

Current Livestock and Meat Issues

Brian Coffey

March 19, 2025

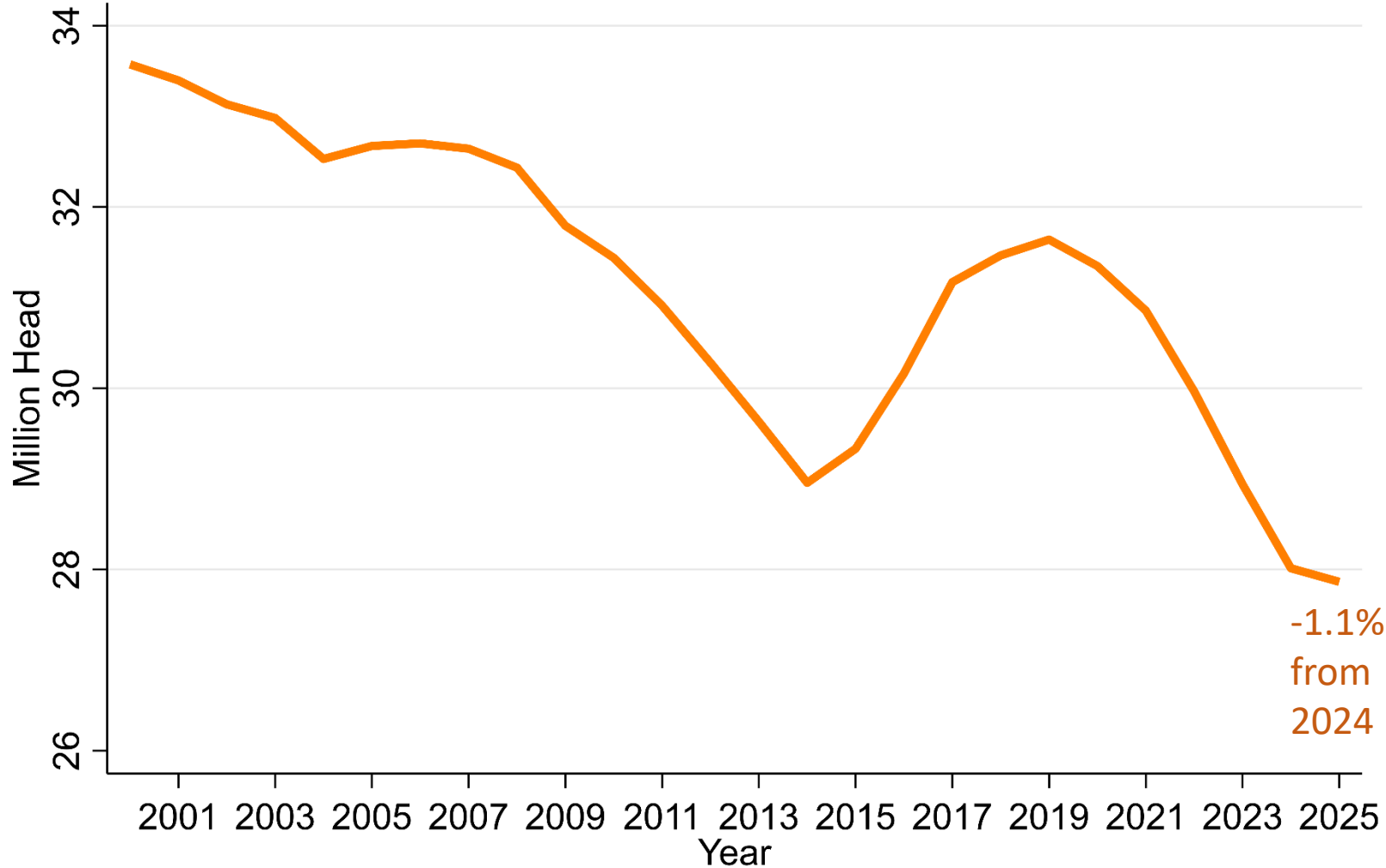
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Agricultural Economics

US Beef Cow Herd

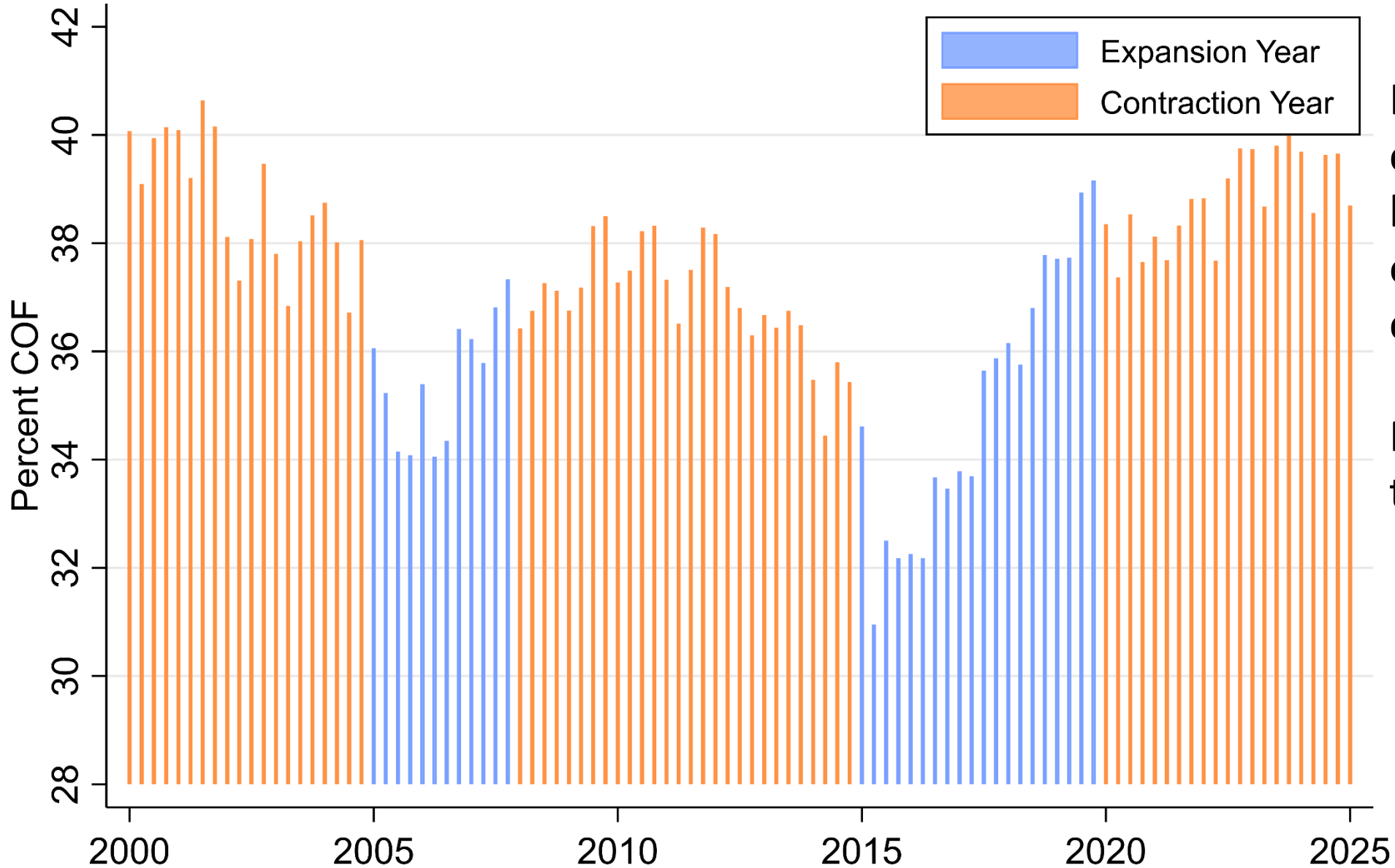
Beef Cows and Heifers that have Calved



Year	Million Head	% of 2019
2019	31.7	100%
2020	31.3	98.9%
2021	30.8	97.3%
2022	30.0	94.6%
2023	28.9	91.3%
2024	28.2	89.2%
2025	27.9	88.0%

Data Source: USDA NASS data compiled by LMIC

Heifers as a Percent of All COF, Quarterly

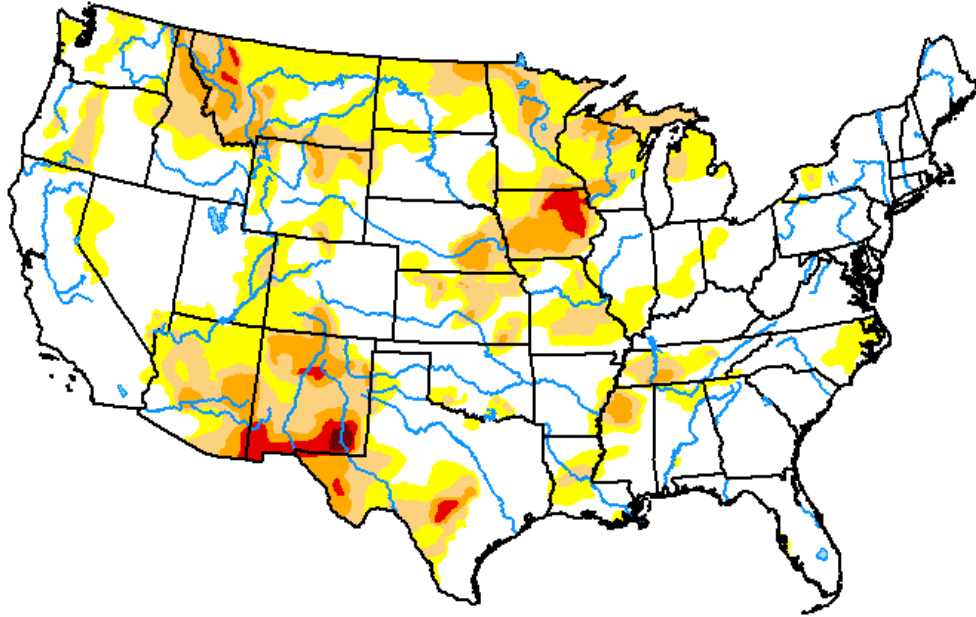


Heifers as a percent of cattle on feed tends to be a leading indicator of herd expansion and contraction

No strong downward trend

US Drought Conditions

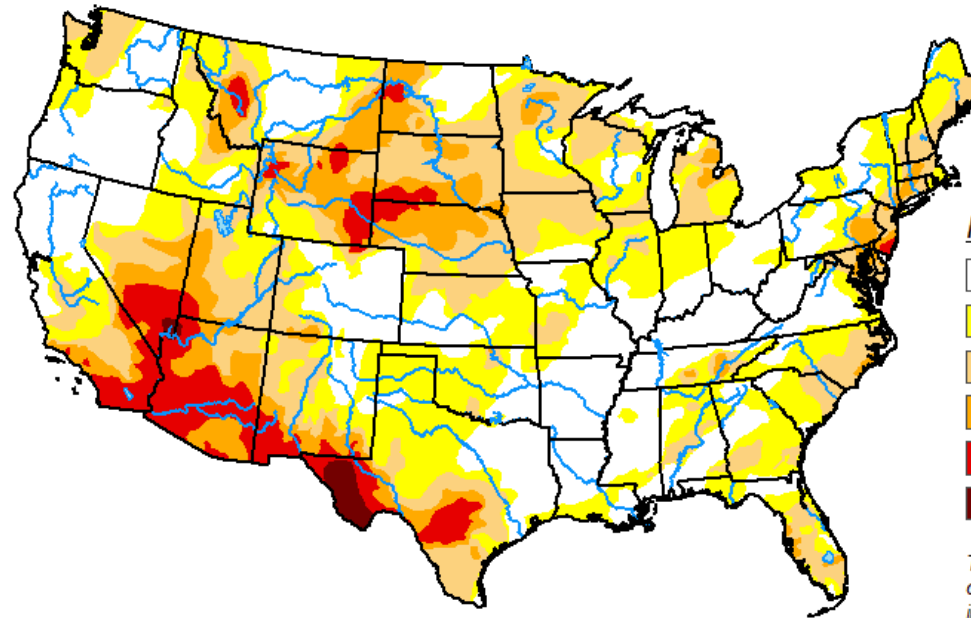
U.S. Drought Monitor Contiguous U.S. (CONUS)



February 20, 2024

(Released Thursday, Feb. 22, 2024)

Valid 7 a.m. EST

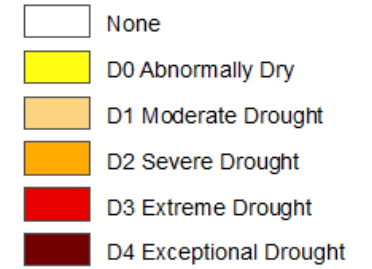


February 18, 2025

(Released Thursday, Feb. 20, 2025)

Valid 7 a.m. EST

Intensity:



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

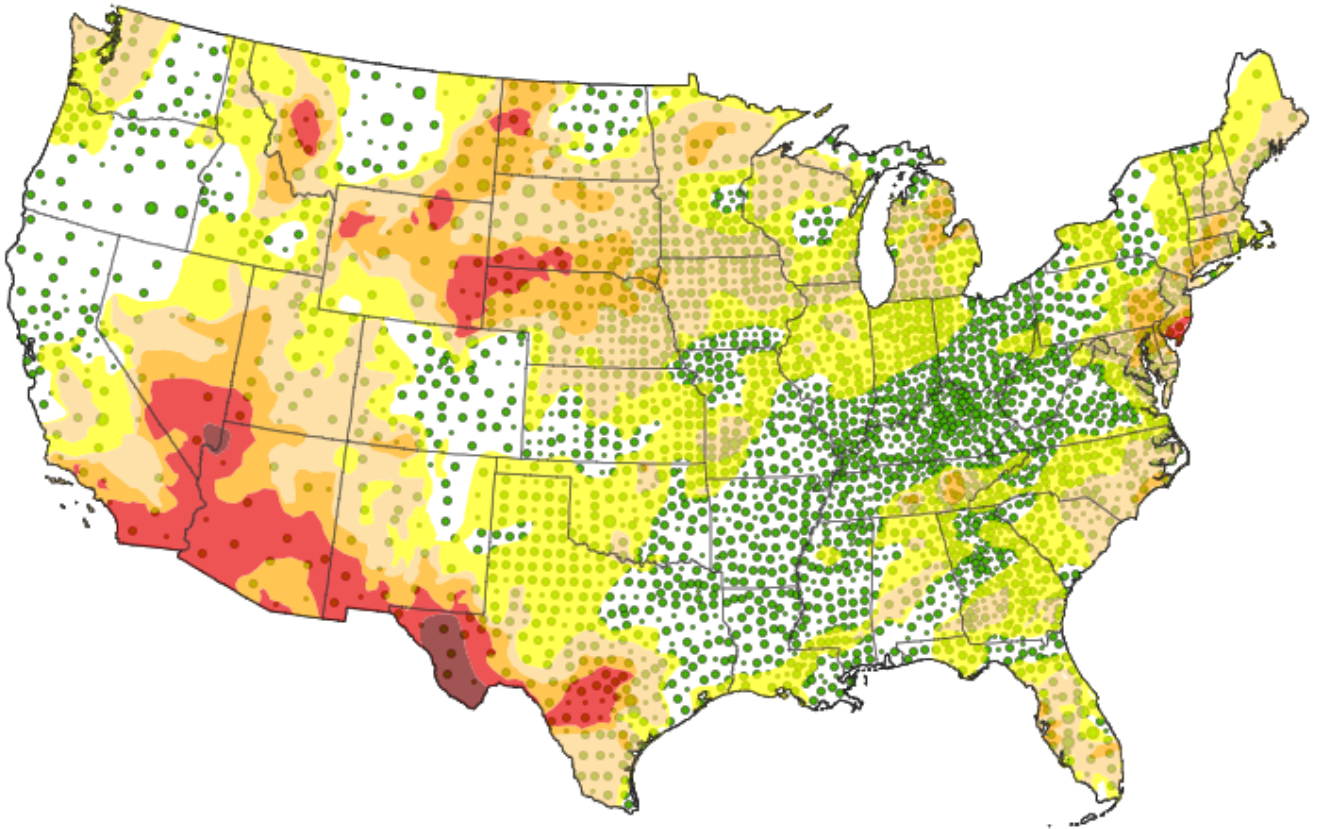
Author:

Brian Fuchs
National Drought Mitigation Center



droughtmonitor.unl.edu

Cattle in Drought



Cattle in Drought Conditions

Beef Cattle Produced by County

■ Scales by Inventory

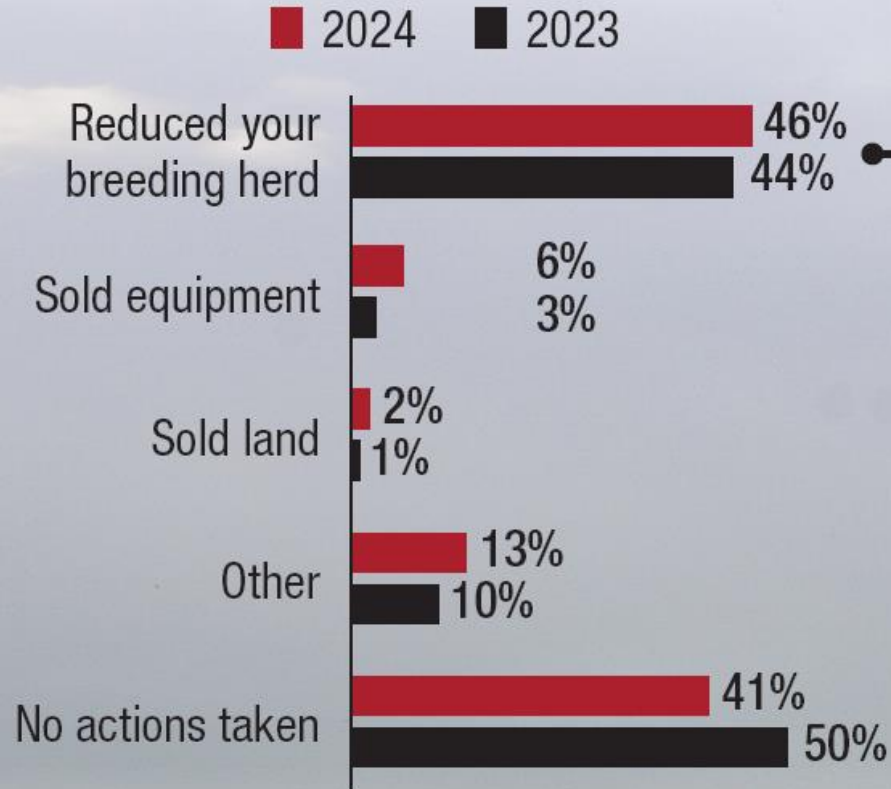
U.S. Drought Monitor



Source(s): USDA NASS, U.S. Drought Monitor
USDM Updates Weekly: 02/18/25

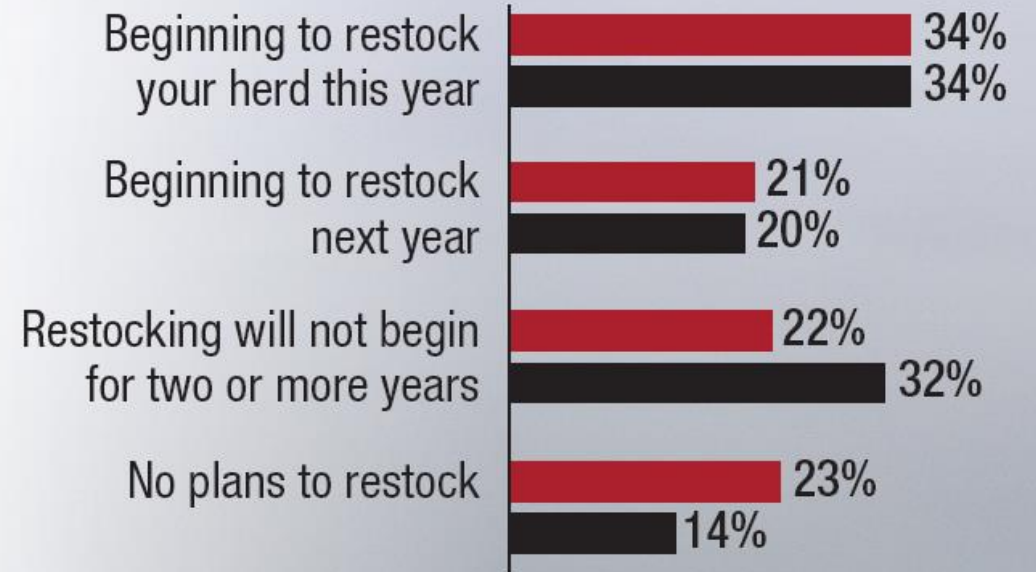
Regarding the widespread drought experienced over the past few years, which of the following actions have you taken?

Answered by those who said they have experienced drought.
Multiple answers allowed.



Which of the following actions do you anticipate taking?

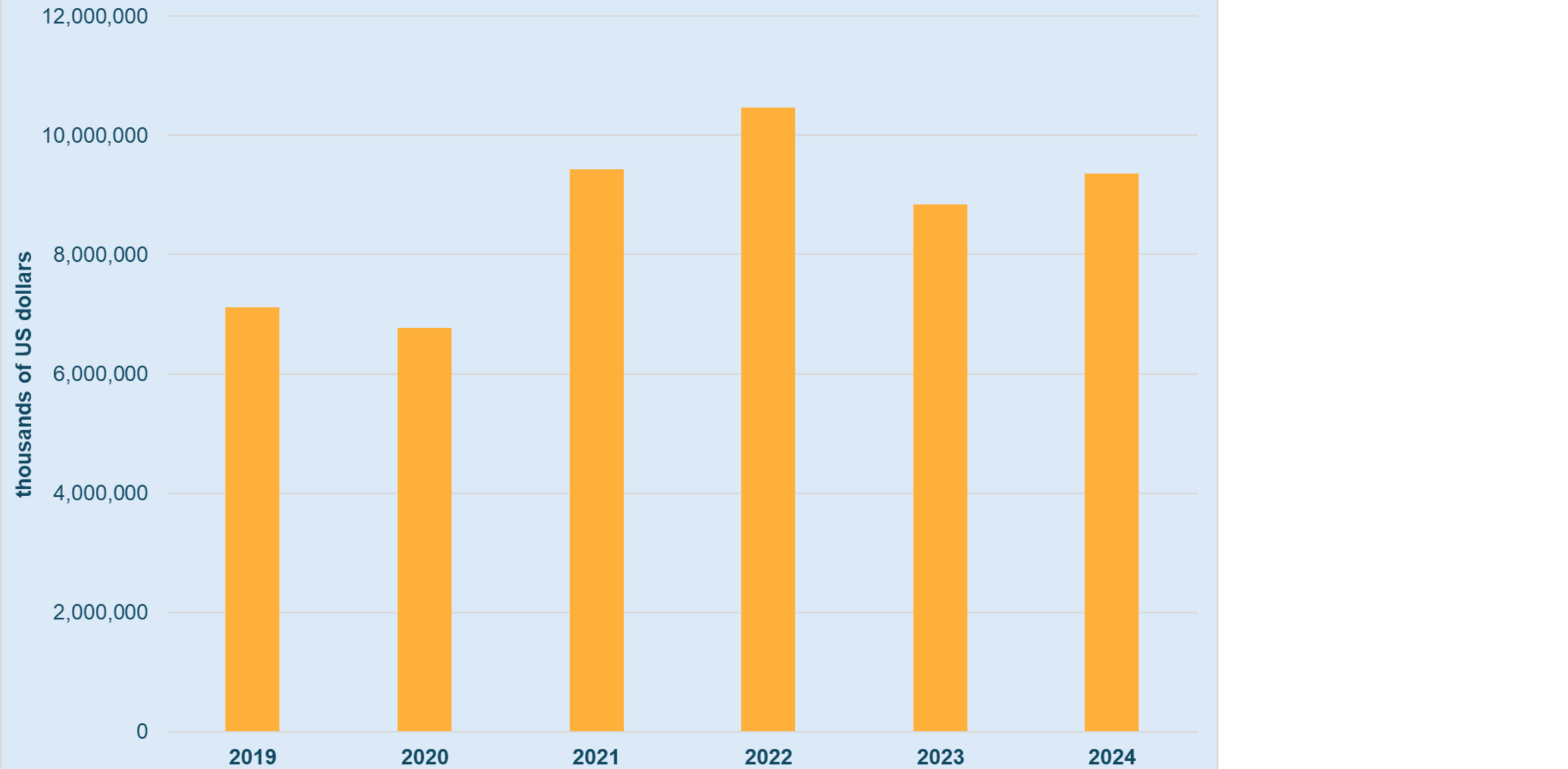
Answered by those who reduced their breeding herd to mitigate the impact of drought.



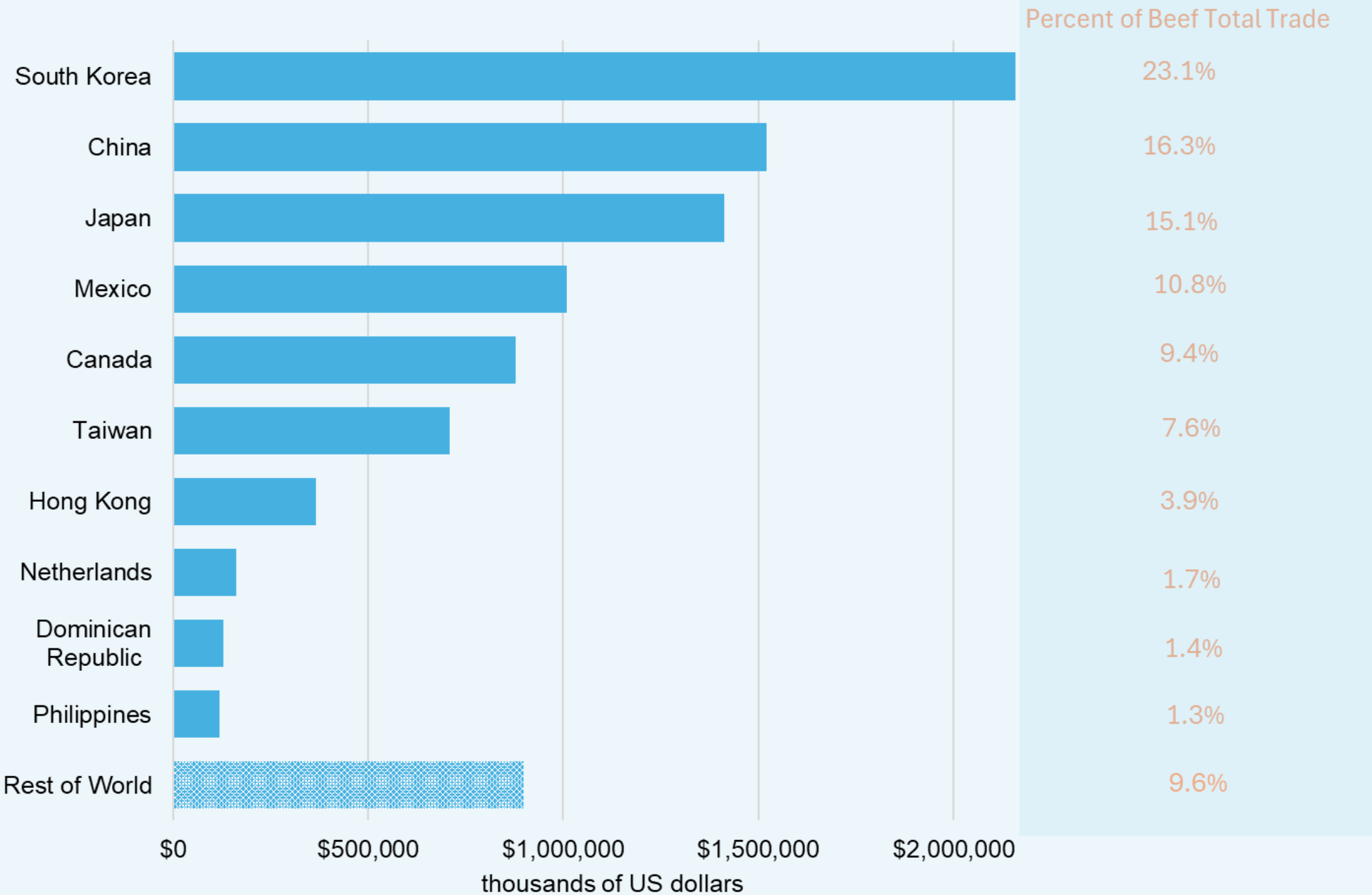
Why has expansion not occurred as early many expected?

- Slaughter weights [Jan. Average Steer Carcass Weight was over 950 pounds (LMIC)]
- Imported feeder cattle
- Growing prevalence of Beef x Dairy likely a factor
 - According to CattleFax 9% to 10% of 2023 fed slaughter was beef x dairy and that is expected to be 15% by 2026
- Uncertainty and risk likely inhibit expansion for some producers

Annual Value of Beef and Veal Exports

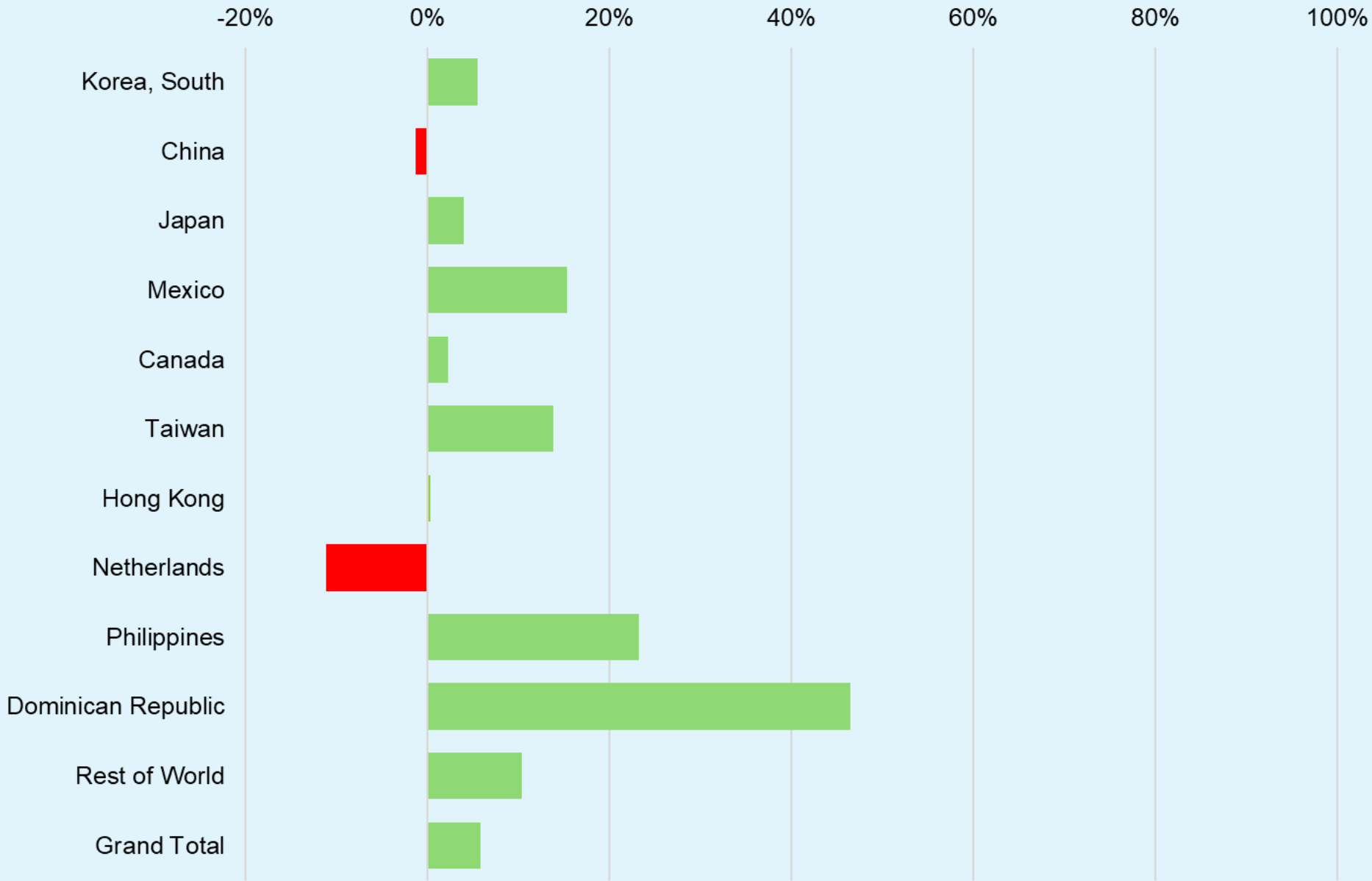


Value of 2024 Beef and Veal Exports to Top 10 Trading Partners



Data Source: USDA Foreign Ag Service GATS; no variety meats, offal, or hides

2023-24 Year over Year Percent Change in Value of Beef and Veal Exports



Total beef export value is 6% over last year

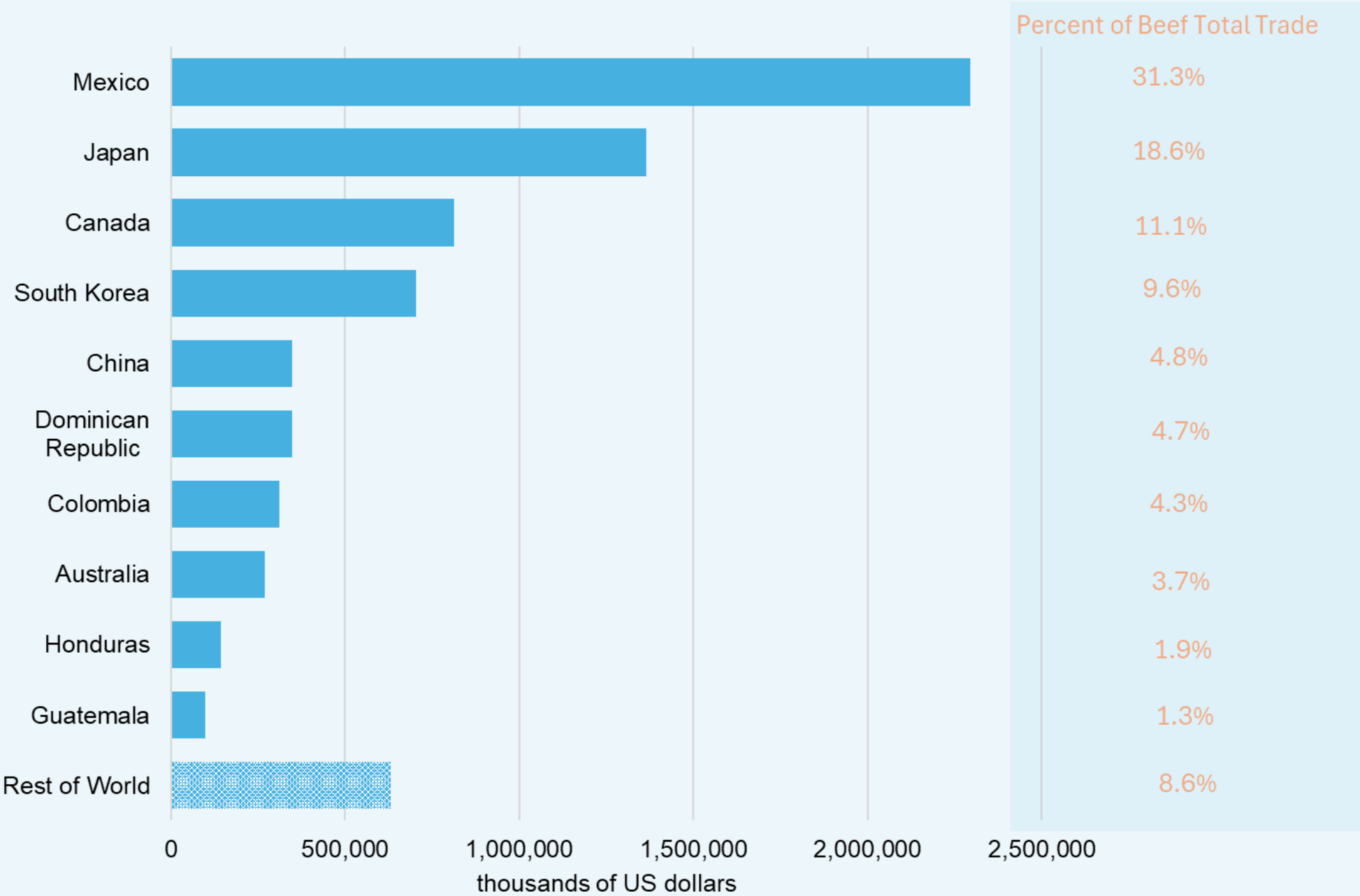
Total quantity exported is about 1% lower

Large proportional value gains with Dominican Republic, Mexico and Philippines

Biggest absolute gain with Mexico

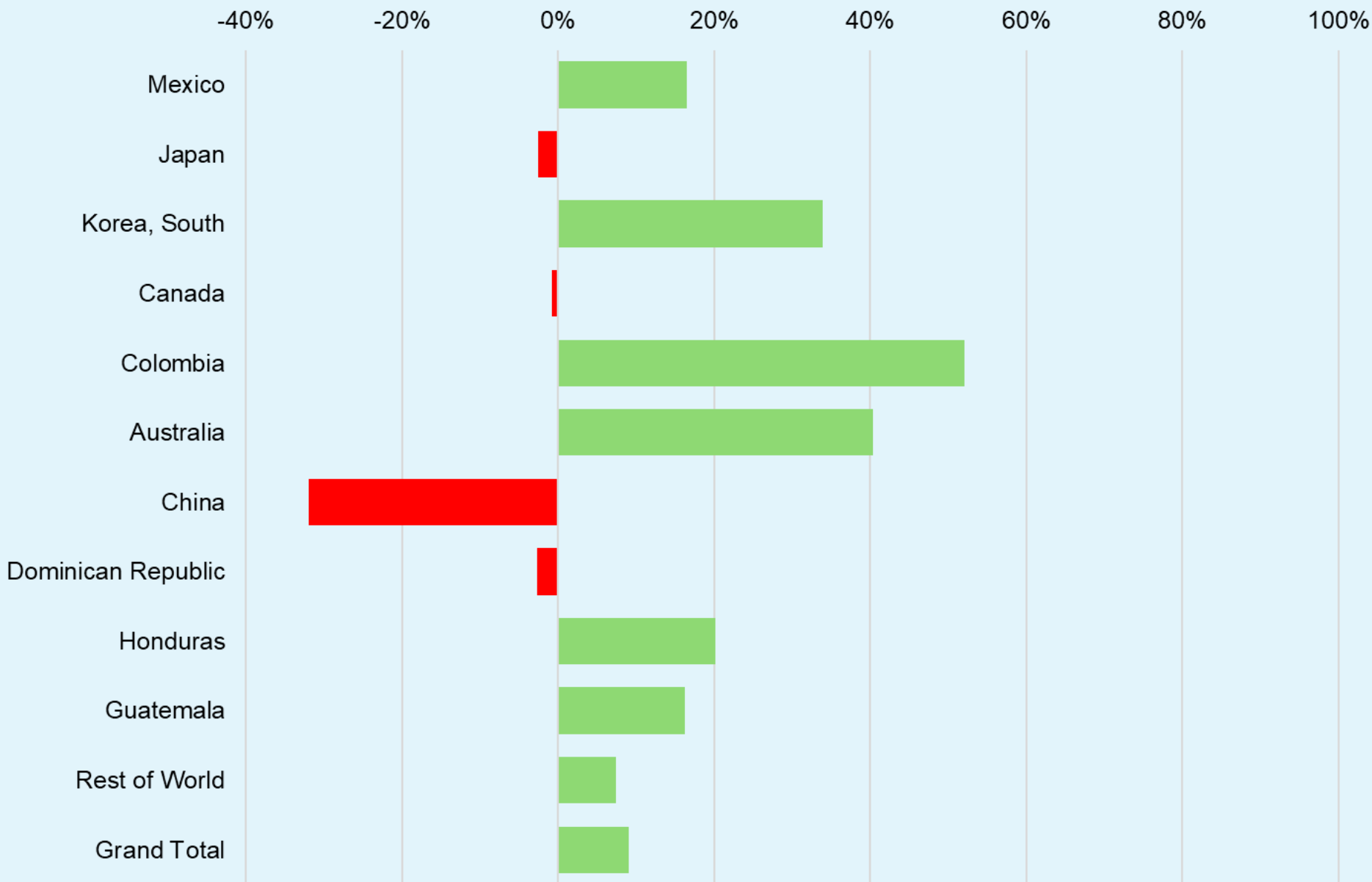
Data Source: USDA Foreign Ag Service GATS; no variety meats, offal, or hides

Value of 2024 Pork Exports to Top 10 Trading Partners



Data Source: USDA Foreign Ag Service GATS; no processed pork

2023-24 Year over Year Percent Change in Value of Pork Exports, January to August



Total pork export value is 7.7% over last year

Total quantity exported is about 5% higher

Biggest proportional gains with Colombia and Dominican Republic

Biggest absolute gain with Mexico

Data Source: USDA Foreign Ag Service GATS; no processed pork

International Trade Conditions in 2025

- Currently, still a lot of uncertainty
- Impossible to predict exactly how retaliation might happen
- Exports have been key for strong demand and supporting prices

- For context, USMEF reports that in 2024...
 - Value of exported beef was \$415.08 per head of harvested fed cattle
 - Variety beef exports were \$1.1 billion
 - Value of exported pork was \$66.53 per head of processed hog
 - US variety pork exports were \$1.3 billion

- Ability to selectively export meat products increases the value of live animals to meat packers

Prices for Food at Home

- Inflationary pressure is still substantial

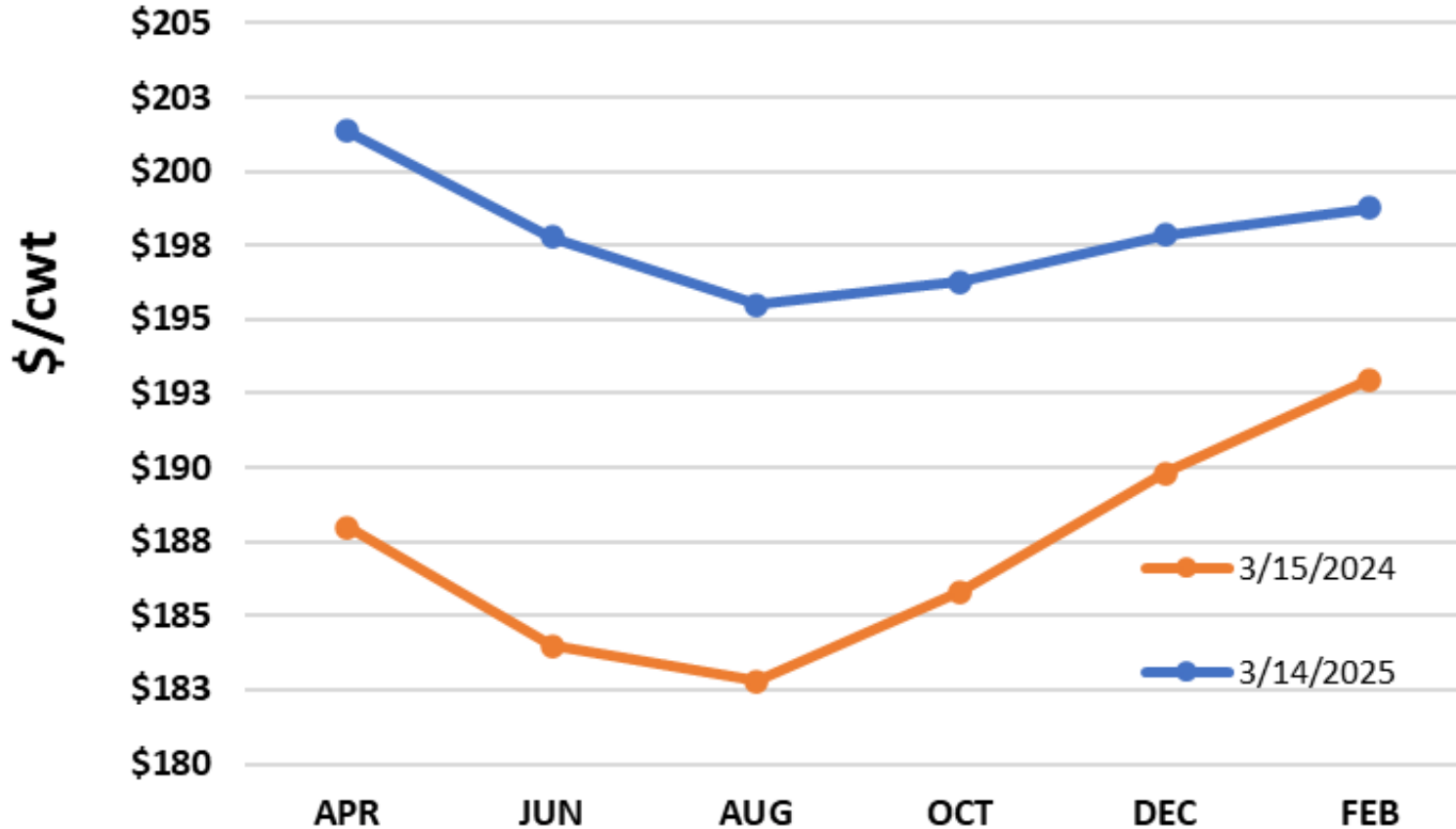
Food Group	Change in CPI 2024	Change in CPI 2025 (ERS Forecast)
All Food	2.3%	1.1% to 5.9%
Food at Home	1.2%	-0.2% to 7.0%
Beef and veal	5.4%	-4.8% to 11.8%
Pork	1.3%	-5.7% to 8.5%
Poultry	0.8%	-4.7% to 5.0%

Food Away from Home

- In 2024 Food Away From Home inflation increased 4.1%, compared to 1.2% for Food At Home
- 2024 Power of Meat: 43% of consumers are “cutting back on restaurant meals”
- Open Table: Monthly reservations and volume of diners seated are slightly greater than 2024 levels in the US (up 6% in Jan and 4% in Feb)

Livestock Prices

CME Live Cattle Contract Forward Curve



Price levels are elevated

USDA ERS Mar 2025
projection for 5-area steer
prices:

Q2 2025 **\$198/cwt**

Q3 2025 \$198/cwt

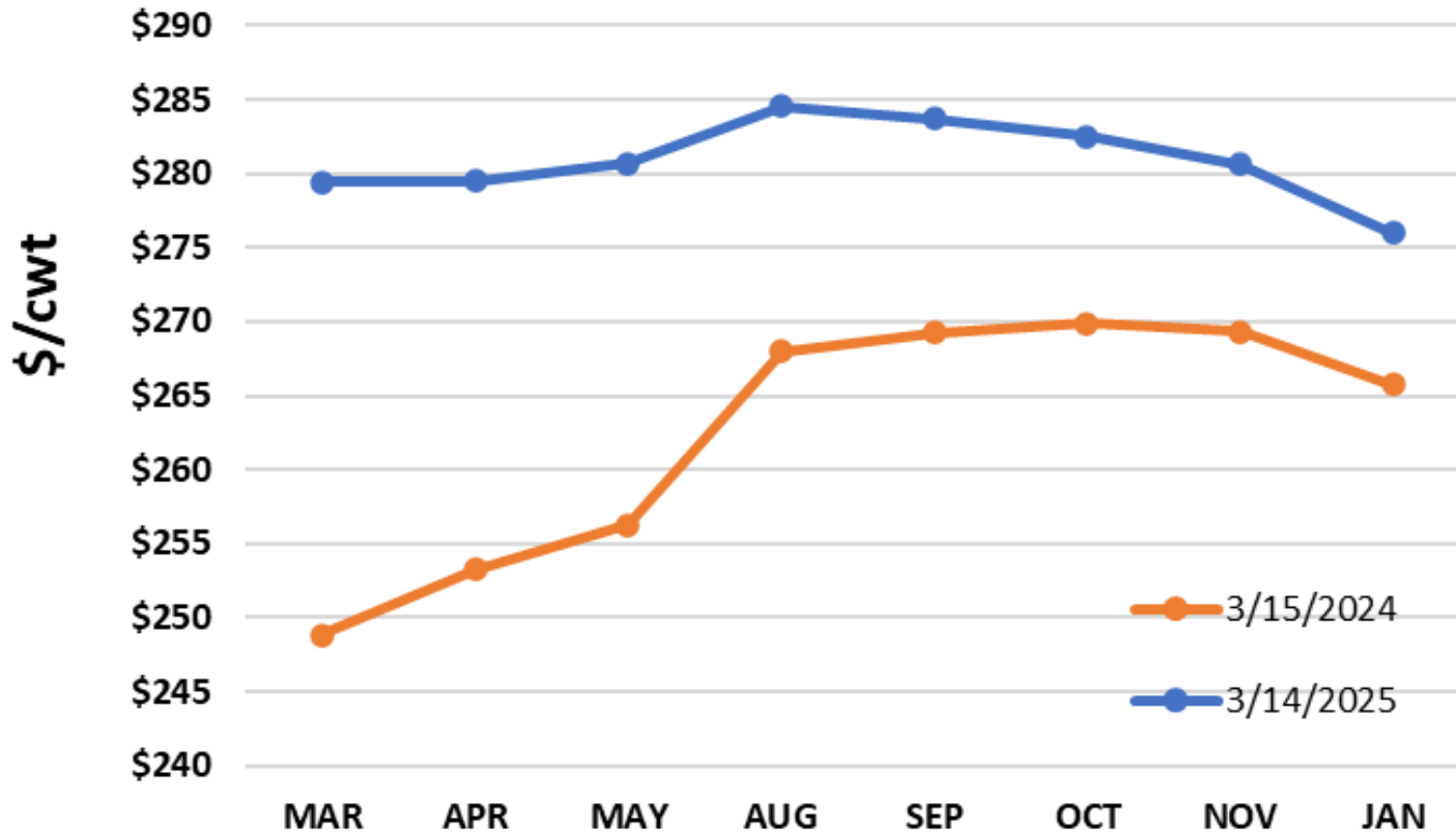
Q4 2025 \$200/cwt

Q2 down from Feb

Based on weekly averages of futures settlement prices as reported by LMIC
Updated 3/14/25

Livestock Prices

CME Feeder Cattle Contract Forward Curve



USDA ERS Mar 2025
projection OK City Med
Frame 1 feeder steer
prices:

Q2 2025 \$273/cwt

Q3 2025 \$274/cwt

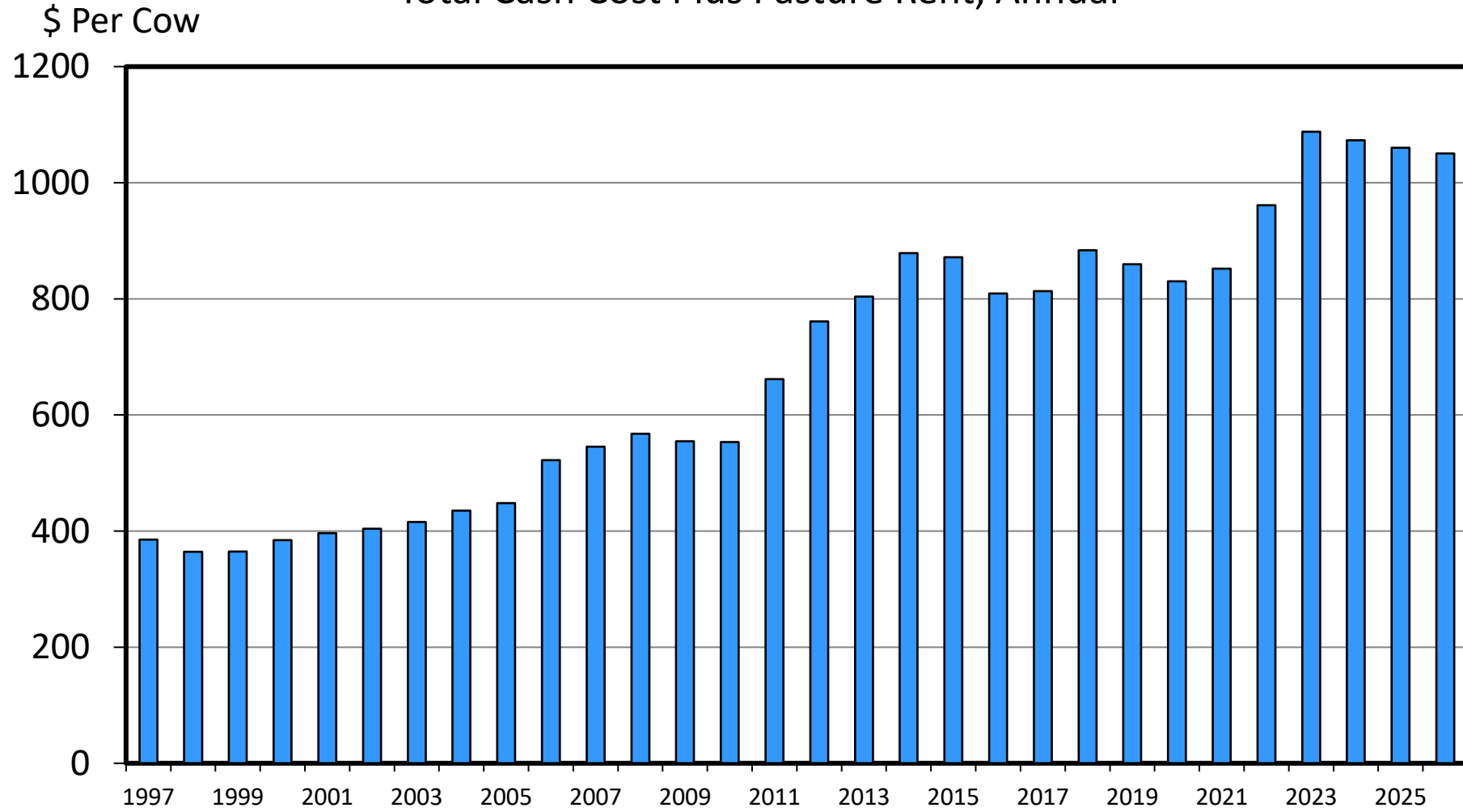
Q4 2025 \$279/cwt

Up from Feb

Based on weekly averages of futures settlement prices as reported by LMIC
Updated 3/14/25

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



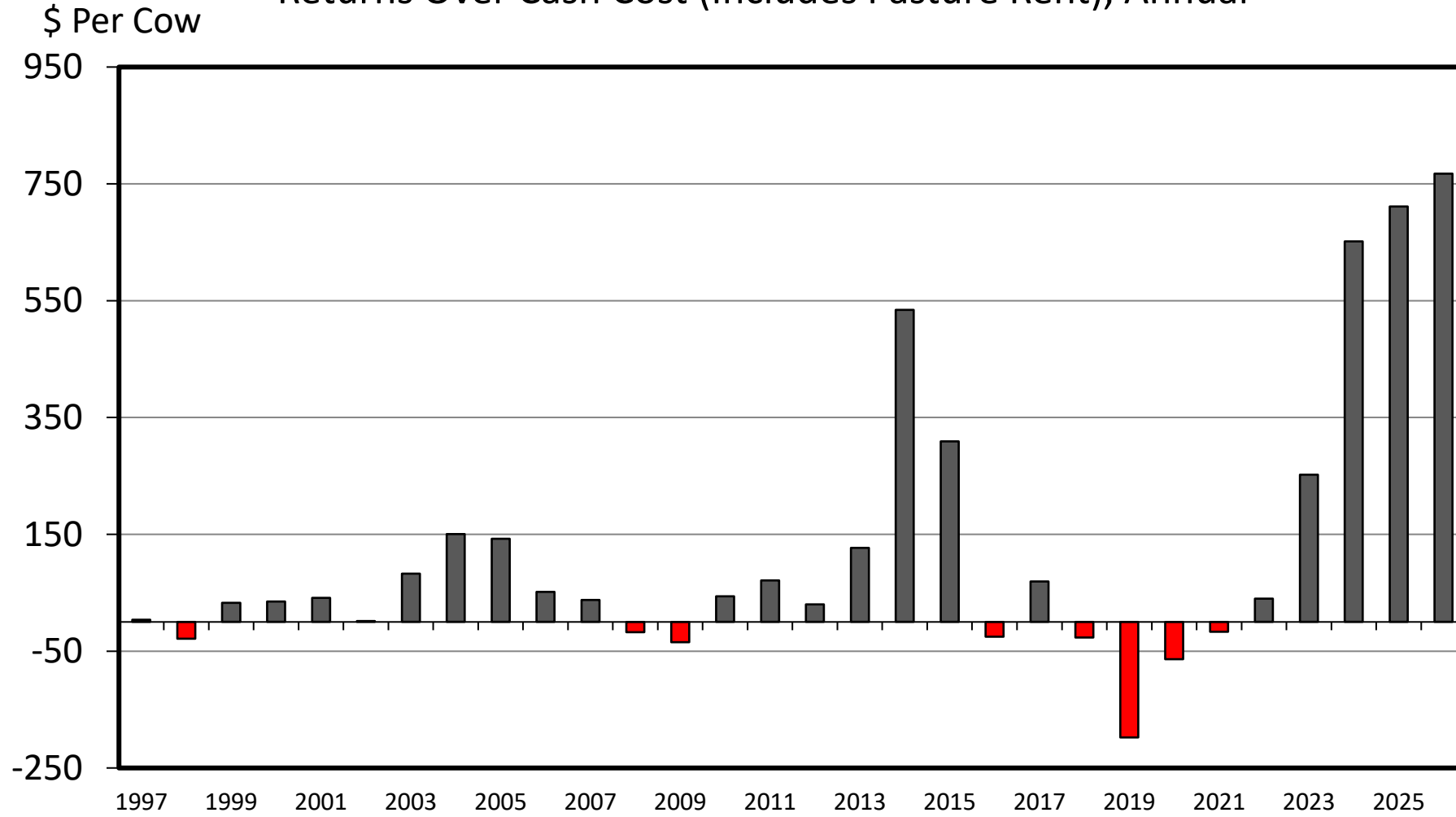
Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

01/02/25

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
01/02/25

Concluding Thoughts

- Beef cow herd liquidation seems to be easing but not clear signals for immediate expansion
- Projected cow-calf returns are very strong...but managing costs will be the key to success
- Market optimism in cattle prices for the next few quarters...expect continued higher beef prices as cattle supplies are tight
- Barrow/gilt price forecasts are higher for Q1 to Q3 2025...that will likely translate to higher retail pork prices

Concluding Thoughts

- Export demand for US meat faces challenges but continues to be strong
- Consumer attitudes toward animal proteins is positive
- Consumer demand for beef (and other proteins) remains strong

Current Livestock and Meat Issues

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