

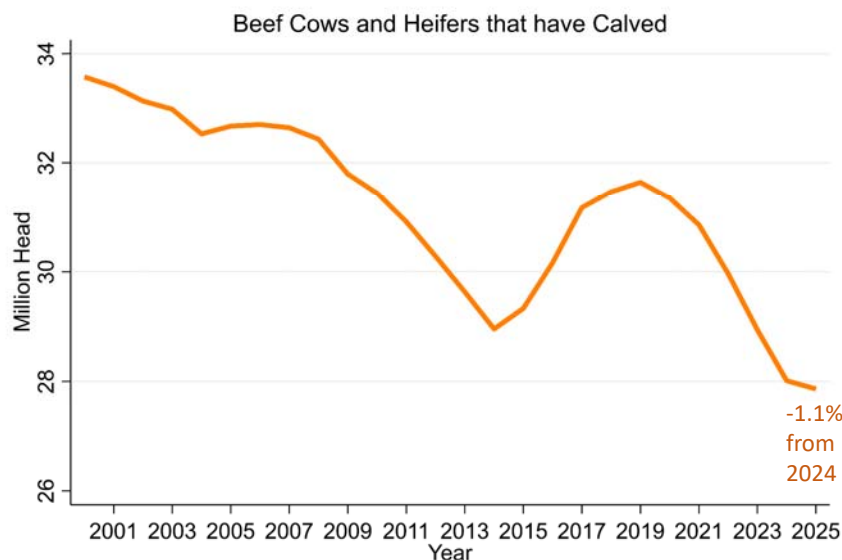
Current Livestock and Meat Issues

Brian Coffey
KSU 2025 Crop Insurance Workshop
October 16, 2025

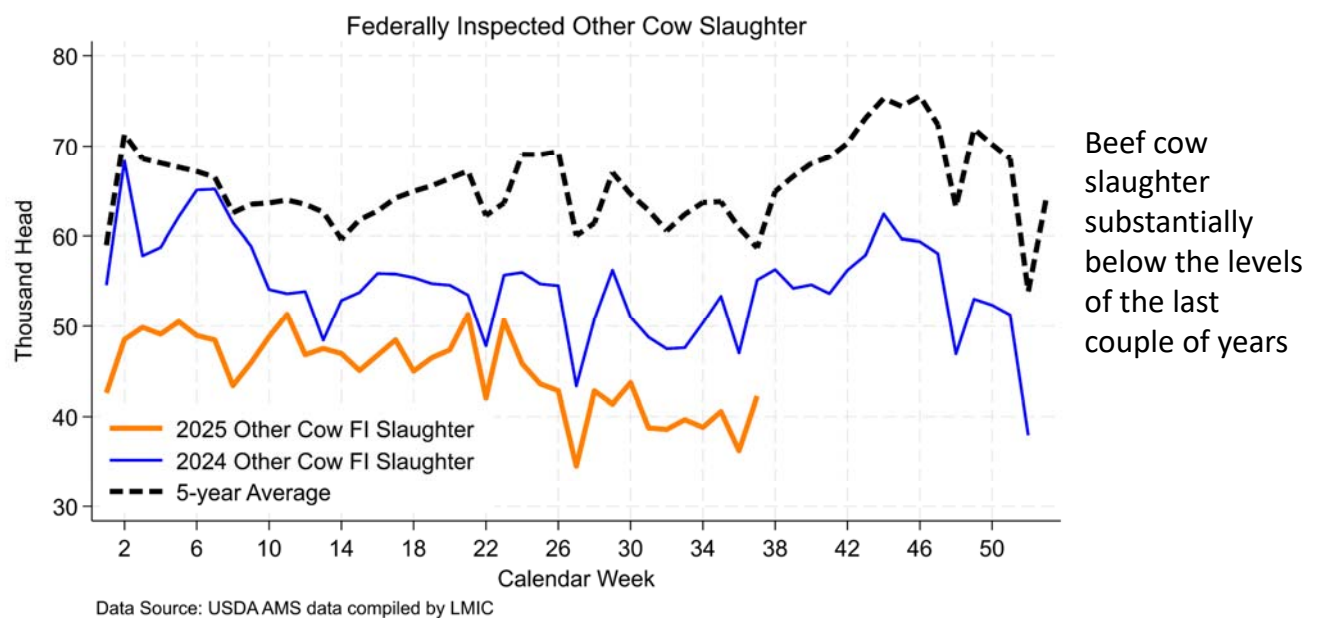
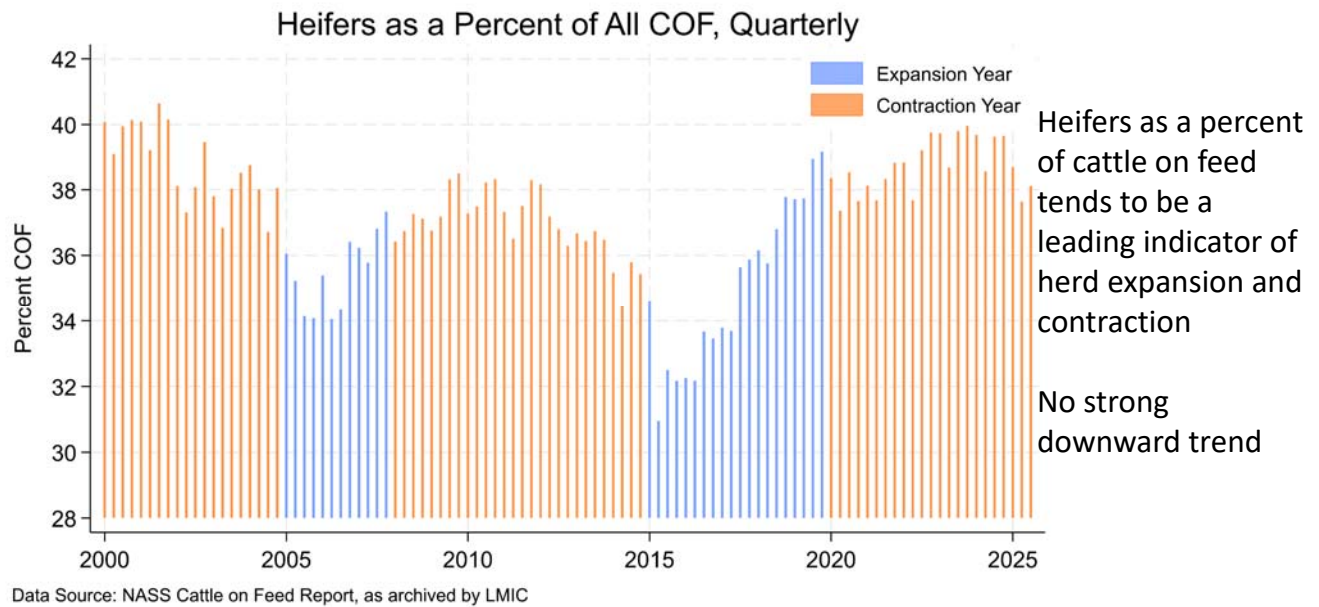


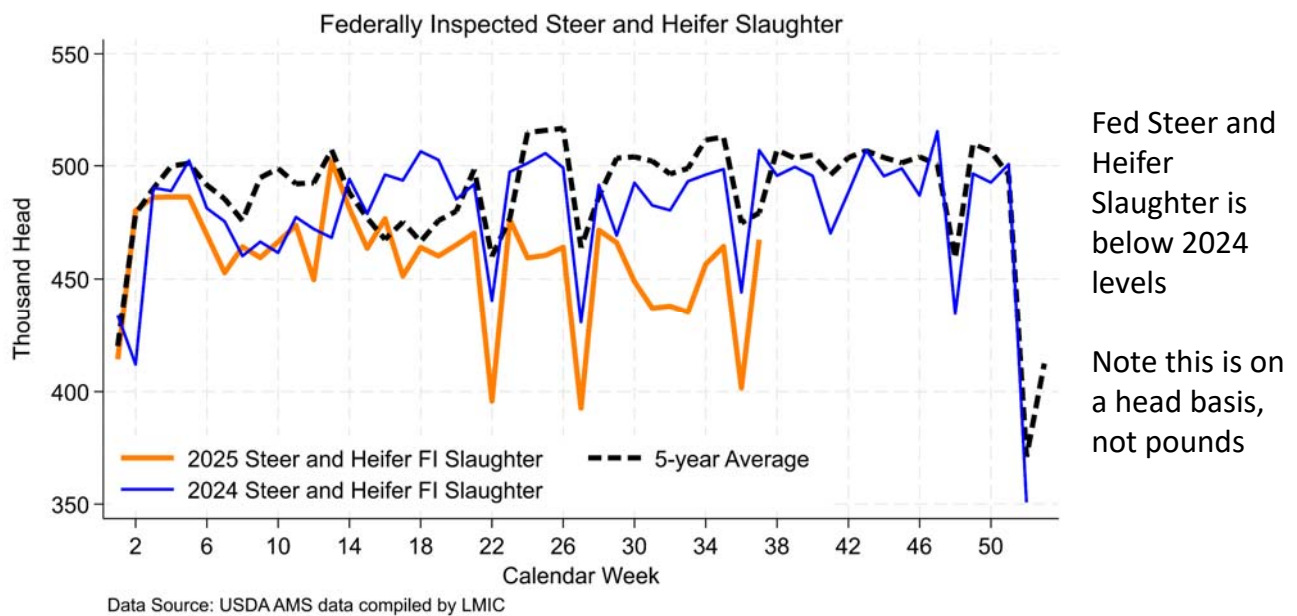
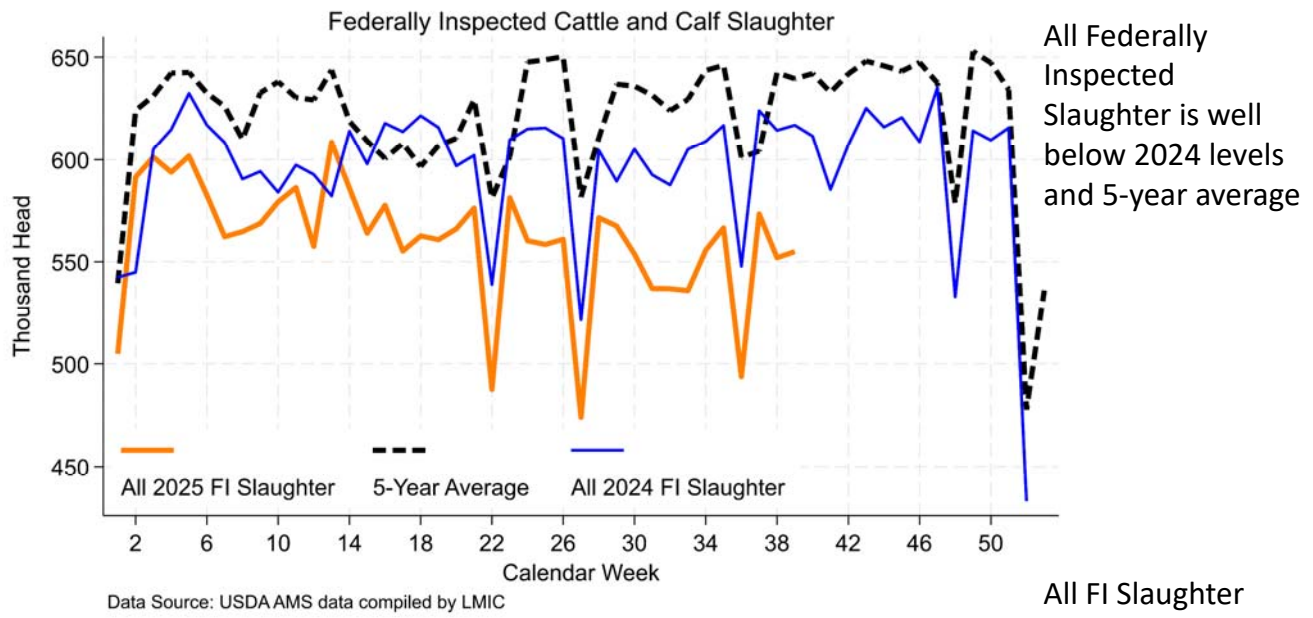
Agricultural Economics

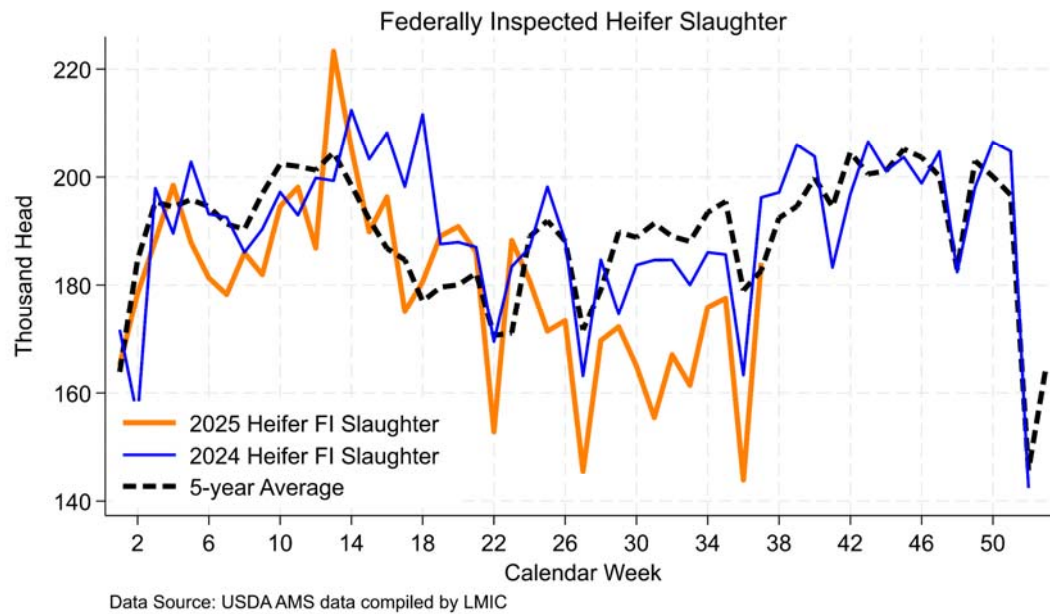
US Beef Cow Herd



Data Source: USDA NASS data compiled by LMIC



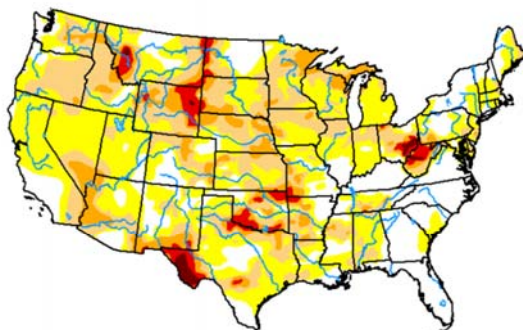




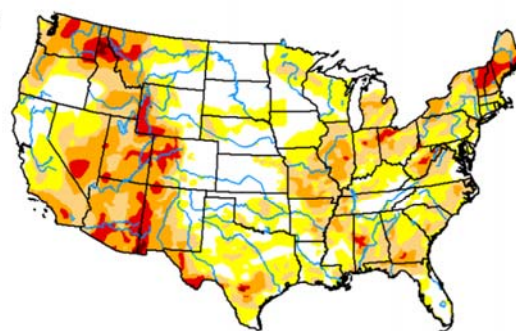
Heifer
Slaughter
below 2024
levels

US Drought Conditions

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



October 8, 2024
(Released Thursday, Oct. 10, 2024)
Valid 8 a.m. EDT



October 7, 2025
(Released Thursday, Oct. 9, 2025)
Valid 8 a.m. EDT

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

1) 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>

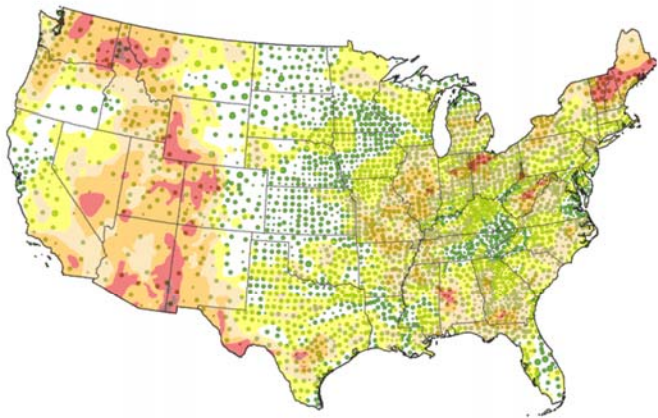
Author:

Brian Fuchs
National Drought Mitigation Center



droughtmonitor.unl.edu

U.S. Crops and Livestock in Drought: Cattle



Cattle Produced by County

Scales by Inventory

U.S. Drought Monitor



Source(s): USDA NASS, U.S. Drought Monitor
USDM Updates Weekly: 10/07/25

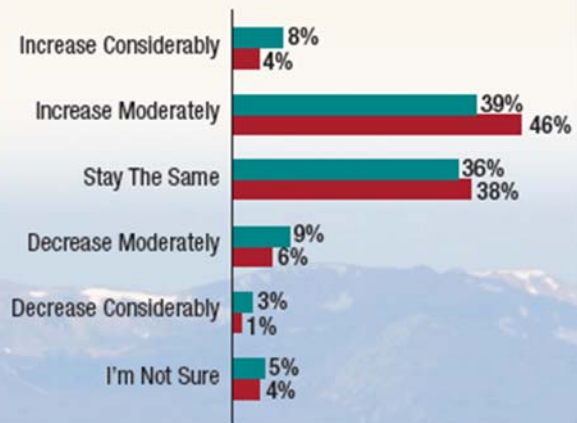
[Drought.gov](https://drought.gov)

Cattle in Drought Conditions

Expansion will Likely be Slower than in Past Cattle Cycles

Over the next five years do you anticipate your cattle operation's herd size will grow, shrink or stay same?

2025 2024



Reasons for a Slower than Expected Expansion

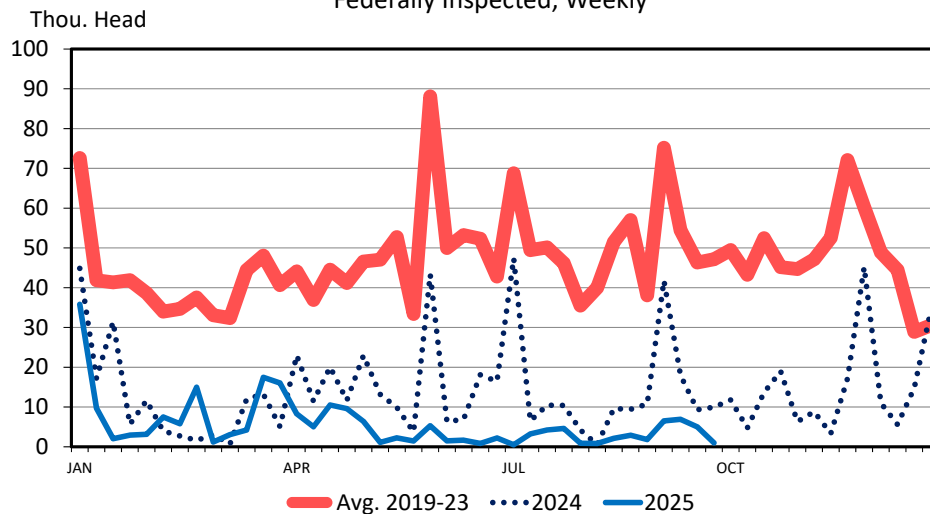
- Increased Productivity/Efficiency
 - Average Steer Carcass Weight this year between 930 and 965 pounds (LMIC)
 - Cows are bigger
- Uncertainty and risk compounded by producer age
 - Historically high prices
 - Political and economic uncertainty
 - 4 out of 10 beef farmers are over 65 years old (2022 Ag Census)
- Growing prevalence of Beef x Dairy cattle...small but an important trend
 - 15% of fed slaughter by 2026 (Cattlefax)

Supply and Capacity: Physical Capacity

- Beginning in 2015/2016 fed cattle supply was at or above capacity for several years (Peel, OSU)
- Herd liquidation, combined with new capacity has reversed the scenario and we are back in an excess capacity environment
 - Sterling Beef Profit Tracker estimated fed plant utilization at 77% for week ending 10/4/25 versus 85% a year ago

SATURDAY CATTLE SLAUGHTER

Federally Inspected, Weekly



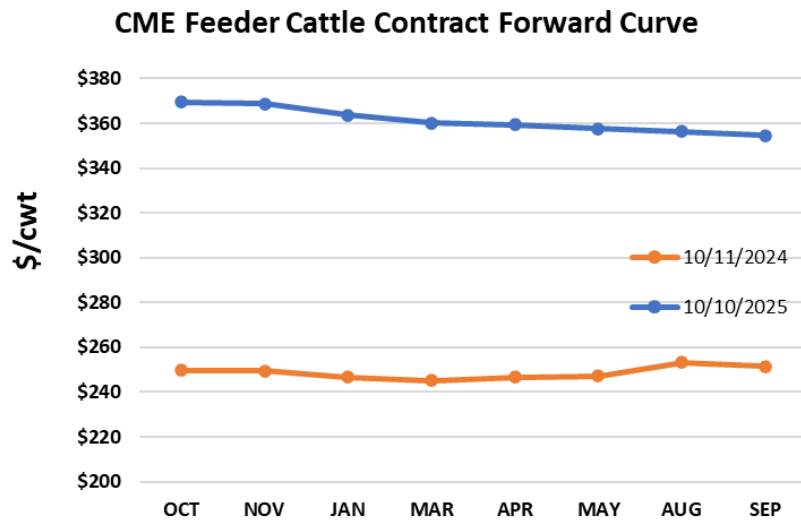
Data Source: USDA-AMS & USDA-NASS
 Livestock Marketing Information Center

C-S-03
 09/26/25

Supply and Capacity: Physical Capacity

- Expect excess capacity to support cattle prices to some degree
- Don't be surprised if we see plant closings in 2026-27, especially given labor challenges

Livestock Prices



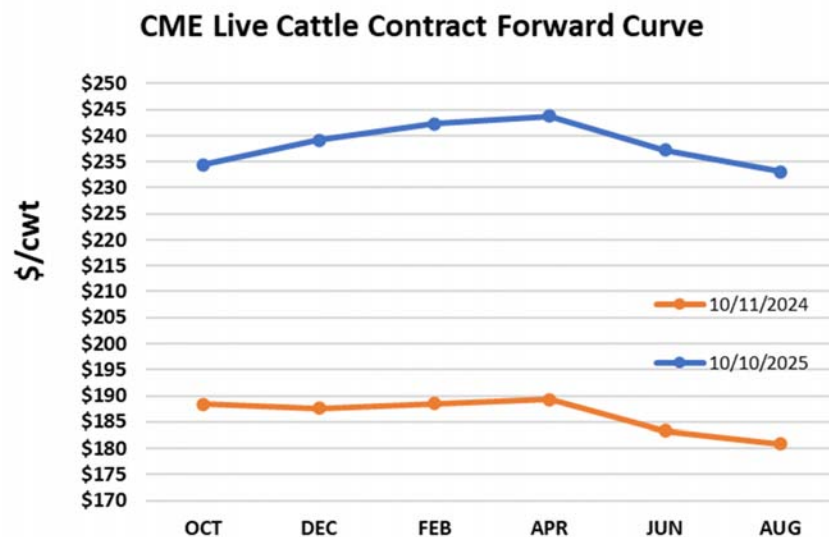
Based on weekly averages of futures settlement prices as reported by LMIC
Updated 10/10/25

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

Q4 2025 \$363/cwt
Q1 2026 \$360/cwt
Q2 2026 \$362/cwt

Revised up substantially
from Aug numbers

Livestock Prices



Based on weekly averages of futures settlement prices as reported by LMIC
Updated 10/10/25

Price levels are elevated

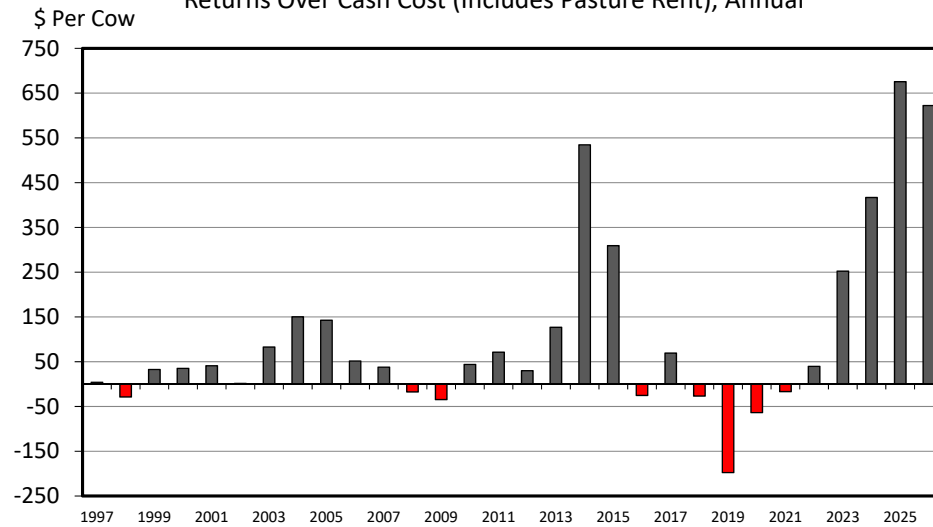
USDA ERS Sep 2025
projection for 5-area steer
prices:

Q4 2025 \$244/cwt
Q1 2026 \$247/cwt
Q2 2026 \$247/cwt

Up from Aug numbers

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
 07/31/25

Higher prices drove

Retail Beef Prices Hit New Record in July: Consumers Show No Sticker Shock

Patrick Linnell, director of market research with CattleFax, says consumers just continue to pay higher prices for beef.

By Michelle Rook
 Updated August 18, 2025 10:30 PM

May 202

Ground beef (4 oz.)

Source: USDA, Economic Research Service, Consumer Price Index Average Price

Beef prices at all-time high: Why summer grilling costs a lot more this year

Hotter weather and high demand have driven up beef prices. Experts warn consumers to rein prices back in.

Beef prices are spiraling. Meat lovers aren't deterred — yet.

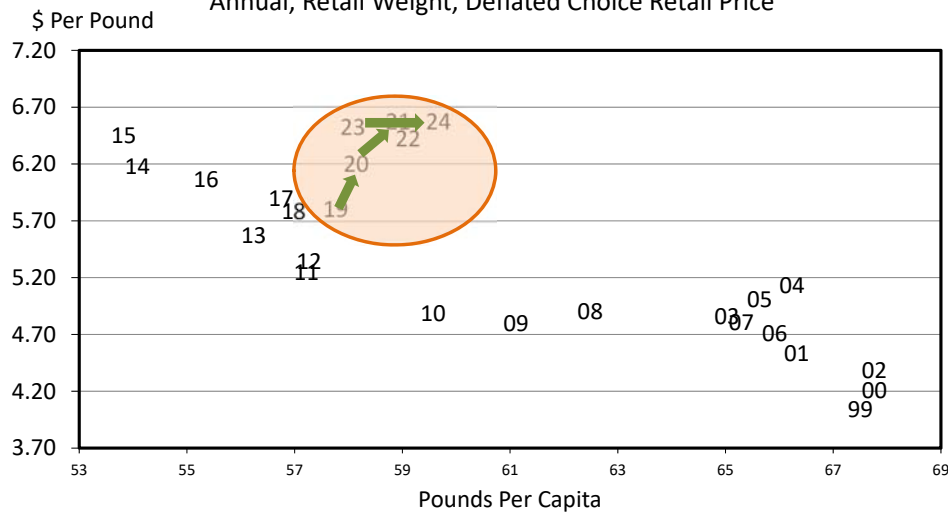
Story by Margot Amouyal • 5h • 6 min read

Beef prices are the new egg prices. They're soaring

By Vanessa Yurkevich, CNN
 3 min read • Published 7:00 AM EDT, Mon July 21, 2025

BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated Choice Retail Price

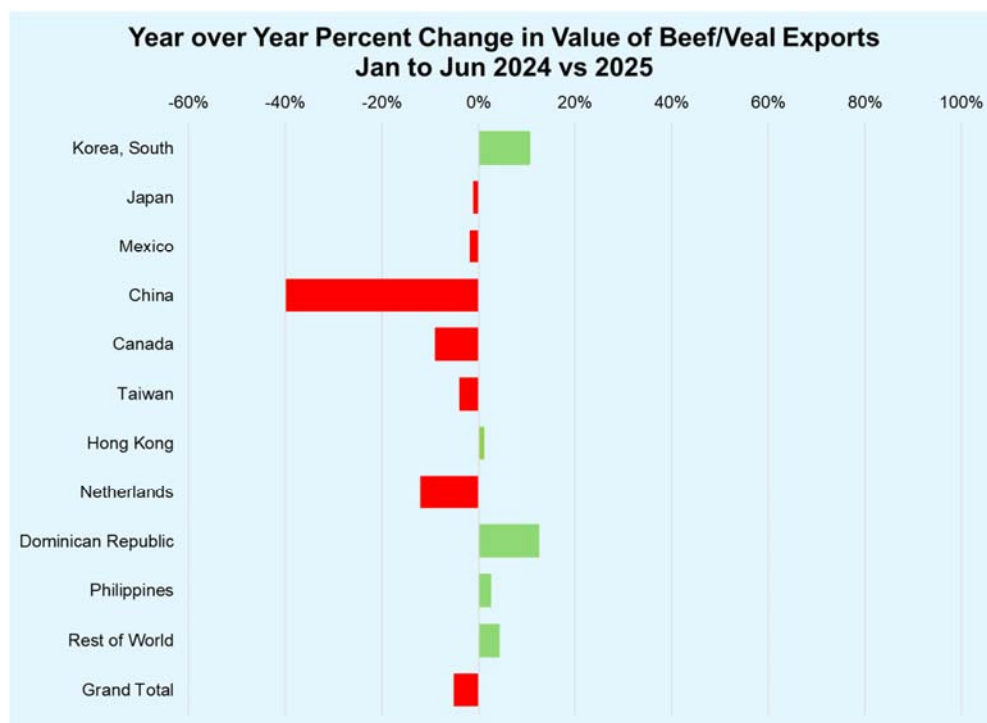


Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC
 Livestock Marketing Information Center

C-P-65
 05/09/25

Strong Consumer Demand for Beef

- 78% of respondents declare as regular consumers of products derived from animal products (Meat Demand Monitor, July 2025)
- Power of Meat 2025
 - 90% of consumers believe it's important to consume protein daily
 - 74% consumers believe meat/poultry are nutritional powerhouse and overall healthy food choices
- Strong consumer interest in meat and all proteins
- Niche opportunities for source verified, process verified, and direct-to-consumer sales remain



Total beef export value is 5% less than last year

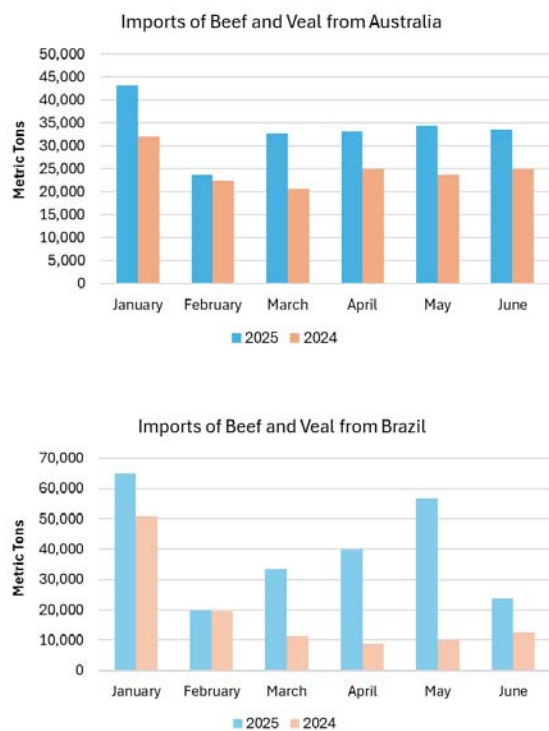
Total quantity exported is about 6% lower

Proportional losses with 6 of the top 10 2024 trading partners

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

International Trade Conditions in 2025

- Currently, still a lot of uncertainty
- 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 (YTD we're 11% behind last year)
 - Value of exported pork was \$66.53 per head of processed hog
 - US variety pork exports were \$1.3 billion (YTD we're 12% behind last year)
- Ability to selectively export meat products increases the value of live animals to meat packers



International Trade Conditions in 2025

- Imports from some of our partners have increased, relative to 2024
- Mostly to meet needs for lean grind
- Effective August 1, Brazilian beef faces new tariffs
- These (and other) trade relationships will be important, given the US consumer fondness for ground beef

Prices for Food at Home

- Inflationary pressure is still substantial but varies over categories

Food Group	Change in CPI Aug 2025 vs Aug 2024	Change in CPI 2026 (ERS Forecast Midpoint)*
All Food	3.2%	2.7%
Food at Home	2.0%	2.3%
Beef and veal	8.3%	9.3%
Pork	0.9%	1.1%
Poultry	1.7%	1.5%

*The range around these forecasts are quite wide as we're several months out.

Food Away from Home

- From Aug 2024 to Aug 2025 Food Away From Home inflation increased 3.2%, compared to 2.4% for Food At Home
- Threat of economic uncertainty
- 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 10% in July and 12% in August)

Concluding Thoughts

- Large scale herd rebuilding is not yet obviously happening
- Expect herd rebuilding to happen more slowly than in past cycles and resort in fewer total cows than 2019
- Excess plant capacity will help support prices in the short term and will likely be a topic of interest in the next couple of years
- Strong demand for beef domestically and abroad is key support for livestock and meat prices

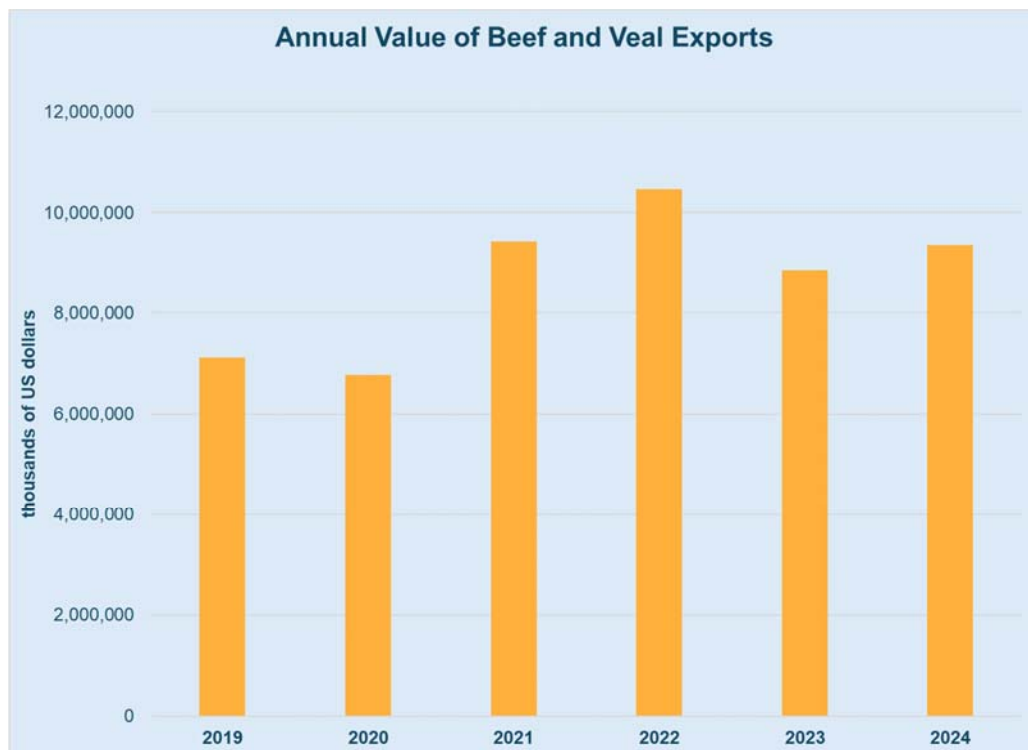
Concluding Thoughts

- US consumer optimism regarding protein and red meat is a well-timed windfall for the beef sector
- Availability of high-quality beef is important (Monthly grading percentages have averaged 86% Choice or Prime this year)
- Expect elevated meat prices at retail and restaurant to persist
- Food Away From Home spending has been resilient but will likely decline (as a percent of total food budget) this year

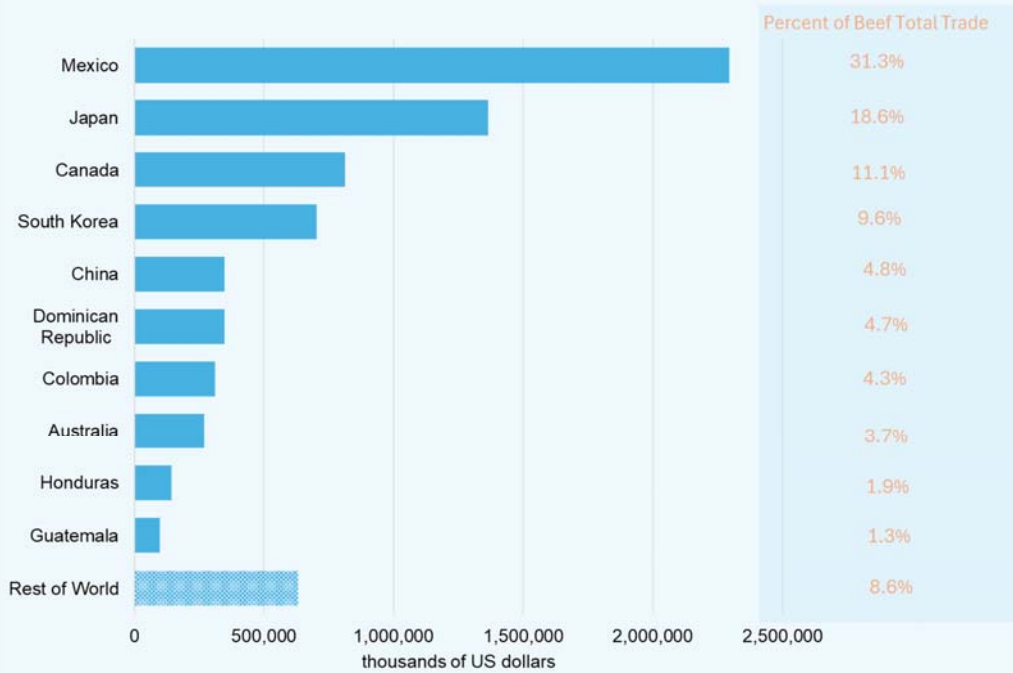
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Supplemental Slides

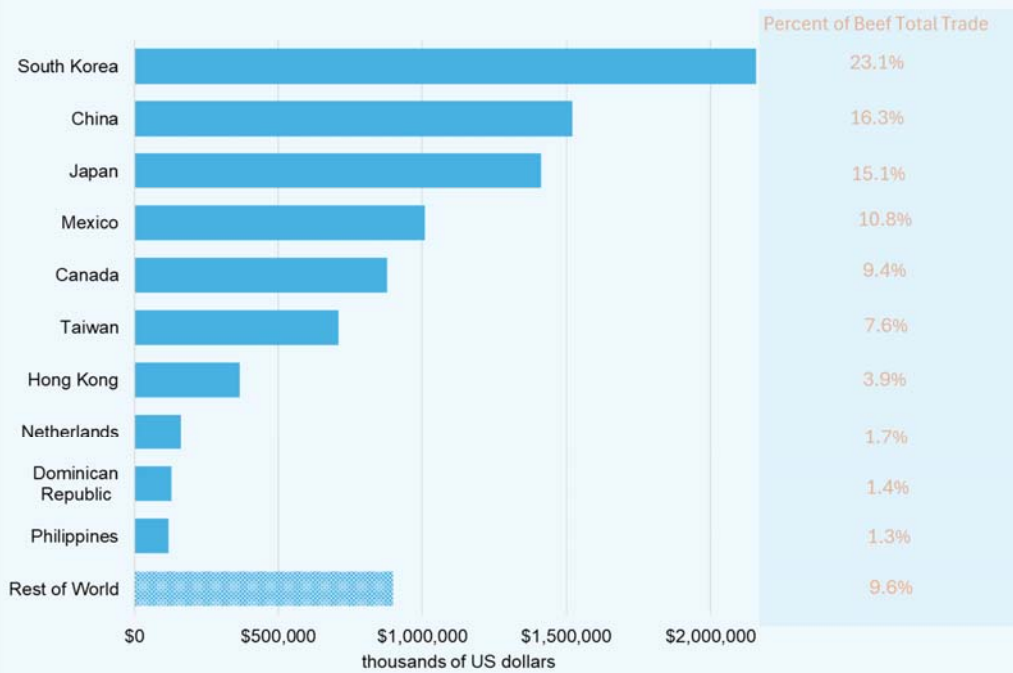


Value of 2024 Pork Exports to Top 10 Trading Partners



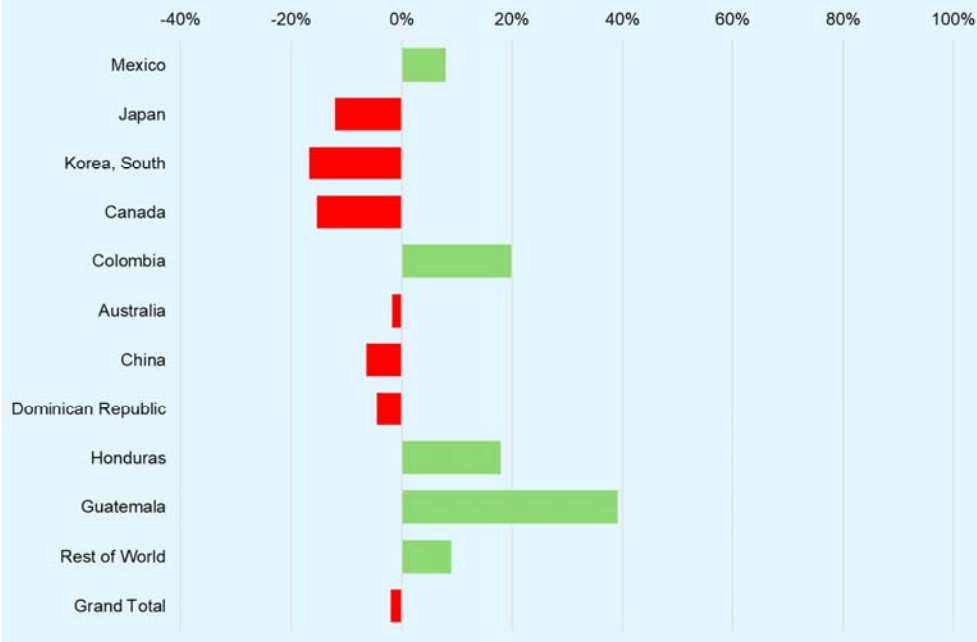
Data Source: USDA Foreign Ag Service GATS; no processed pork

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

Year over Year Percent Change in Value of Pork Exports Jan to Jun 2024 vs 2025



Total pork export value is 2% less than last year

Total quantity exported is about 2% lower

Biggest proportional gains with Latin American Countries

Mexico continues to be a major trade partner

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