

Current Livestock and Meat Issues

Brian Coffey

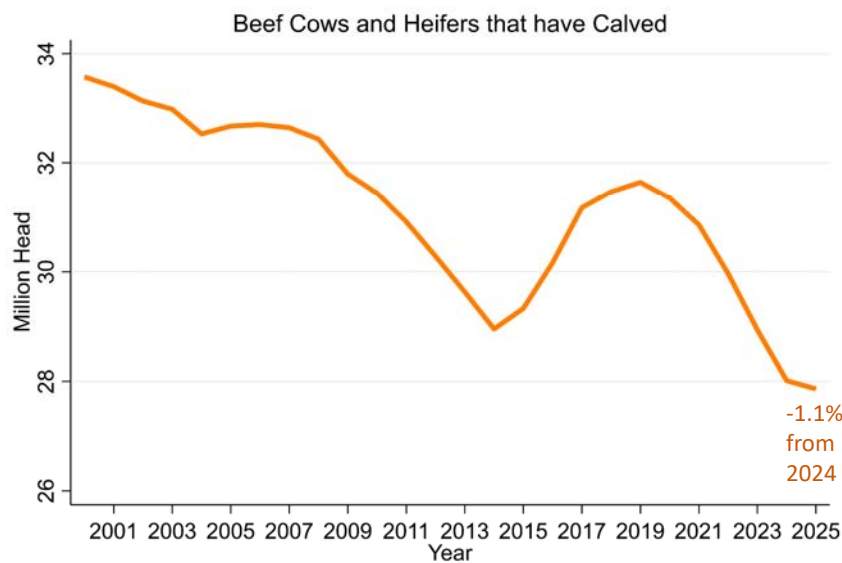
KSU Agricultural Economics 2025 Risk and Profit Conference

August 22, 2025

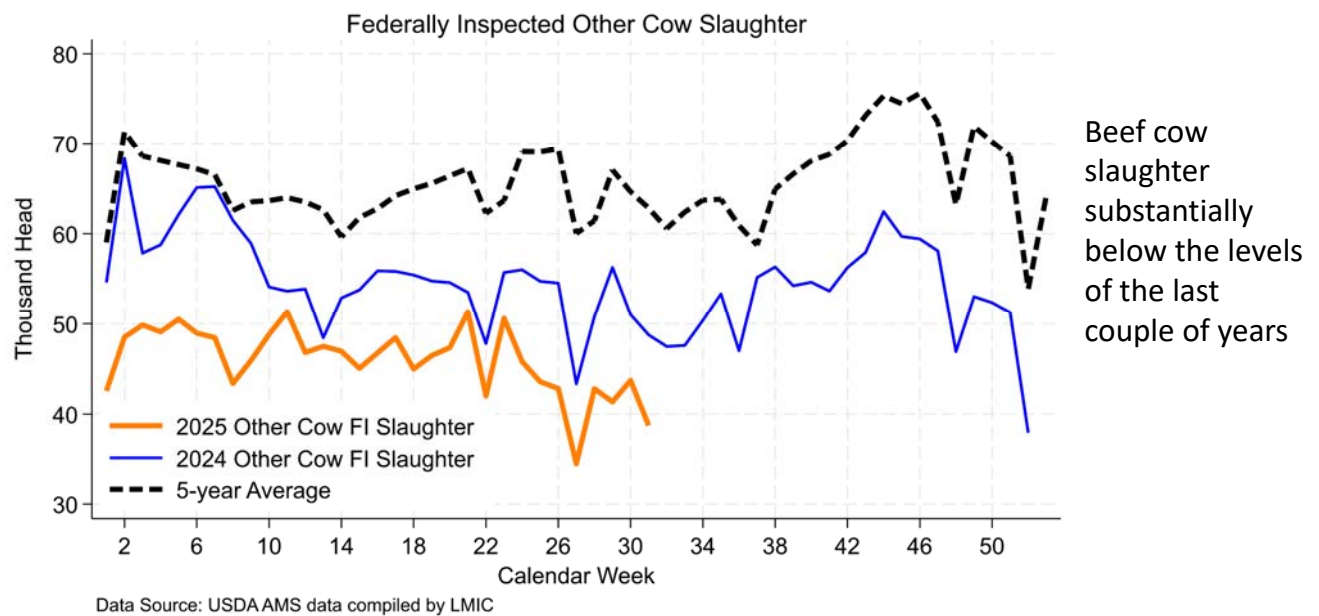
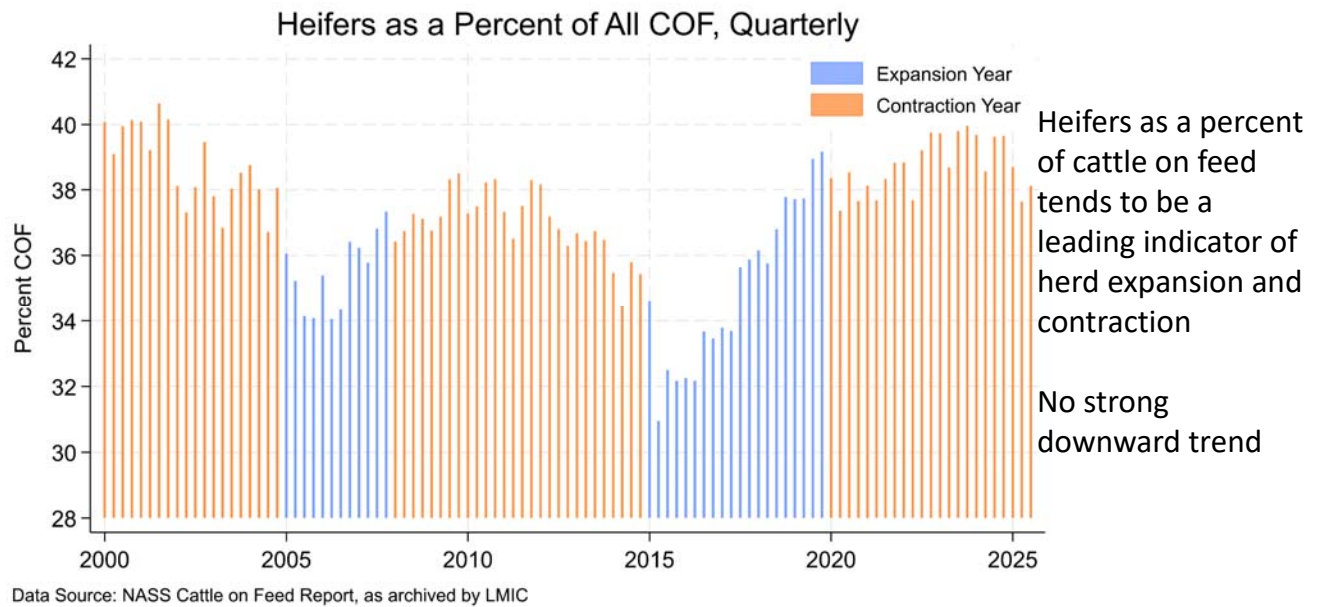
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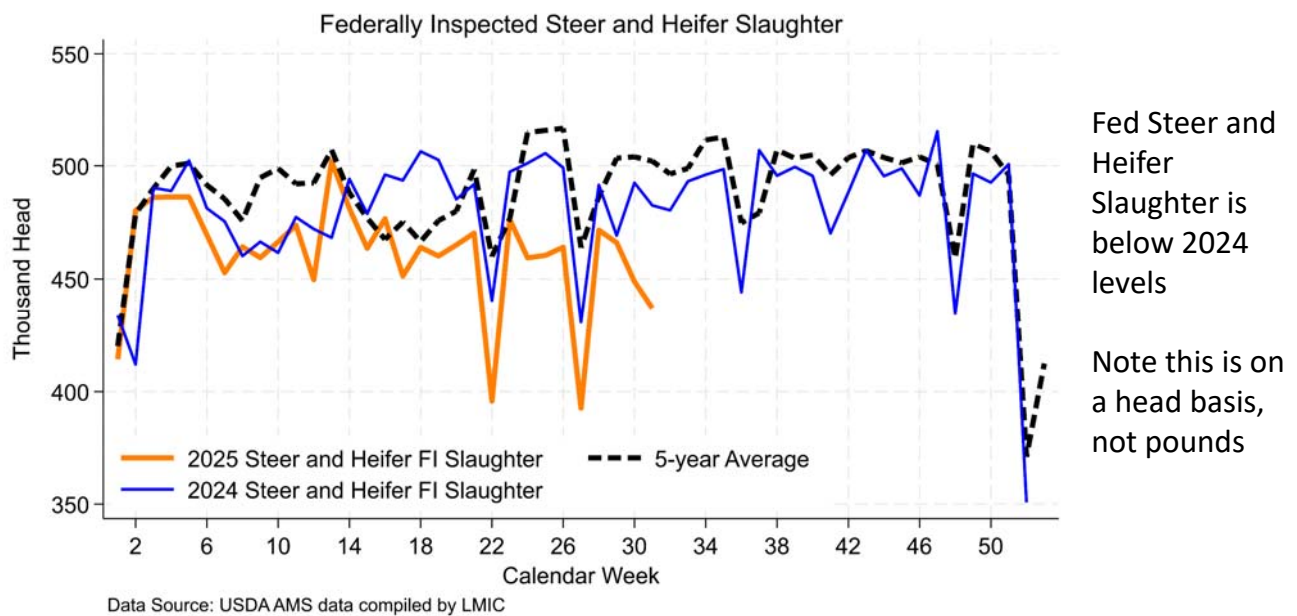
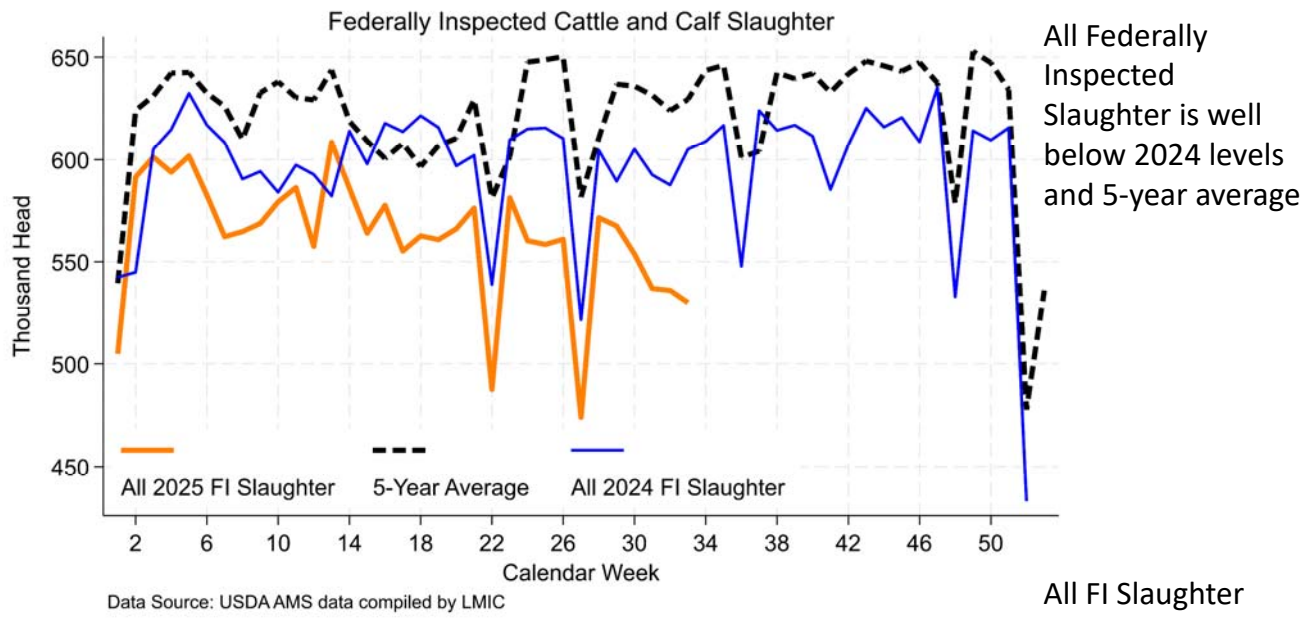
Agricultural Economics

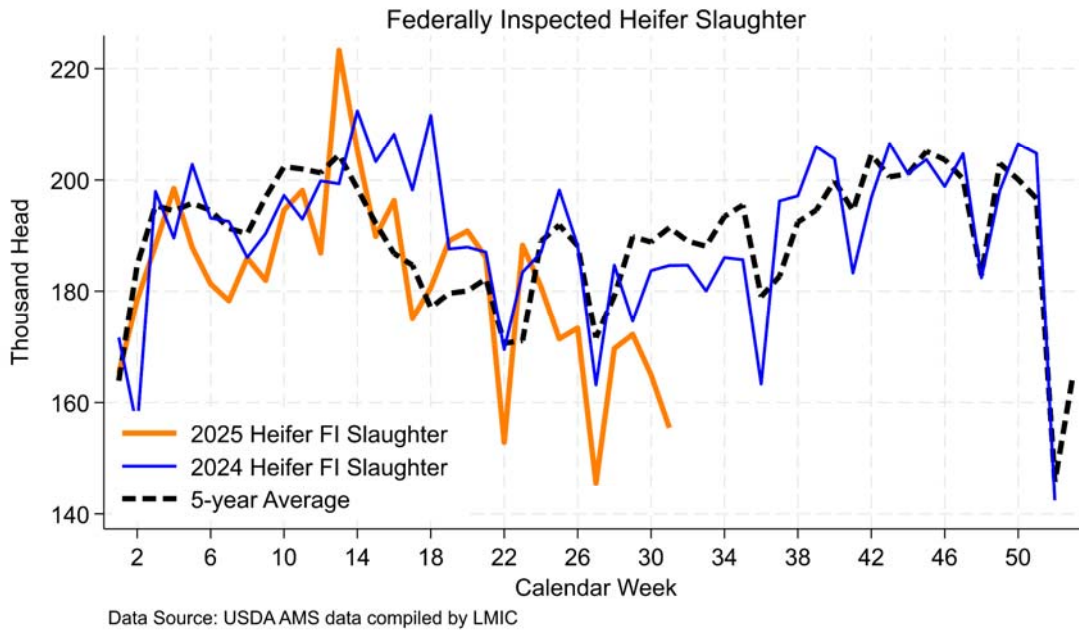
US Beef Cow Herd



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%

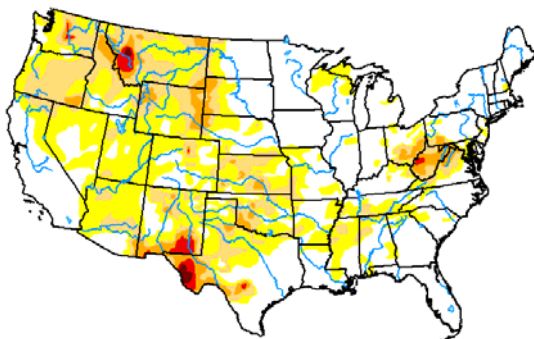




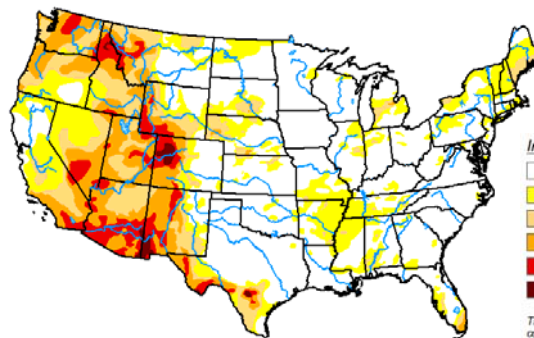


US Drought Conditions

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



August 13, 2024
(Released Thursday, Aug. 15, 2024)
Valid 8 a.m. EDT



August 12, 2025
(Released Thursday, Aug. 14, 2025)
Valid 8 a.m. EDT

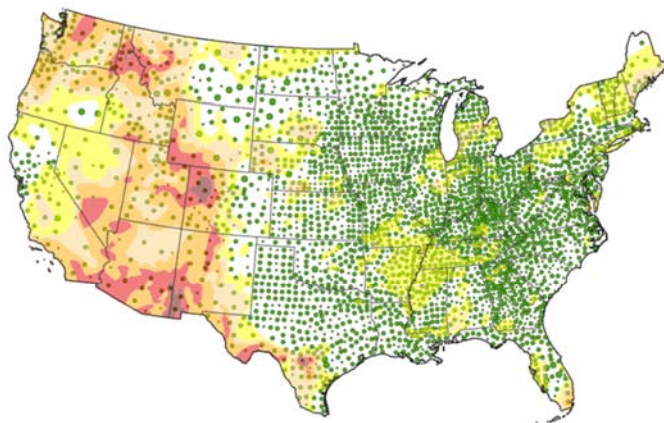
Intensity:

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

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:
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National Drought Mitigation Center

USDA LMIC NOAA
droughtmonitor.unl.edu



Cattle Produced by County

Scales by Inventory

U.S. Drought Monitor



Source(s): USDA NASS, U.S. Drought Monitor
USDM Updates Weekly: 08/12/25

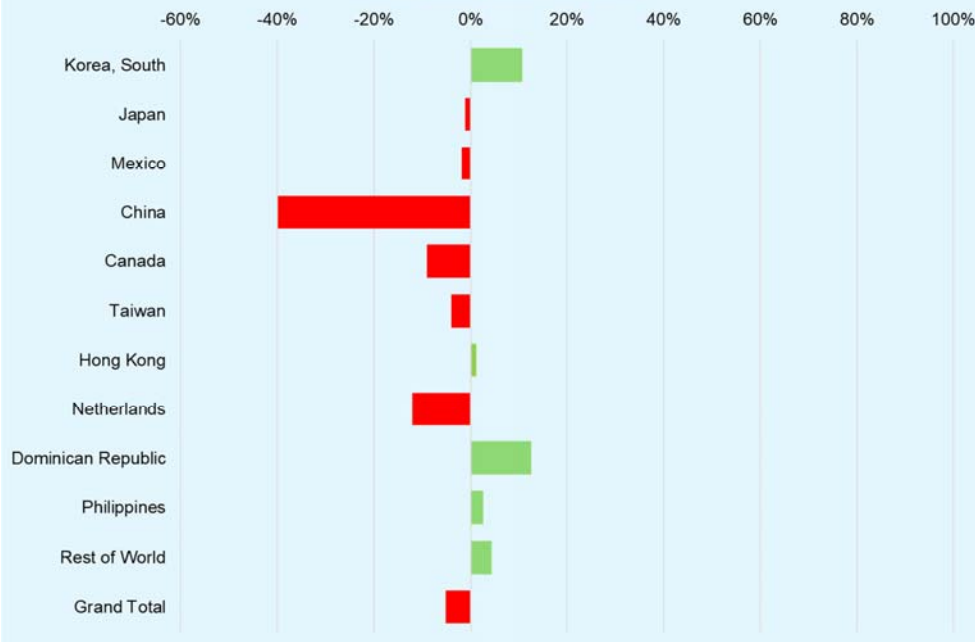
Drought.gov

Cattle in Drought Conditions

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)

**Year over Year Percent Change in Value of Beef/Veal Exports
Jan to Jun 2024 vs 2025**



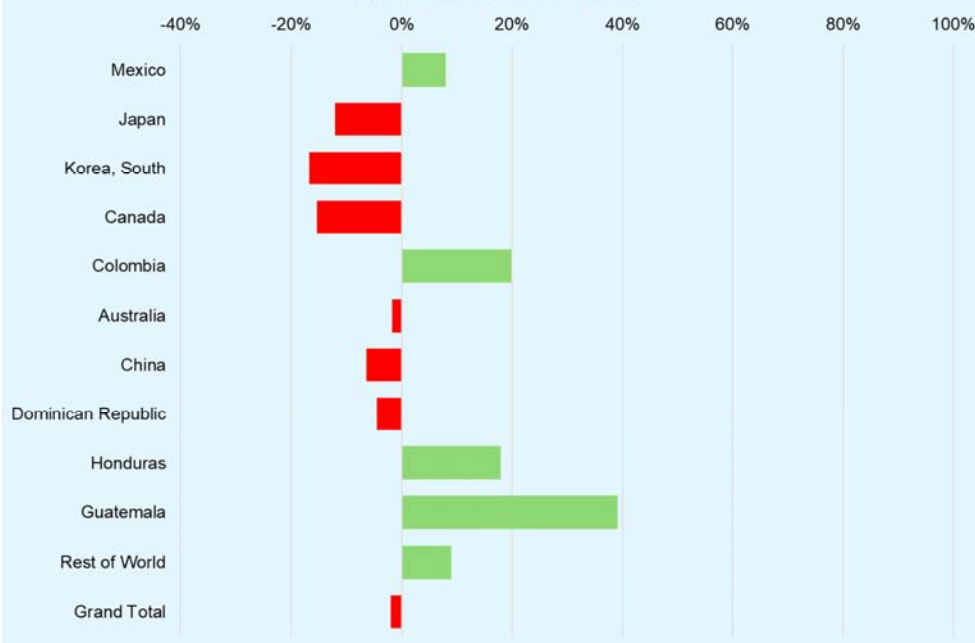
Total beef export value is 5% less than last year

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

**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

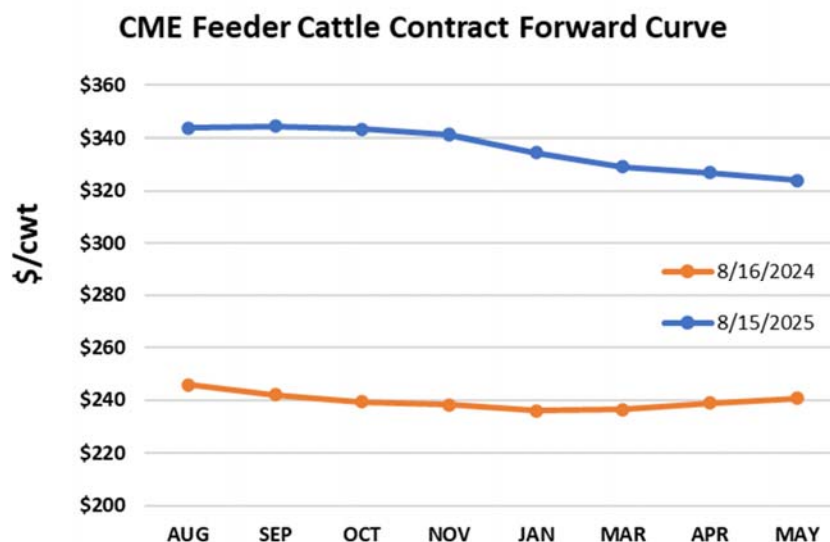
Mexico continues to be a major trade partner

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

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

Livestock Prices



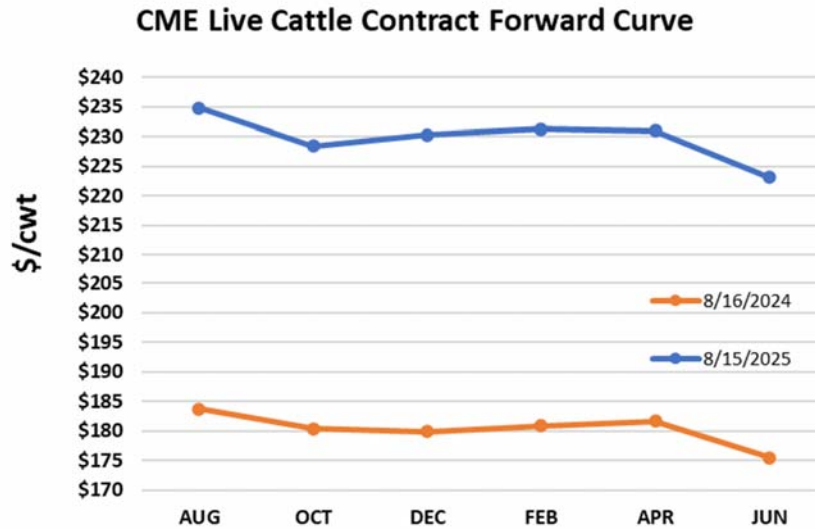
USDA ERS Aug 2025
projection OK City Med
Frame 1 feeder steer
prices:

Q3 2025	\$343/cwt
Q4 2025	\$345/cwt
Q1 2026	\$348/cwt
Q2 2026	\$350/cwt

Revised up substantially
from July numbers

Based on weekly averages of futures settlement prices as reported by LMIC
Updated 8/19/25

Livestock Prices



Price levels are elevated

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

Q3 2025 \$238/cwt

Q4 2025 \$240/cwt

Q1 2026 \$242/cwt

Q2 2026 \$243/cwt

Up from July numbers

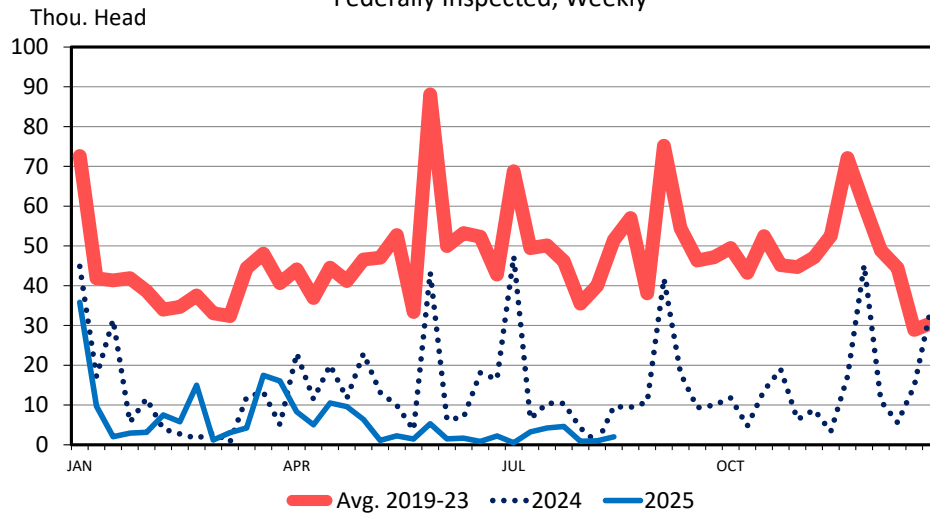
Based on weekly averages of futures settlement prices as reported by LMIC
Updated 8/19/25

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

SATURDAY CATTLE SLAUGHTER

Federally Inspected, Weekly



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

C-S-03
 08/15/25

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

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

Prices for Food at Home

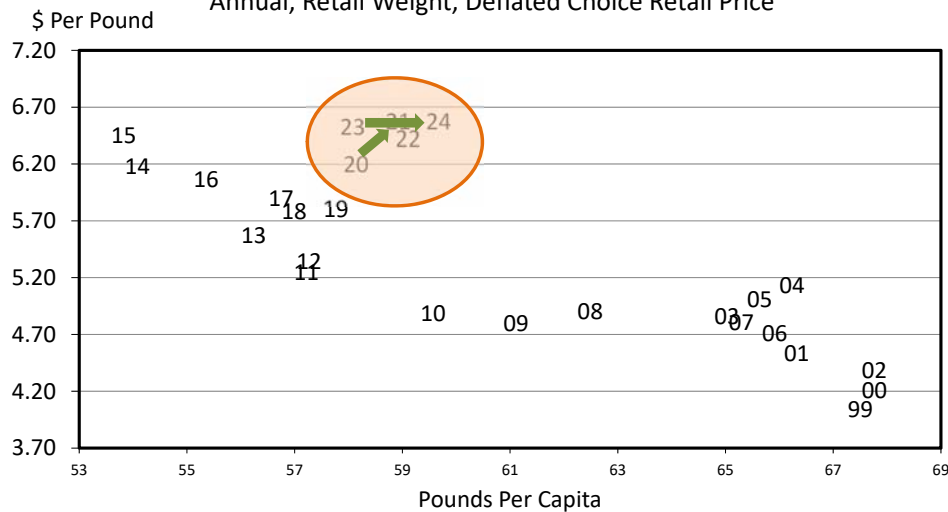
- Inflationary pressure is still substantial but varies over categories

Food Group	Change in CPI June 2025 vs June 2024	Change in CPI 2026 (ERS Forecast Midpoint)*
All Food	3.0%	2.7%
Food at Home	2.4%	1.6%
Beef and veal	10.6%	2.9%
Pork	0.5%	0.2%
Poultry	3.4%	2.6%

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

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

Food Away from Home

- From June 2024 to June 2025 Food Away From Home inflation increased 3.8%, 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

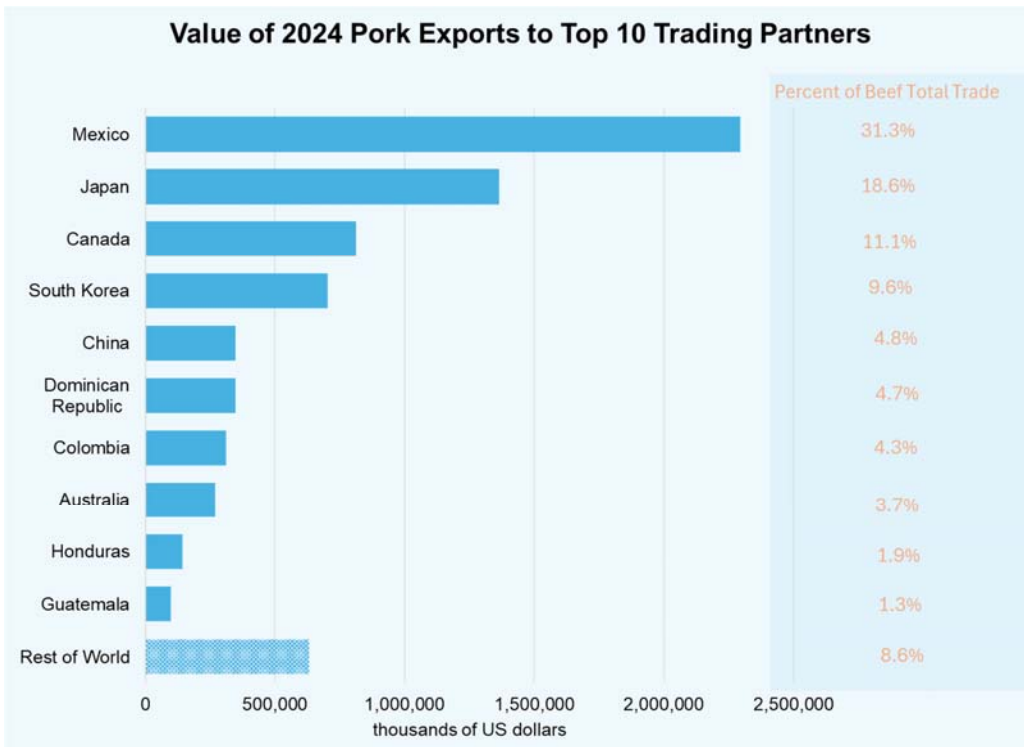
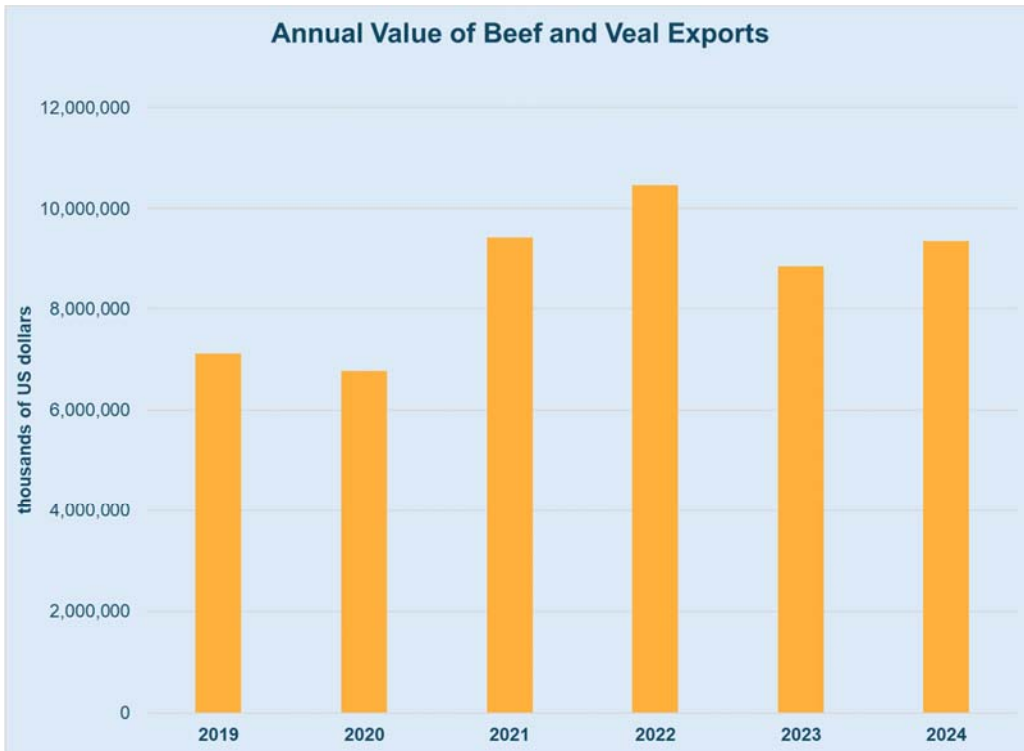
- US consumer optimism regarding protein and red meat is a well-timed windfall for the beef sector
- Availability of high-quality beef is important (Monthly grading percentages have averaged 86% Choice or Prime this year)
- Expect elevated meat prices at retail and restaurant to persist
- Food Away From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

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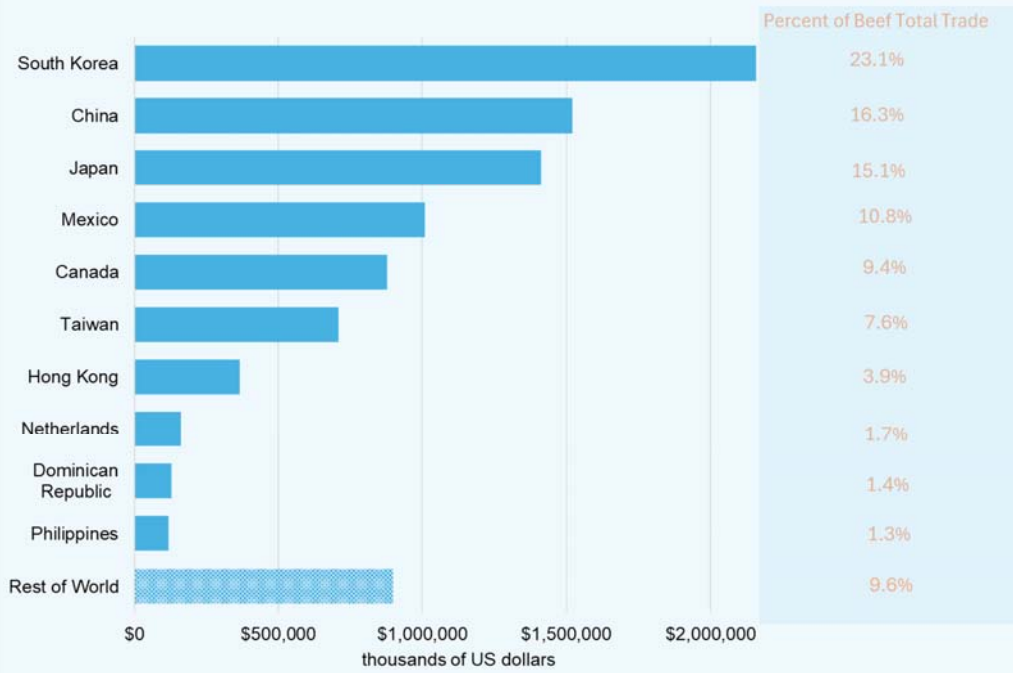


Supplemental Slides



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