

# ***BEEF-CATTLE OUTLOOK***

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**[http://www.agmanager.info/about  
/contributors/individual/tonsor.asp](http://www.agmanager.info/about/contributors/individual/tonsor.asp)**



# Take-Home Summary

## Supply Dynamics

- Expansion pending? (likely in 25')
- Expect Capacity Utilization "Chatter"

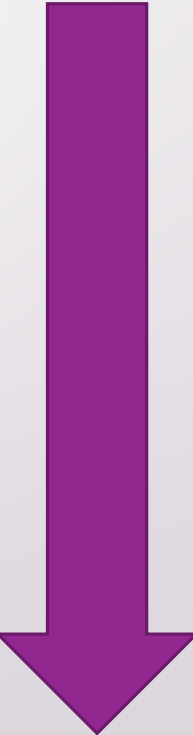
## Beef Demand

Most Challenges are Macroeconomic Driven

## Quarterly Forecasts (LMIC: 1/31/24)

Year Quarter	Comm'l Slaughter	% Chg. from Year Ago	Average Dressed Weight	% Chg. from Year Ago	Comm'l Beef Production	% Chg. from Year Ago
<b>2023</b>						
I	8,314	-1.1	820.5	-1.8	6,822	-2.9
II	8,278	-4.6	810.6	-0.6	6,710	-5.1
III	8,098	-7.5	817.5	0.2	6,621	-7.3
IV	8,149	-4.0	835.9	0.7	6,812	-3.4
<b>Year</b>	<b>32,839</b>	<b>-4.3</b>	<b>821.1</b>	<b>-0.4</b>	<b>26,964</b>	<b>-4.7</b>
<b>2024</b>						
I	7,938	-4.5	835.5	1.8	6,632	-2.8
II	7,717	-6.8	820.6	1.2	6,332	-5.6
III	7,525	-7.1	827.9	1.3	6,230	-5.9
IV	7,494	-8.0	847.1	1.3	6,348	-6.8
<b>Year</b>	<b>30,673</b>	<b>-6.6</b>	<b>832.7</b>	<b>1.4</b>	<b>25,542</b>	<b>-5.3</b>
<b>2025</b>						
I	7,416	-6.6	843.6	1.0	6,256	-5.7
II	7,246	-6.1	828.0	0.9	6,000	-5.2
III	7,201	-4.3	836.1	1.0	6,021	-3.3
IV	7,129	-4.9	855.5	1.0	6,099	-3.9
<b>Year</b>	<b>28,992</b>	<b>-5.5</b>	<b>840.8</b>	<b>1.0</b>	<b>24,375</b>	<b>-4.6</b>

Data Source: Livestock Marketing Information Center



## Quarterly Forecasts: Cattle (LMIC: 1/31/24)

Year Quarter	Live Sltr. Steer Price 5-Mkt Avg	% Chg. from Year Ago	Feeder Steer Price Southern Plains	
			7-800#	5-600#
<b>2023</b>				
I	160.92	15.6	185.52	224.01
II	179.02	26.1	214.16	254.87
III	184	28.5	253	281
IV	178	18.3	235	278
<b>Year</b>	<b>176</b>	<b>21.9</b>	<b>222</b>	<b>259</b>
<b>2024</b>				
I	179-181	11.9	245-247	290-294
II	188-191	5.9	256-259	285-290
III	190-195	4.5	275-285	290-300
IV	205-210	16.6	280-290	300-310
<b>Year</b>	<b>192-194</b>	<b>10.0</b>	<b>266-268</b>	<b>294-296</b>
<b>2025</b>				
I	190-205	9.7	265-280	290-305
II	200-215	9.5	280-295	295-310
III	195-210	5.2	285-300	315-330
IV	225-240	12.0	275-290	325-340
<b>Year</b>	<b>208-212</b>	<b>8.8</b>	<b>282-286</b>	<b>312-316</b>



Data Source: Livestock Marketing Information Center

## Forecasts: Cattle (LMIC: 1/31/24)

Since 1/31

LC CME: **+\$3-5/cwt**

FC CME: **+\$2-10/cwt**

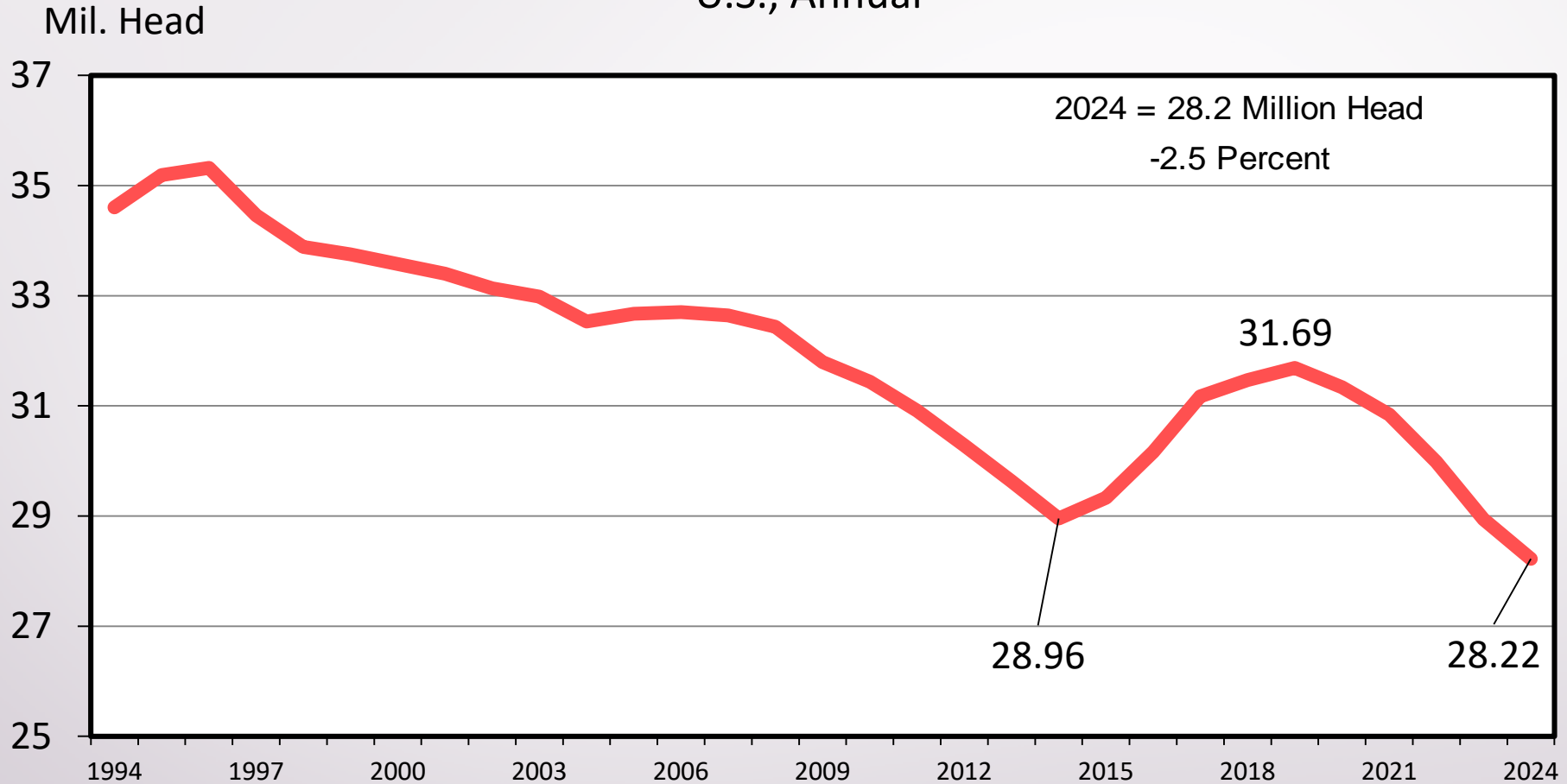
Sltr. Price Avg	% Chg. from Year Ago	Feeder Steer Price Southern Plains	
		7-800#	5-600#
60.92	15.6	185.52	224.01
79.02	26.1	214.16	254.87
184	28.5	253	281
178	18.3	235	278
176	21.9	222	259

<b>2024</b>				
I	179-181	11.9	245-247	290-294
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<b>Year</b>	<b>208-212</b>	<b>8.8</b>	<b>282-286</b>	<b>312-316</b>



# JANUARY 1 BEEF COW INVENTORY

U.S., Annual

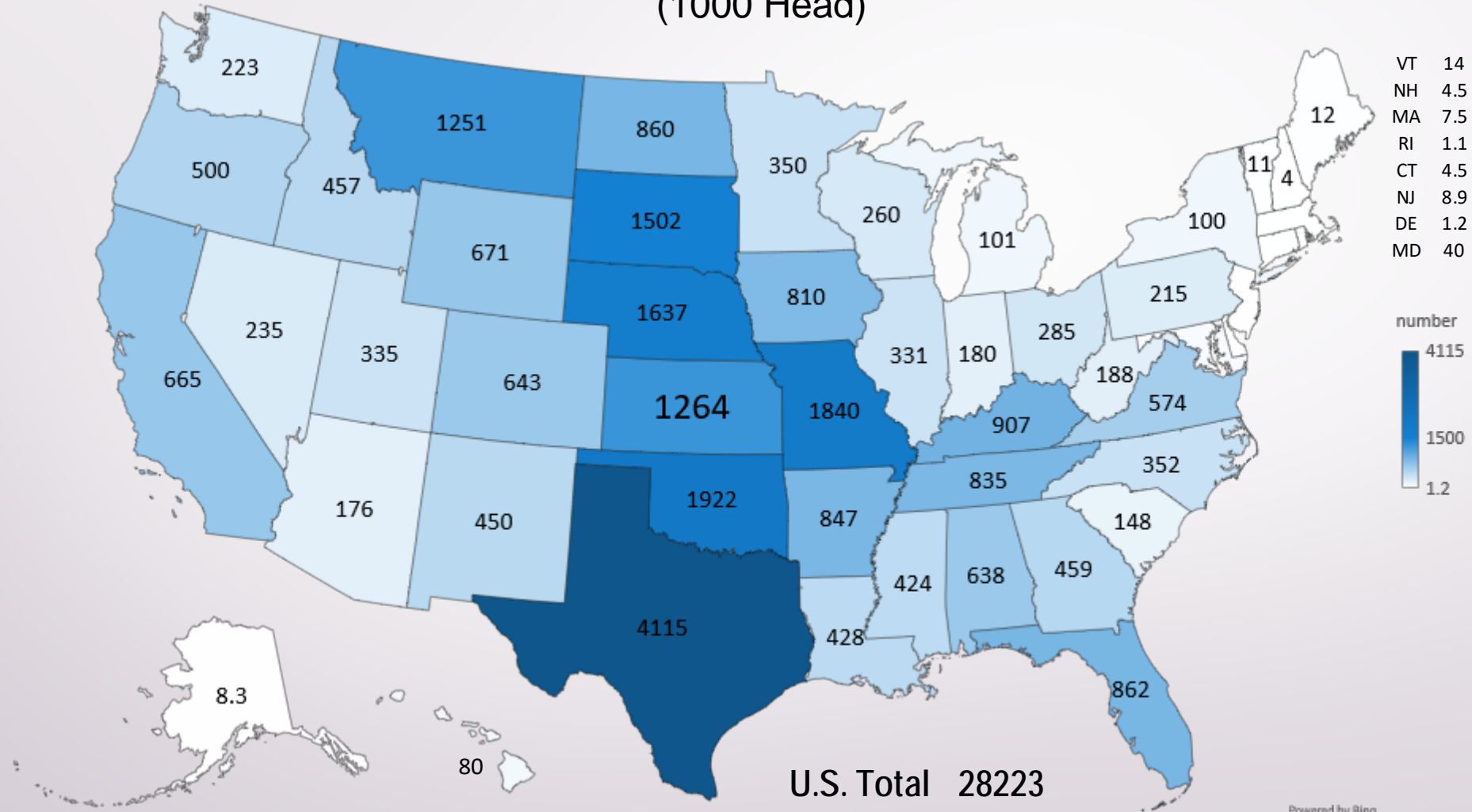


Data Source: USDA-NASS  
Livestock Marketing Information Center

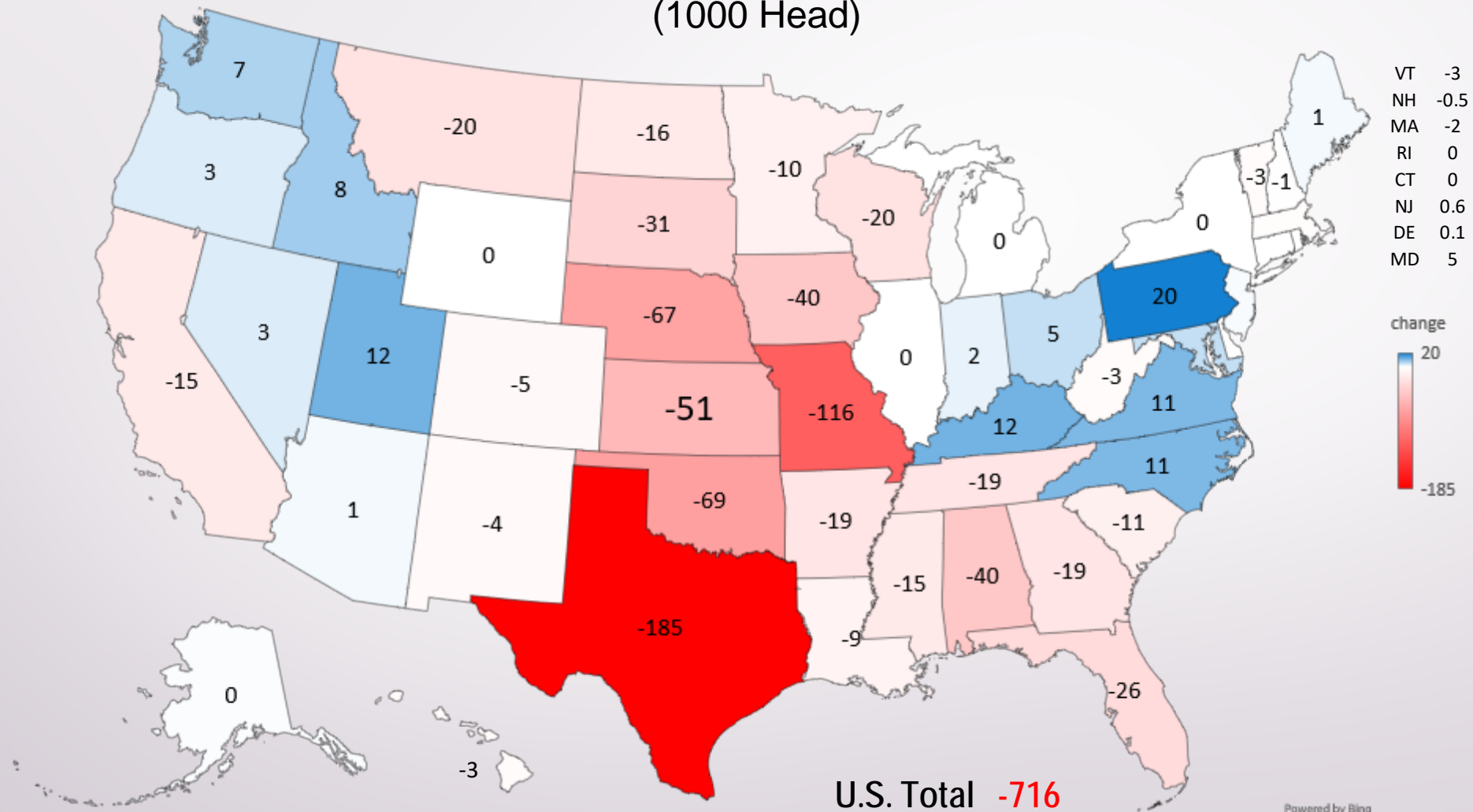
C-N-02  
01/31/24

# BEEF COWS THAT CALVED JANUARY 1, 2024

(1000 Head)



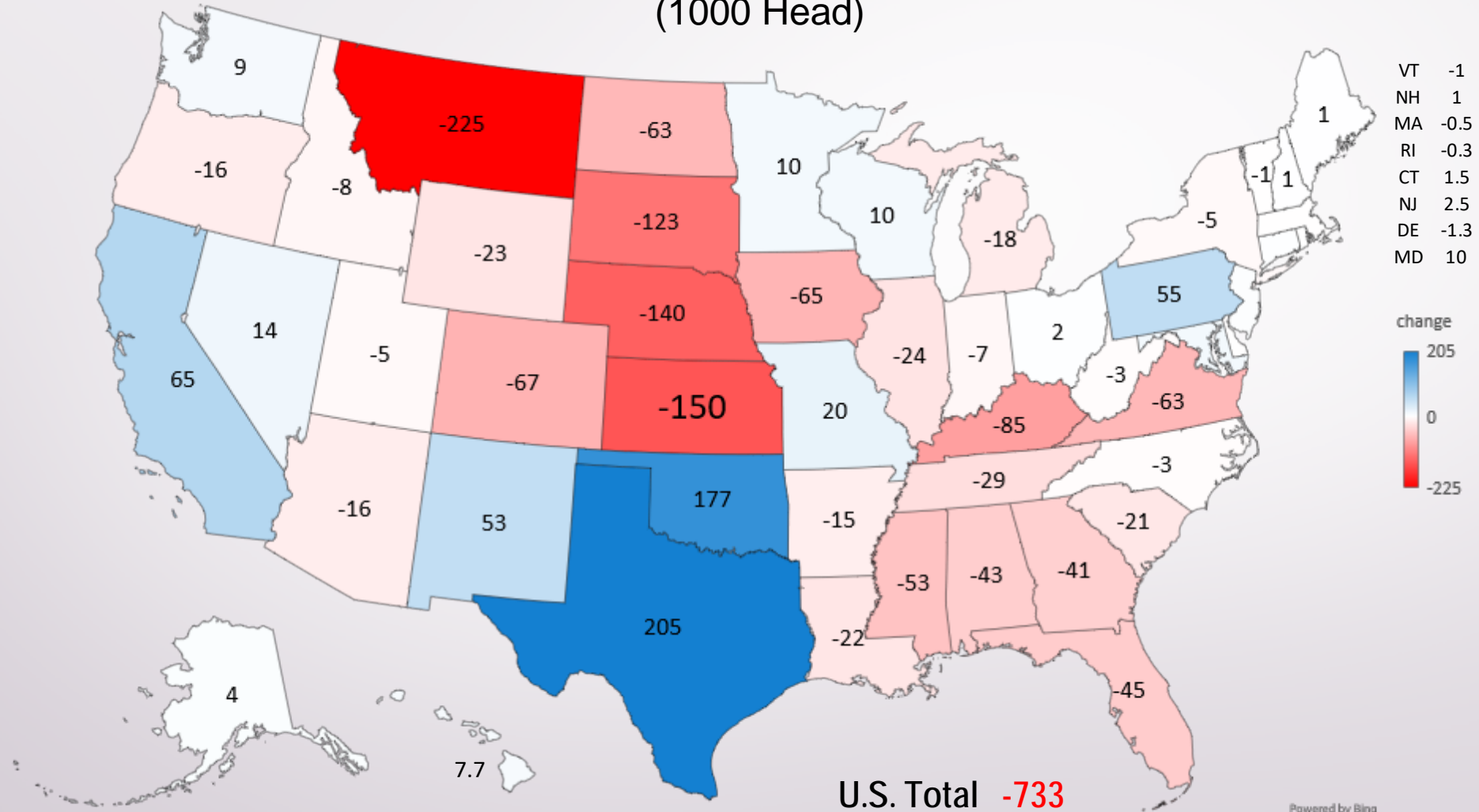
# CHANGE IN BEEF COWS 2023 TO 2024 (1000 Head)



Powered by Bing  
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# CHANGE IN BEEF COWS 2014 TO 2024 (1000 Head)

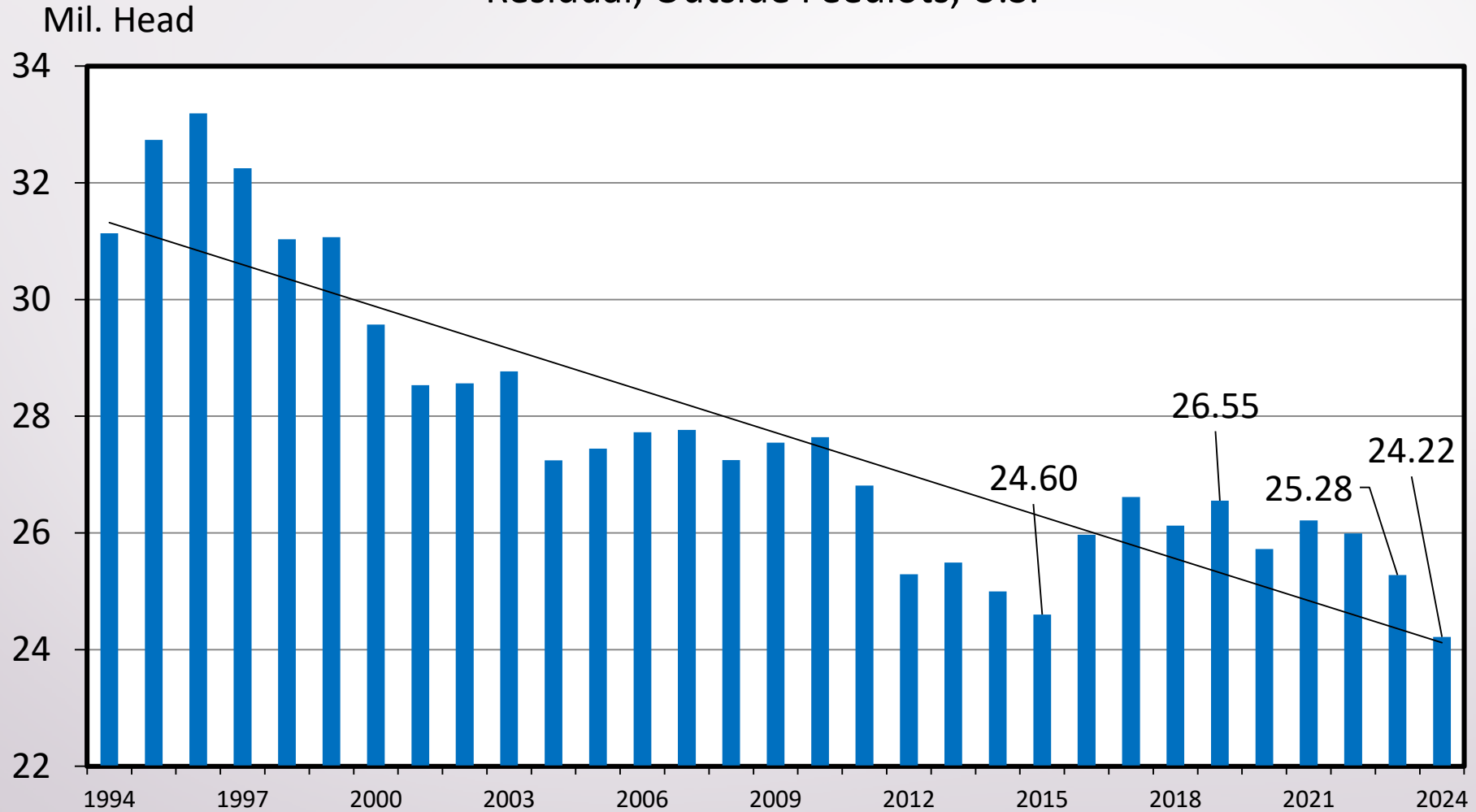


U.S. Total **-733**

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# JANUARY 1 FEEDER CATTLE SUPPLIES

Residual, Outside Feedlots, U.S.

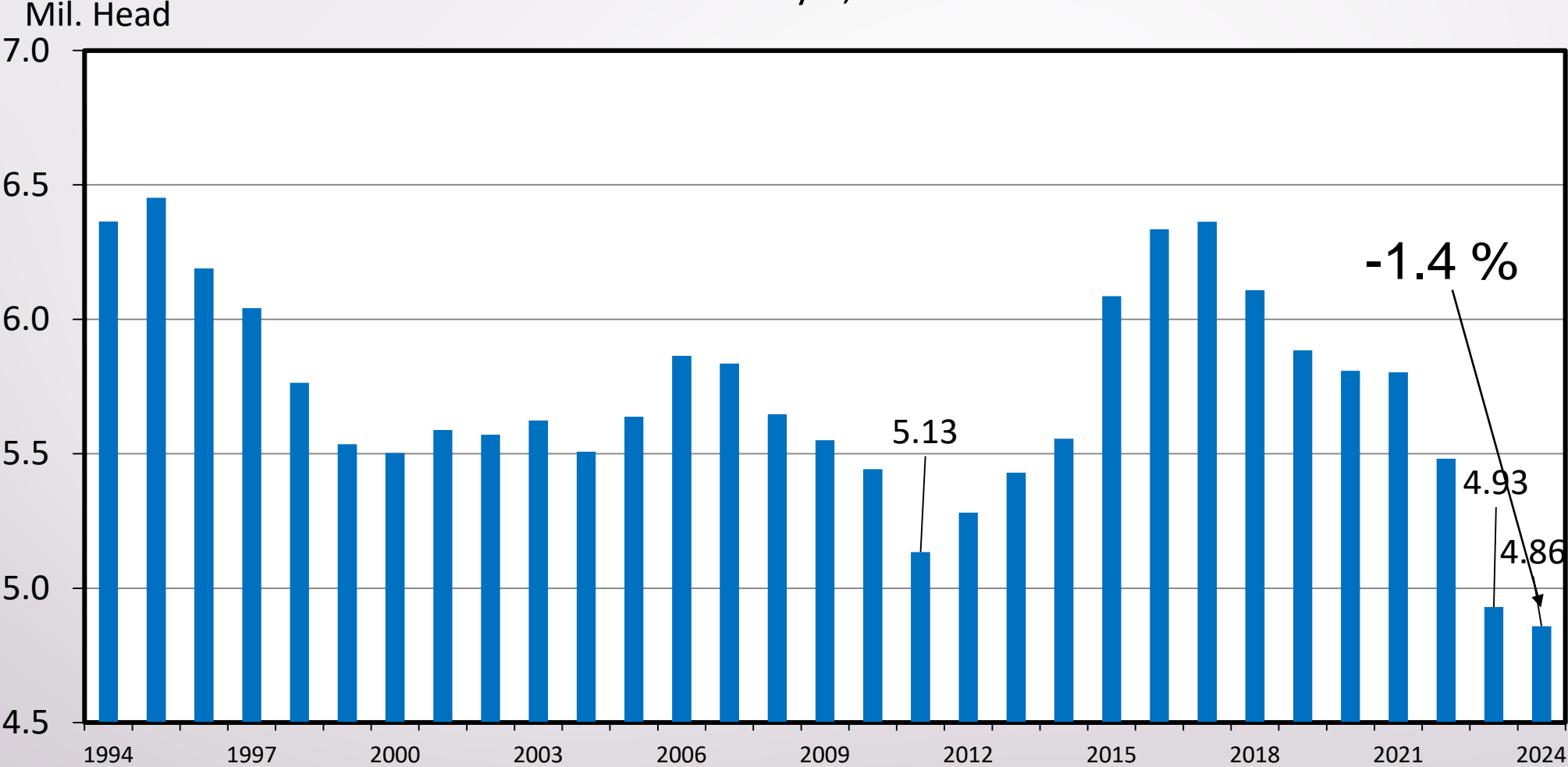


Data Source: USDA-NASS  
Livestock Marketing Information Center

C-N-30  
01/31/24

# HEIFERS HELD AS BEEF COW REPLACEMENTS

January 1, U.S.



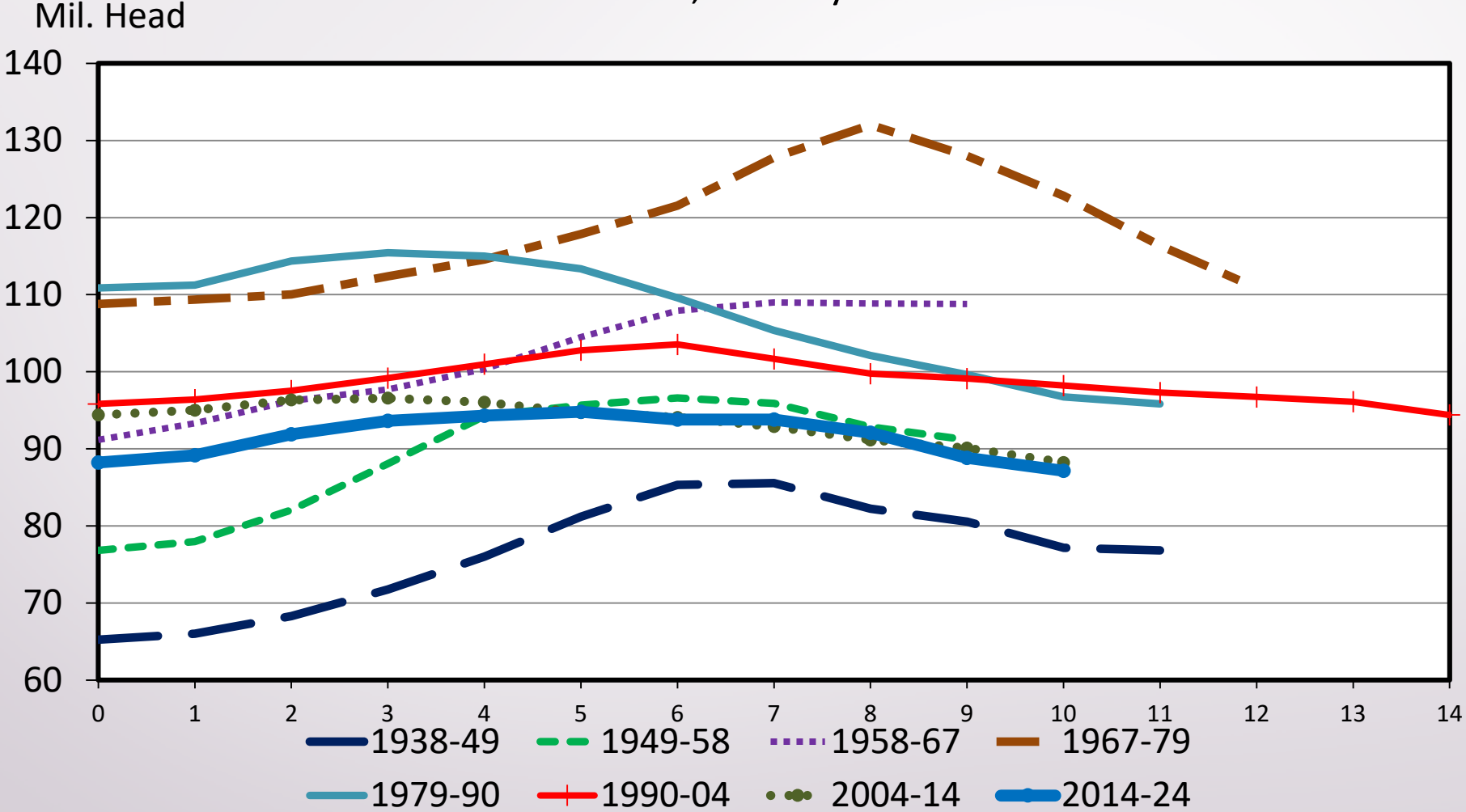
Data Source: USDA-NASS

Livestock Marketing Information Center

C-N-38  
01/31/24

# TOTAL CATTLE INVENTORY BY CYCLE

U.S., January 1



Data Source: USDA-NASS  
Livestock Marketing Information Center

C-N-40  
01/31/24

# Context on Beef Cow Herd Dynamics

K-State Dept. of Agricultural Economics Extension Publication

03/21/2022

## An Updated Evaluation of the U.S. Cattle Cycle

*Jaime R. Luke* ([jrluke@ksu.edu](mailto:jrluke@ksu.edu))

*Andrew E. Anderson* ([ander909@ksu.edu](mailto:ander909@ksu.edu))

*Glynn T. Tonsor* ([gtonsor@ksu.edu](mailto:gtonsor@ksu.edu))

*Kansas State University Department of Agricultural Economics*

- <https://www.agmanager.info/livestock-meat/production-economics/updated-evaluation-us-cattle-cycle>

# KSU – Beef Replacement Tool

<https://www.agmanager.info/livestock-meat/production-economics/ksu-beef-replacement>

Always good to “push the pencil” on decisions such as what to pay in herd expansion/rebuild efforts

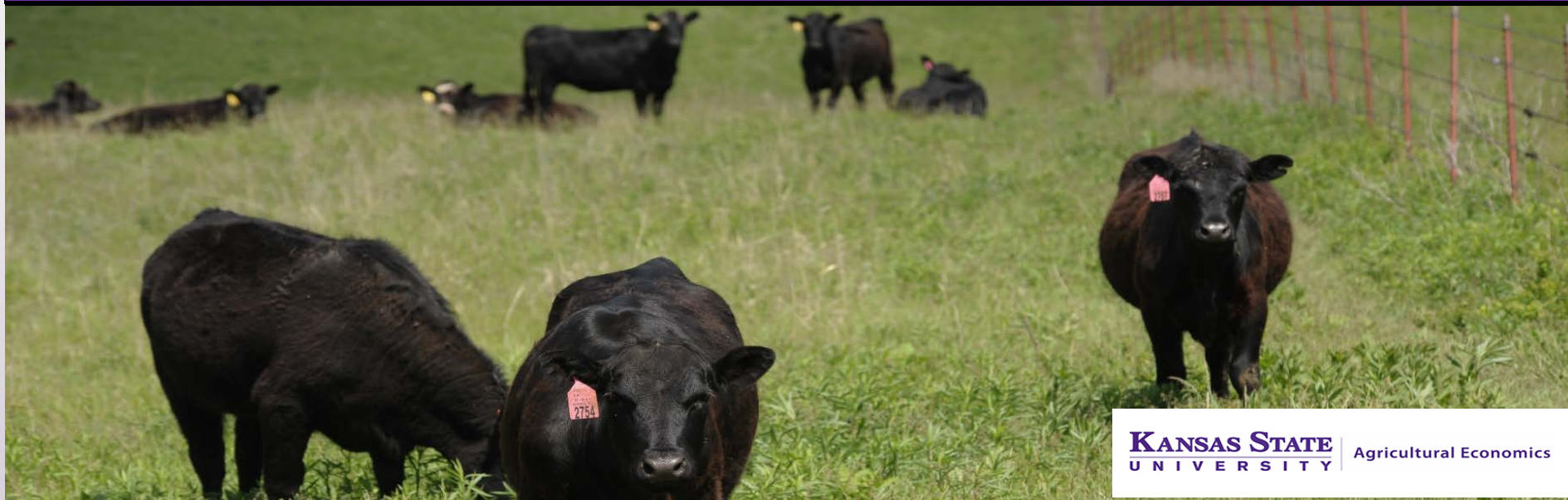
## *KSU-Beef Replacements*

An Excel spreadsheet program to evaluate the economic value of purchasing beef replacement females.



**AgManager**  
.info

Version- 12.7.2023



**KANSAS STATE**  
UNIVERSITY | Agricultural Economics

# KSU – Beef Replacement Tool

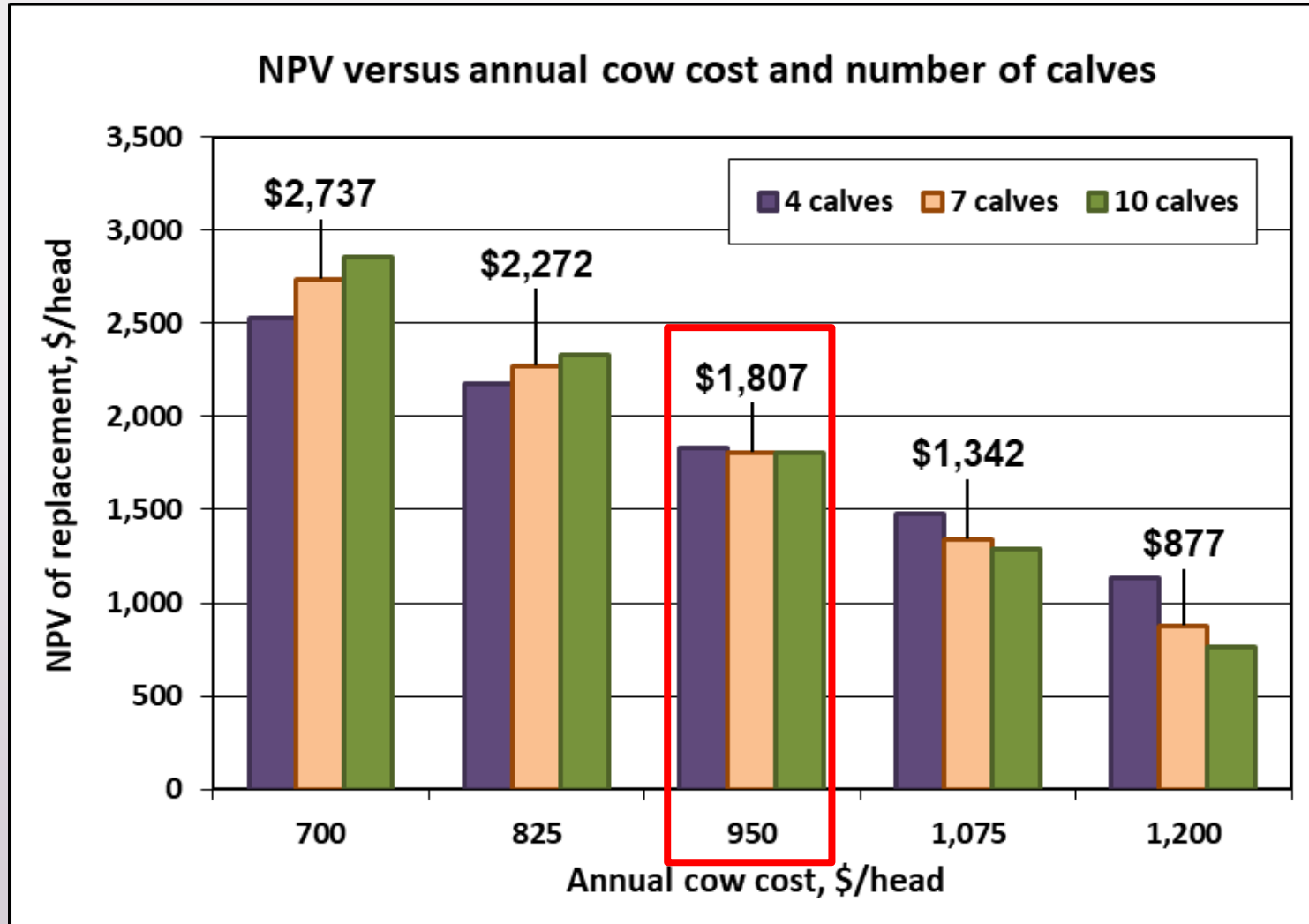
<https://www.agmanager.info/livestock-meat/production-economics/ksu-beef-replacement>

## Base/Default Case

- Annual Cash Cow Costs \$950/year
- Annual inflation rate on costs 3.0%
- Discount Rate 9.0%
- USDA projected calf prices (\$295/cwt in 2024)  
*= Net Present Value of "7-calf heifer" is \$1,807*

# KSU – Beef Replacement Tool

<https://www.agmanager.info/livestock-meat/production-economics/ksu-beef-replacement>

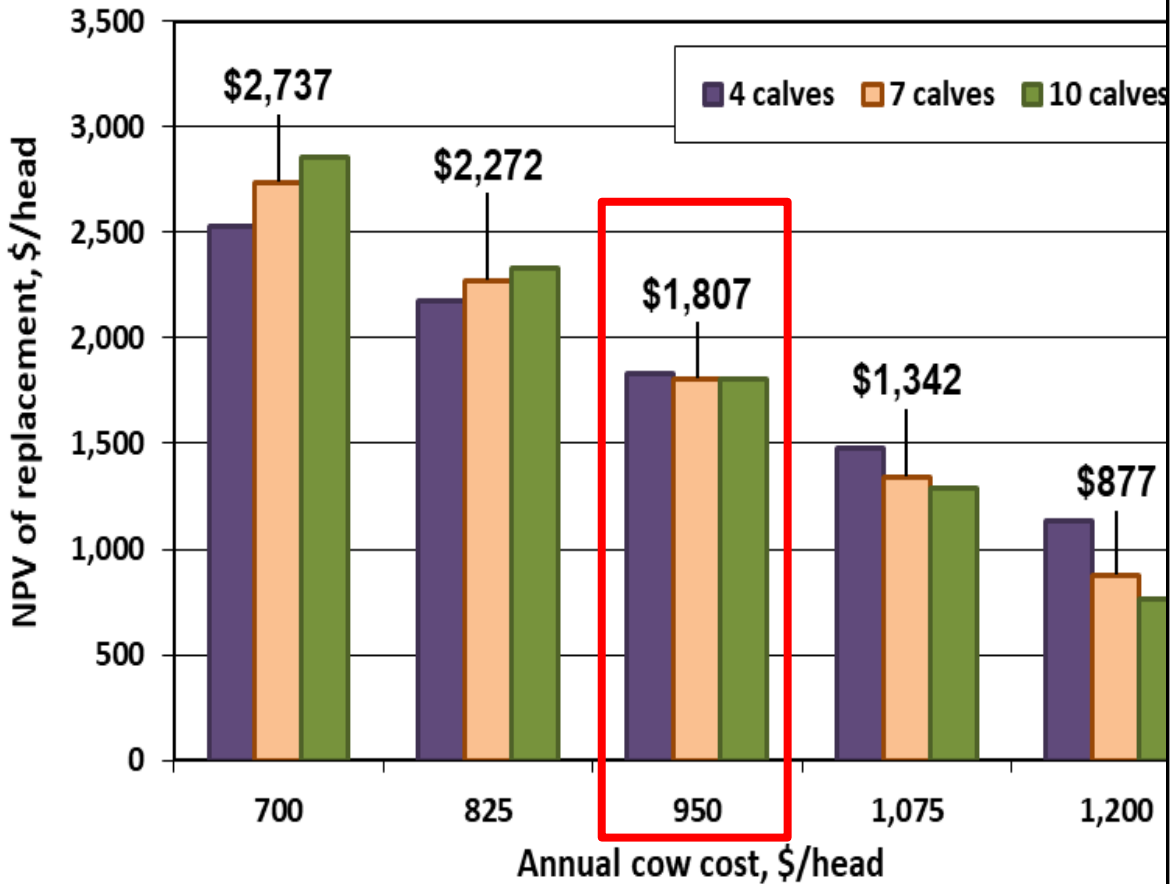




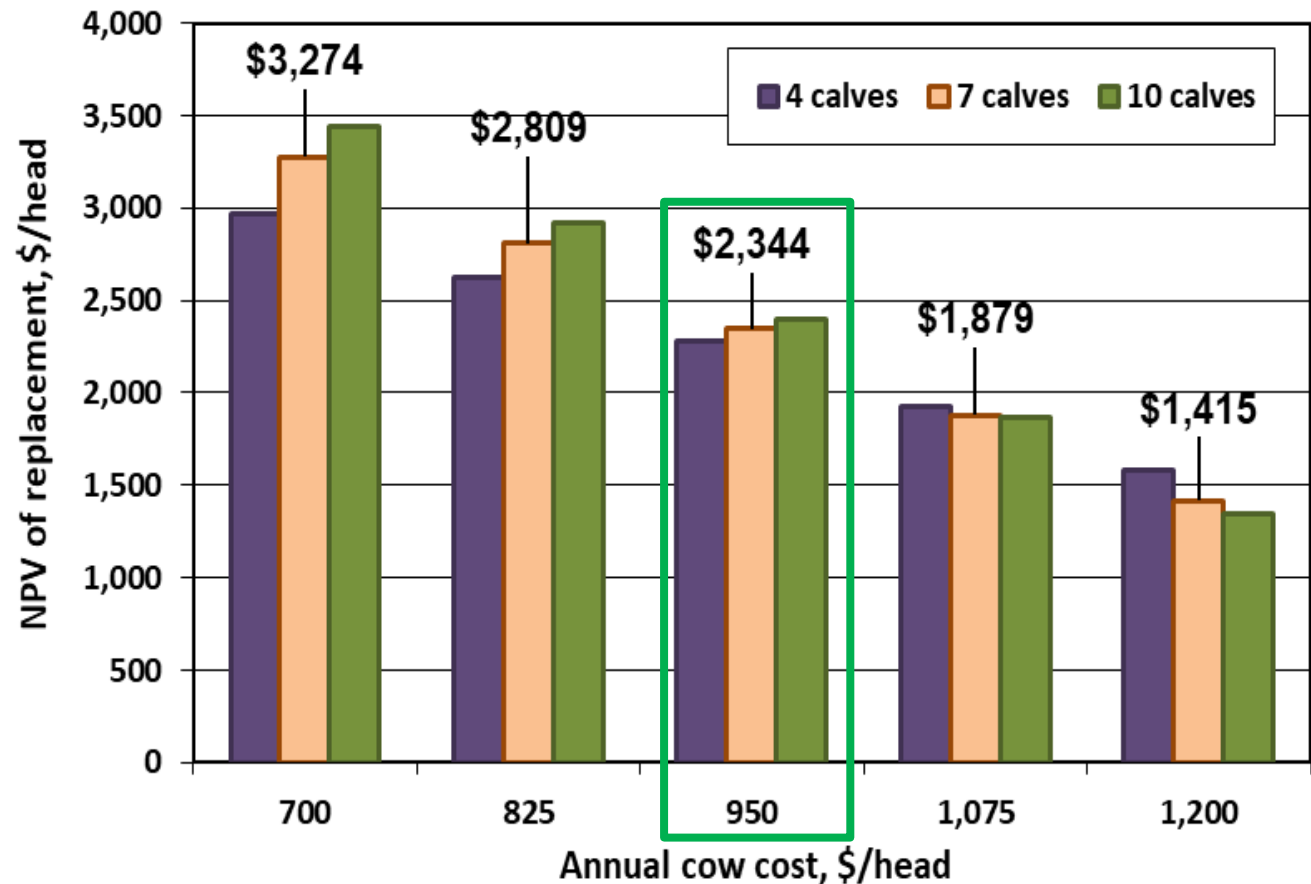
NPV Increases ~\$500 **IF**

Presumed Calf Prices are 10% Higher than USDA Projections

NPV versus annual cow cost and number of calves

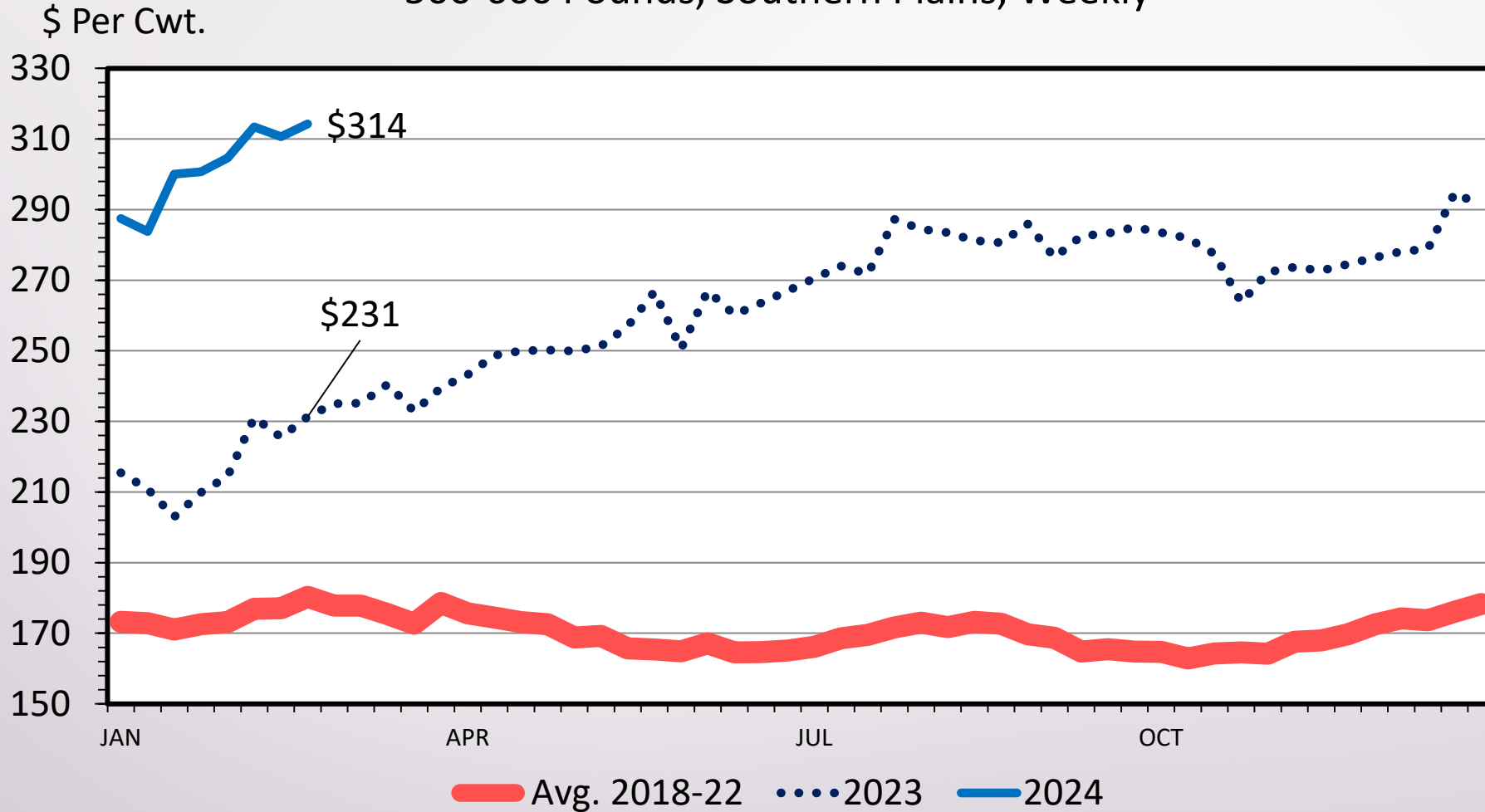


NPV versus annual cow cost and number of calves



# MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly

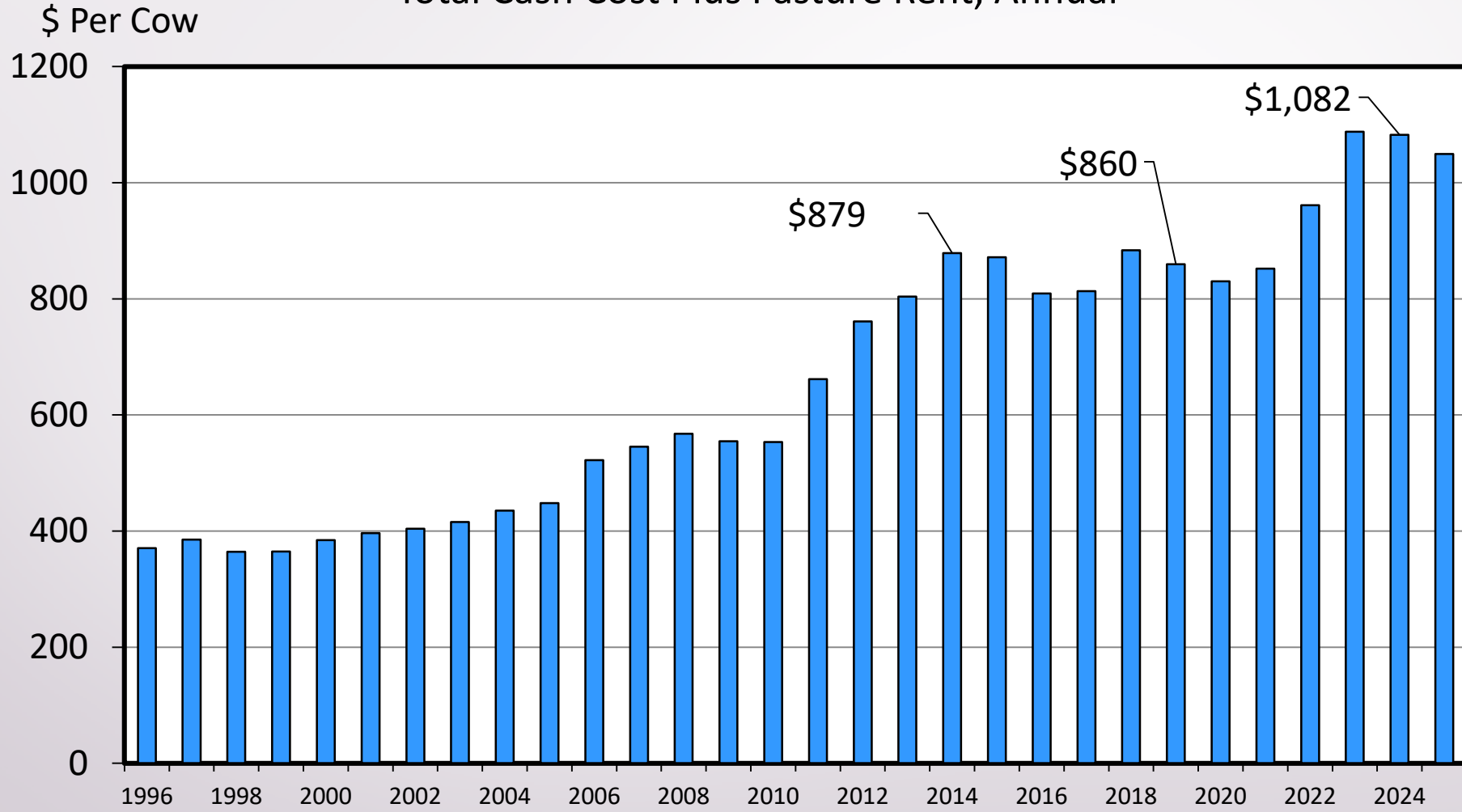


Data Source: USDA-AMS  
Livestock Marketing Information Center

C-P-54  
02/26/24

# ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



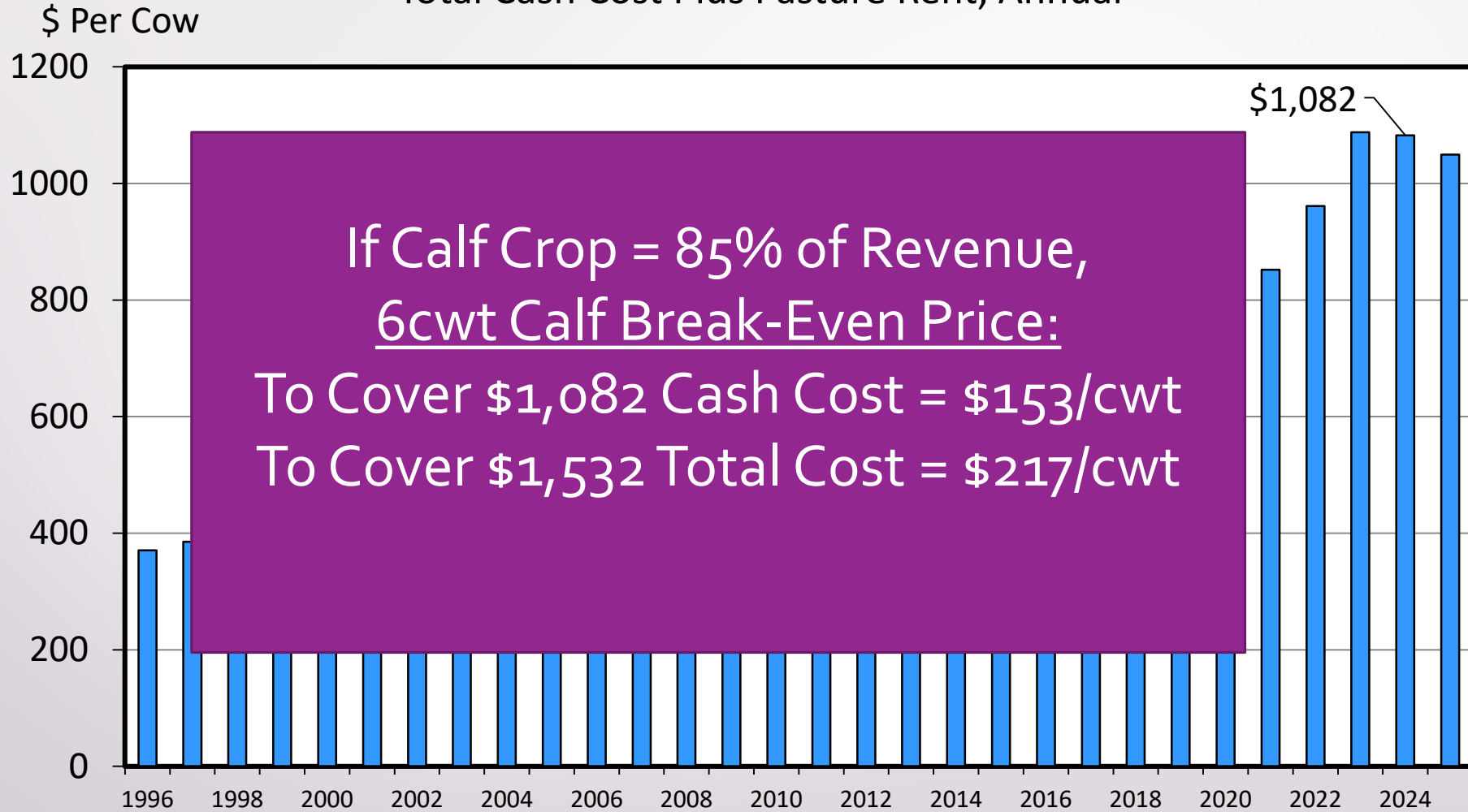
Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

11/30/23

# ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



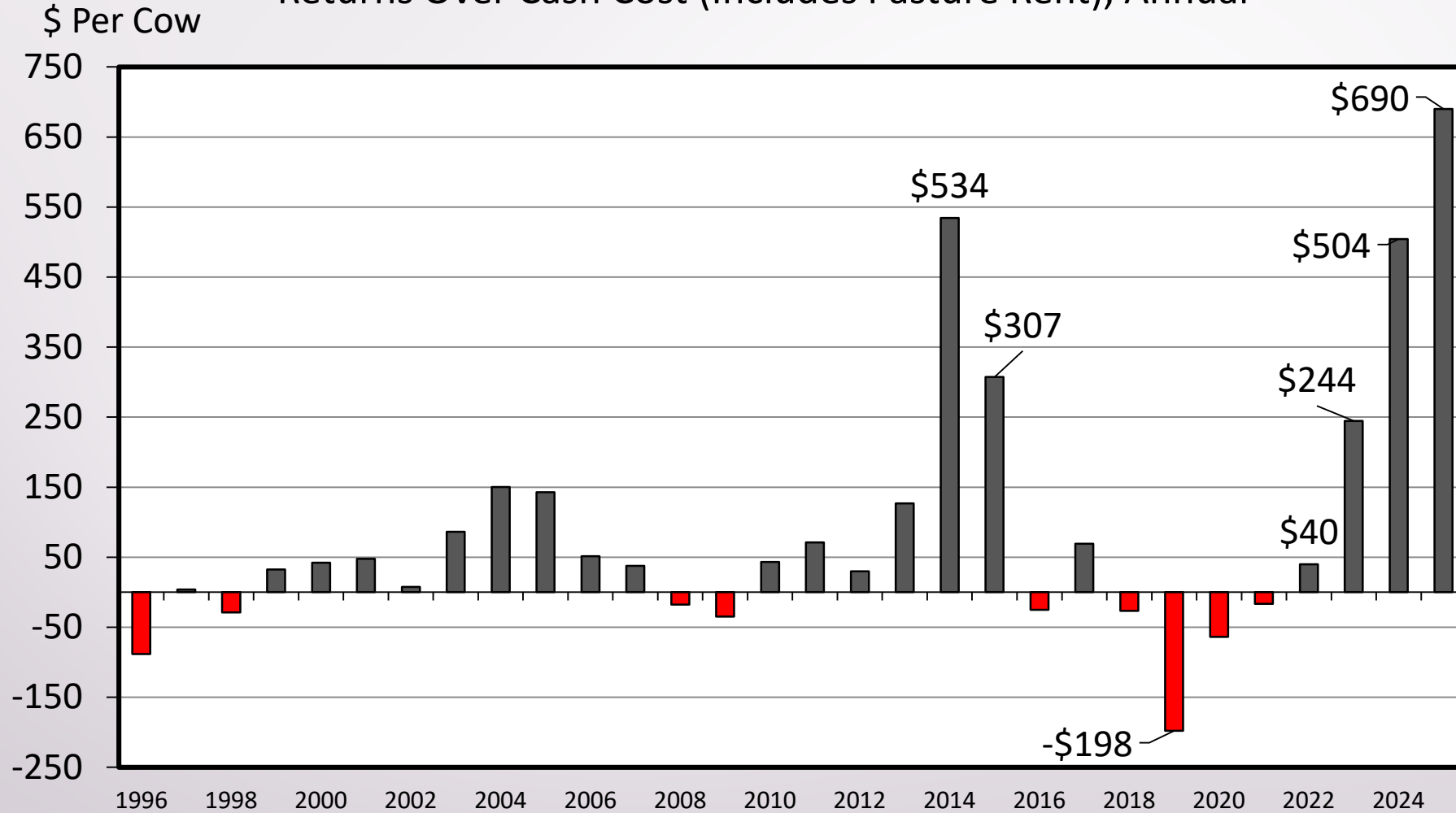
Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

11/30/23

# 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  
11/30/23

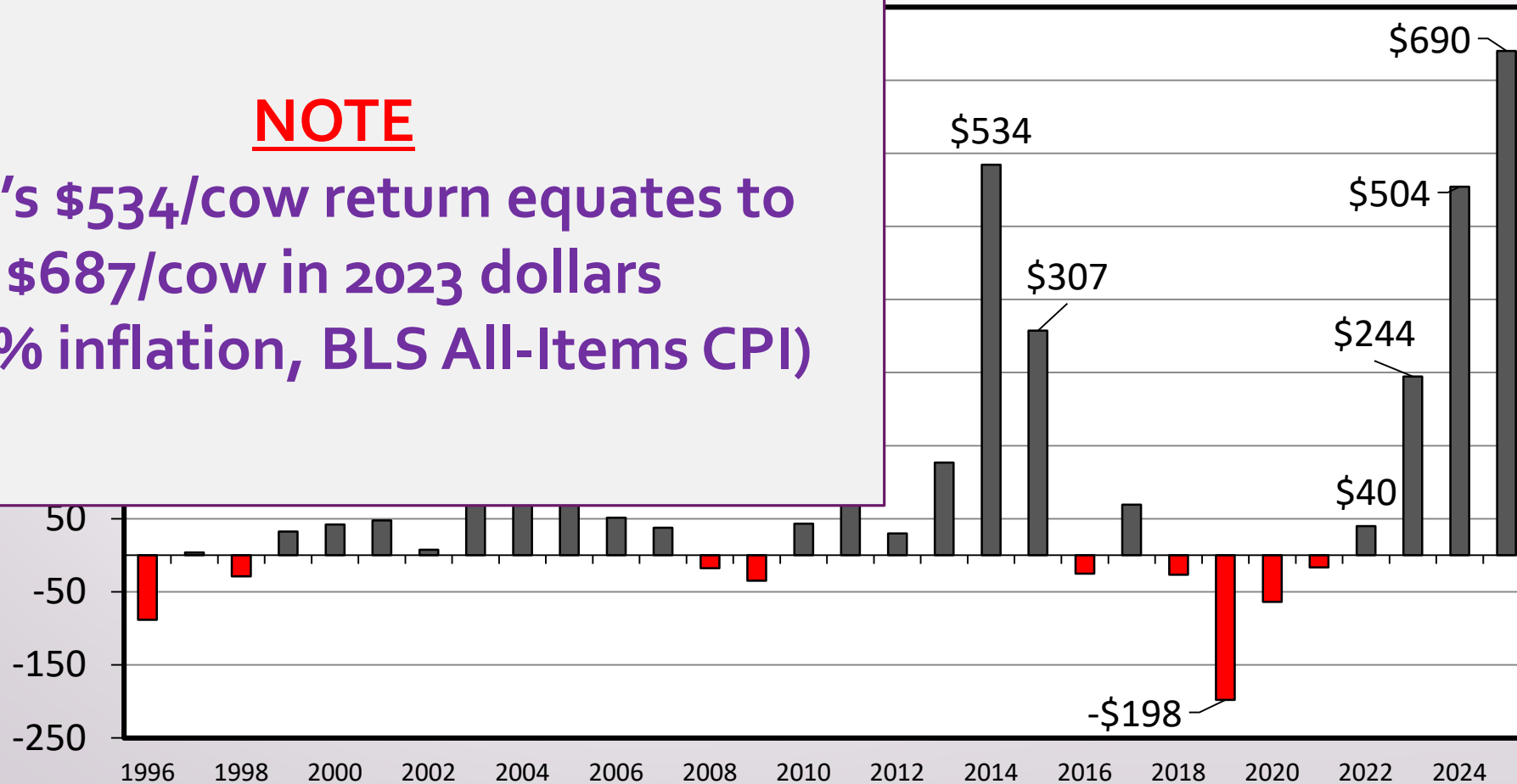
# ESTIMATED AVERAGE COW CALF RETURNS

Returns Over Cash Cost (Includes Pasture Rent), Annual

\$ Per Cow

## NOTE

2014's \$534/cow return equates to \$687/cow in 2023 dollars (28.7% inflation, BLS All-Items CPI)



Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

C-P-66  
11/30/23

**Want Feeder Cattle Price, Basis, & VOG Projections?**  
***Use BeefBasis.com***

**Salina *FALL CALF* Market, as of 2/28/24**

***10/16/2024 Sell @ Weaning @ 600 lbs***

- ***Expected Cash Price: \$301/cwt***

**Want Feeder Cattle Price, Basis, & VOG Projections?**  
***Use BeefBasis.com***

**Salina *SUMMER GRASS* Market, as of 2/29/24**

***4/3/2024 Buy/Retail @ 750 lbs***  
***9/4/2024 Sell @ 950 lbs***  
***DOF=154 & ADG=1.3***

- ***Expected Buy Price: \$262/cwt***
- ***Expected Sell Price: \$250/cwt***
- ***VOG: \$203/cwt (\$405/head)***



# KSU-Feeder Cattle Risk Management Tool

<https://www.agmanager.info/k-state-feeder-cattle-risk-management-tool>

## *KSU-Feeder Cattle Risk Management Tool*

An Excel spreadsheet for evaluating feeder cattle risk management strategies



Version- 2.11.2023



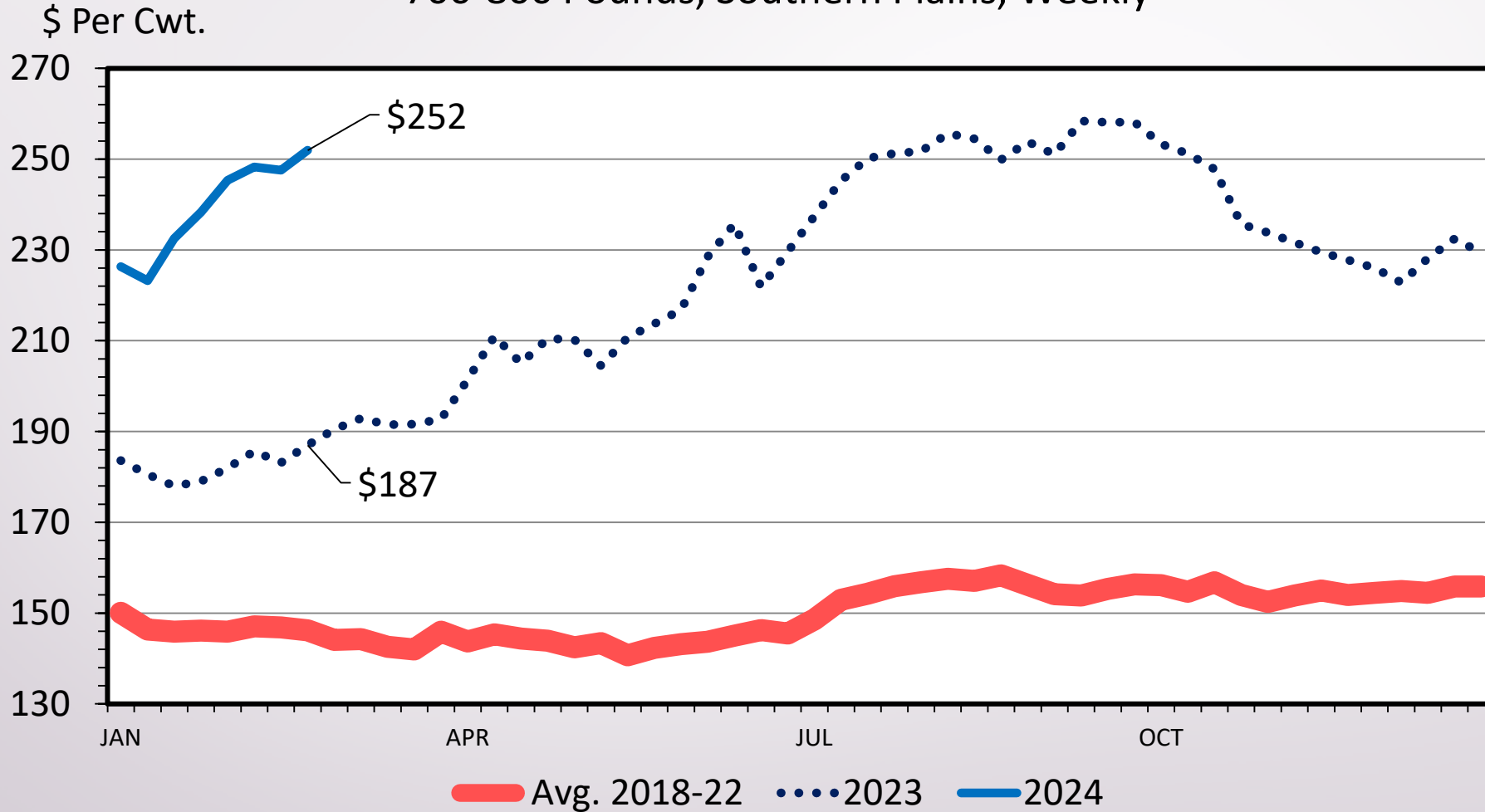
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### **INTRODUCTION**

This spreadsheet was developed as a decision-aid tool for producers interested in managing feeder cattle price risk. It can be used to compare the Expected Net Selling Price using alternative risk management tools available for pricing feeder cattle.

# MED. & LRG. #1 FEEDER STEER PRICES

700-800 Pounds, Southern Plains, Weekly



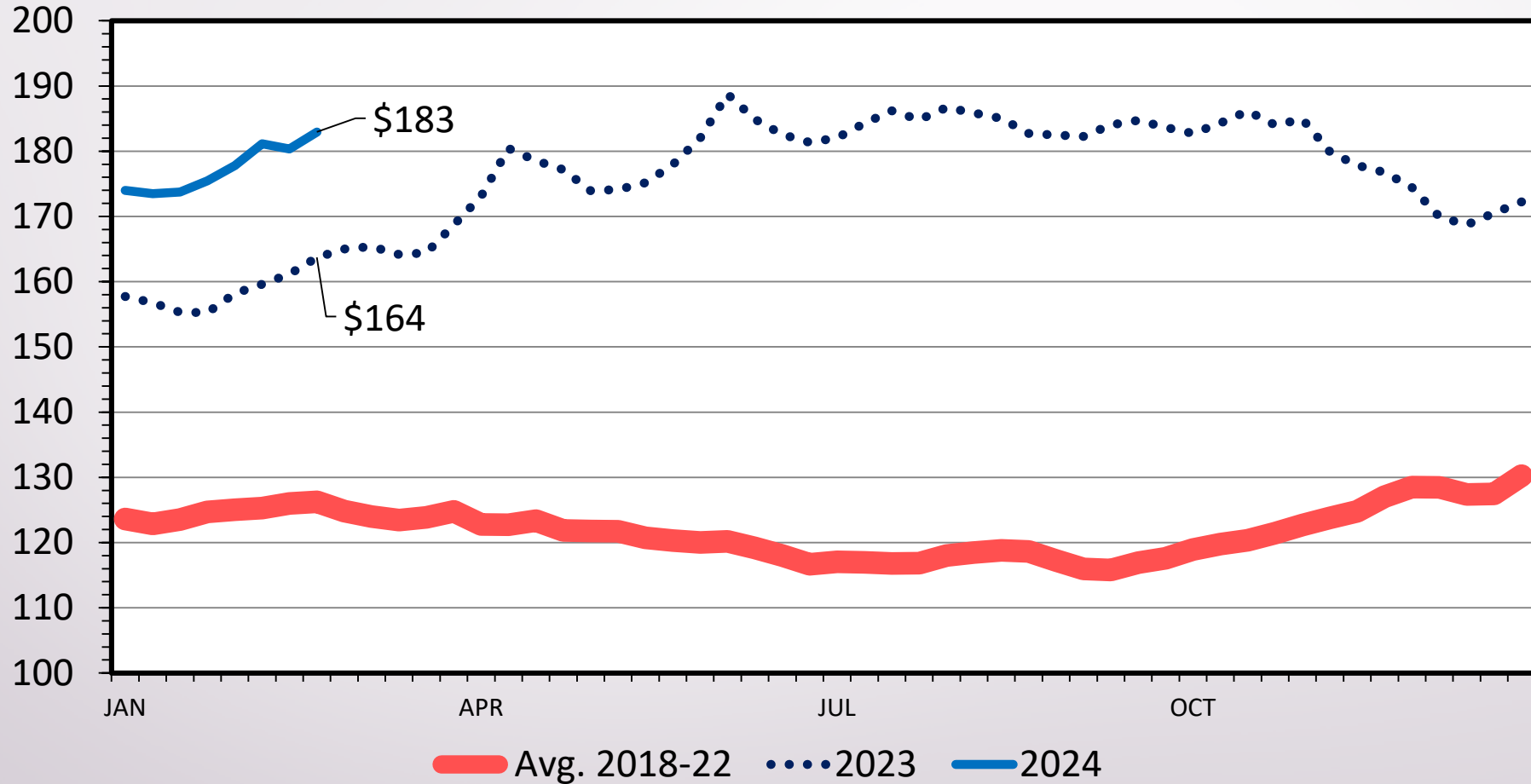
Data Source: USDA-AMS  
Livestock Marketing Information Center

C-P-49  
02/26/24

# SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly

\$ Per Cwt.



Data Source: USDA-AMS

Livestock Marketing Information Center

02/26/24

# Historical and Projected Kansas Feedlot Net Returns (as of 2/28/24')

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

**Dec 23': -\$210/steer**

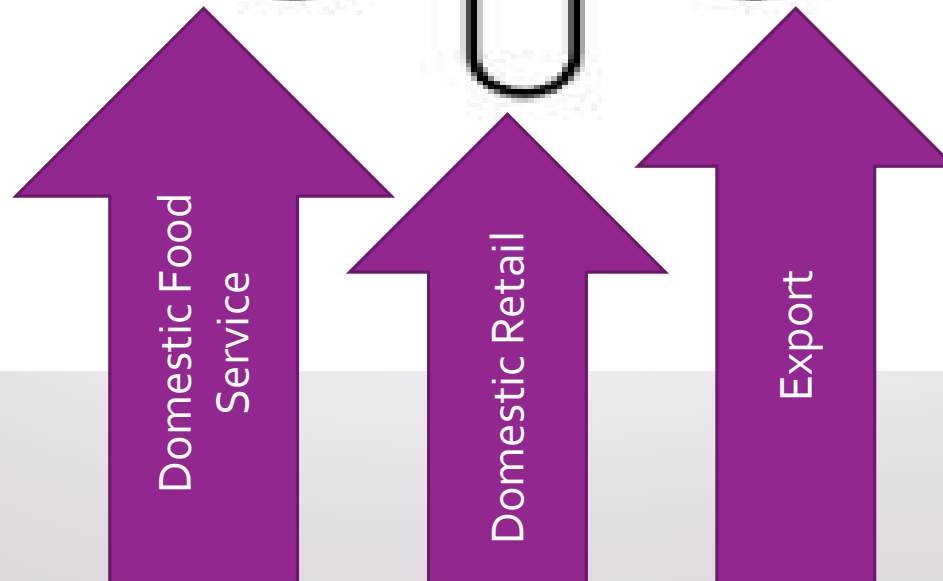
**Table 1. Projected Values for Finishing Steers in Kansas Feedyards\***

Closeout Mo-Yr	Net Return	FCOG**	Fed Price	Fed Futures	Fed Basis	Feeder Price	Breakeven FCOG**	Breakeven Fed Price	Breakeven Feeder Price
Jan-24	-215.87	123.59	173.29	173.73	-0.44	232.03	90.75	188.29	204.43
Feb-24	-62.02	121.53	186.26	186.13	0.13	241.95	112.53	190.56	233.70
Mar-24	-38.96	117.23	186.91	186.13	0.78	243.52	111.47	189.66	238.25
Apr-24	-102.01	111.21	183.53	182.18	1.35	246.52	95.63	190.71	233.20
May-24	-4.84	109.57	187.34	182.18	5.17	240.99	108.82	187.68	240.36
Jun-24	78.94	105.29	183.94	181.30	2.64	228.52	117.37	178.43	238.65
Jul-24	124.49	105.96	182.13	181.30	0.83	221.75	124.71	173.33	238.34
Aug-24	80.14	106.96	185.56	184.85	0.71	231.86	119.01	179.95	242.35
Sep-24	-140.91	110.68	184.61	184.85	-0.24	250.00	88.81	194.40	232.28
Oct-24	-84.41	112.22	189.21	188.33	0.88	255.43	99.79	195.04	244.43

**Representative Barometer for Trends in Profitability**



# Beef Demand



See Nov 22' Extended Discussion w/ Matt Perrier on Practically Ranching:  
<https://www.buzzsprout.com/1995747/11686340>

# Monthly Meat Demand Monitor, Methods, and Supporting Information

Home / Livestock & Meat / Meat Demand / Monthly Meat Demand Monitor [Survey Data]

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[Projected Feeder Cattle Prices](#)

[Cattle Finishing Returns](#)

[Meat Demand](#)

[Meat Demand Research Studies](#)

[Monthly Domestic Meat Demand Indices \[USDA/BLS Data\]](#)

[Monthly Export Meat Demand Indices \[USDA/BLS Data\]](#)

[Monthly Meat Demand Monitor \[Survey Data\]](#)

## Monthly Meat Demand Monitor [Survey Data]

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The Meat Demand Monitor (MDM) project is funded in-part by the beef checkoff and the pork checkoff. Monthly reports and supporting documentation are available here.



## Monthly Meat Demand Monitor

Title	Author	Date	Downloads
<a href="#">Meat Demand Monitor - August 2020</a>	Tonsor	September 4, 2020	<a href="#">Downloads</a>
<a href="#">Meat Demand Monitor - July 2020</a>	Tonsor	August 4, 2020	<a href="#">Downloads</a>
<a href="#">Meat Demand Monitor - February-June 2020 Summary Report</a>	Tonsor	July 27, 2020	<a href="#">Downloads</a>
<a href="#">Meat Demand Monitor - June 2020</a>	Tonsor	July 2, 2020	<a href="#">Downloads</a>
<a href="#">Meat Demand Monitor - May 2020</a>	Tonsor	May 29, 2020	<a href="#">Downloads</a>
<a href="#">Meat Demand Monitor - Coronavirus (COVID-19) Impact on U.S. Meat Demand:</a>	Tonsor	May 12, 2020	<a href="#">Downloads</a>

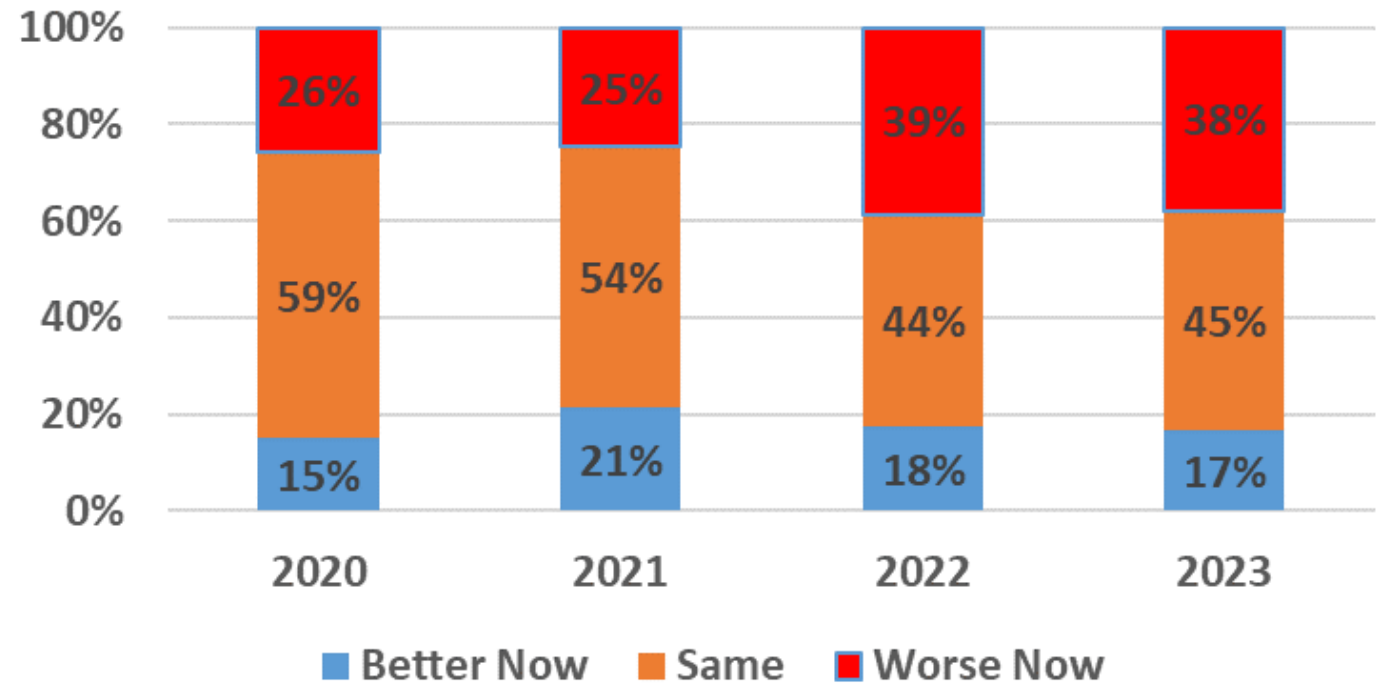
<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

# MDM: Meat Demand Monitor

The MDM tracks U.S. consumer preferences, views, and demand for meat with separate analysis for retail and food service channels. MDM is a monthly online survey with a sample of over 2,000 respondents reflecting the national population.

## U.S. Meat Demand Update & Role of Financial Sentiment: 2020-2023

### Consumer Sentiment: Now vs. One Year Ago



<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>



Percentage Change in Inflation-Adjusted Retail Willingness to Pay vs. Prior Year, by Year and Financial Sentiment Subset											
<i>Year</i>	<i>Diet Subset</i>	<i>Ribeye</i>	<i>Ground Beef</i>	<i>Pork Chop</i>	<i>Bacon</i>	<i>Chicken Breast</i>	<i>Plant-Based Patty</i>	<i>Shrimp</i>	<i>Beans and Rice</i>	<i>Respondents</i>	<i>Share of Respondents</i>
2021	Better Now	12.72%	27.24%	36.05%	53.52%	33.15%	36.29%	37.32%	160.49%	3,148	21.60%
2021	Same	1.74%	5.02%	6.86%	13.08%	4.50%	5.01%	3.17%	33.79%	7,857	53.90%
2021	Worse Now	2.61%	5.58%	7.86%	18.22%	2.58%	-4.64%	-1.04%	37.29%	3,572	24.50%
2022	Better Now	12.63%	29.26%	33.48%	38.54%	30.94%	19.30%	13.39%	35.44%	3,075	17.68%
2022	Same	-4.56%	2.71%	0.84%	0.08%	2.48%	-4.02%	-6.56%	15.50%	7,614	43.78%
2022	Worse Now	-11.77%	-9.91%	-8.06%	-11.82%	-9.23%	-13.06%	-9.94%	-7.69%	6,703	38.54%
2023	Better Now	-13.89%	-16.97%	-18.83%	-32.47%	-21.30%	-31.01%	-23.51%	-23.52%	2,815	17.17%
2023	Same	-8.20%	-7.51%	-8.35%	-10.48%	-8.73%	-13.48%	-6.43%	-12.31%	7,356	44.87%
2023	Worse Now	-4.92%	-7.36%	-8.51%	-6.30%	-7.33%	-9.39%	-5.72%	-8.20%	6,223	37.96%

<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

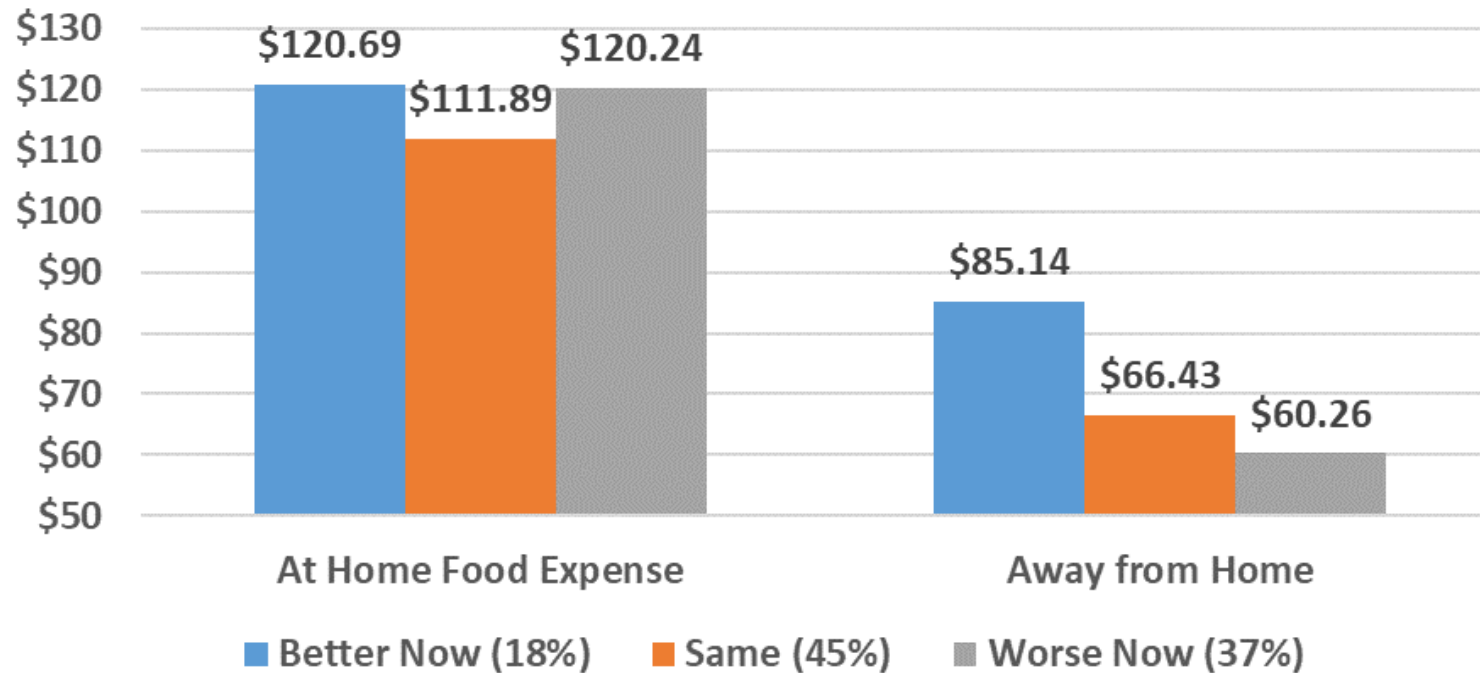
Percentage Change in Inflation-Adjusted Food Service Willingness to Pay vs. Prior Year, by Year and Financial Sentiment Subset											
Year	Diet Subset	Ribeye	Hamburger	Pork Chop	Babyback Ribs	Chicken Breast	Plant-Based Patty	Shrimp	Salmon	Respondents	Share of Respondents
2021	Better Now	-0.24%	6.77%	9.97%	4.41%	4.15%	20.75%	1.02%	3.39%	3,073	20.94%
2021	Same	1.83%	4.10%	4.96%	1.10%	2.20%	0.28%	1.67%	2.04%	7,998	54.51%
2021	Worse Now	-0.28%	-3.52%	2.65%	-4.39%	-6.75%	-3.58%	-5.27%	-2.85%	3,602	24.55%
2022	Better Now	17.03%	21.91%	28.11%	21.94%	26.88%	24.09%	22.28%	16.66%	3,105	17.74%
2022	Same	-3.31%	0.87%	-0.60%	-3.59%	-0.41%	-1.24%	-2.35%	-1.72%	7,614	43.49%
2022	Worse Now	-6.89%	-6.88%	-6.62%	-6.79%	-4.86%	-15.29%	-6.01%	-7.32%	6,787	38.77%
2023	Better Now	-13.39%	-13.09%	-16.20%	-15.74%	-16.11%	-17.75%	-12.01%	-11.64%	2,702	16.50%
2023	Same	-8.82%	-10.00%	-9.54%	-9.59%	-10.39%	-9.31%	-10.60%	-7.02%	7,481	45.68%
2023	Worse Now	-5.82%	-2.59%	-5.72%	-4.45%	-5.16%	-2.93%	-5.11%	-6.07%	6,194	37.82%

<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

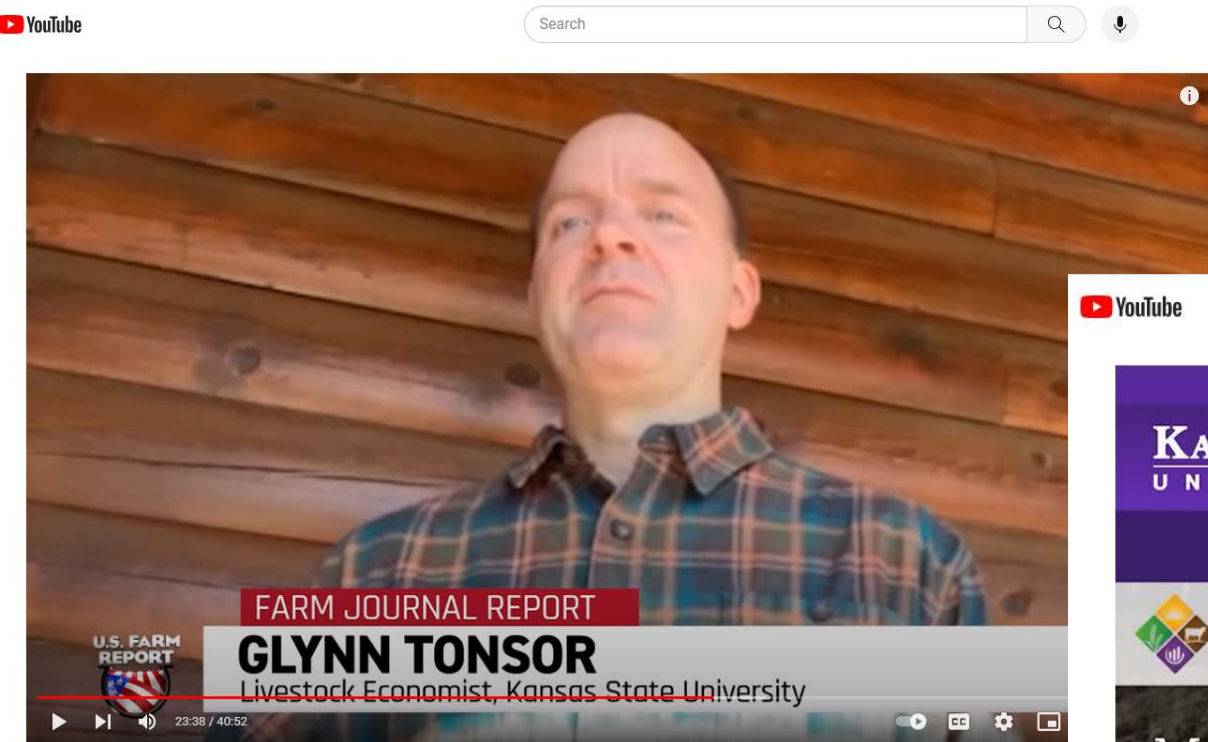
# MDM: Meat Demand Monitor

The MDM tracks U.S. consumer preferences, views, and demand for meat with separate analysis for retail and food service channels. MDM is a monthly online survey with a sample of over 2,000 respondents reflecting the national population.

**Average Weekly Food Expenses, by Financial Sentiment  
(Now vs One Year Ago) for Feb. 2024 (MDM)**



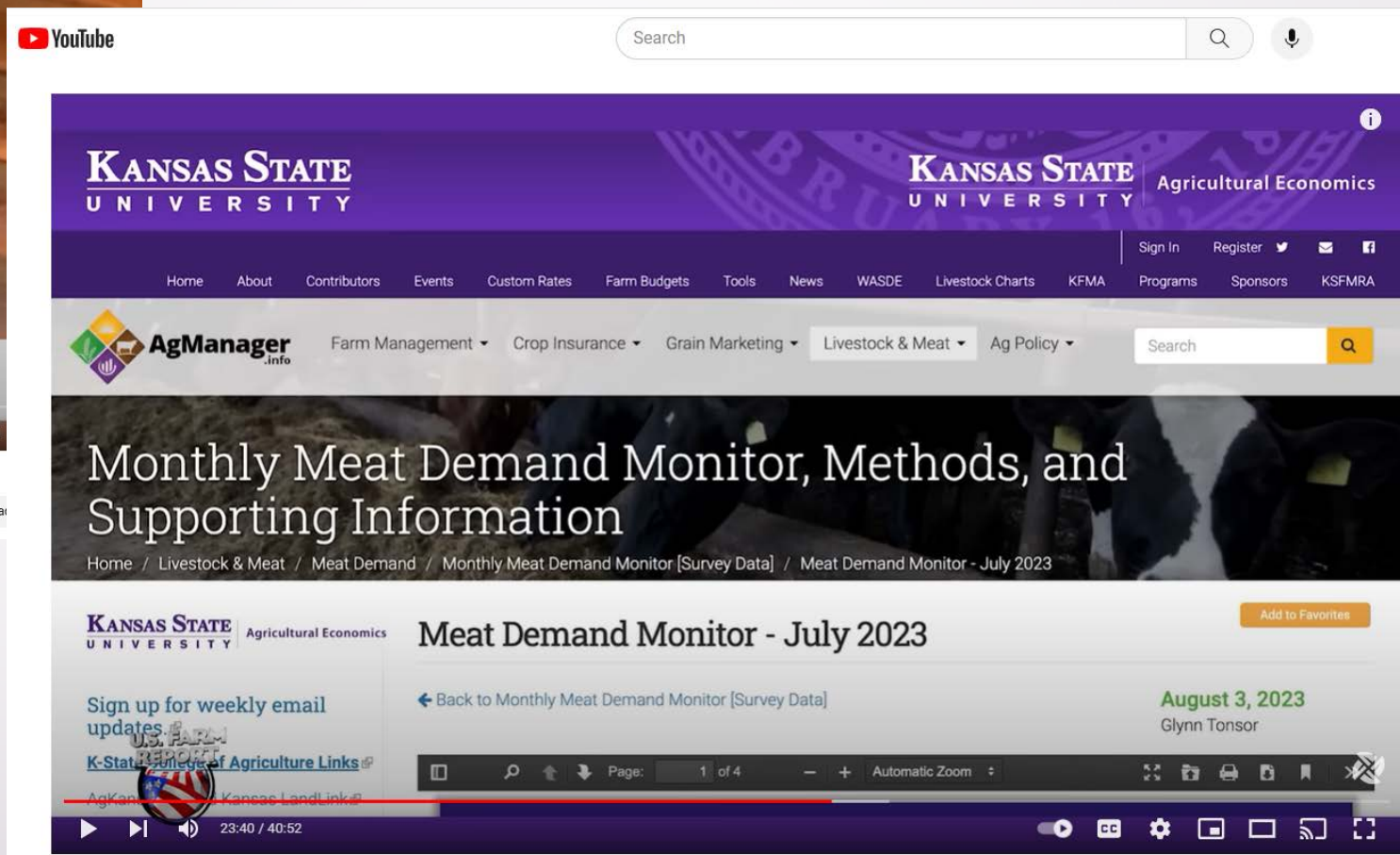
<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>



U.S. Farm Report 08/12/23

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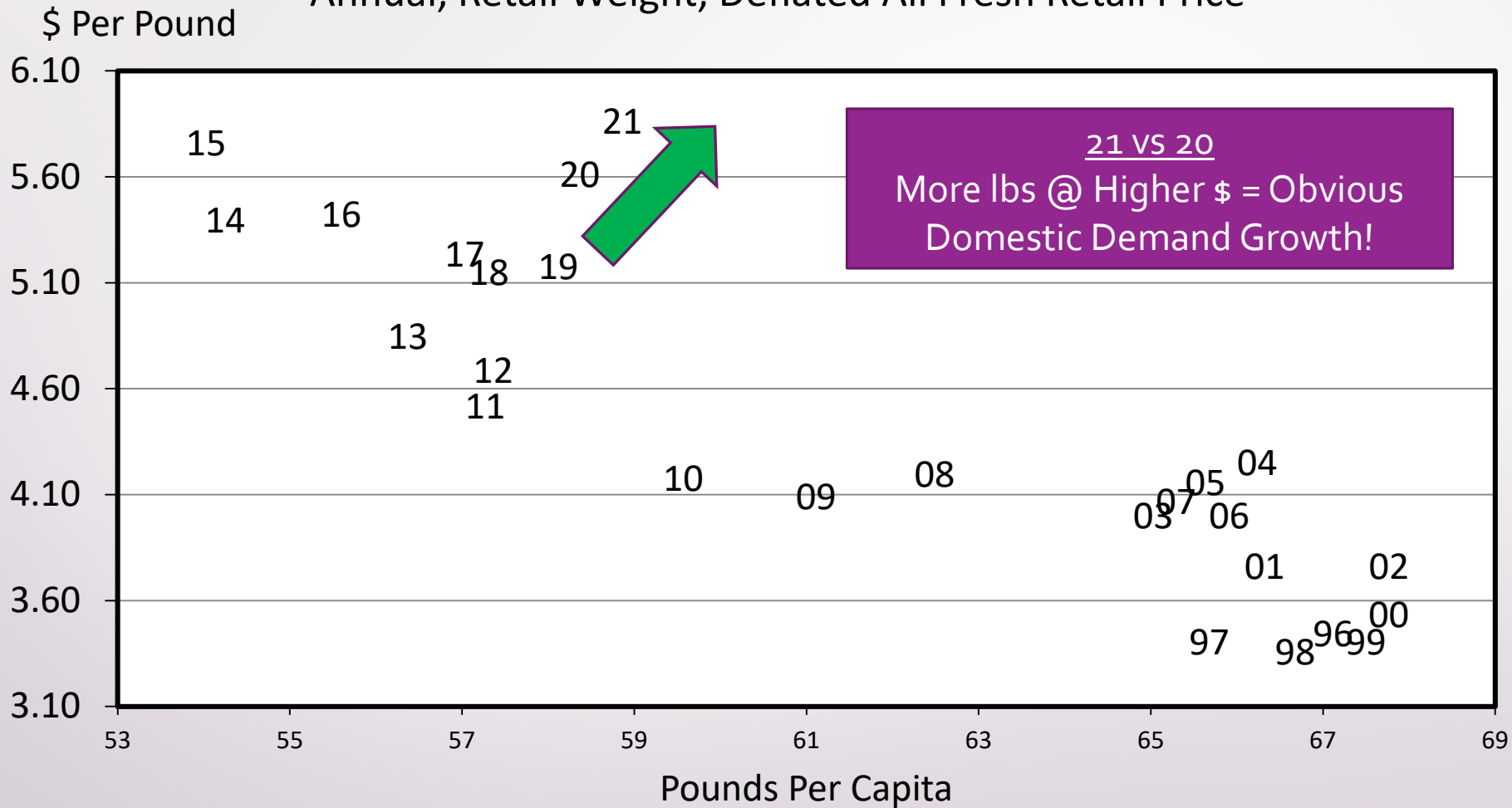
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# BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price

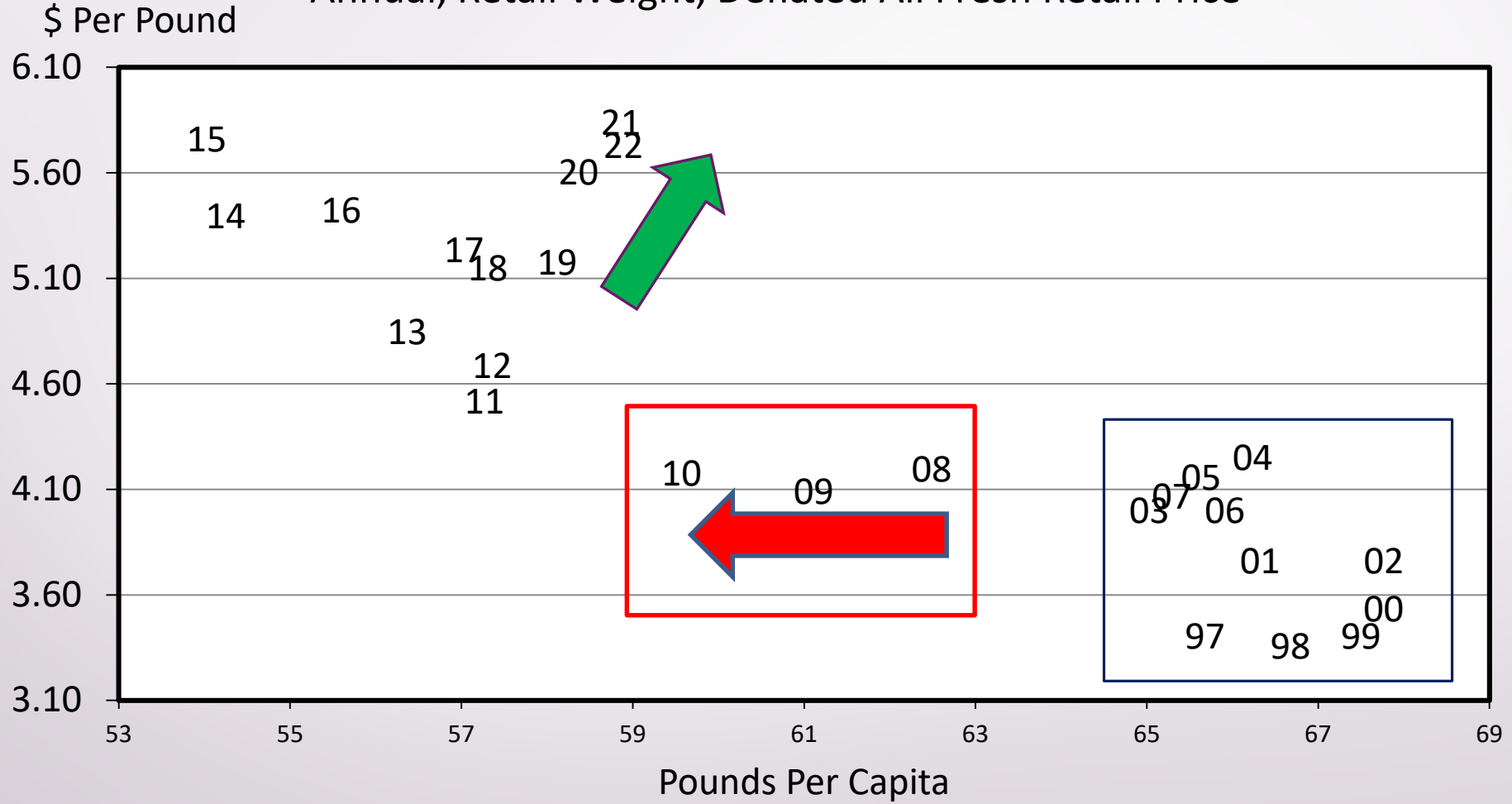


Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC

Livestock Marketing Information Center

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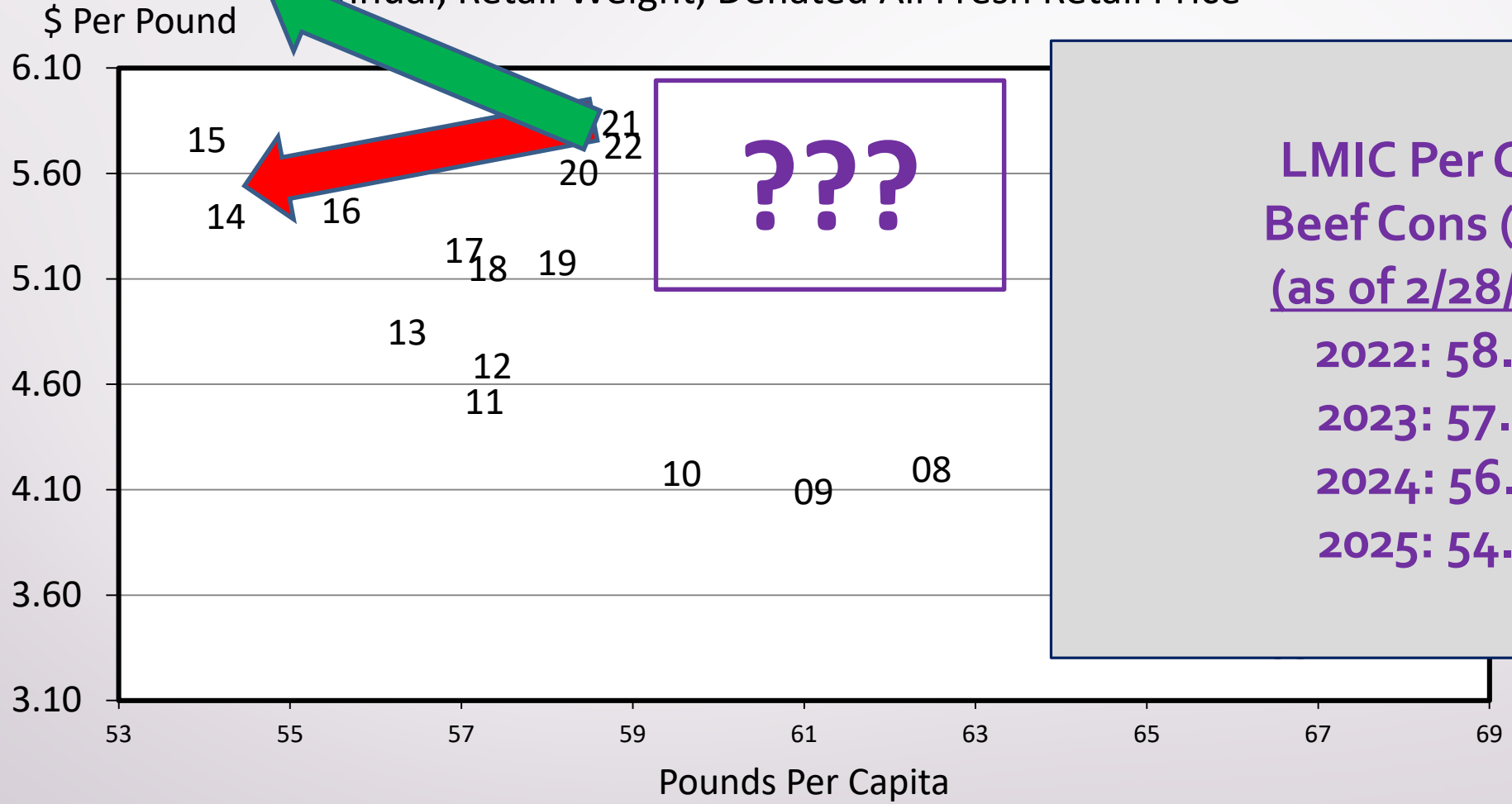


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Livestock Marketing Information Center

# BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



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Livestock Marketing Information Center

# Take-Home Summary

- Herd Dynamics
  - Reduced Beef Supplies = Likely Higher Cattle Prices
    - Impact on Profit Margins will Vary WIDELY
  - Elevated “Capacity Utilization Talks”
- Demand Story Mixed
  - Most Challenges are NOT Unique to Beef
    - To-Date Beef Demand Held Up Well vs GT Pre-Pandemic Expectations





More information available at:



This presentation will be available in PDF format at:

<http://www.agmanager.info/about/contributors/individual/tonsor.asp>

Host of additional industry resources are cross-linked as well