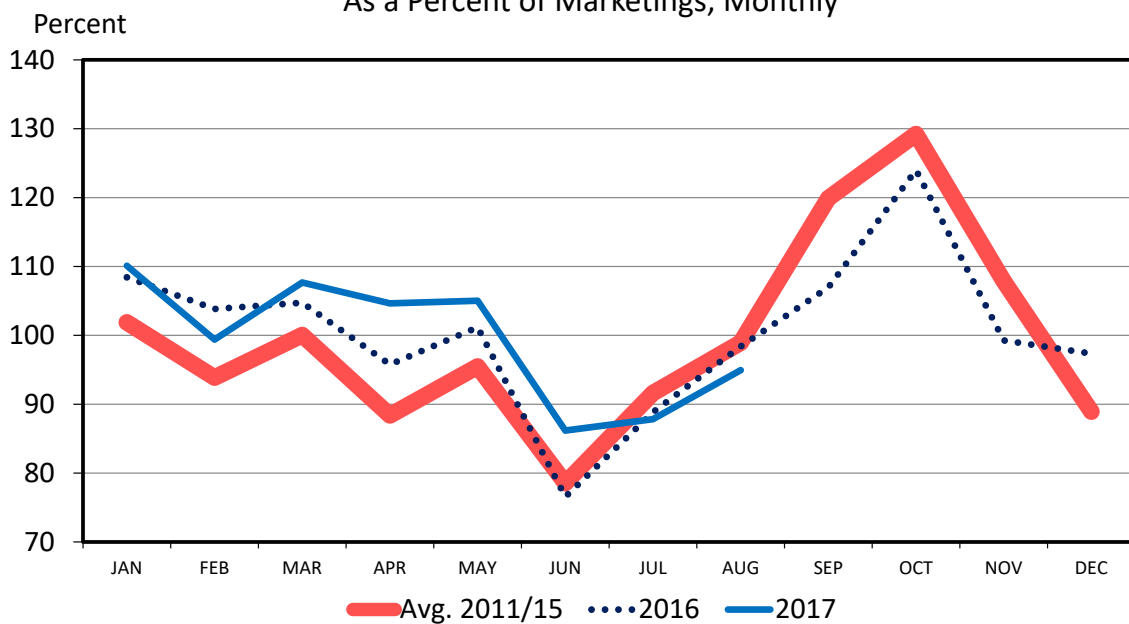
US Total, Monthly



Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-N-13
09/22/17

NET FEEDLOT PLACEMENTS As a Percent of Marketings, Monthly

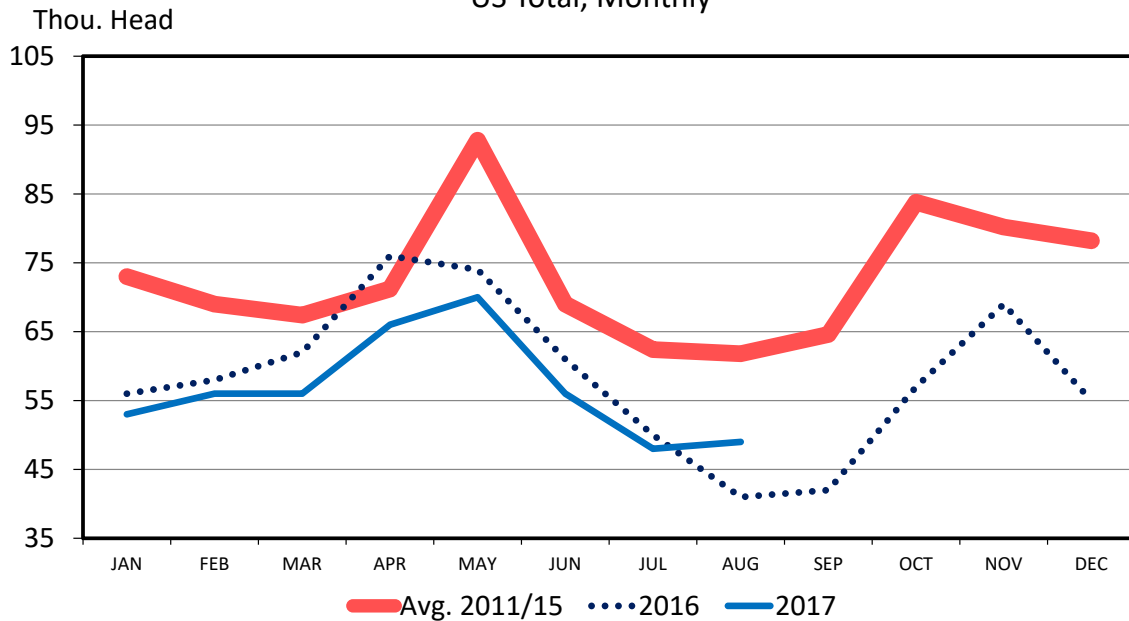


Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

C-N-16
09/22/17

OTHER DISAPPEARANCE

US Total, Monthly

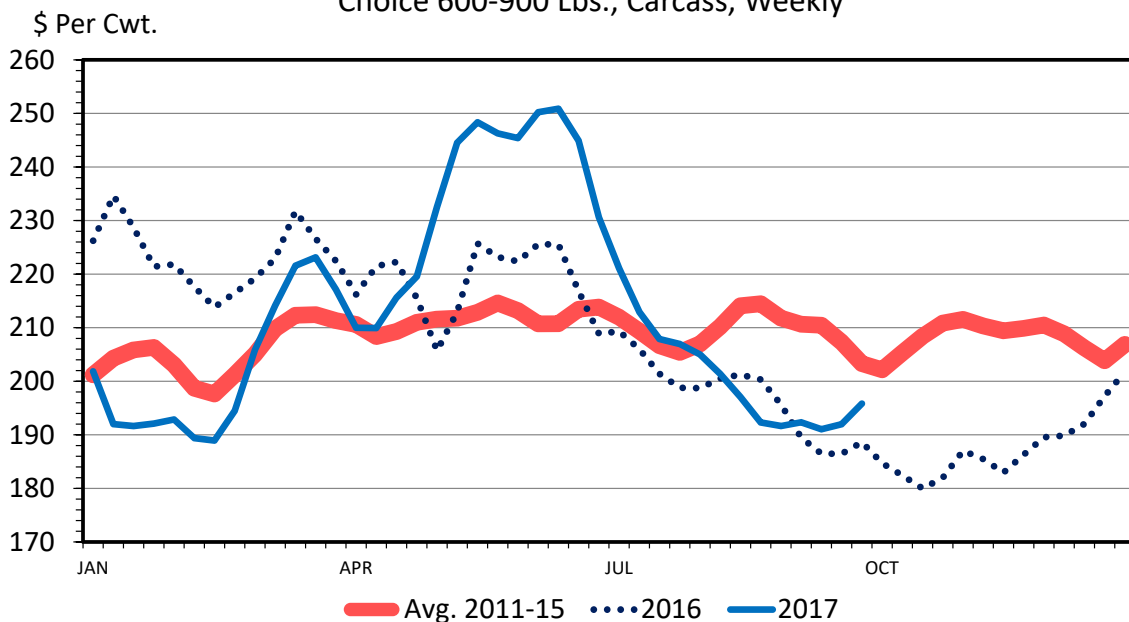


Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-19
09/22/17

BOXED BEEF CUTOUT VALUE

Choice 600-900 Lbs., Carcass, Weekly

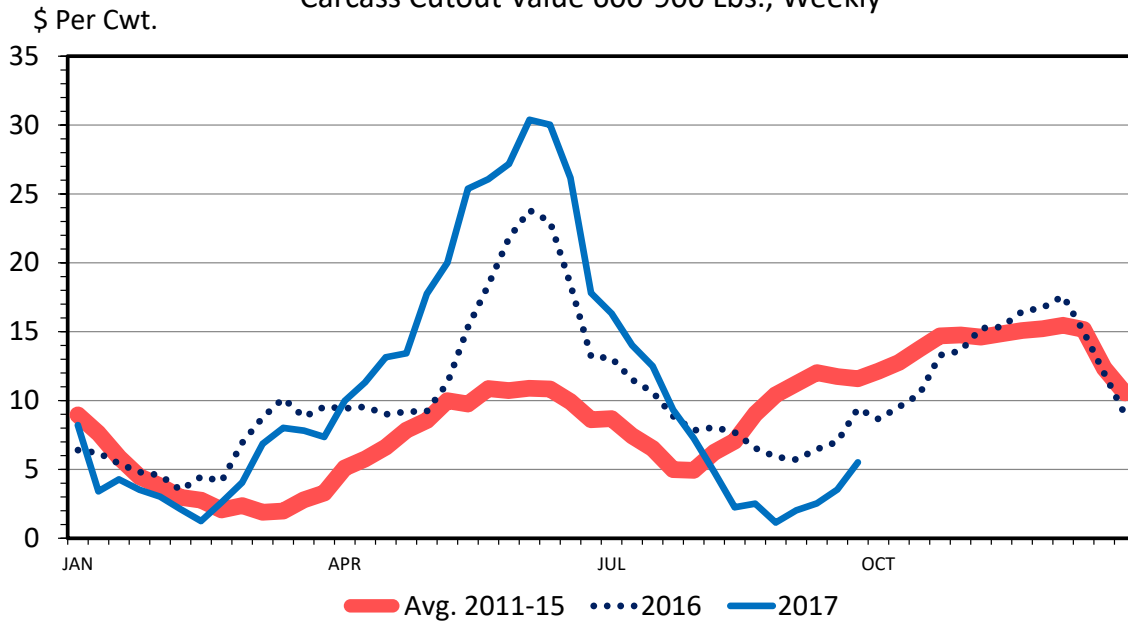


Data Source: USDA-AMS
Livestock Marketing Information Center

C-P-62
10/02/17

CHOICE MINUS SELECT BEEF PRICES

Carcass Cutout Value 600-900 Lbs., Weekly



Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

C-P-68
10/02/17

MARKETING

Why Sept. 5 will be an unprecedented day for U.S. pork industry

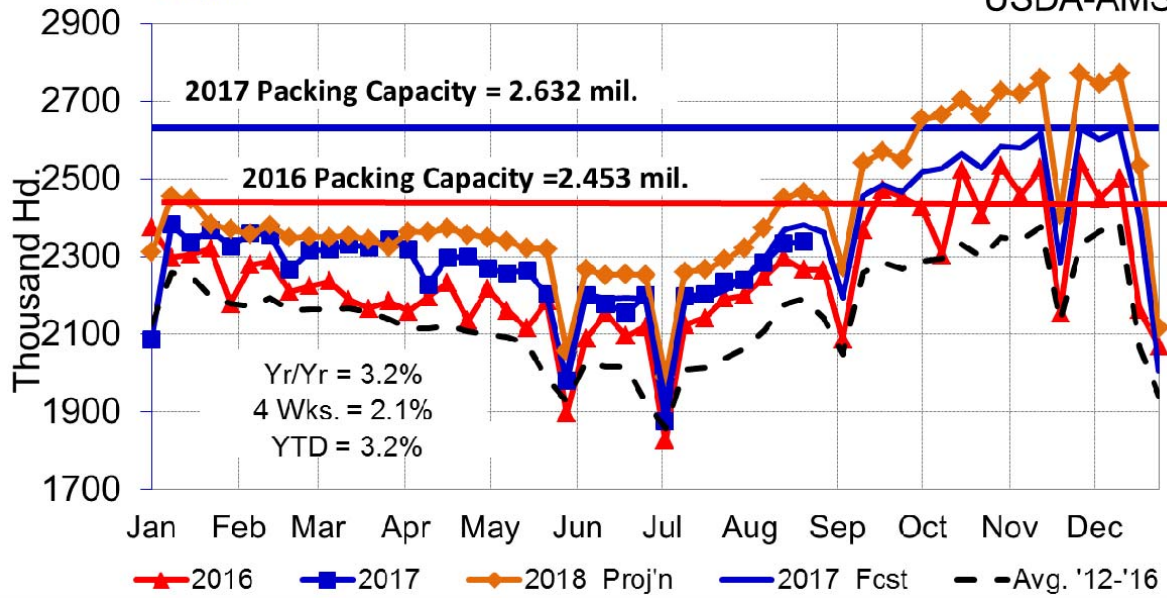
The harvest capacity will grow more in one day than it has in any single year. [Steve Meyer](#) | Sep 04, 2017



<http://www.nationalhogfarmer.com/marketing/why-sept-5-will-be-unprecedented-day-us-pork-industry>

FI HOG SLAUGHTER

USDA-AMS



<http://www.nationalhogfarmer.com/marketing/why-sept-5-will-be-unprecedented-day-us-pork-industry>