

2024 Kansas State University

**Agricultural  
Lenders Conference**



**FEATURING...**

- Forage Risk Management
- Farm Income Tax Returns
- Beef Cattle Market Outlook
- Grain Market Expectations for 2025
- Macroeconomy and Interest Rates
- Cash Rental Rates in Kansas

Clarion Inn  
Garden City, October 1, 2024

International Grains Program Center  
Manhattan, October 2, 2024

Online Livestream From Manhattan  
October 2, 2024

# ***BEEF-CATTLE MARKET SITUATION & OUTLOOK***

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

## **Kickoff Beef-Cattle Summary**

### Supply Dynamics

- Expansion pending? (GT sees as probable in 2025)
- Capacity Utilization "Chatter" & "Resilience" picking up

### Beef Demand

- Reasonably Robust Run / Softening Recently
  - Per Capita Consumption is **NOT** Demand
  - Nominal vs Inflation-Adjusted REALLY matters

## Quarterly Forecasts (LMIC: 9/11/24)

Year Quarter	Comm'l Slaughter	% Chg. from Year Ago	Average Dressed Weight	% Chg. from Year Ago	Comm'l Beef Production	% Chg. from Year Ago
2024						
I	7,853	-5.6	835.3	1.8	6,560	-3.9
II	8,016	-3.2	844.1	4.1	6,766	0.8
III	7,874	-2.8	845.4	3.4	6,657	0.5
IV	7,788	-4.4	848.2	1.5	6,606	-3.0
<b>Year</b>	<b>31,531</b>	<b>-4.0</b>	<b>843.2</b>	<b>2.7</b>	<b>26,588</b>	<b>-1.4</b>
2025						
I	7,551	-3.8	842.4	0.9	6,361	-3.0
II	7,764	-3.1	824.2	-2.4	6,399	-5.4
III	7,559	-4.0	829.1	-1.9	6,267	-5.9
IV	7,449	-4.3	845.0	-0.4	6,295	-4.7
<b>Year</b>	<b>30,324</b>	<b>-3.8</b>	<b>835.1</b>	<b>-1.0</b>	<b>25,323</b>	<b>-4.8</b>
2026						
I	7,303	-3.3	833.8	-1.0	6,089	-4.3
II	7,502	-3.4	816.6	-0.9	6,127	-4.3
III	7,325	-3.1	822.3	-0.8	6,023	-3.9
IV	7,165	-3.8	838.3	-0.8	6,007	-4.6
<b>Year</b>	<b>29,294</b>	<b>-3.4</b>	<b>827.6</b>	<b>-0.9</b>	<b>24,245</b>	<b>-4.3</b>

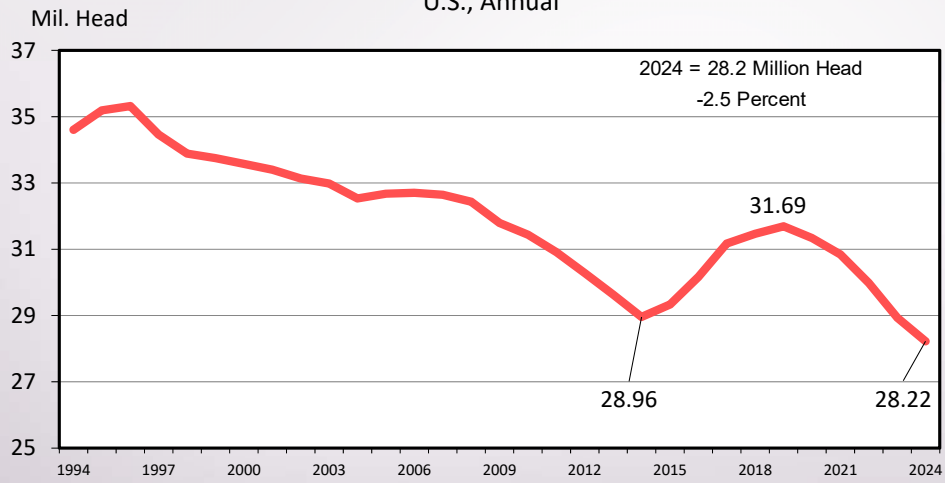
Data Source: Livestock Marketing Information Center

## Quarterly Forecasts: Cattle (LMIC: 9/11/24)

Year Quarter	Live Sltr. Steer Price 5-Mkt Avg	% Chg. from Year Ago	Feeder Steer Price Southern Plains	
			7-800#	5-600#
2024				
I	181.03	12.5	247.32	311.49
II	188.42	5.3	259.67	316.56
III	189-191	3.1	265-268	306-309
IV	189-193	7.3	259-263	301-305
<b>Year</b>	<b>186-191</b>	<b>7.4</b>	<b>255-260</b>	<b>308-313</b>
2025				
I	189-195	6.1	255-260	312-317
II	191-199	3.5	262-268	313-319
III	193-203	4.2	276-283	311-318
IV	194-206	4.7	272-280	309-317
<b>Year</b>	<b>191-201</b>	<b>4.0</b>	<b>265-275</b>	<b>310-320</b>
2026				
I	195-209	5.2	260-269	318-325
II	197-213	5.1	265-275	318-327
III	199-217	5.1	280-291	315-325
IV	201-219	5.0	276-288	312-323
<b>Year</b>	<b>196-212</b>	<b>4.1</b>	<b>268-283</b>	<b>313-328</b>

Data Source: Livestock Marketing Information Center

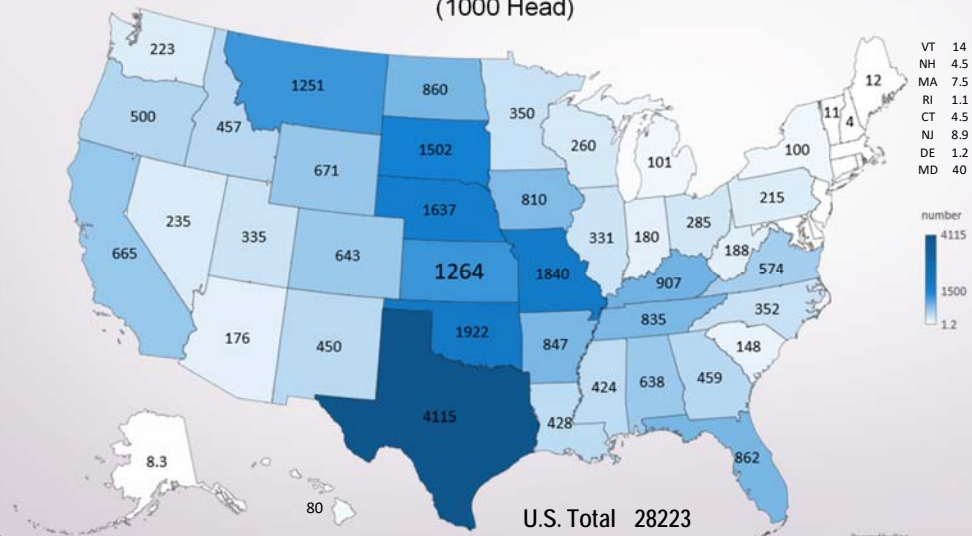
## JANUARY 1 BEEF COW INVENTORY U.S., Annual



Data Source: USDA-NASS  
Livestock Marketing Information Center

C-N-02  
01/31/24

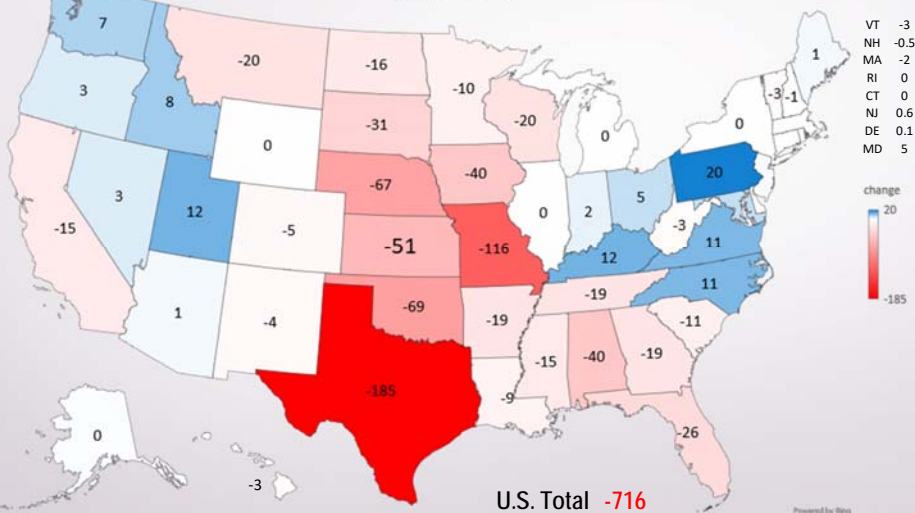
## BEEF COWS THAT CALVED JANUARY 1, 2024 (1000 Head)



Livestock Marketing Information Center  
Data Source: USDA-NASS

01/31/24

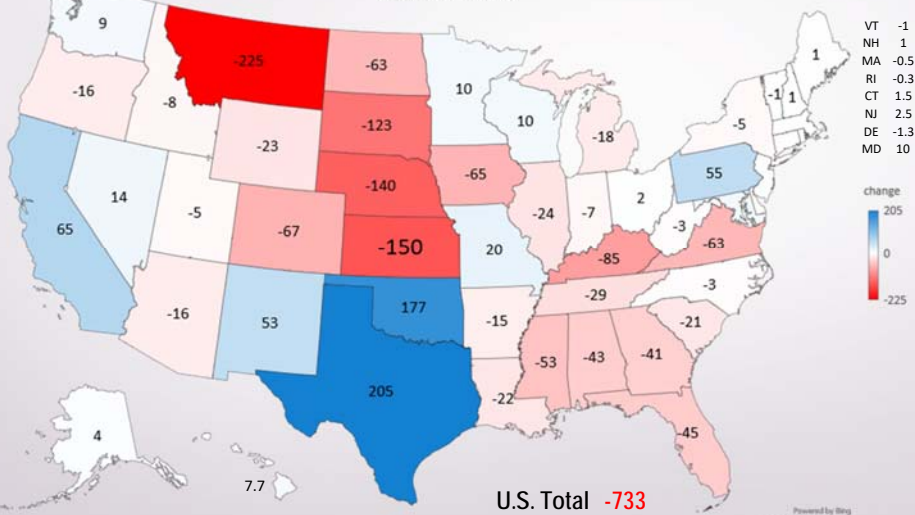
### CHANGE IN BEEF COWS 2023 TO 2024 (1000 Head)



Livestock Marketing Information Center  
Data Source: USDA-NASS

01/31/24

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

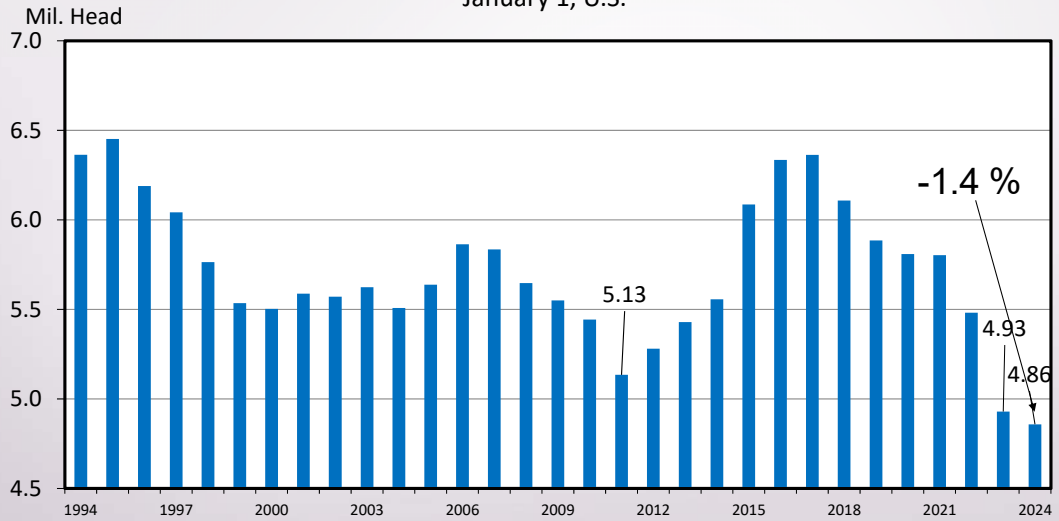


Livestock Marketing Information Center  
Data Source: USDA-NASS

01/31/24

### HEIFERS HELD AS BEEF COW REPLACEMENTS

January 1, U.S.

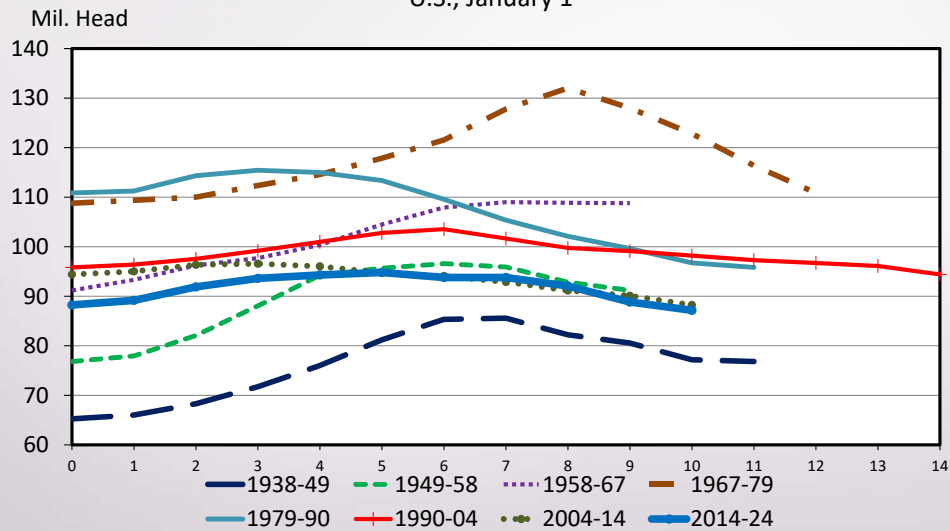


Data Source: USDA-NASS  
Livestock Marketing Information Center

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 (March 2022)

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 ([atonsor@ksu.edu](mailto:atonsor@ksu.edu))

Kansas State University Department of Agricultural Economics

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

## Context on Beef Cow Herd Dynamics

Table 1. Beef Cow Inventory (000's head)

CATTLE CYCLE	AVERAGE	STD DEV	MIN	MAX	RANGE	RELATIVE RANGE*
1949-1958	21,772	3,867	15,919	25,659	9,740	44.7%
1958-1967	29,300	3,898	24,165	34,442	10,277	35.1%
1967-1979	39,505	3,520	34,708	45,711	11,003	27.9%
1979-1990	36,033	2,373	32,487	39,229	6,742	18.7%
1990-2004	33,688	909	32,454	35,318	2,864	8.5%
2004-2014	31,704	1,108	29,631	32,702	3,071	9.7%
2014-PRESENT	30,620	1,025	28,956	31,690	2,734	8.9%

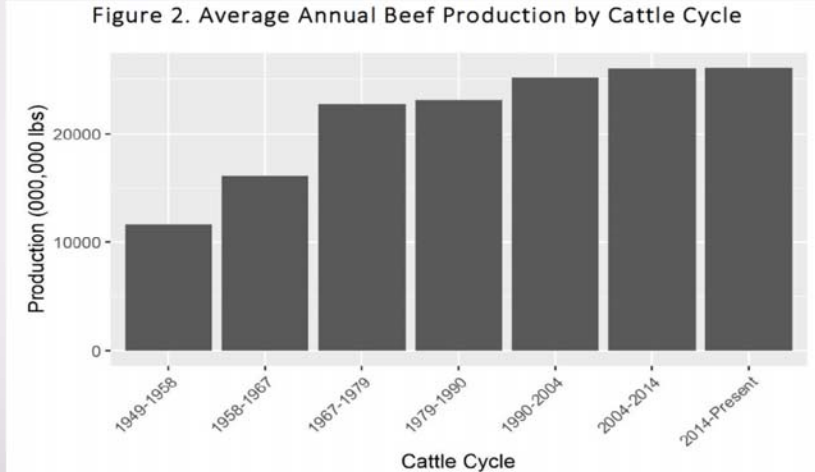
\* Relative range is calculated as  $100 \times \text{range} / \text{average}$ .

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

**Take-Home: Herd size changes less each "cycle"**

## Context on Beef Cow Herd Dynamics

Figure 2. Average Annual Beef Production by Cattle Cycle

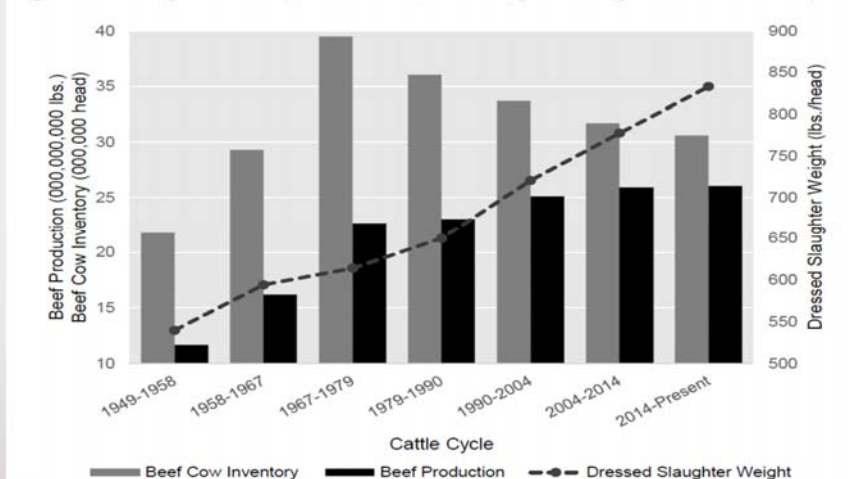


**Take-Home: More Beef Over Cattle Cycles**

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

## Context on Beef Cow Herd Dynamics

Figure 3. Average Inventory, Production, and Slaughter Weight across Cattle Cycles



**Take-Home: Higher Dressed Weights & Harvested Animals per Cow = Less Cows Needed 4 Beef Lb Target**

<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>

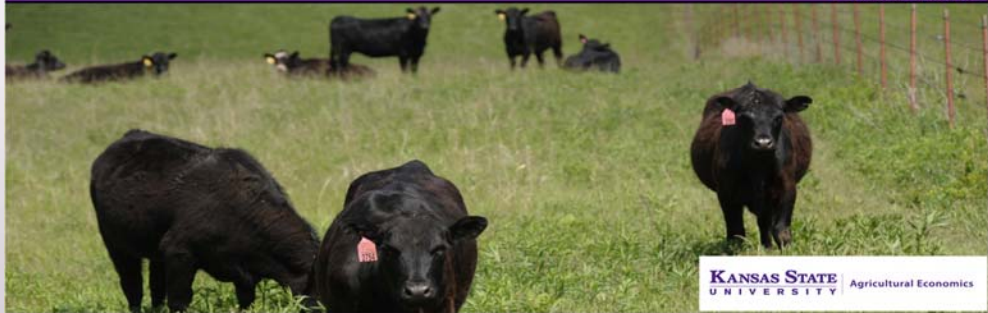
Always good to “push the pencil” on decisions such as what to pay in herd expansion/rebuild efforts

## KSU-Beef Replacements

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

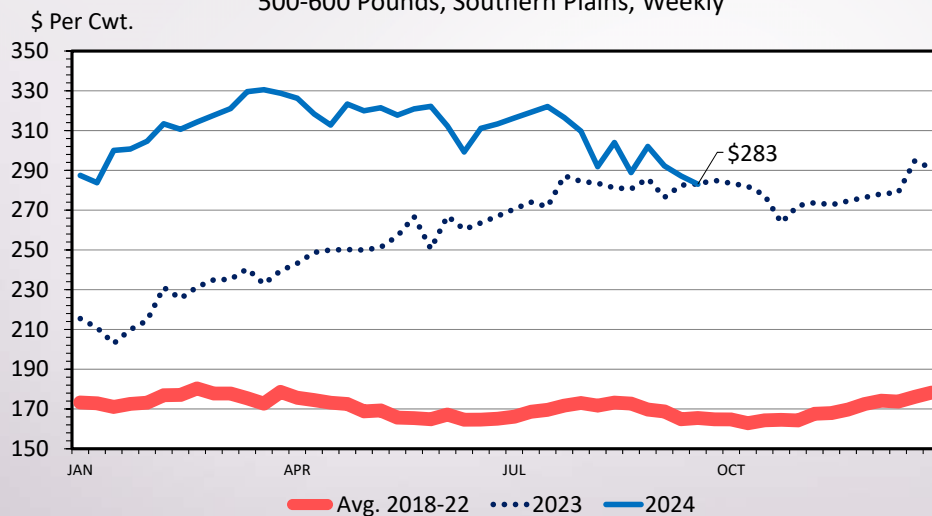


Version- 12.7.2023



## MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS  
Livestock Marketing Information Center

C-P-54  
09/23/24



Want Feeder Cattle Price, Basis, & VOG Projections?  
Use [BeefBasis.com](http://BeefBasis.com)

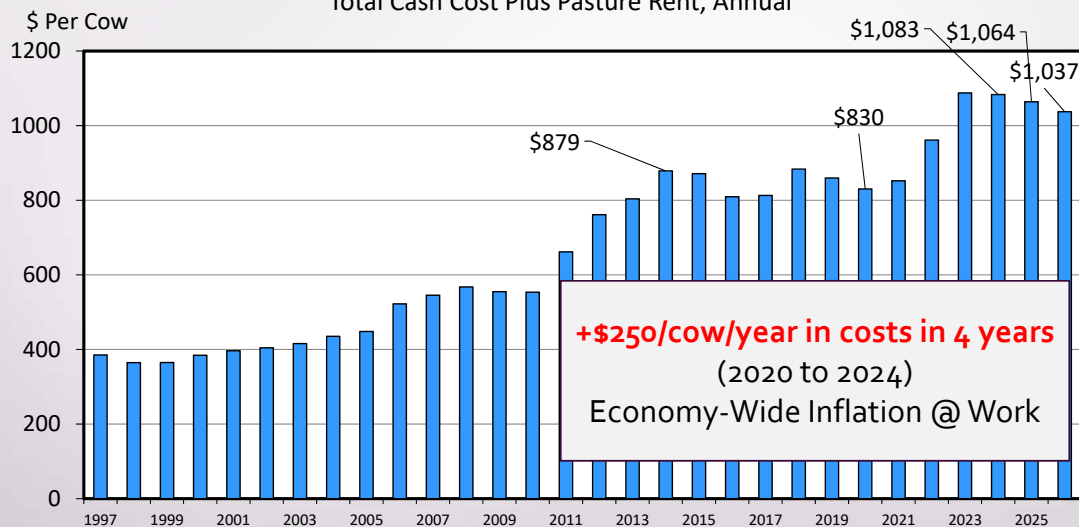
Salina **FALL CALF** Market, as of 9/25/24

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

- **Expected Cash Price: \$275/cwt**

**ESTIMATED AVERAGE COW CALF COSTS**

Total Cash Cost Plus Pasture Rent, Annual

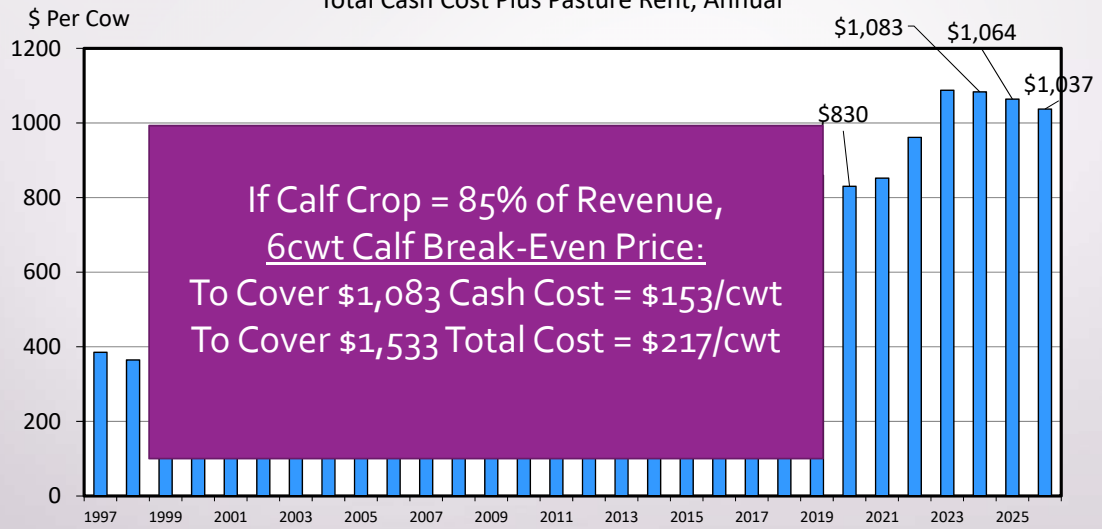


Data Source: USDA & LMIC, Compiled by LMIC  
Livestock Marketing Information Center

09/19/24

### ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual

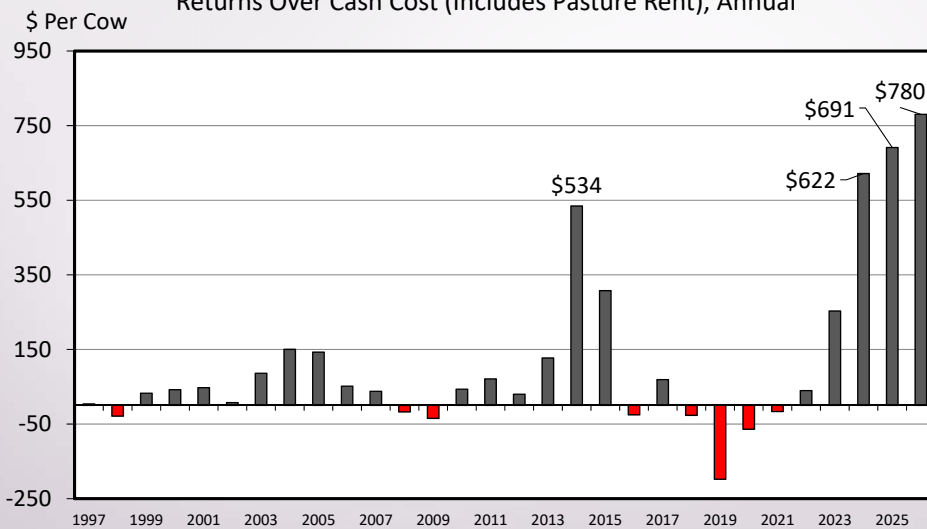


Data Source: USDA & LMIC, Compiled by LMIC  
Livestock Marketing Information Center

09/19/24

### ESTIMATED AVERAGE COW CALF RETURNS

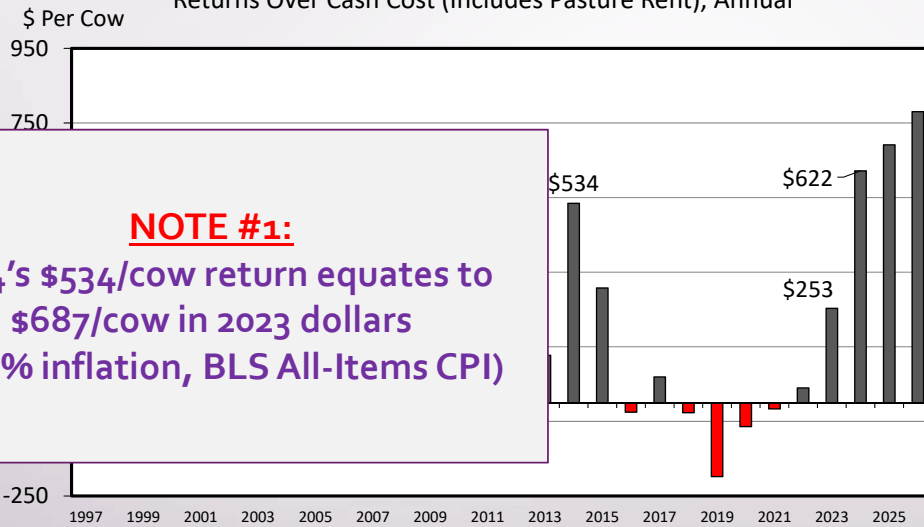
Returns Over Cash Cost (Includes Pasture Rent), Annual



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

C-P-66  
09/19/24

**ESTIMATED AVERAGE COW CALF RETURNS**  
Returns Over Cash Cost (Includes Pasture Rent), Annual

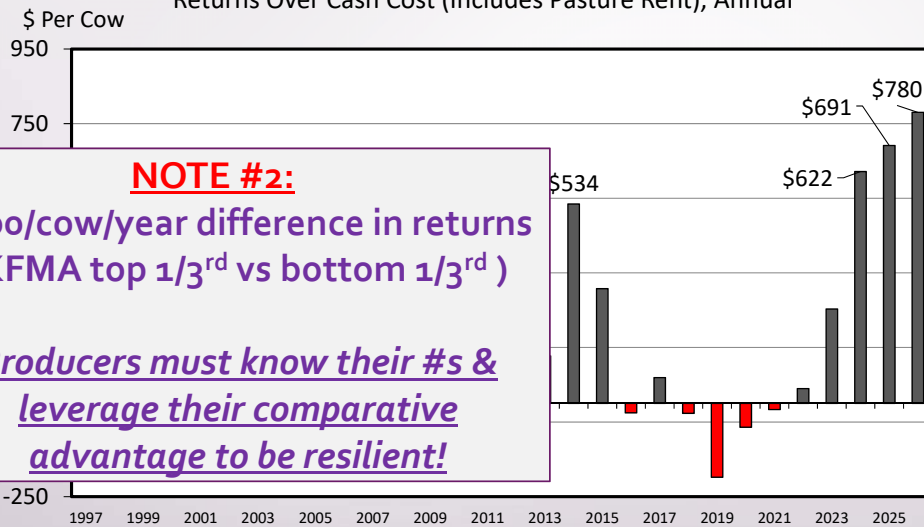


**NOTE #1:**  
2014's \$534/cow return equates to \$687/cow in 2023 dollars (28.7% inflation, BLS All-Items CPI)

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

C-P-66  
09/19/24

**ESTIMATED AVERAGE COW CALF RETURNS**  
Returns Over Cash Cost (Includes Pasture Rent), Annual



**NOTE #2:**

- \$600/cow/year difference in returns (KFMA top 1/3<sup>rd</sup> vs bottom 1/3<sup>rd</sup>)
- Producers must know their #'s & leverage their comparative advantage to be resilient!

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

C-P-66  
09/19/24

# KSU-Feeder Cattle Risk Management Tool

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

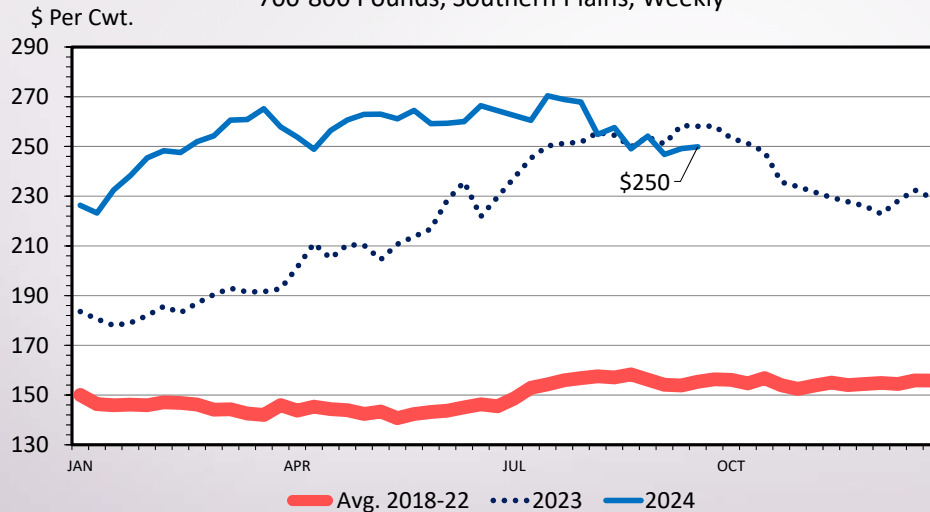


## INTRODUCTION

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  
09/23/24

Want Feeder Cattle Price, Basis, & VOG Projections?  
Use [BeefBasis.com](http://BeefBasis.com)

Dodge City **BACKGROUND** Market, as of 9/25

**10/16/2024 Buy/Retain @ 600 lbs**  
**1/15/2025 Sell @ 725 lbs**  
**ADG=1.4**

- **Expected Buy/Retain Price: \$274/cwt**
  - **Expected Sell Price: \$245/cwt**
    - **VOG: \$109/cwt (\$137/head)**

Want Feeder Cattle Price, Basis, & VOG Projections?  
Use [BeefBasis.com](http://BeefBasis.com)

Dodge City **SUMMER GRASS** Market, as of 9/25

**4/9/2025 Buy/Retain @ 725 lbs**  
**8/20/2025 Sell @ 925 lbs**  
**DOF=133 & ADG=1.5**

- **Expected Buy/Retain Price: \$248/cwt**
  - **Expected Sell Price: \$231/cwt**
    - **VOG: \$170/cwt (\$341/head)**

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

What about Higher ADG?  
1.7 (950 sale wt)

WYOMING GRASS Market, as of 9/25

**4/9/2025 Buy/Retain @ 725 lbs**  
**8/20/2025 Sell @ 950 lbs**  
**DOF=133 & ADG=1.7**

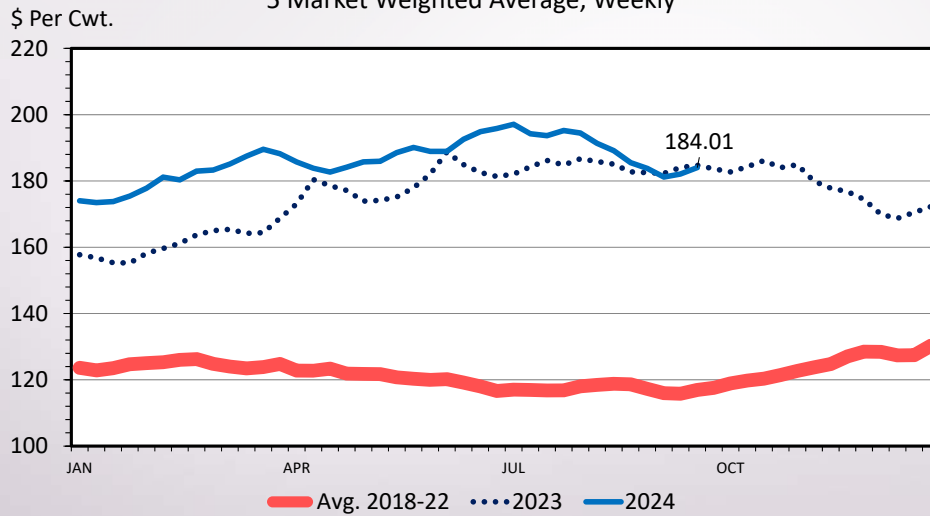
- **Expected Buy/Retain Price: \$248/cwt**
- **Expected Sell Price: \$229/cwt**
- **VOG: \$170/cwt (\$382/head)**

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

What about Higher ADG?  
1.7 (950 sale wt)

- 1) ADG=1.5 & 925lb Sale Wt = \$341/hd VOG
  - 2) ADG=1.7 & 950 lb Sale Wt = \$382/hd VOG
- **+\$41/hd VOG vs Cost of Adding 25lbs**  
**(\$1.64/lb)**

### SLAUGHTER STEER PRICES 5 Market Weighted Average, Weekly



Data Source: USDA-AMS  
Livestock Marketing Information Center

09/23/24

### Historical and Projected Kansas Feedlot Net Returns (as of 9/12/24')

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

July 24': +\$240/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-24	-17.63	109.93	179.71	178.02	1.68	229.74	107.25	180.93	227.48
Sep-24	-188.97	110.32	178.19	178.02	0.16	244.25	81.03	191.20	220.86
Oct-24	-132.05	108.71	180.72	178.60	2.12	249.51	89.53	189.75	232.44
Nov-24	-154.07	107.11	181.03	178.60	2.43	254.94	85.19	191.41	235.20
Dec-24	-281.52	104.95	182.01	179.60	2.41	264.46	63.38	200.42	231.42
Jan-25	-326.57	107.76	179.88	179.60	0.28	263.21	56.82	202.12	223.75
Feb-25	-220.77	109.21	181.67	181.20	0.47	255.87	75.26	196.92	228.21
Mar-25	-41.50	107.64	182.97	181.20	1.77	238.97	101.31	185.84	233.72
Apr-25	-73.71	107.13	177.85	175.65	2.20	236.09	96.15	182.94	226.61
May-25	40.12	103.31	181.55	175.65	5.90	232.67	109.10	178.86	237.68

Representative Barometer for Trends in Profitability

# Beef Demand

Demand is **NOT** Per Capita Consumption

**Cow Calf Weekly**  
Your news, anywhere, anytime.

**BEEF**

GET IT NOW!



MARKETING > OUTLOOK

## What's The Similarity Between Blue Jeans and Beef Demand?

Beef consumption and beef demand isn't the same thing. Here's an explanation.

Burt Rutherford | Sep 19, 2013

LMIC

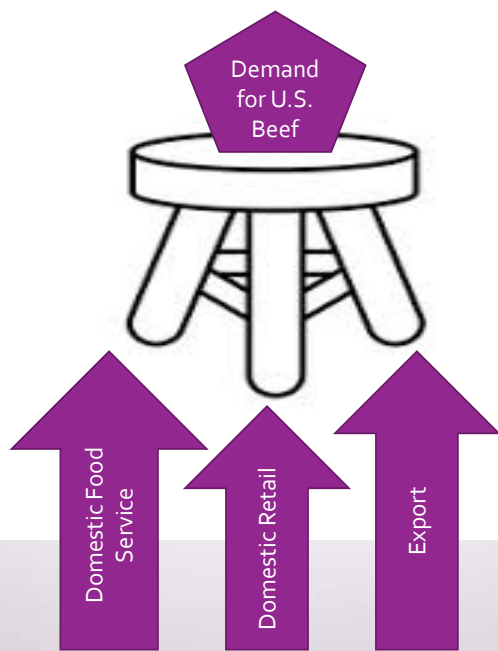
2024: 58.5 lbs

2025: 56.5 lbs

2026: 54.7 lbs

<http://www.beefmagazine.com/beef-demand/what-s-similarity-between-blue-jeans-and-beef-demand>

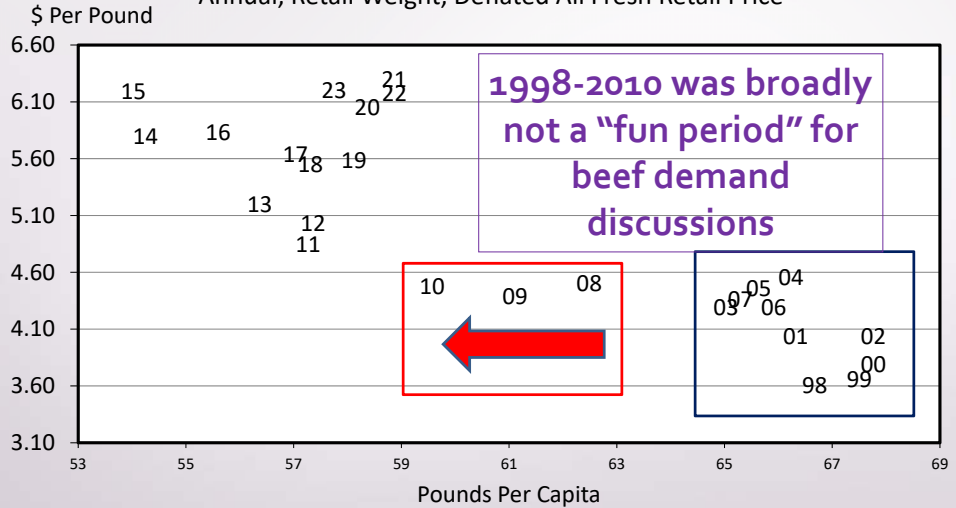




See Nov 22' Extended Discussion w/ Matt Perrier on Practically Ranching:  
<https://www.buzzsprout.com/1995747/11686340>

### BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price

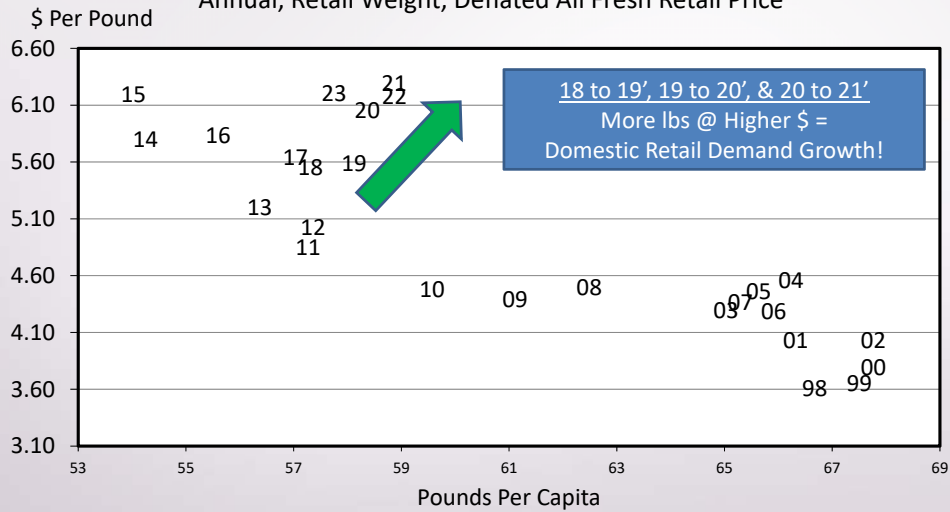


Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC  
 Livestock Marketing Information Center

C-P-65A  
 04/04/24

### BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price

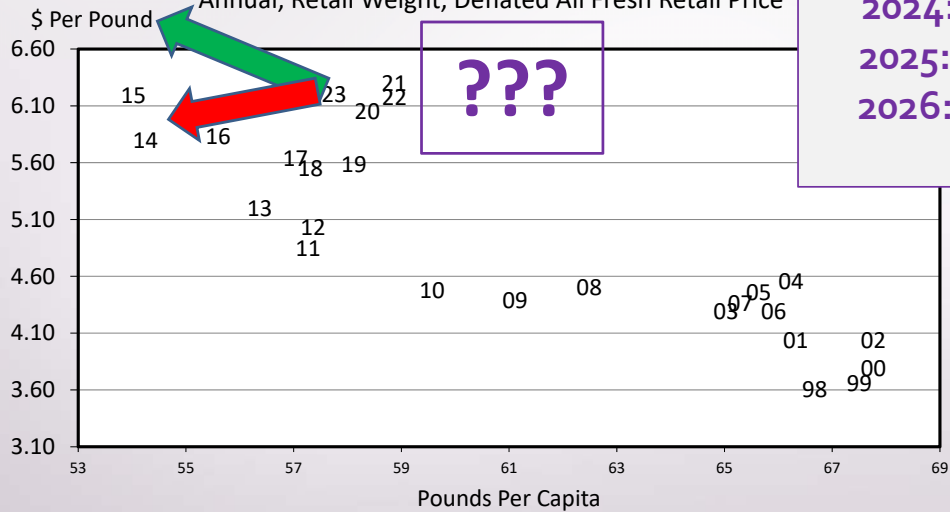


Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC  
Livestock Marketing Information Center

C-P-65A  
04/04/24

### BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price

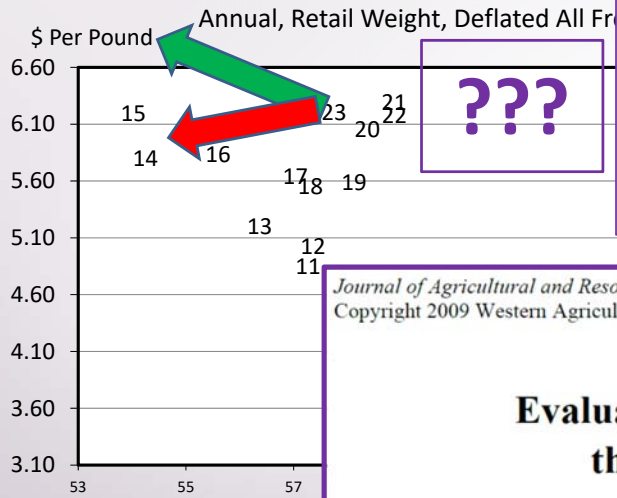


**LMIC**  
2024: 58.5 lbs  
2025: 56.5 lbs  
2026: 54.7 lbs

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

C-P-65A  
04/04/24

### BEEF PRICE-QUANTITY RELATIONSHIP



Size of Economic Pie Dictated by Demand Patterns

???

*Journal of Agricultural and Resource Economics* 34(2):213-236  
 Copyright 2009 Western Agricultural Economics Association

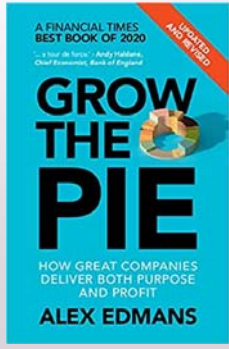
### Evaluating the Farmer's-Share-of-the-Retail-Dollar Statistic

Gary W. Brester, John M. Marsh, and Joseph A. Atwood

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

C-P-65A  
 04/04/24

## What is the U.S. beef-cattle industry's future?



9/24/24, 10:19 AM

Consumer confidence sees largest decline in more than three years [Video]

# Consumer confidence sees largest decline in more than three years

**yahoo!finance**

**JOSH SCHAFFER**

September 24, 2024 at 10:10 AM

## Monthly Meat Demand Monitor, Methods, and Supporting Information

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

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### Livestock & Meat

[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]



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

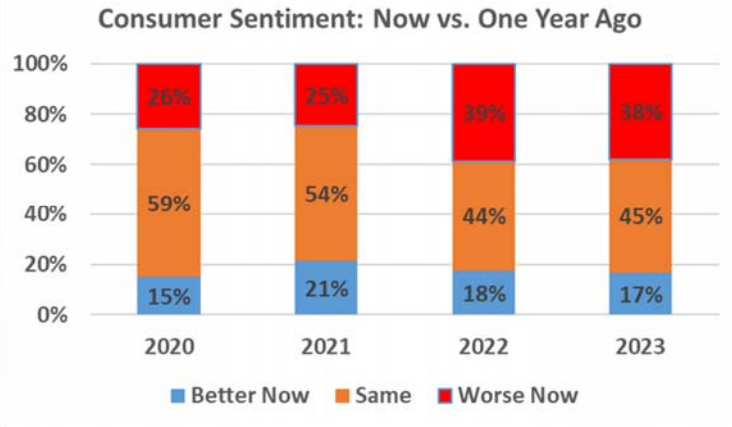
Title	Author	Date	Downloads
Meat Demand Monitor - August 2020	Tonsor	September 4, 2020	<a href="#">Downloads -</a>
Meat Demand Monitor - July 2020	Tonsor	August 4, 2020	<a href="#">Downloads -</a>
Meat Demand Monitor - February-June 2020 Summary Report	Tonsor	July 27, 2020	<a href="#">Downloads -</a>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

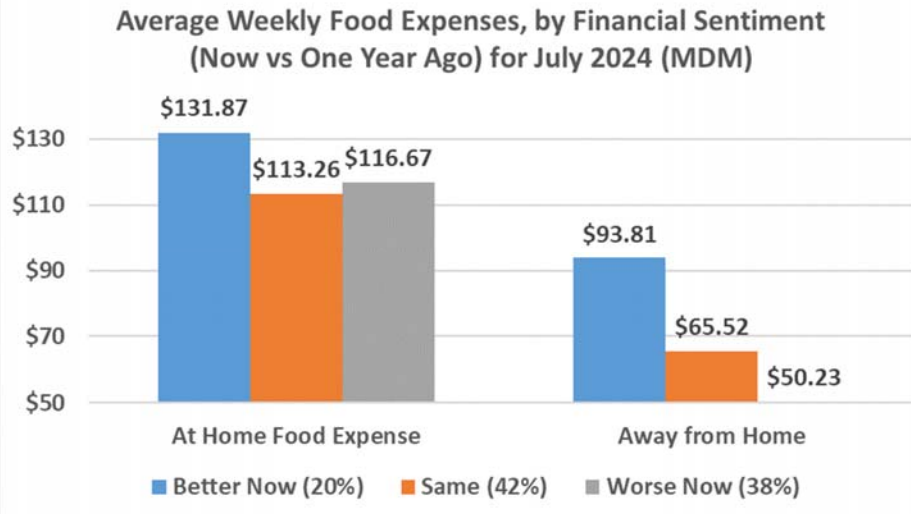
### U.S. Meat Demand Update & Role of Financial Sentiment: 2020-2023



<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.



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

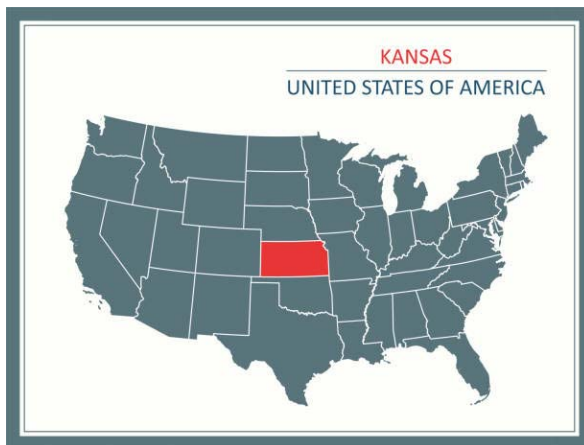


*“IT IS TO A MAN’S HONOR TO AVOID STRIFE, BUT EVERY FOOL IS QUICK TO QUARREL”*  
PROVERBS 20:3



*“MY DEAR BROTHERS AND SISTERS, TAKE NOTE OF THIS: EVERYONE SHOULD BE QUICK TO LISTEN, SLOW TO SPEAK ...”*

JAMES 1:19



	Population (residents)	Arable Land (hectares)
KS	2.94 million	18.1 million



Jan. 1, 2024 USDA	US (mil hd)	KS (mil hd)	KS % of US
Beef cows	28.223	1.264	4.5%
Steers, 500 lbs & over	15.789	2.04	12.9%
Cattle on Feed	14.4233	2.6	18.0%

	Population (residents)	Arable Land (hectares)
World	8.12 billion	1.38 billion
U.S.	345 million	157.7 million
U.S % of Gobe	4.2%	11.4%
KS	2.94 million	18.1 million
KS% of U.S	0.85%	11.48%
KS% of Gobe	0.04%	1.31%



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



## Take-Home Summary

- Beef Cow Herd Dynamics
  - Reduced Beef Supplies = Likely Higher Cattle Prices to Come
    - Impact on Profit Margins will Vary **WIDELY**
- Beef Demand Story Ever-Evolving & **ESSENTIAL** To Industry Resilience