

BEEF-CATTLE MARKET SITUATION & OUTLOOK

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

5 State Beef Conference



Monday, September 30, 2024: 2:00 PM – 7:00 PM
Cimarron County Fair Building
Boise City, OK

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
Year	31,531	-4.0	843.2	2.7	26,588	-1.4
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
Year	30,324	-3.8	835.1	-1.0	25,323	-4.8
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
Year	29,294	-3.4	827.6	-0.9	24,245	-4.3

Data Source: Livestock Marketing Information Center



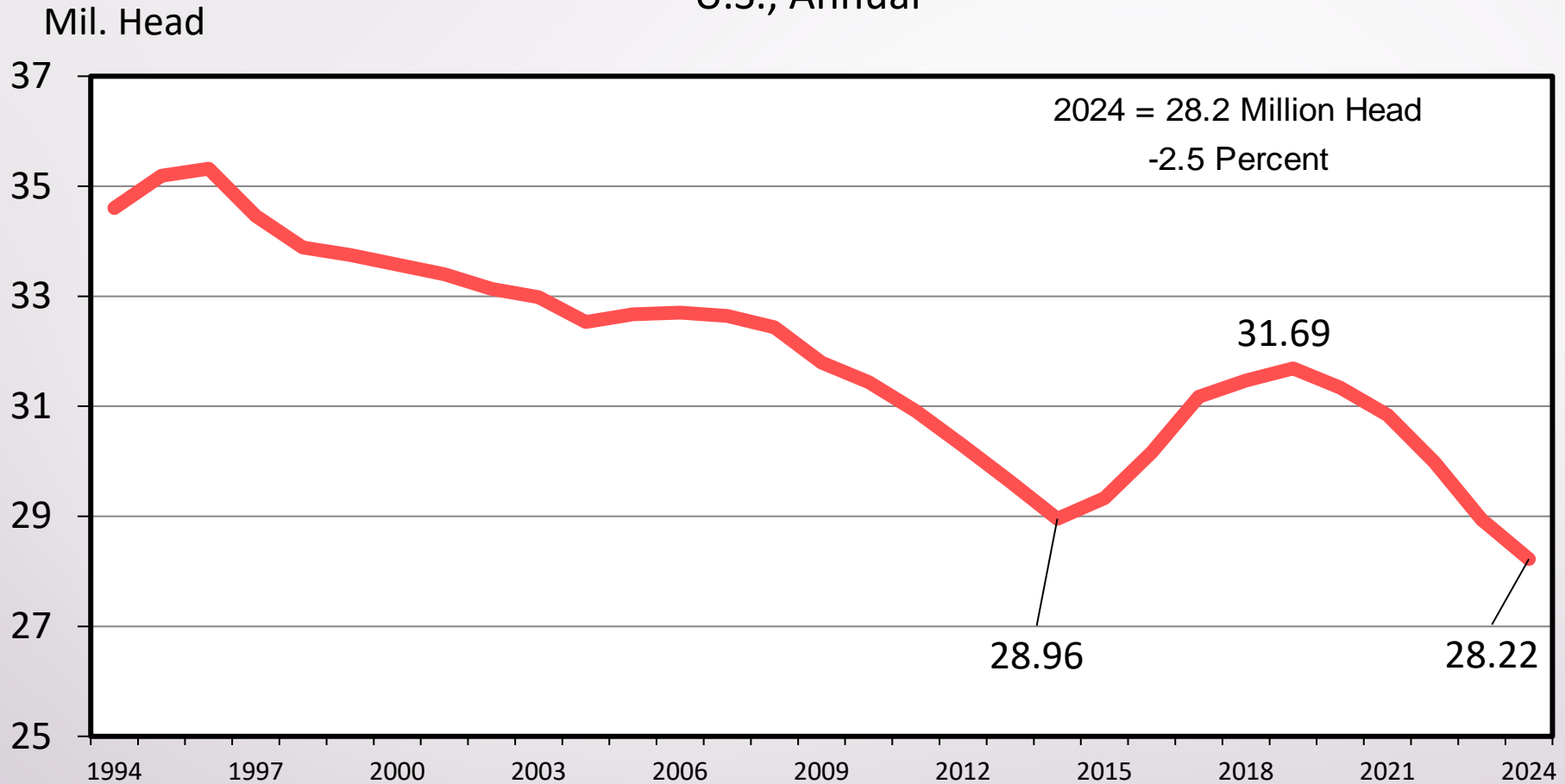
Quarterly Forecasts: Cattle (LMIC: 9/11/24)

Year Quarter	Live Sltr. Steer Price	% Chg. from	Feeder Steer Price Southern Plains	
	5-Mkt Avg	Year Ago	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
Year	186-191	7.4	255-260	308-313
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
Year	191-201	4.0	265-275	310-320
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
Year	196-212	4.1	268-283	313-328



JANUARY 1 BEEF COW INVENTORY

U.S., Annual



Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-02
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)

Andrew E. Anderson (ander909@ksu.edu)

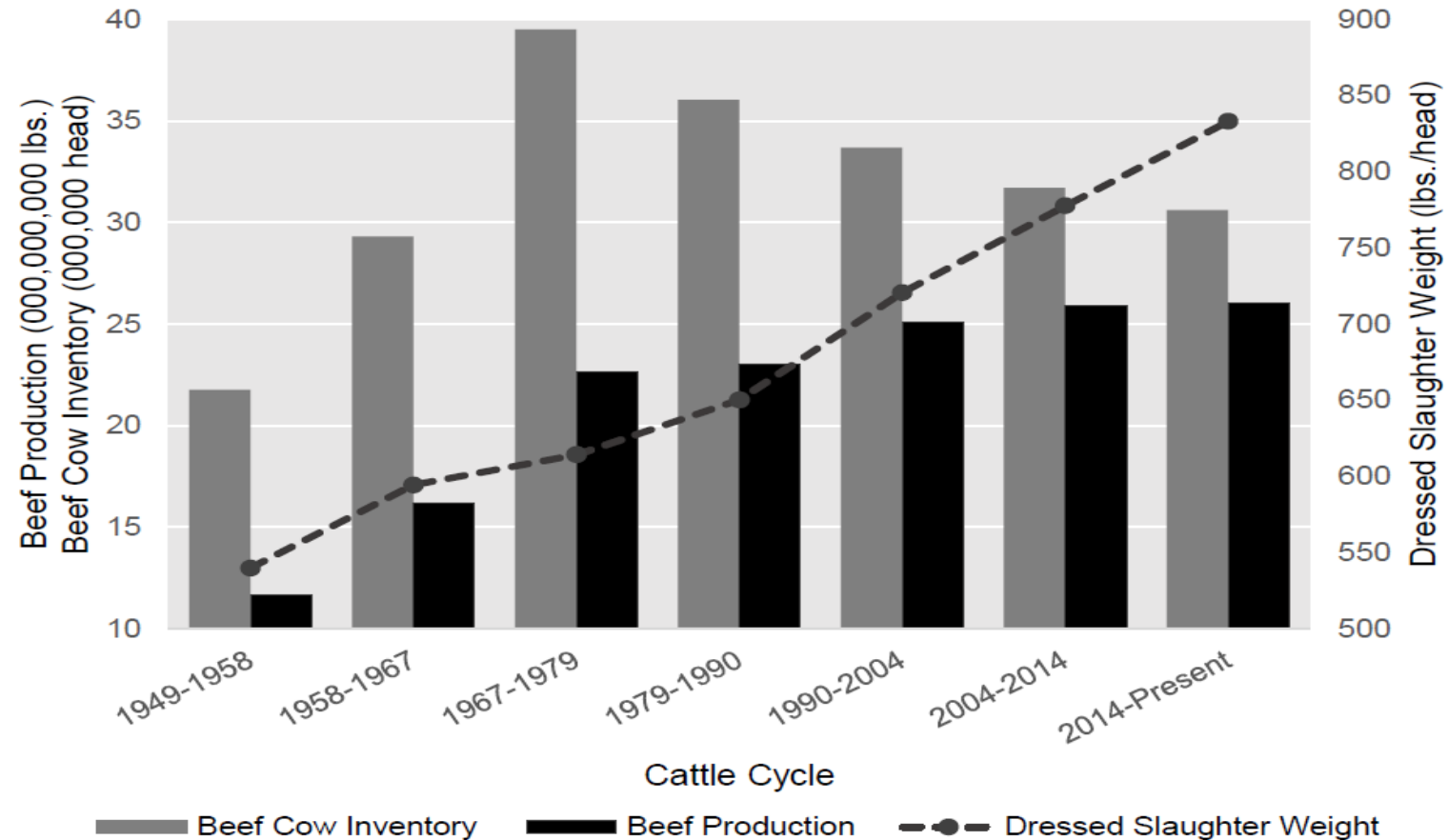
Glynn T. Tonsor (gtonsor@ksu.edu)

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

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

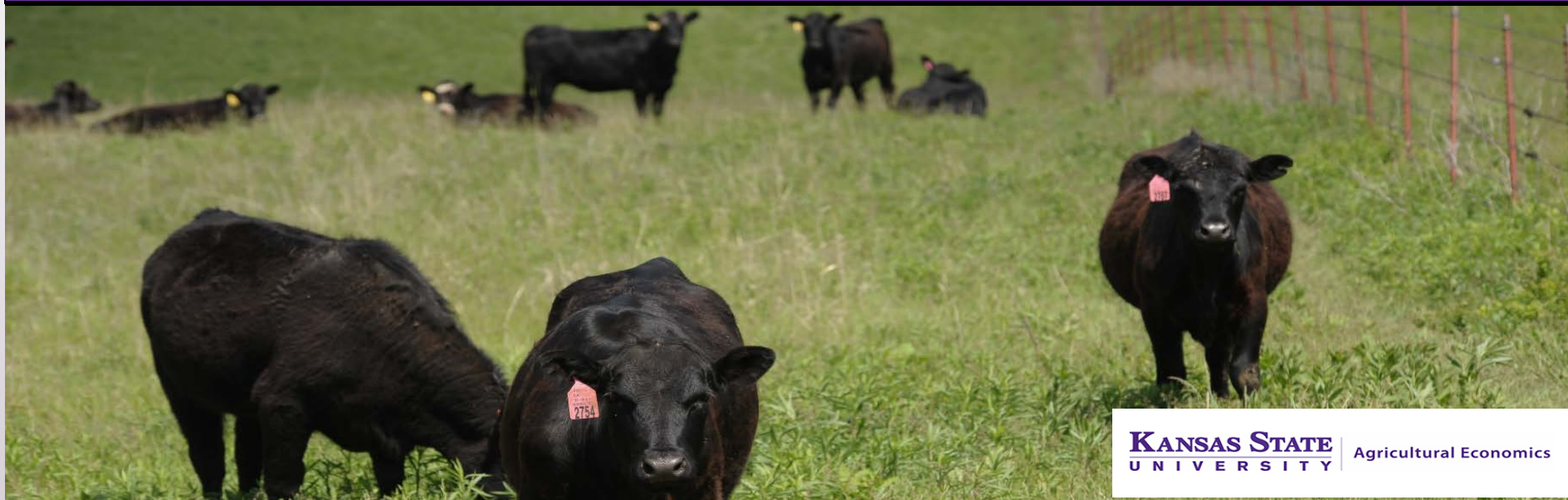
KSU-Beef Replacements

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



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.info

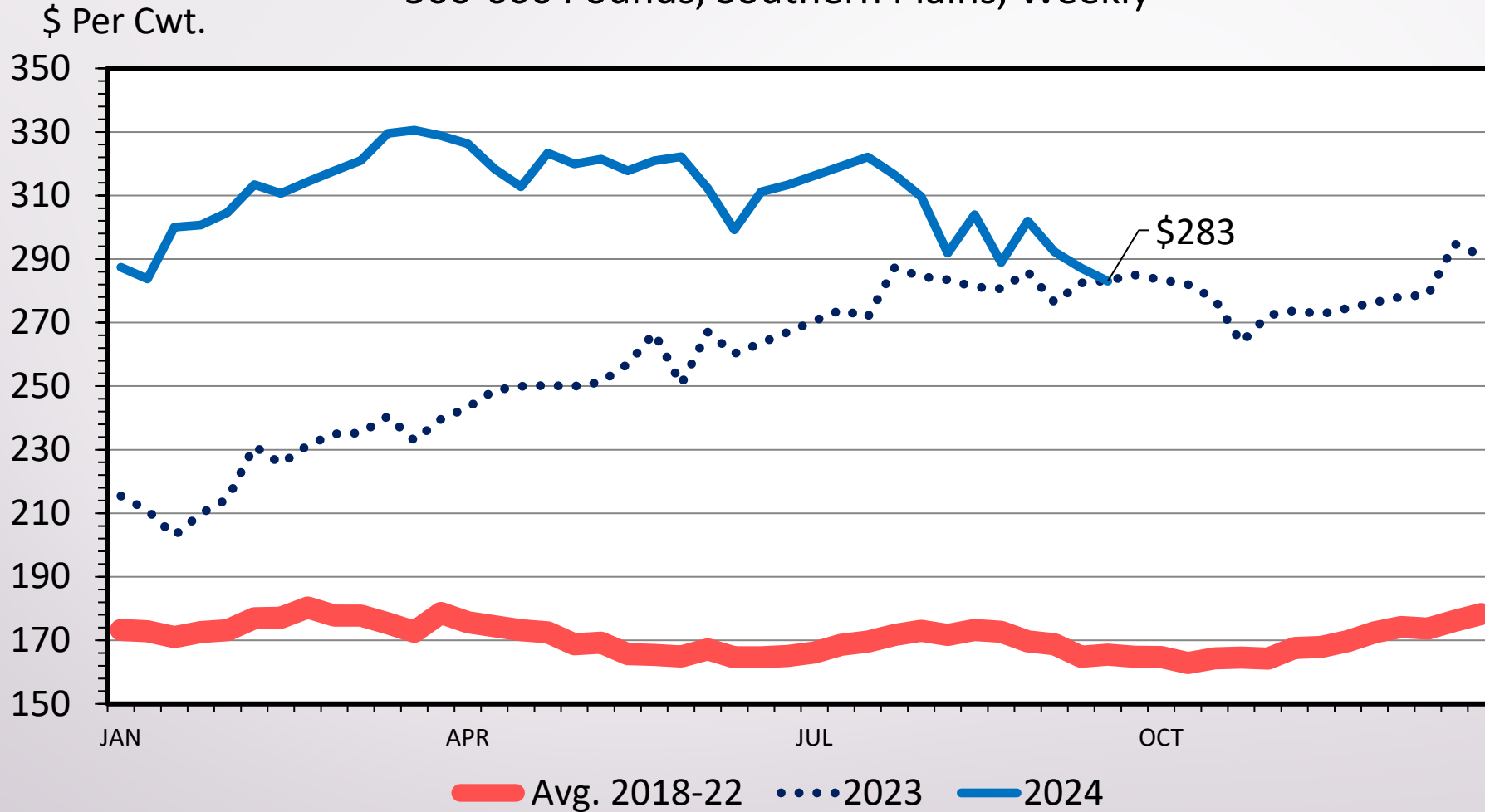
Version- 12.7.2023



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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

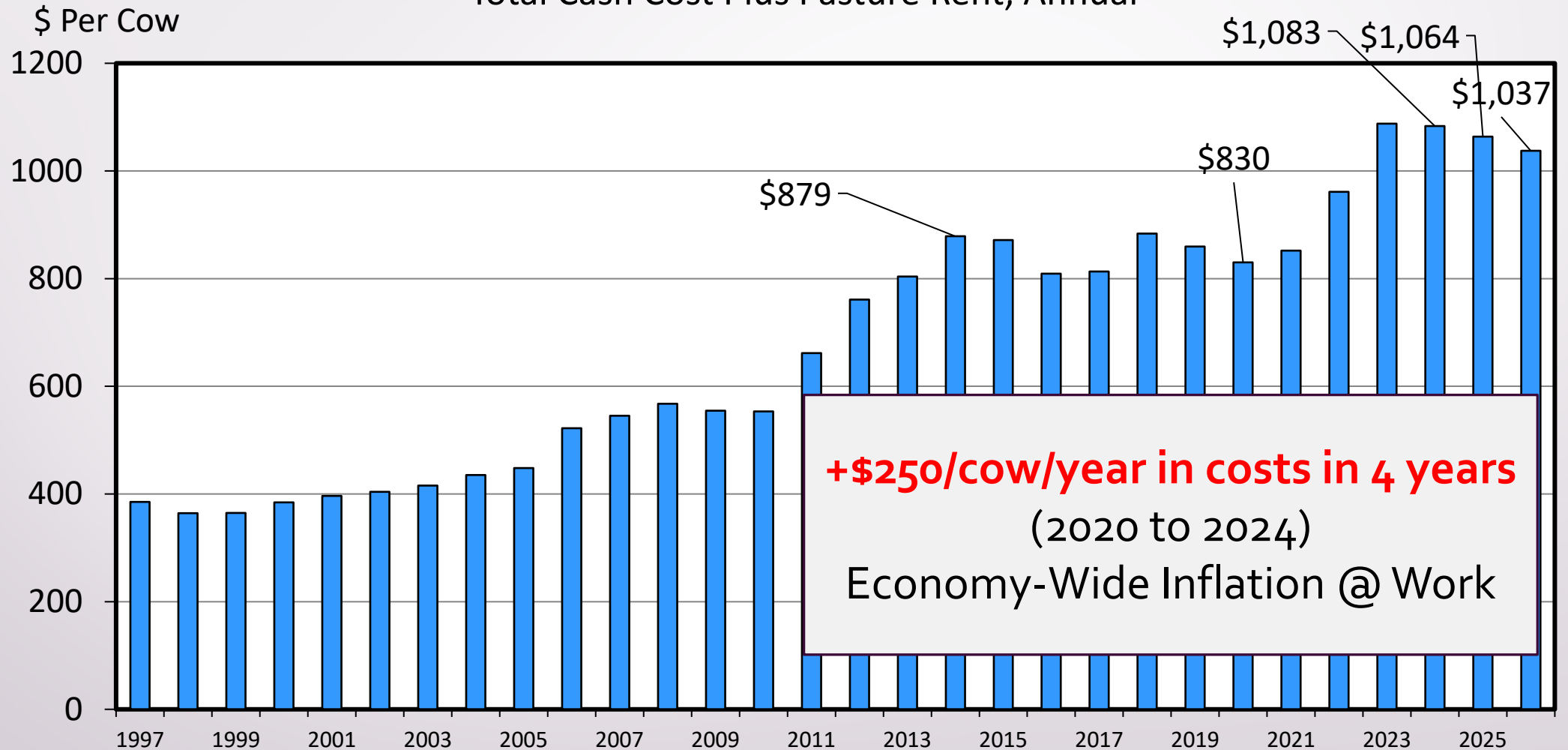
Salina *FALL CALF* Market, as of 9/25/24

10/16/2024 Sell @ Weaning @ 600 lbs

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

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



+\$250/cow/year in costs in 4 years
(2020 to 2024)
Economy-Wide Inflation @ Work

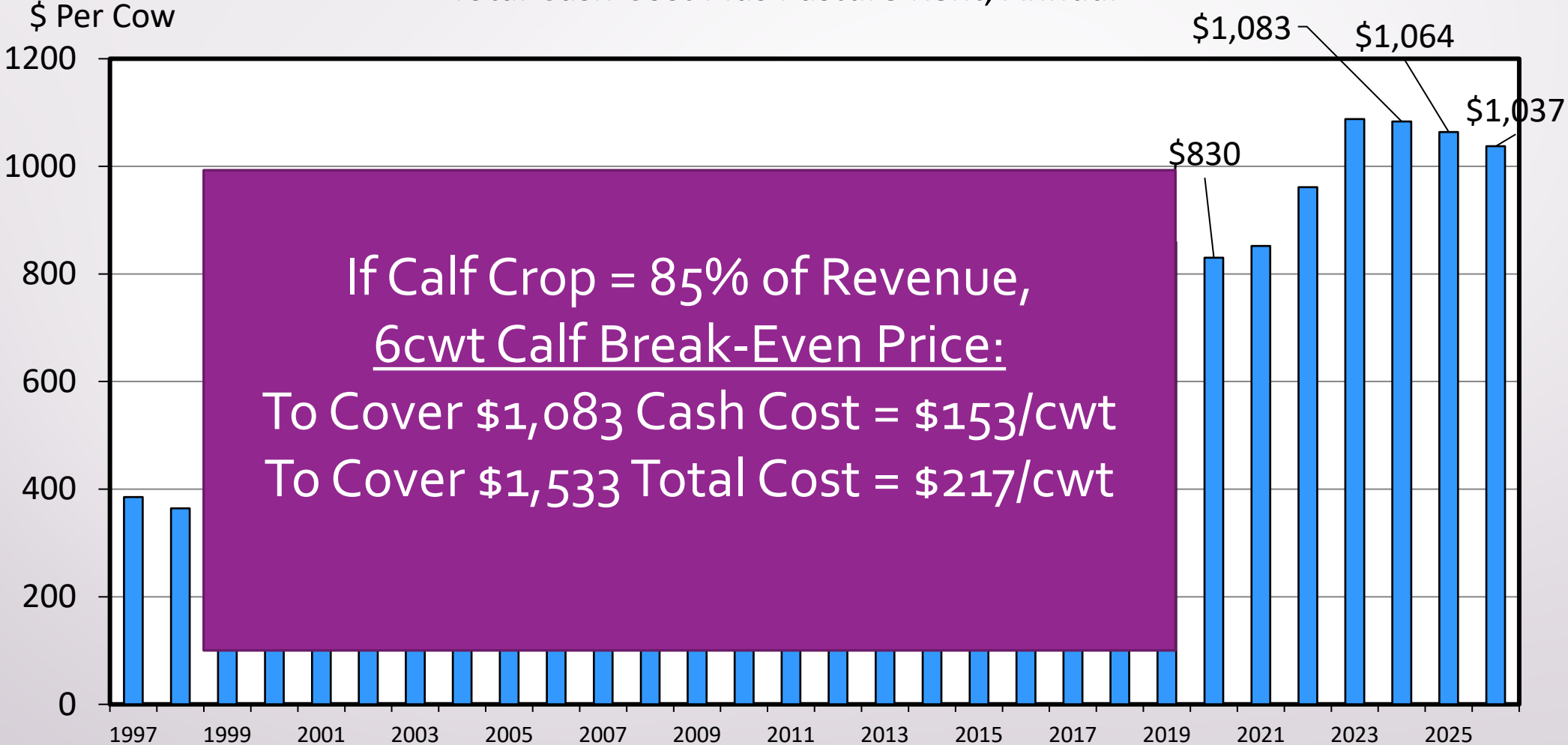
Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

09/19/24

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



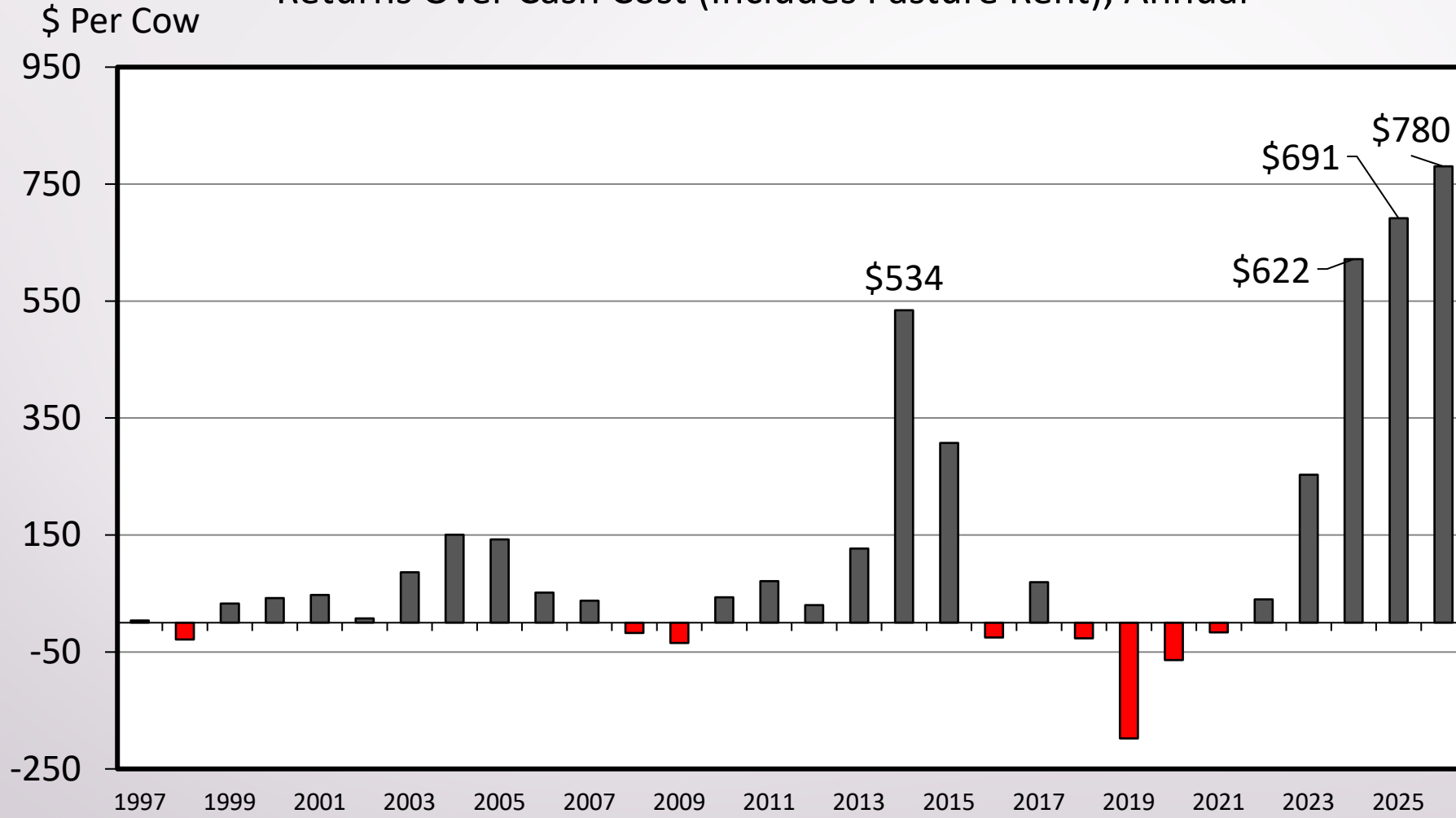
Data Source: USDA & LMIC, Compiled by LMIC

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09/19/24

ESTIMATED AVERAGE COW CALF RETURNS

Returns Over Cash Cost (Includes Pasture Rent), Annual

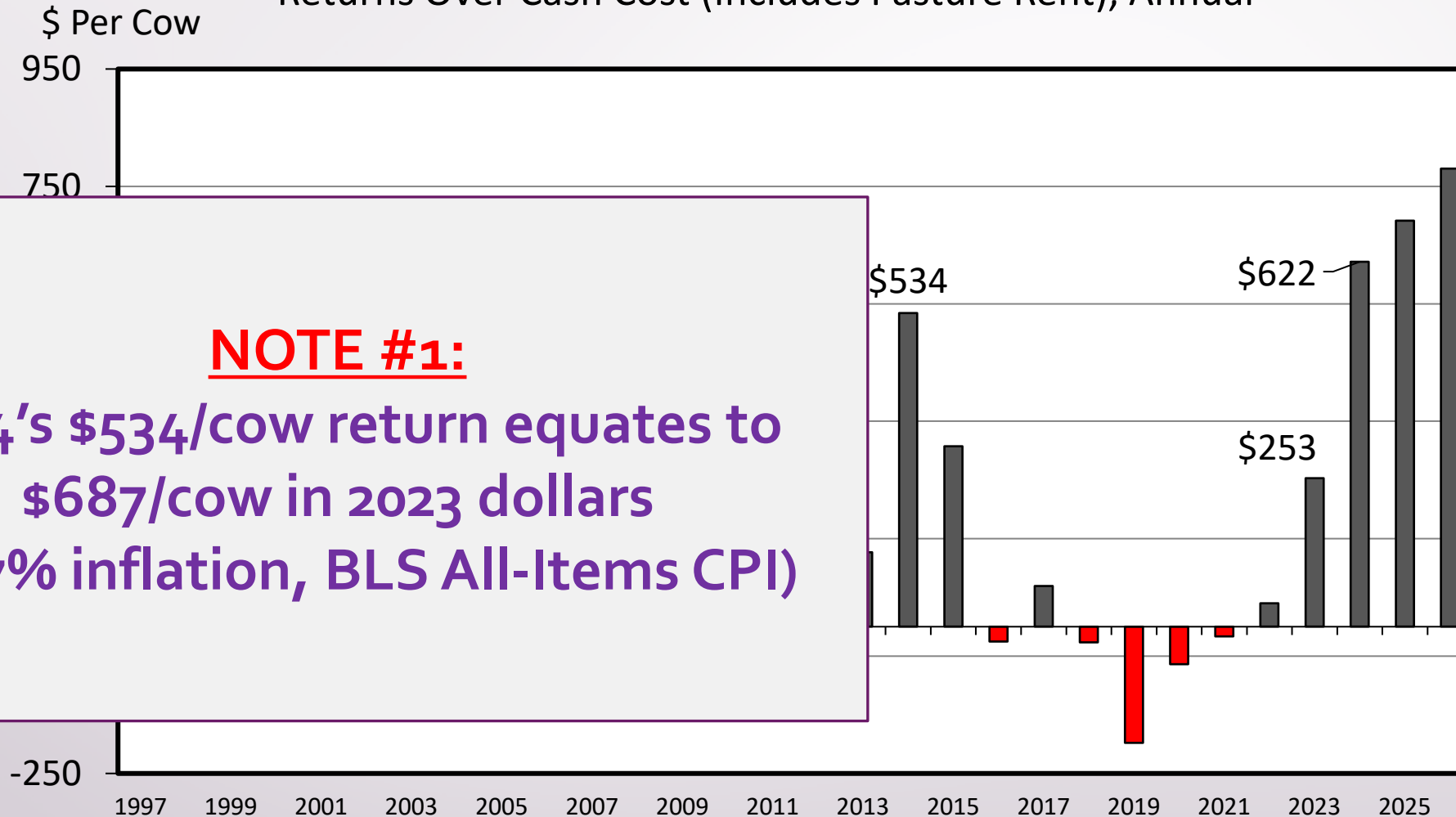


Data Source: USDA & LMIC, Compiled by LMIC
Livestock Marketing Information Center

C-P-66
09/19/24

ESTIMATED AVERAGE COW CALF RETURNS

Returns Over Cash Cost (Includes Pasture Rent), Annual

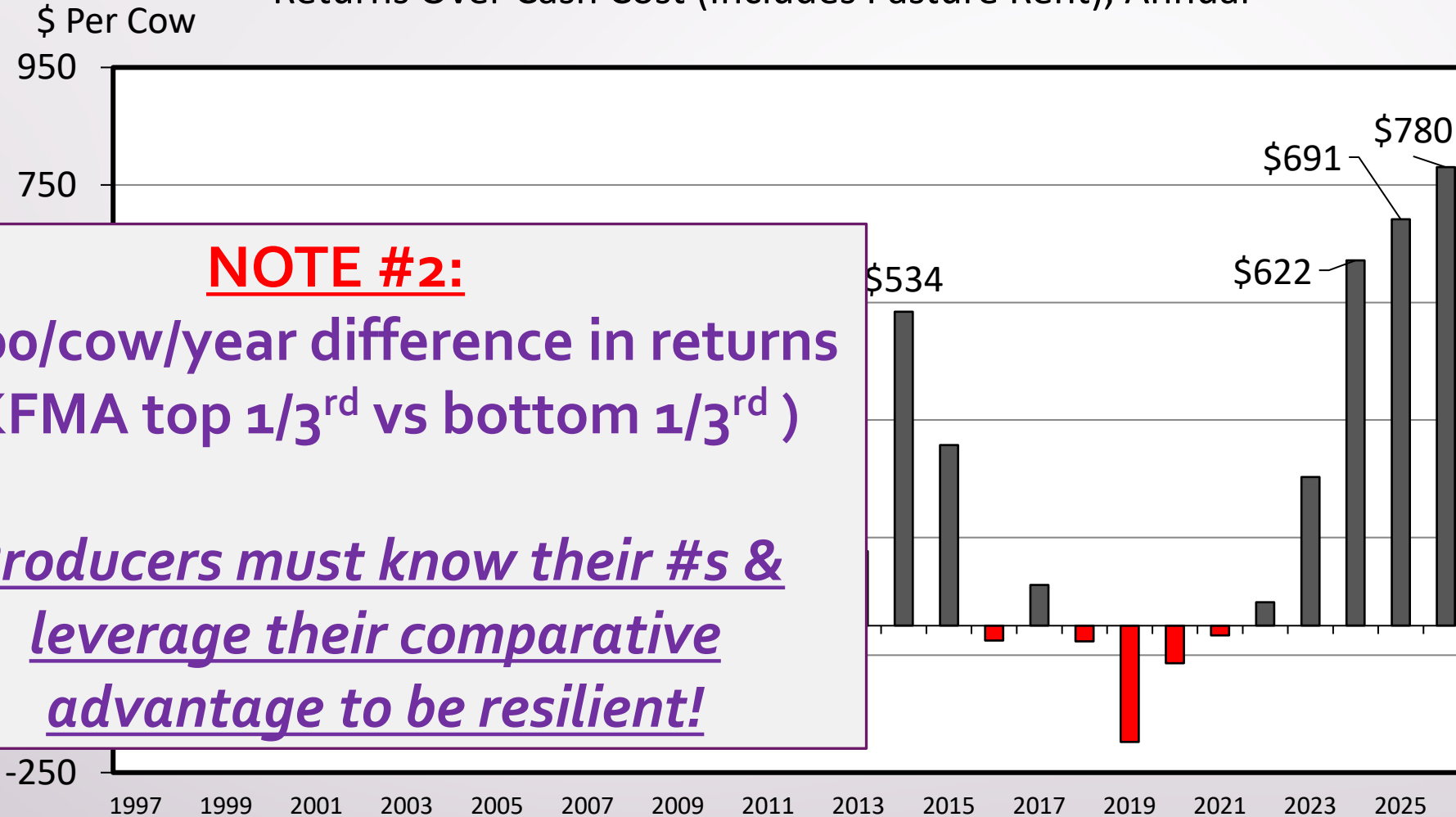


NOTE #1:

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

ESTIMATED AVERAGE COW CALF RETURNS

Returns Over Cash Cost (Includes Pasture Rent), Annual



NOTE #2:

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

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



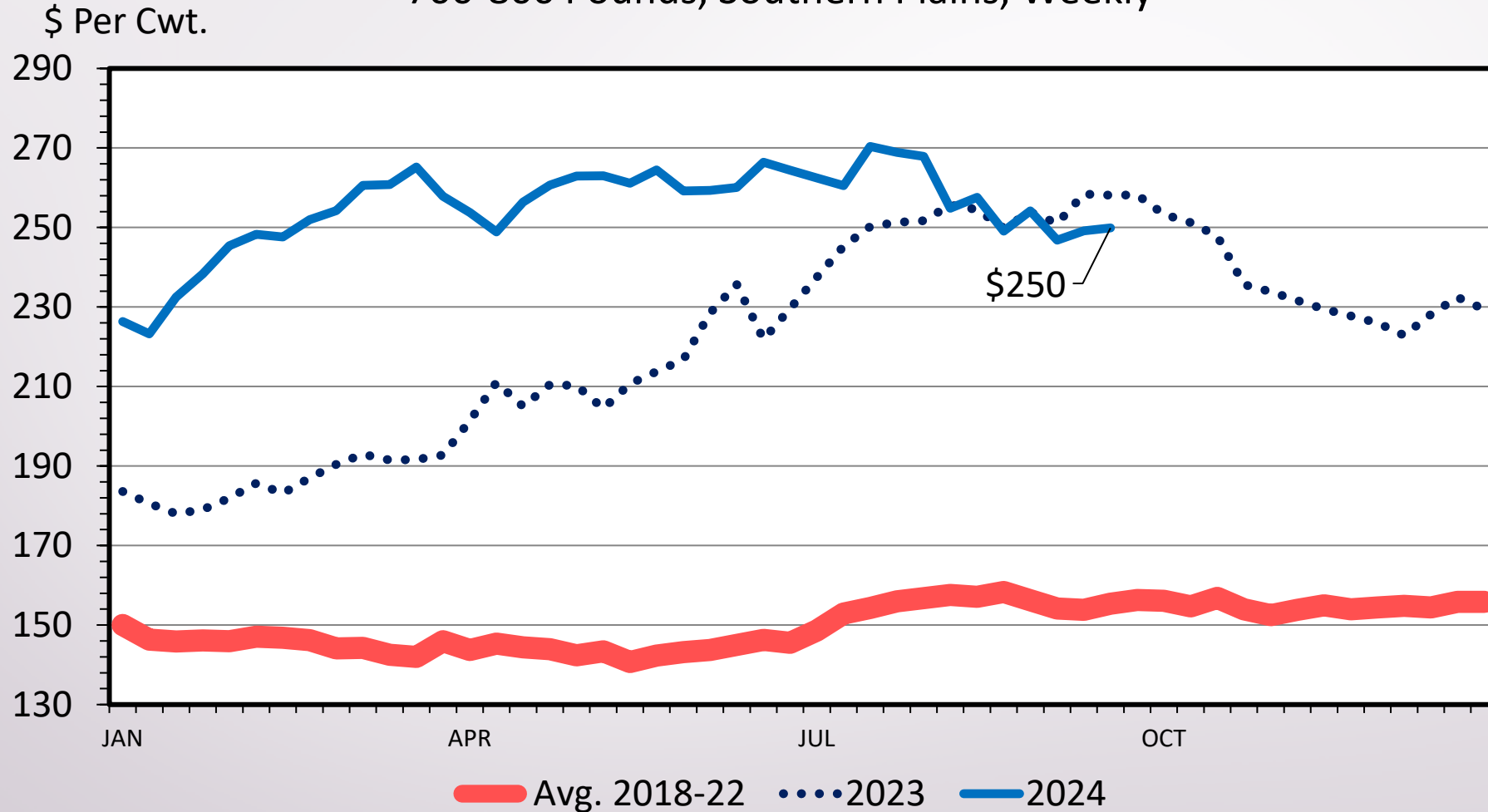
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INTRODUCTION

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
09/23/24

Want Feeder Cattle Price, Basis, & VOG Projections?
Use 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)

PRIME 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?

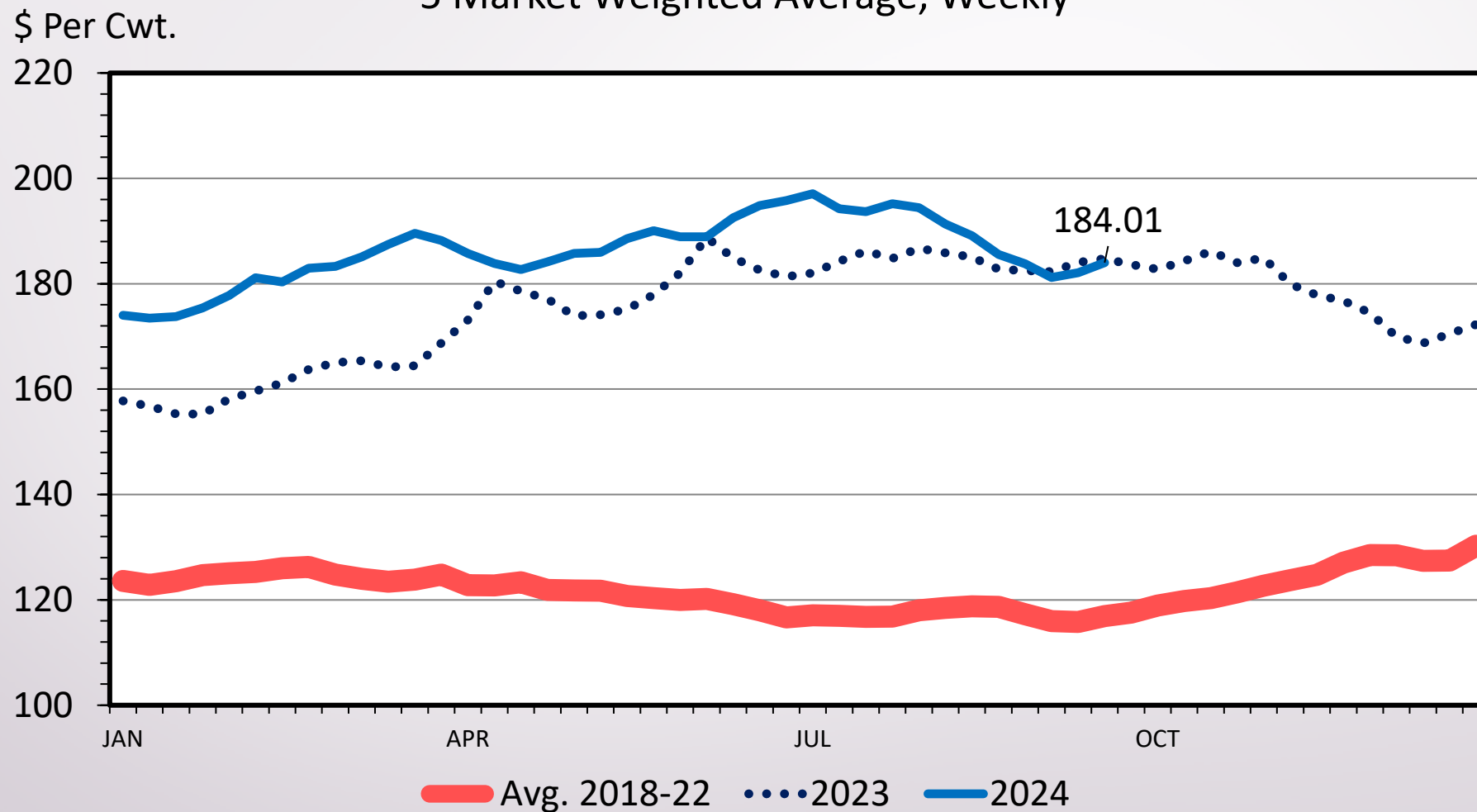
[Use BeefBasis.com](http://BeefBasis.com)

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



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.

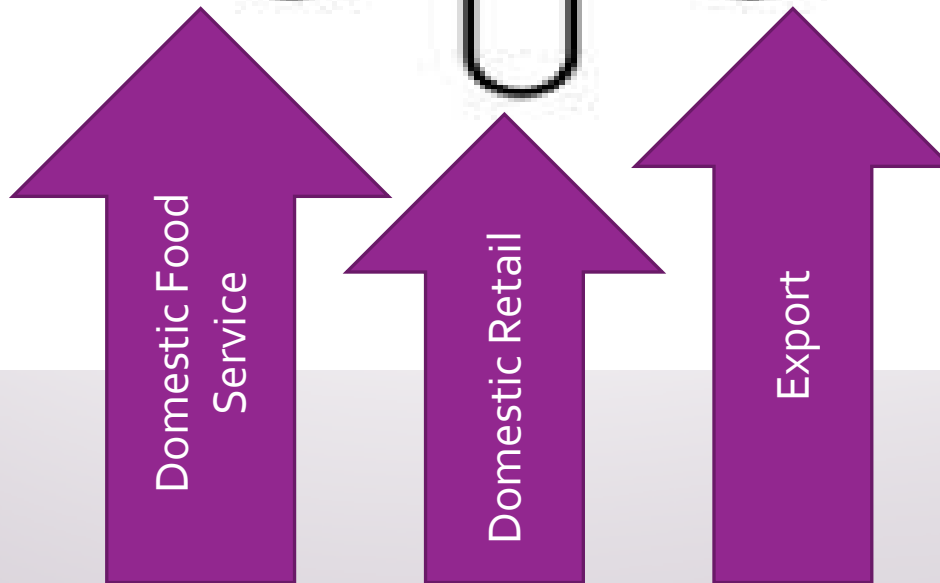
Burt Rutherford | Sep 19, 2013

LMIC

2024: 58.5 lbs

2025: 56.5 lbs

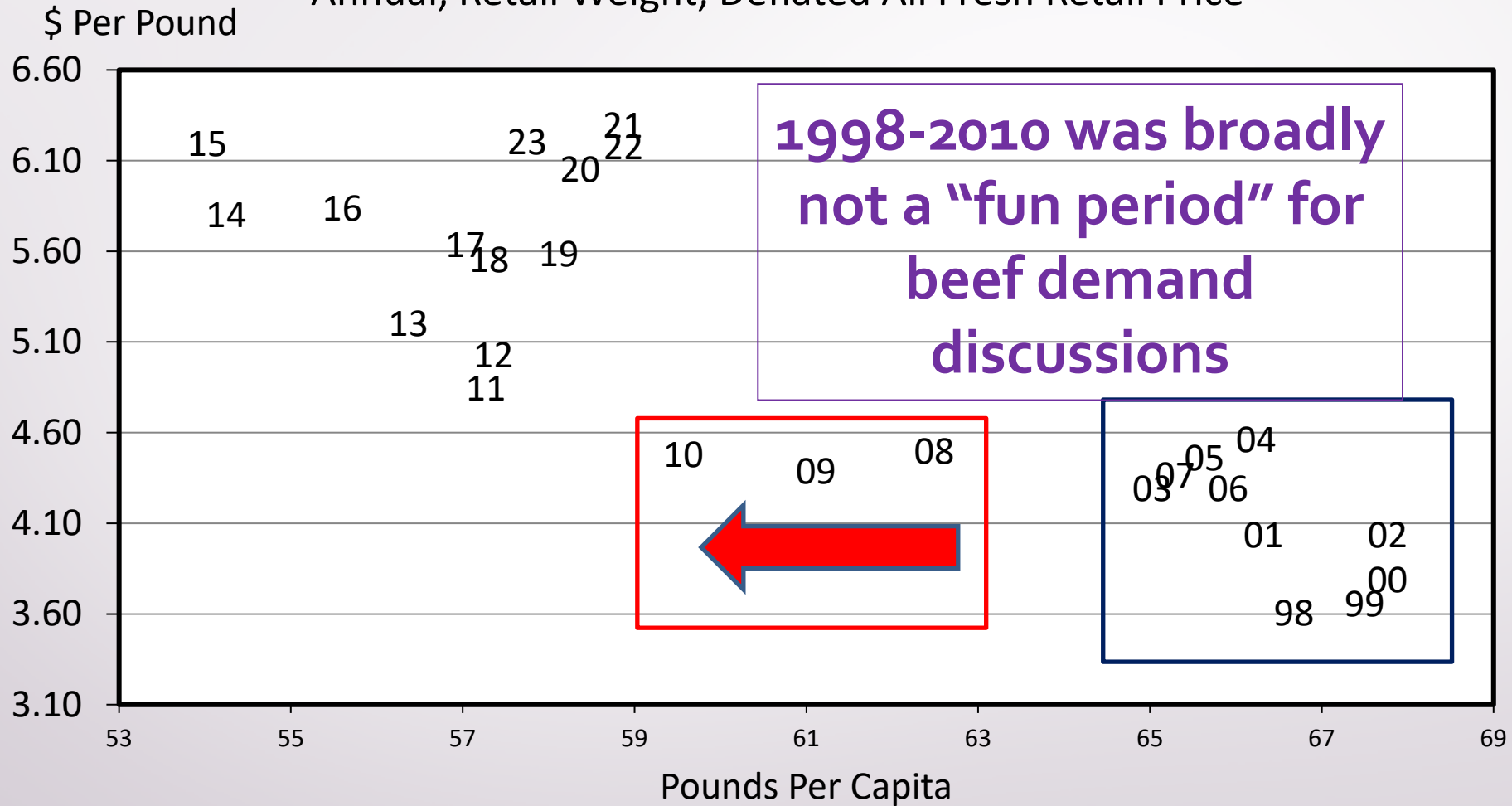
2026: 54.7 lbs



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

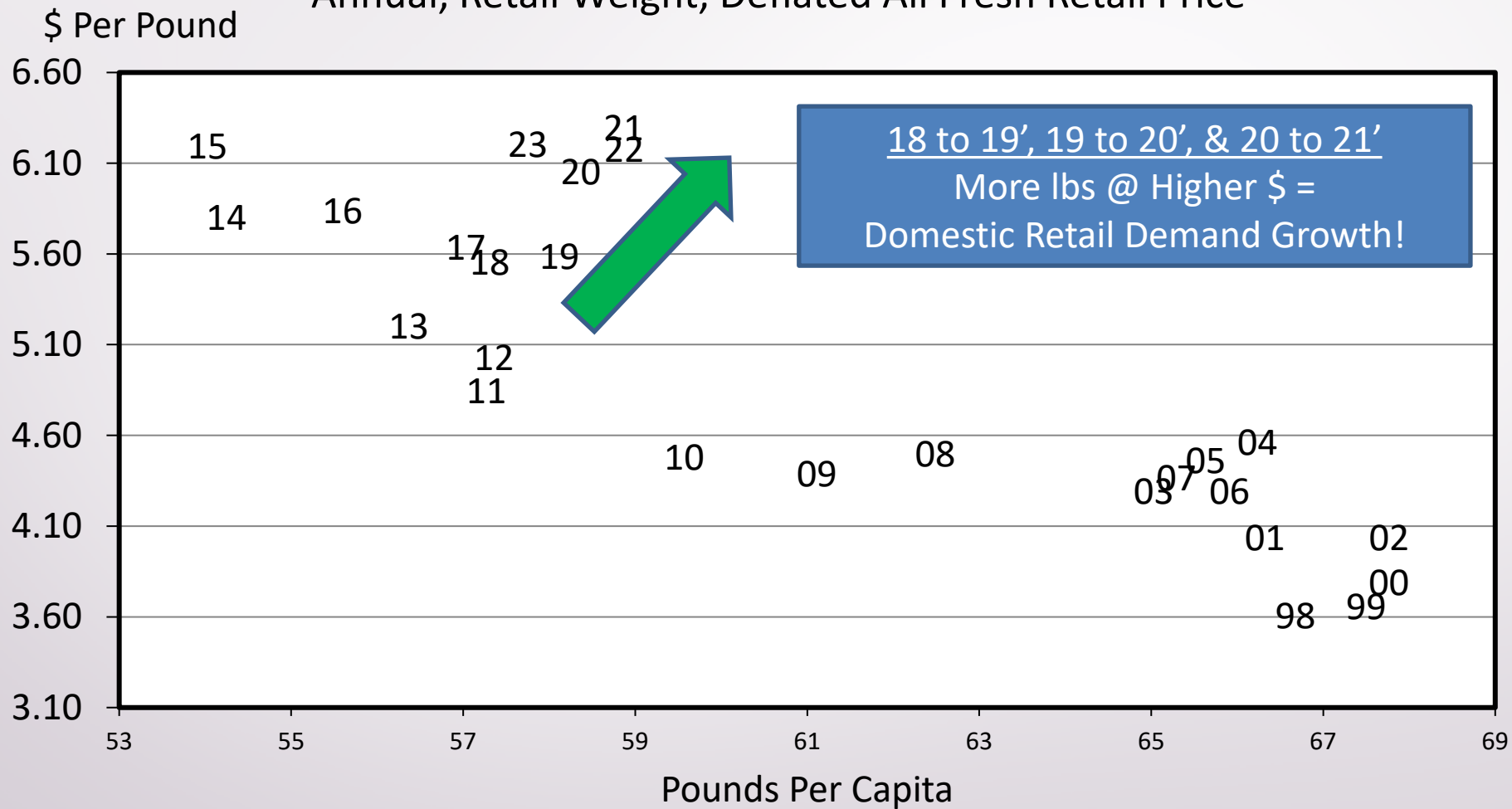
BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



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

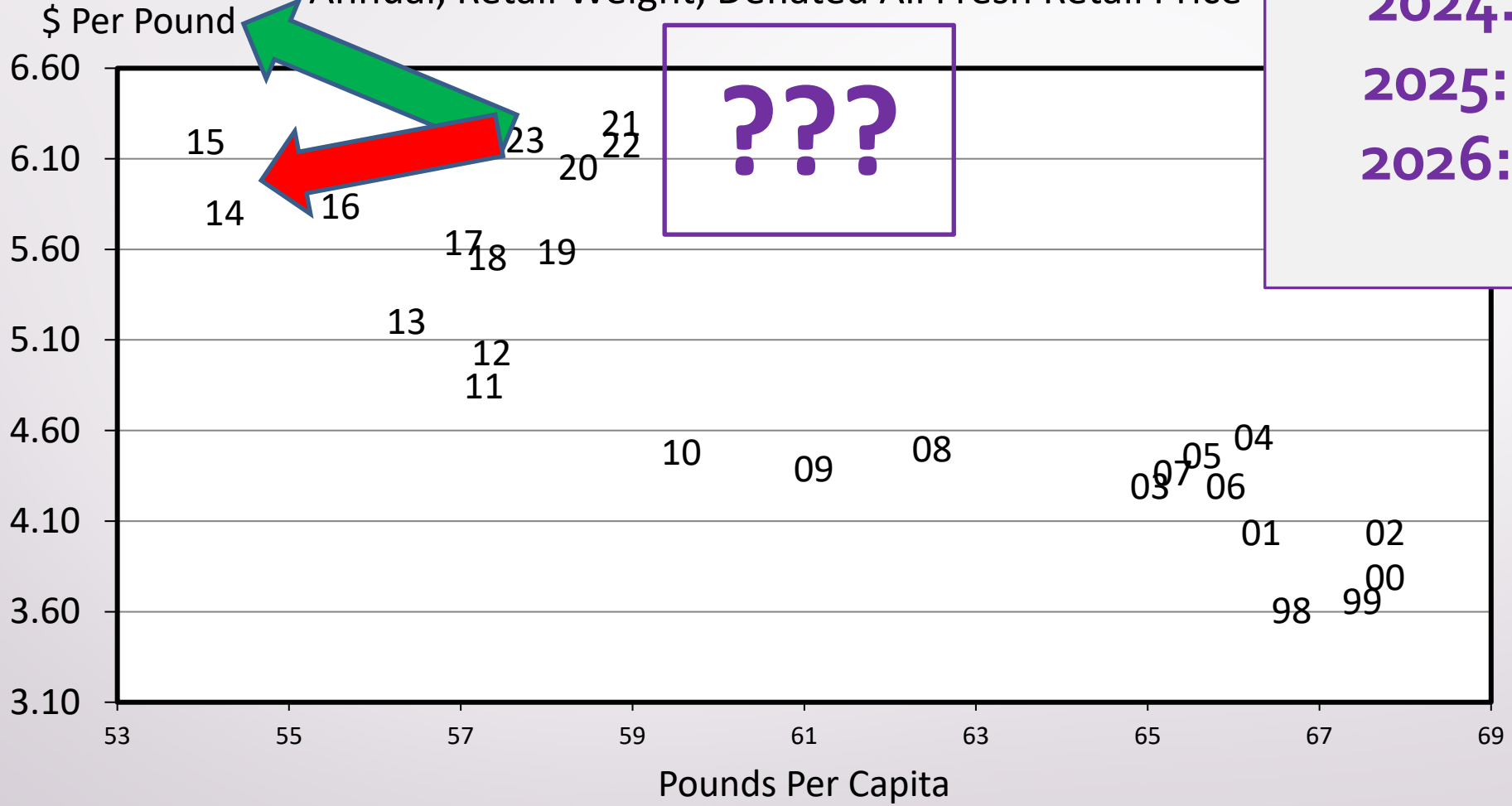
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C-P-65A

04/04/24

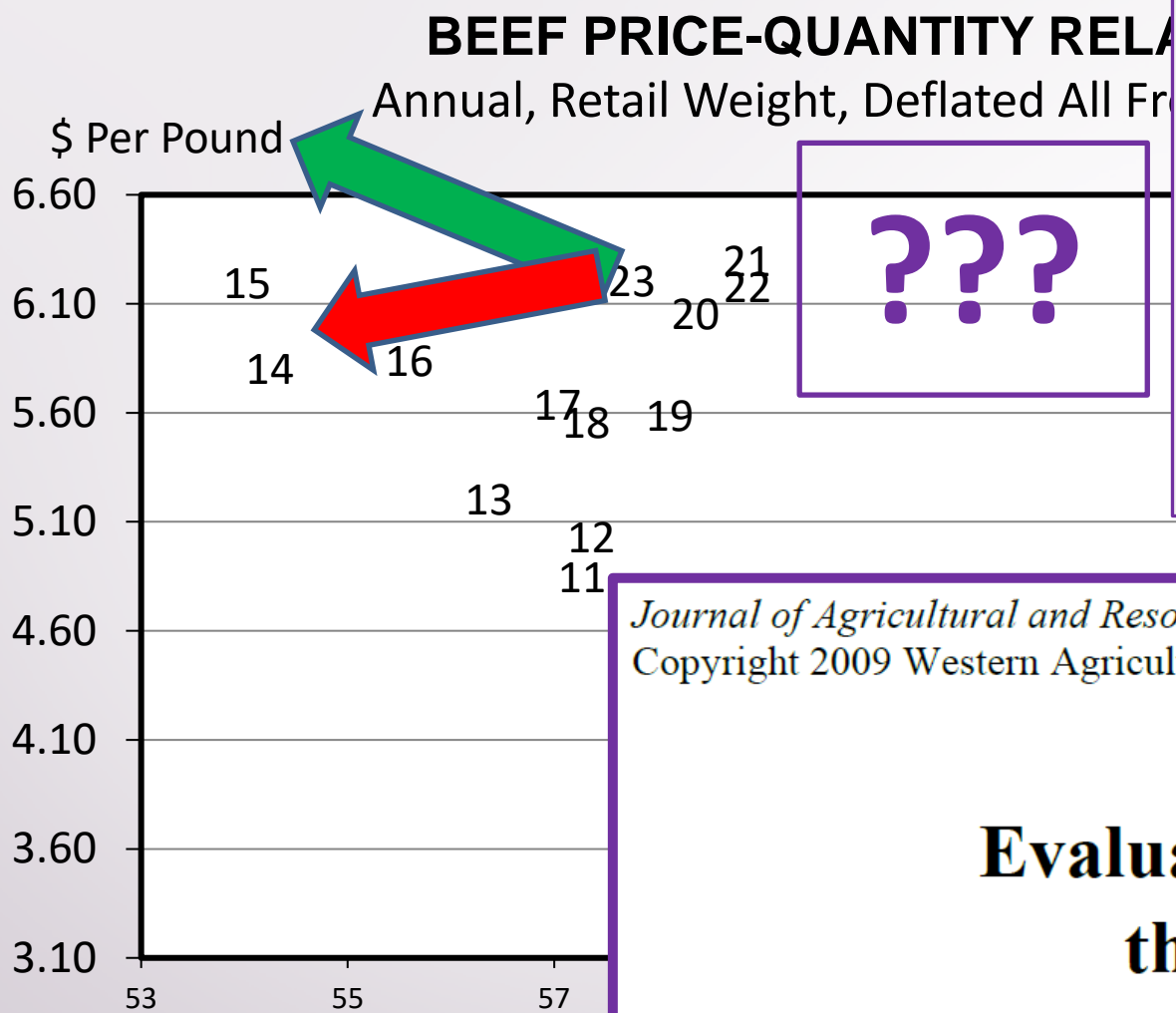
BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



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

Size of Economic Pie Dictated by Demand Patterns



Journal of Agricultural and Resource Economics 34(2):213–236
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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 Livestock Marketing Information Center

C-P-65A
04/04/24

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 SCHAFER

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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[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]

Add to Favorites



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	Downloads
Meat Demand Monitor - July 2020	Tonsor	August 4, 2020	Downloads
Meat Demand Monitor - February-June 2020 Summary Report	Tonsor	July 27, 2020	Downloads
Meat Demand Monitor - June 2020	Tonsor	July 2, 2020	Downloads
Meat Demand Monitor - May 2020	Tonsor	May 29, 2020	Downloads
Meat Demand Monitor - Coronavirus (COVID-19) Impact on U.S. Meat Demand:	Tonsor	May 12, 2020	Downloads

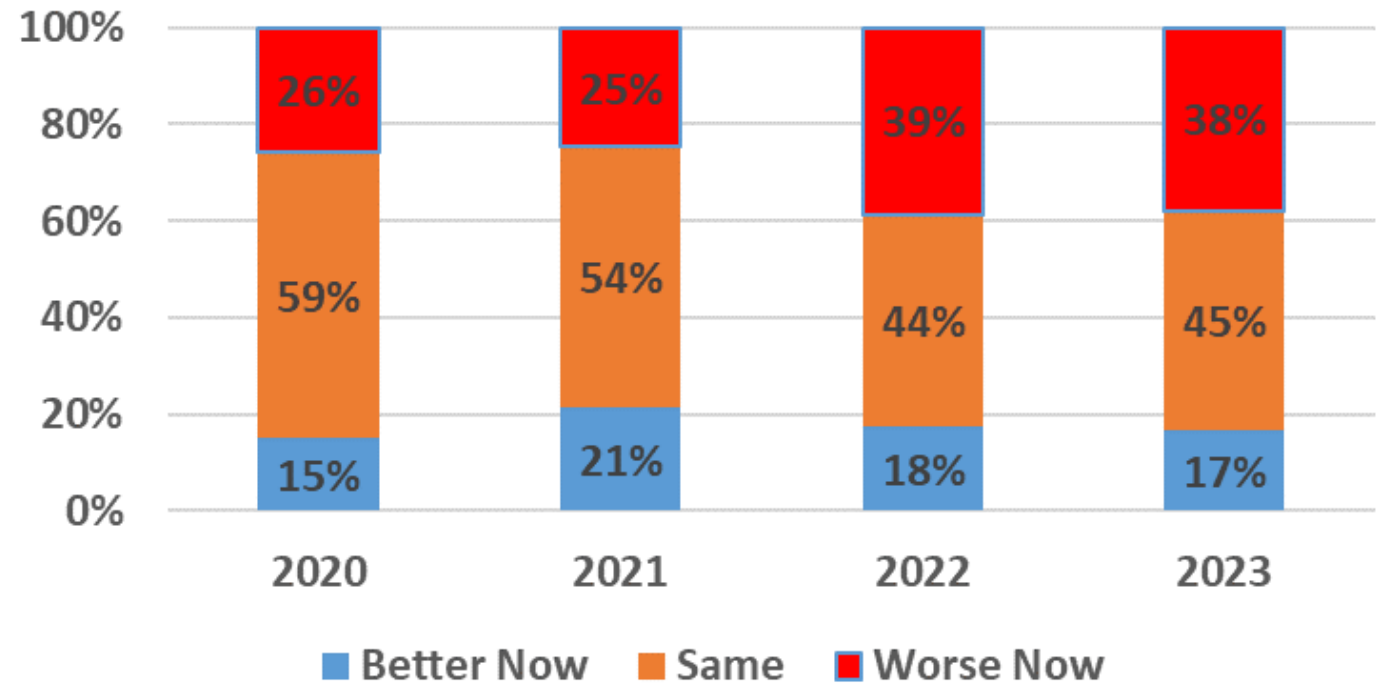
<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

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

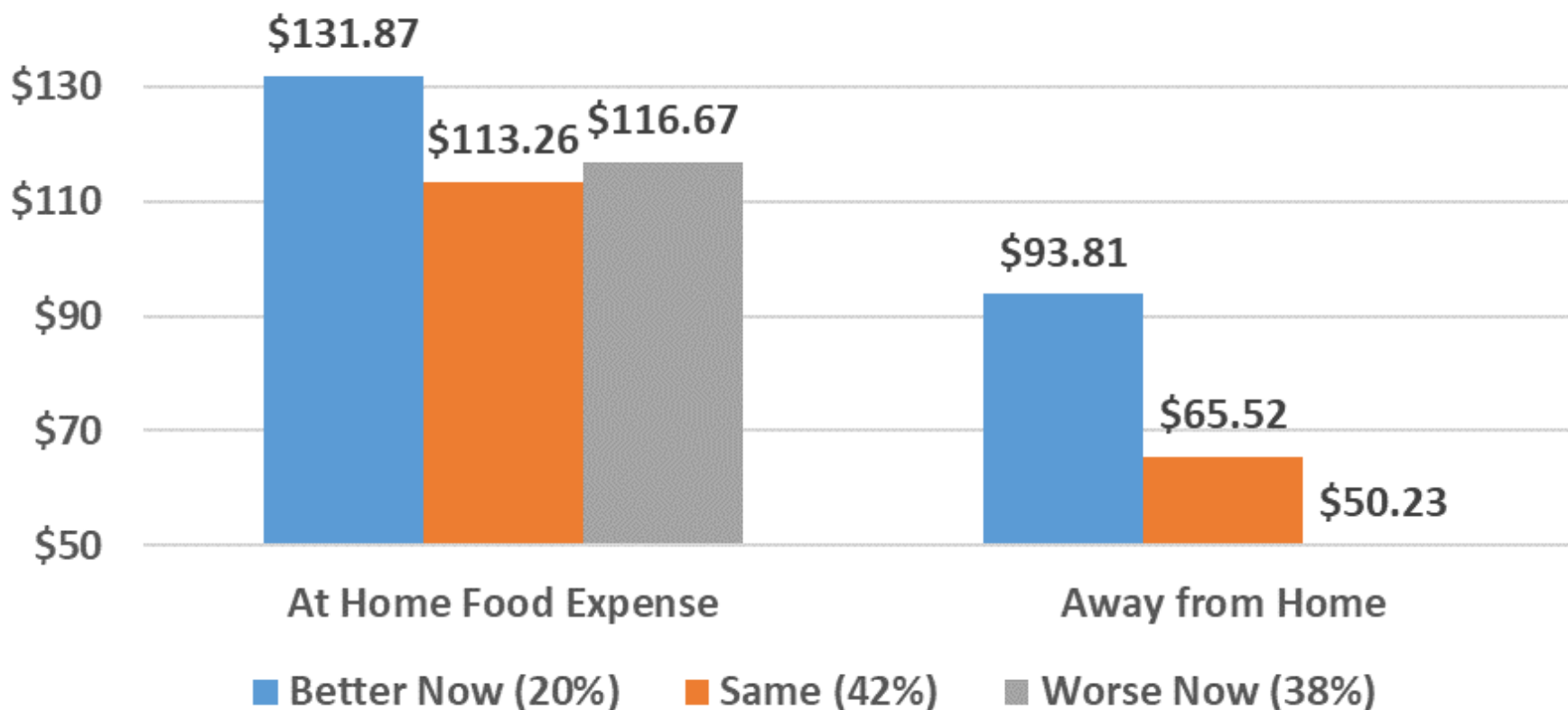


<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

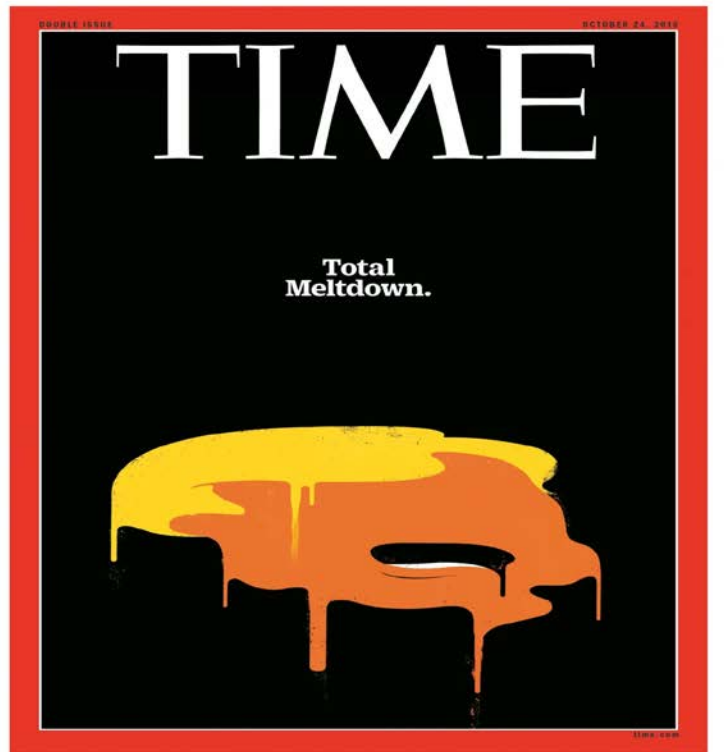
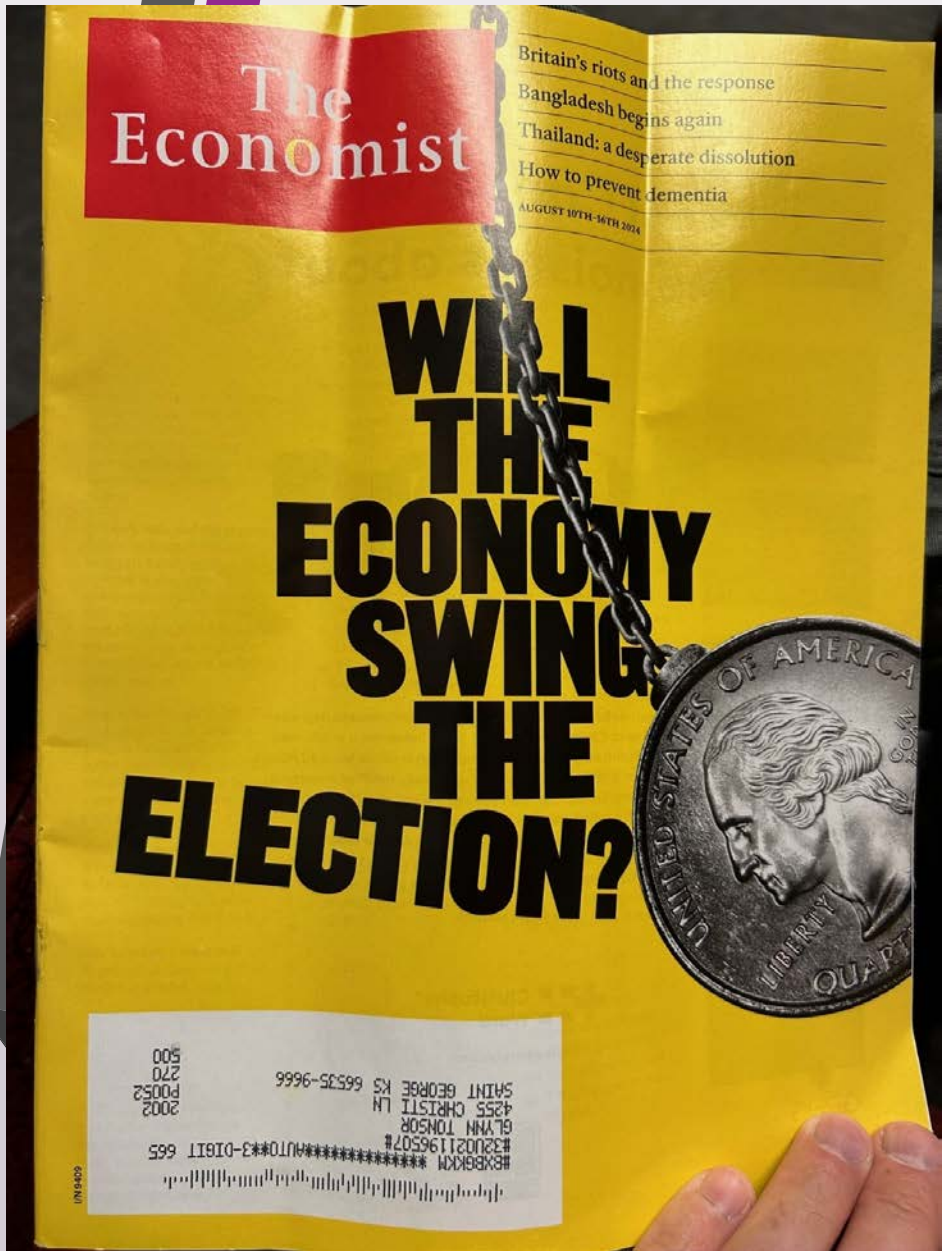
MDM: Meat Demand Monitor

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 July 2024 (MDM)**



<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

mes.studio.com

+

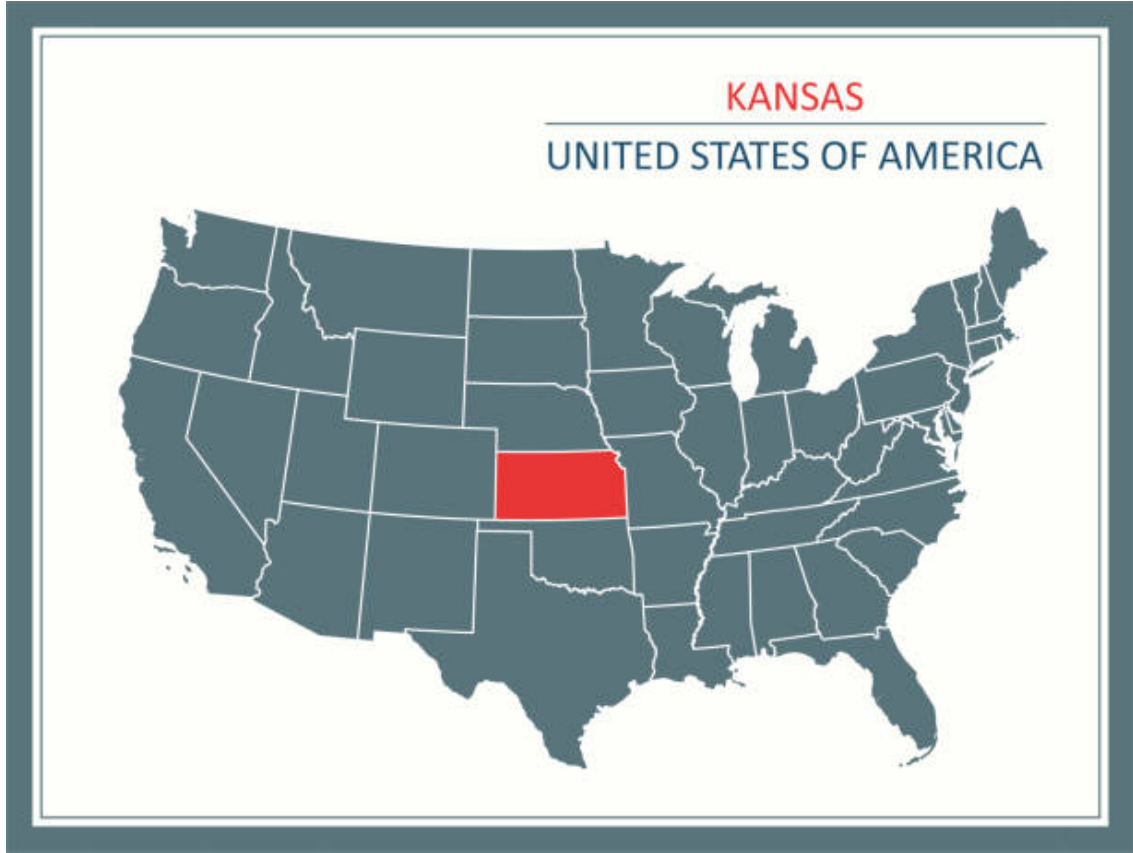
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LISTEN

We have two ears and one mouth so that we can listen twice as much as we speak.
Epictetus

“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 Globe	4.2%	11.4%
KS	2.94 million	18.1 million
KS % of U.S.	0.85%	11.48%
KS % of Globe	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**