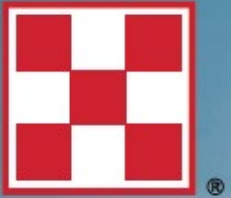


BEEF-CATTLE MARKET SITUATION & OUTLOOK



Dr. Glynn T. Tonsor

Email: gtonsor@ksu.edu

LinkedIn/X-Twitter:
@TonsorGlynn

PRIDE AG

FARM TO FIELD EVENT

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

Kickoff Beef-Cattle Summary

Supply Dynamics

- Expansion pending?
 - GT sees as probable, market-relevant start in 2026

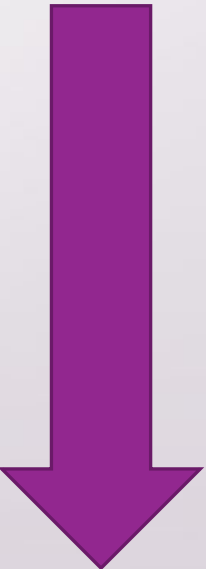
Beef Demand

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

Quarterly Forecasts (LMIC: 12/2/24)

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	7,996	-1.3	847.9	3.7	6,780	2.4
IV	8,033	-1.4	859.0	2.8	6,900	1.3
Year	31,899	-2.9	846.6	3.1	27,005	0.1
2025						
I	7,534	-4.1	838.8	0.4	6,320	-3.7
II	7,764	-3.1	847.7	0.4	6,582	-2.7
III	7,757	-3.0	851.3	0.4	6,604	-2.6
IV	7,771	-3.3	861.7	0.3	6,696	-3.0
Year	30,826	-3.4	850.0	0.4	26,201	-3.0
2026						
I	7,287	-3.3	838.5	0.0	6,110	-3.3
II	7,502	-3.4	847.1	-0.1	6,355	-3.4
III	7,578	-2.3	849.9	-0.2	6,440	-2.5
IV	7,511	-3.3	861.3	0.0	6,469	-3.4
Year	29,878	-3.1	849.3	-0.1	25,374	-3.2

Data Source: Livestock Marketing Information Center



Quarterly Forecasts: Cattle (LMIC: 12/2/24)

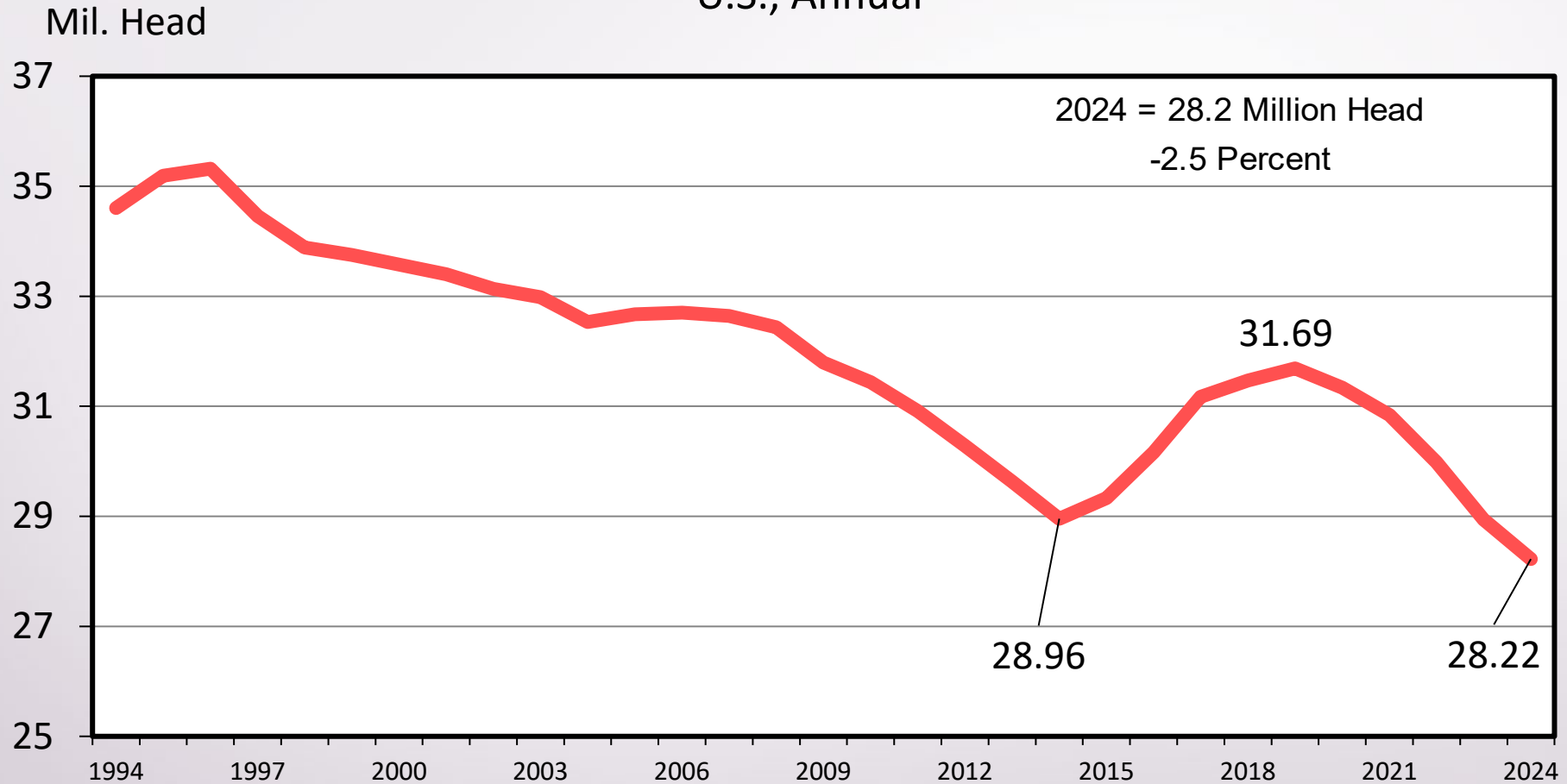
Year Quarter	Live Sltr.	% Chg.	Feeder Steer Price	
	Steer Price	from	Southern Plains	
	5-Mkt Avg	Year Ago	7-800#	5-600#
2024				
I	181.03	12.5	247.32	311.49
II	188.42	5.3	259.67	316.56
III	189	3.1	258	302
IV	186-190	7.3	255-259	294-298
Year	186-188	7.4	254-256	306-309
2025				
I	189-195	6.1	256-261	306-311
II	191-199	3.5	258-264	308-314
III	193-203	4.2	266-273	306-313
IV	194-206	4.7	262-270	303-312
Year	191-201	4.0	259-269	304-314
2026				
I	195-209	5.2	256-265	309-317
II	197-213	5.1	260-270	311-321
III	199-217	5.1	274-285	308-319
IV	201-219	5.0	276-283	305-317
Year	196-212	4.1	264-279	307-322



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

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)

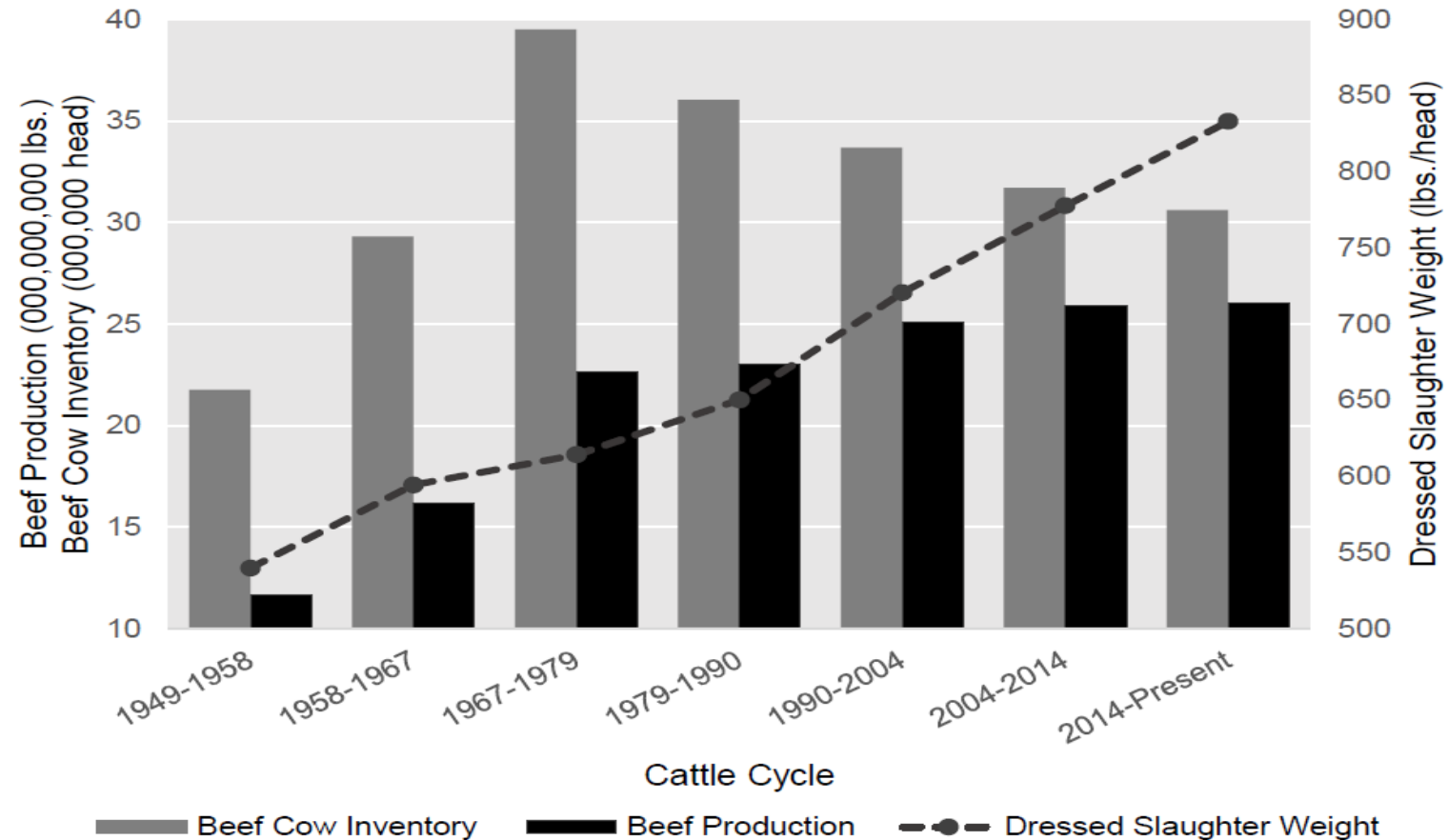
Glynn T. Tonsor (gtonsor@ksu.edu)

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

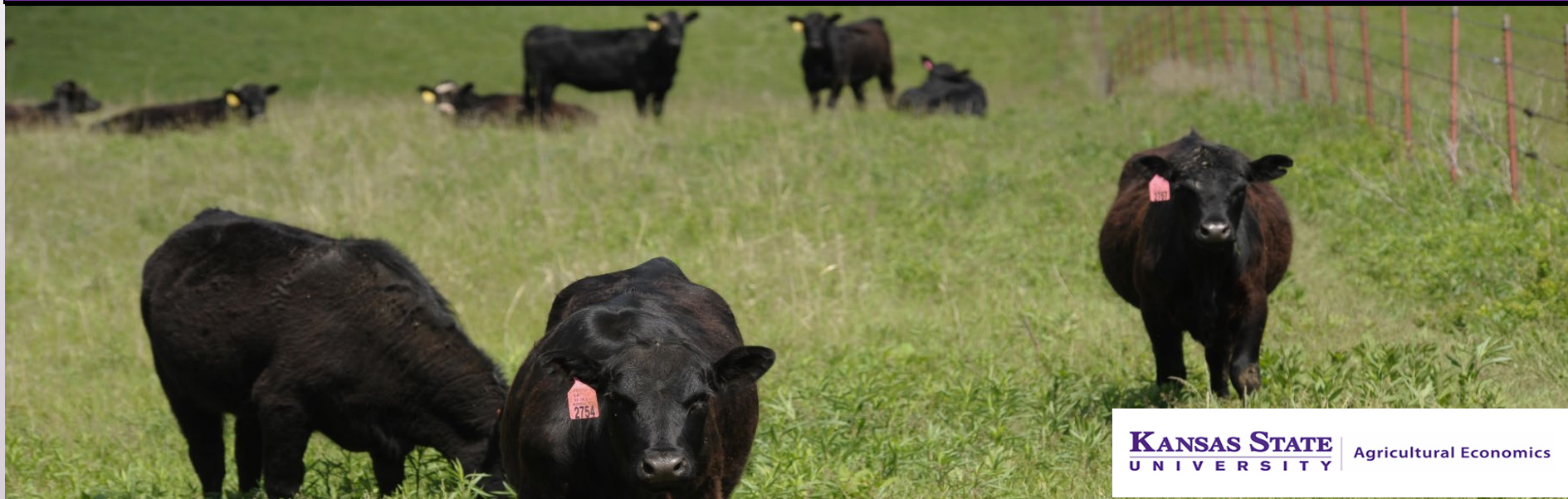
KSU-Beef Replacements

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



AgManager
.info

Version- 12.3.2024



KSU – Beef Replacement Tool

[Print information](#)

Input Assumptions

Number of replacements purchased	100	Percent marketable calves (1 - death loss)	97.0%
Year of purchase	2025	Annual cow death loss	0.5%
First year for calf sales	2026	Annual cull rate	15.0%
Cull cow weight, lbs/hd	1,200	Annual inflation rate on costs	3.0%
Annual cash cow costs, \$/year	\$1,000	Annual increase in average weaning weight	1.5%
Price scenario to use (1-3) (USDA (As of Nov. 2024))	1	Discount rate (interest rate)	8.0%
Weaning weight scenario to use (1-3)	1		

Net Present Value Analysis

Year	Cows at		Prices, \$/cwt		Calf Income	Cull Income			Cash Cost	Cost Adj.	Net Income	Discount factor	NPV**
	BOY*	Calf	Calf wt	Calf		Cull	Annual	Age					
2026	100.0	1	542	\$320.80	\$127.35	\$1,687	\$229.23	\$1,291	\$1,030	\$0	\$886	0.9259	\$2,016
2027	84.5	2	560	\$293.19	\$117.19	\$1,346	\$178.25	\$1,004	\$896	\$0	\$628	0.8573	\$2,220
2028	71.4	3	579	\$268.60	\$108.26	\$1,077	\$139.15	\$784	\$780	\$0	\$436	0.7938	\$2,327
2029	60.3	4	593	\$244.66	\$99.36	\$849	\$107.91	\$608	\$679	\$0	\$278	0.7350	\$2,356
2030	51.0	5	607	\$226.30	\$92.71	\$679	\$85.08	\$479	\$591	\$0	\$173	0.6806	\$2,353
2031	43.1	6	616	\$226.47	\$93.22	\$583	\$72.29	\$407	\$514	\$0	\$141	0.6302	\$2,373
2032	36.4	7	620	\$232.04	\$95.63	\$508	\$62.66	\$353	\$448	\$0	\$123	0.5835	\$2,394
2033	30.8	8	627	\$238.93	\$98.74	\$447	\$54.67	\$308	\$390	\$0	\$112	0.5403	\$2,415
2034	26.0	9	633	\$238.20	\$98.74	\$380	\$46.20	\$260	\$339	\$0	\$87	0.5002	\$2,422
2035	22.0	10	639	\$237.47	\$98.74	\$323	\$39.04	\$220	\$295	\$0	\$67	0.4632	\$2,425

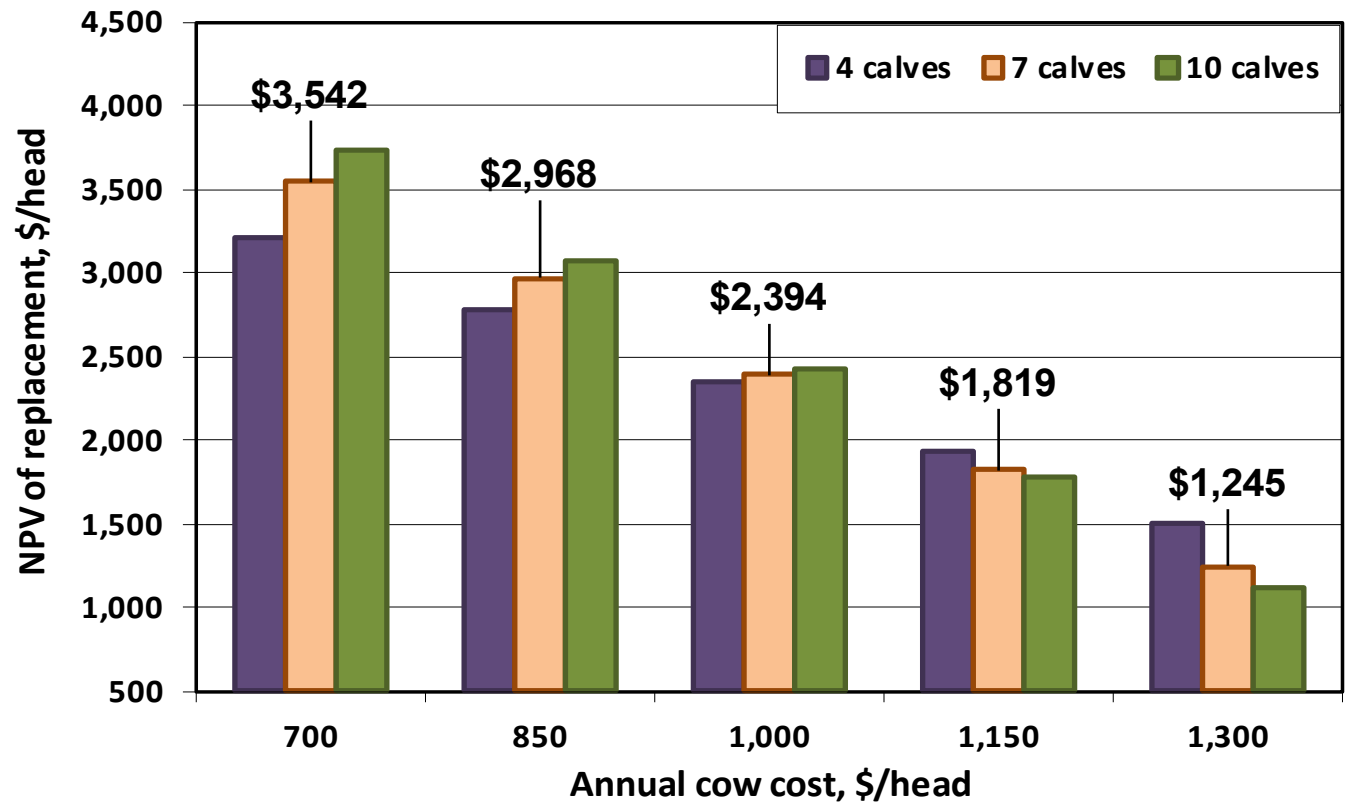
* BOY = Beginning of year

** Net present value if replacement is sold in this year

KSU – Beef Replacement Tool

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

NPV versus annual cow cost and number of calves

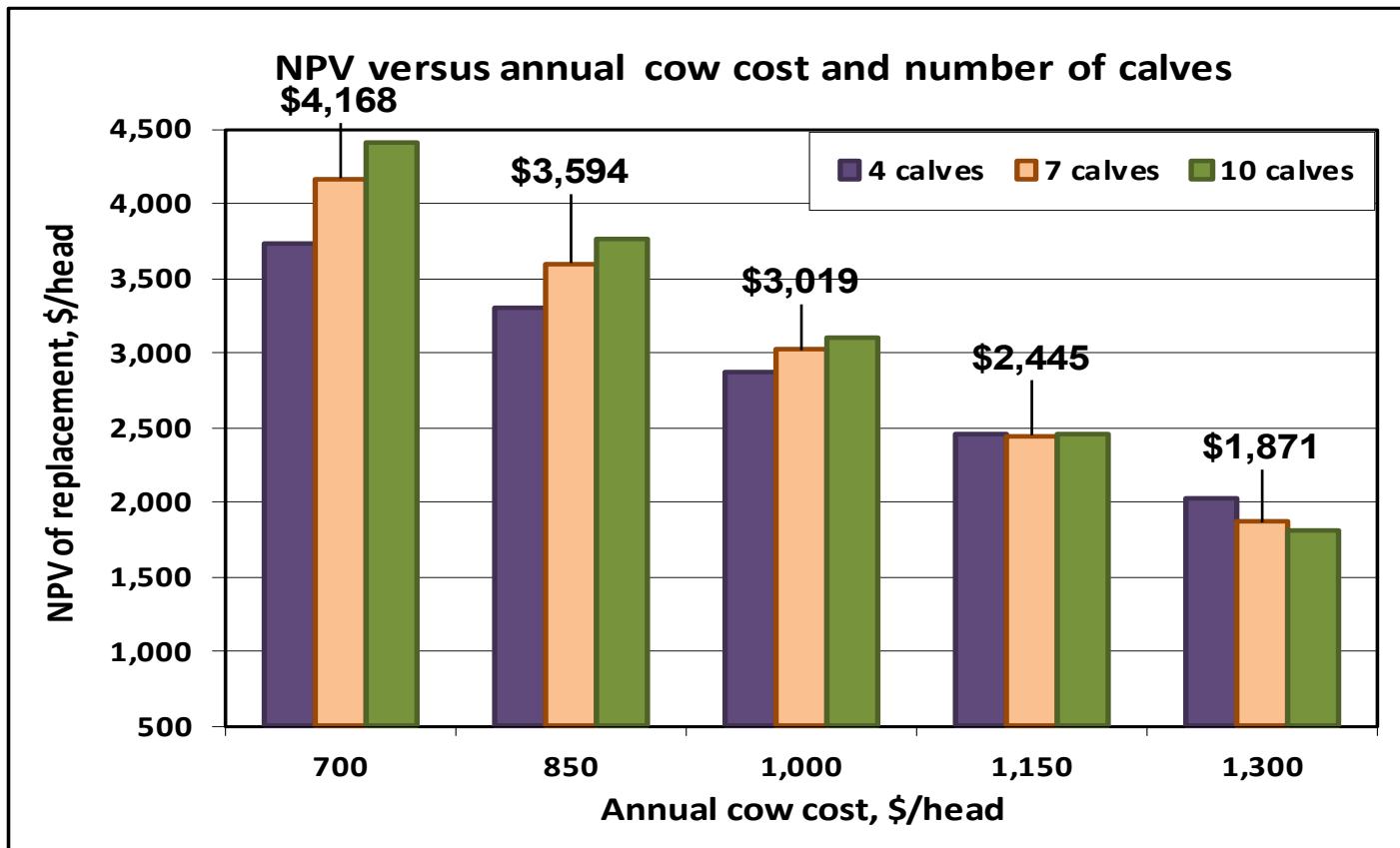


**\$150/cow/yr
change in cash
costs = ~\$575 in
NPV**

KSU – Beef Replacement Tool

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

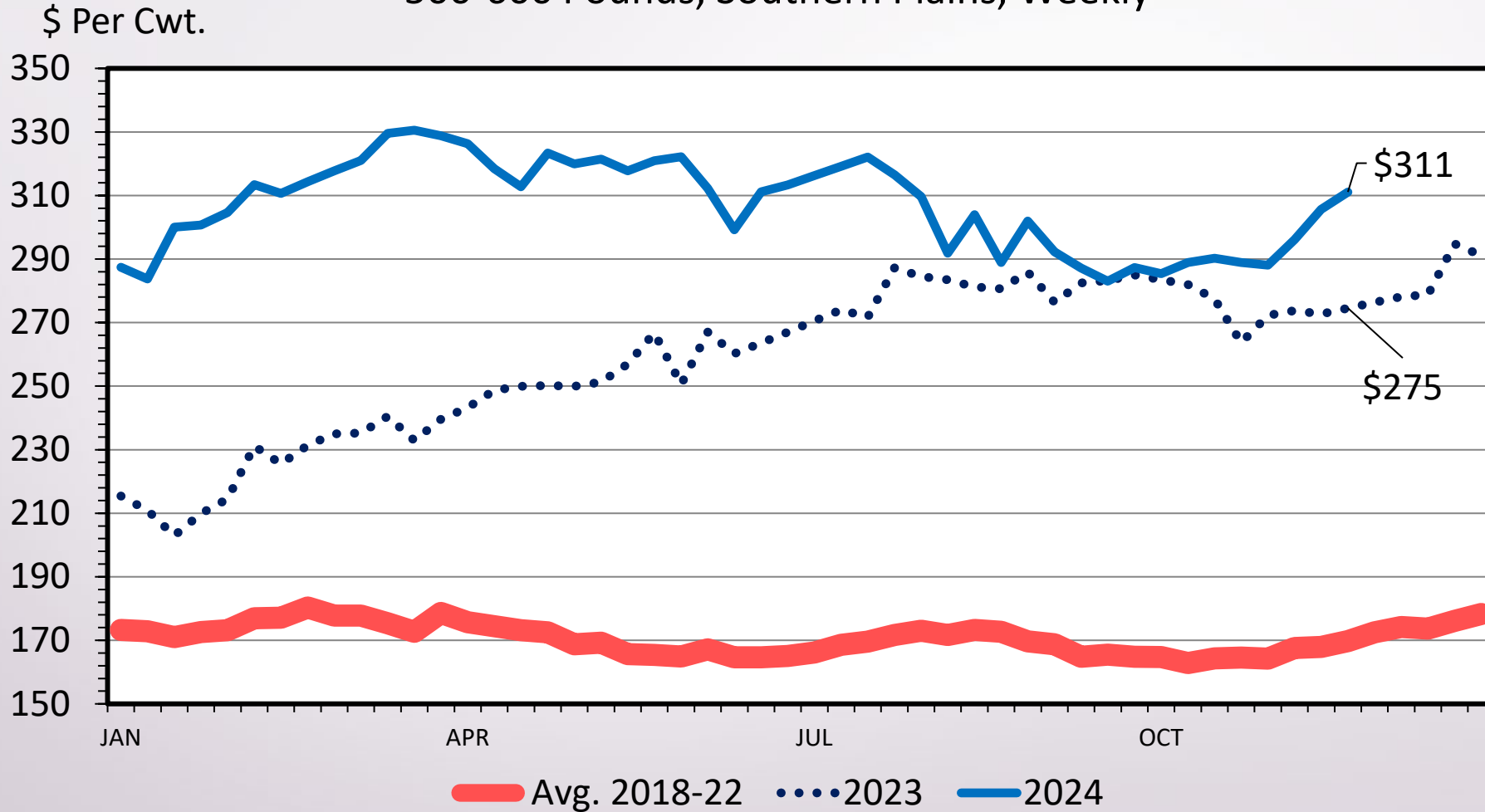
What if calf prices 10% above USDA projections?



10% change in calf price expectations
= ~\$625 in NPV

MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

C-P-54
11/25/24

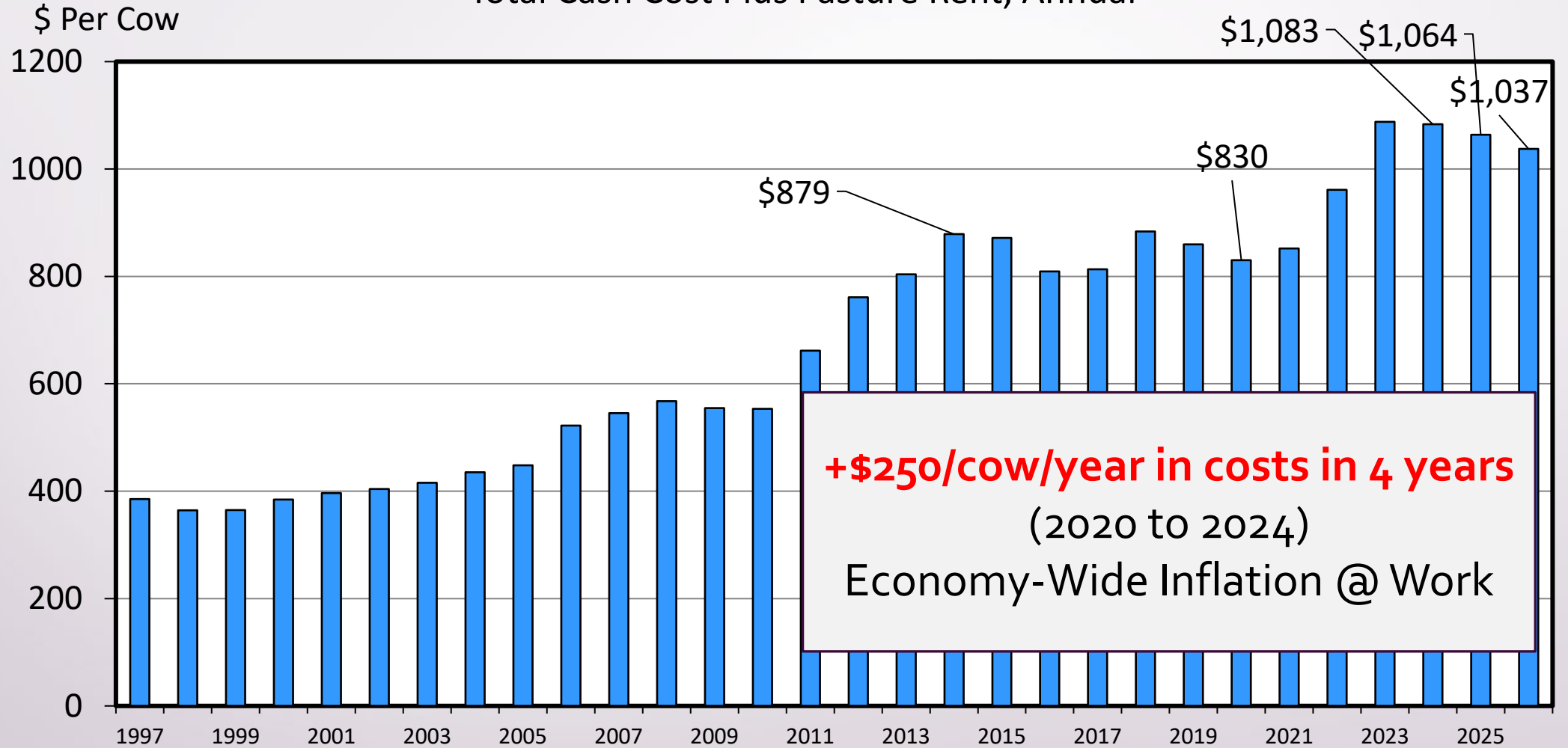
Want Feeder Cattle Price, Basis, & VOG Projections?
Use BeefBasis.com

Dodge City *FALL CALF* Market, as of 12/2/24

10/15/2025 Sell @ Weaning @ 600 lbs
▪ *Expected Cash Price: \$292/cwt*

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



+\$250/cow/year in costs in 4 years

(2020 to 2024)

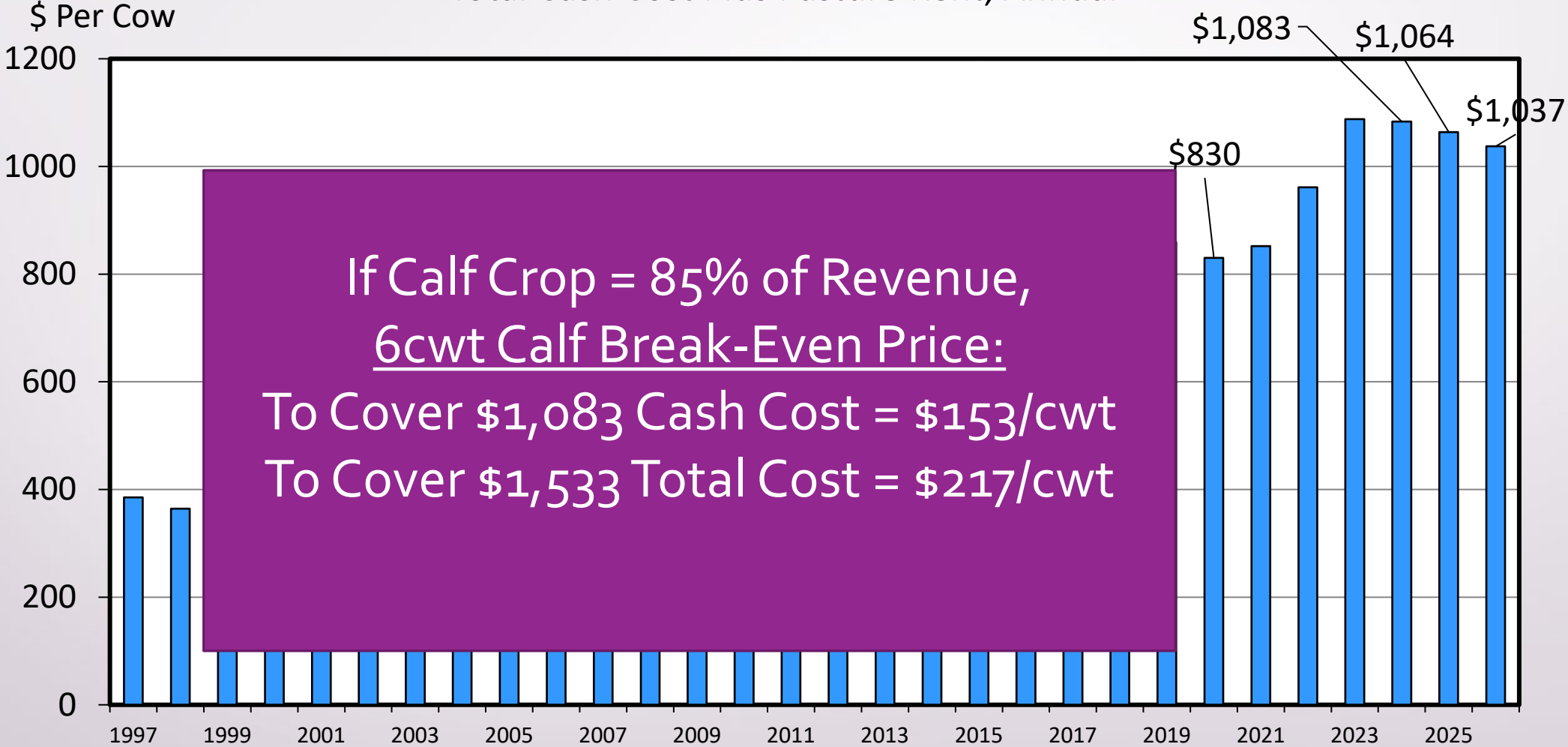
Economy-Wide Inflation @ Work

Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

ESTIMATED AVERAGE COW CALF COSTS

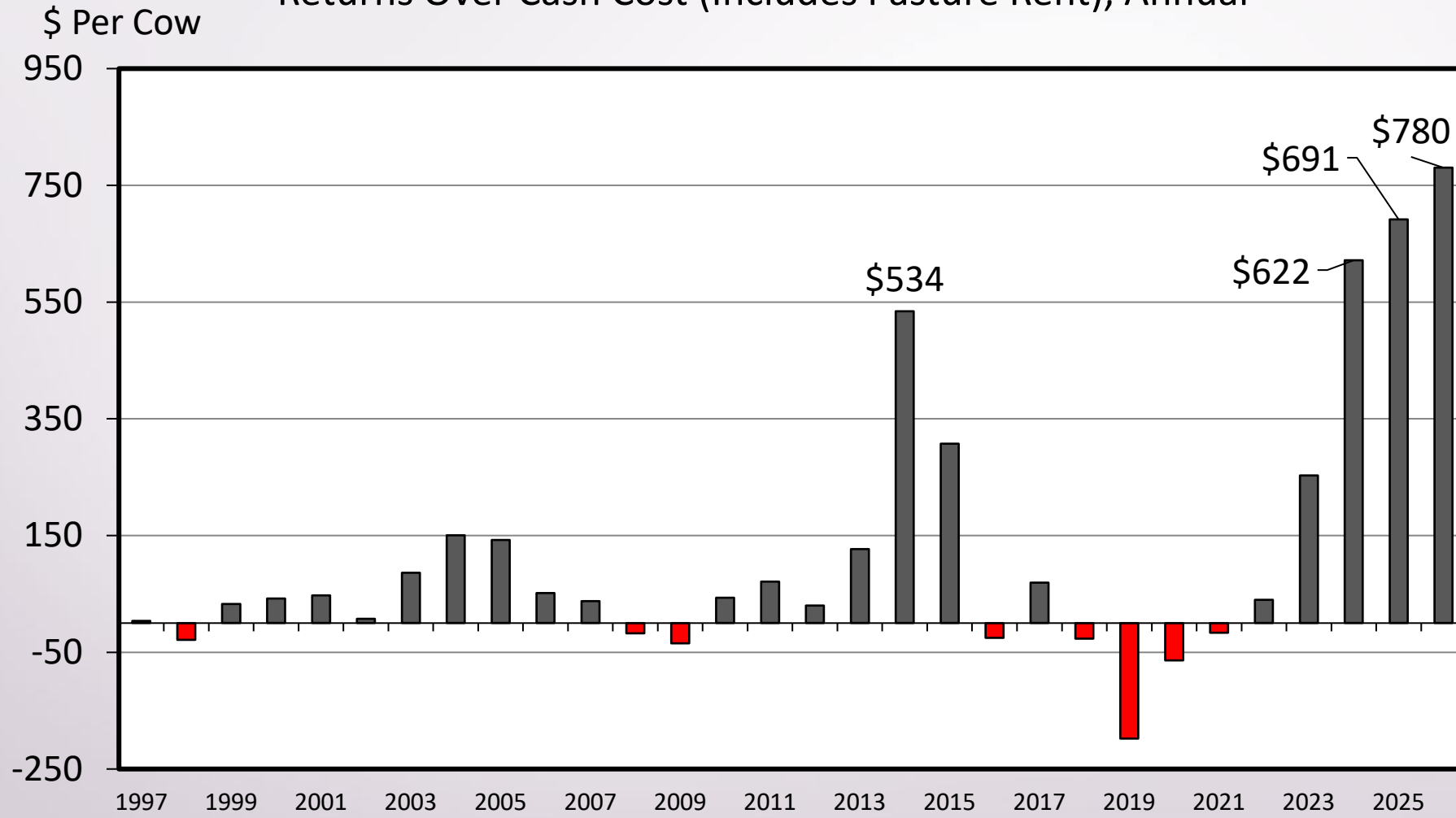
Total Cash Cost Plus Pasture Rent, Annual



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

ESTIMATED AVERAGE COW CALF RETURNS

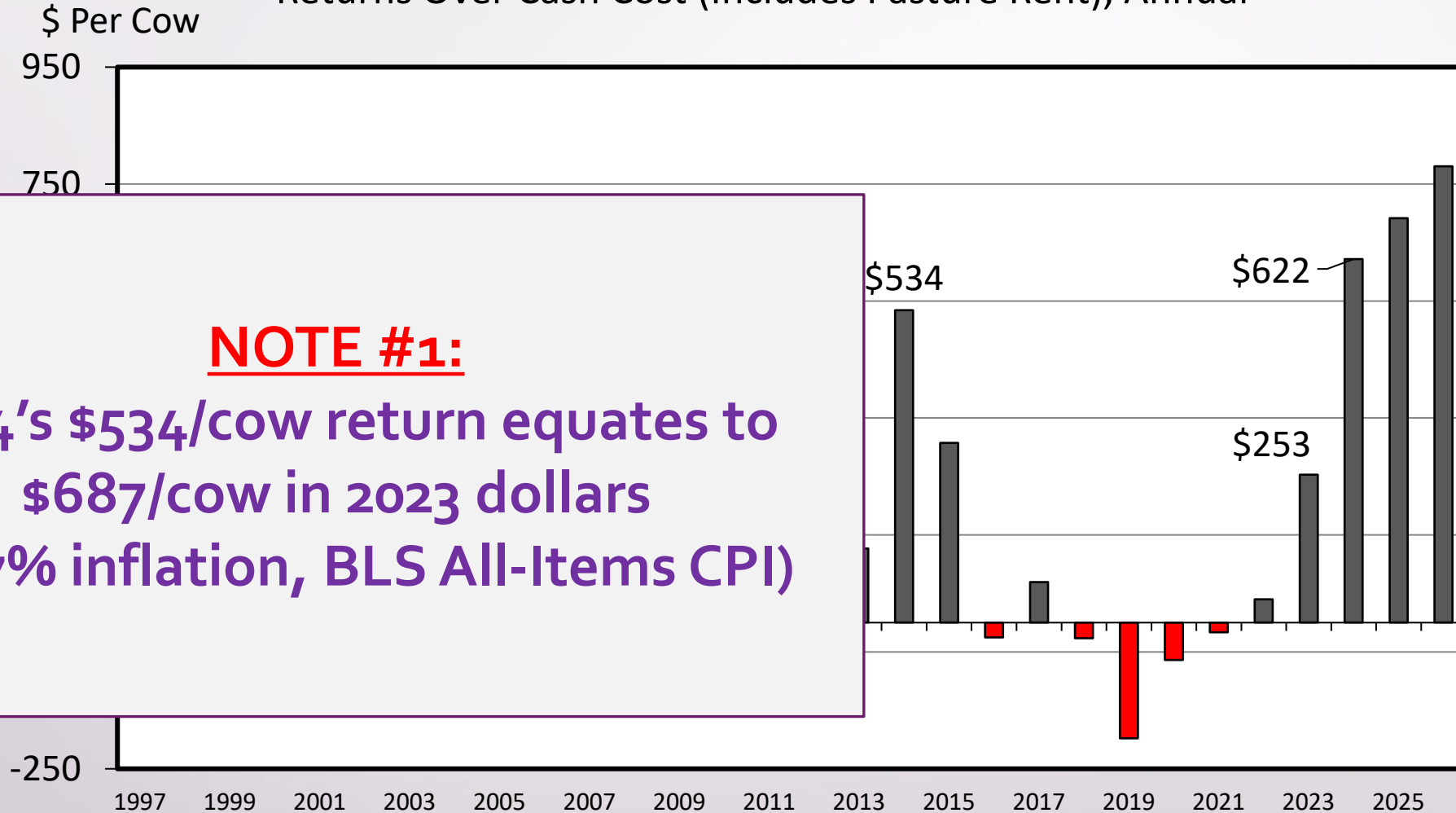
Returns Over Cash Cost (Includes Pasture Rent), Annual



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

ESTIMATED AVERAGE COW CALF RETURNS

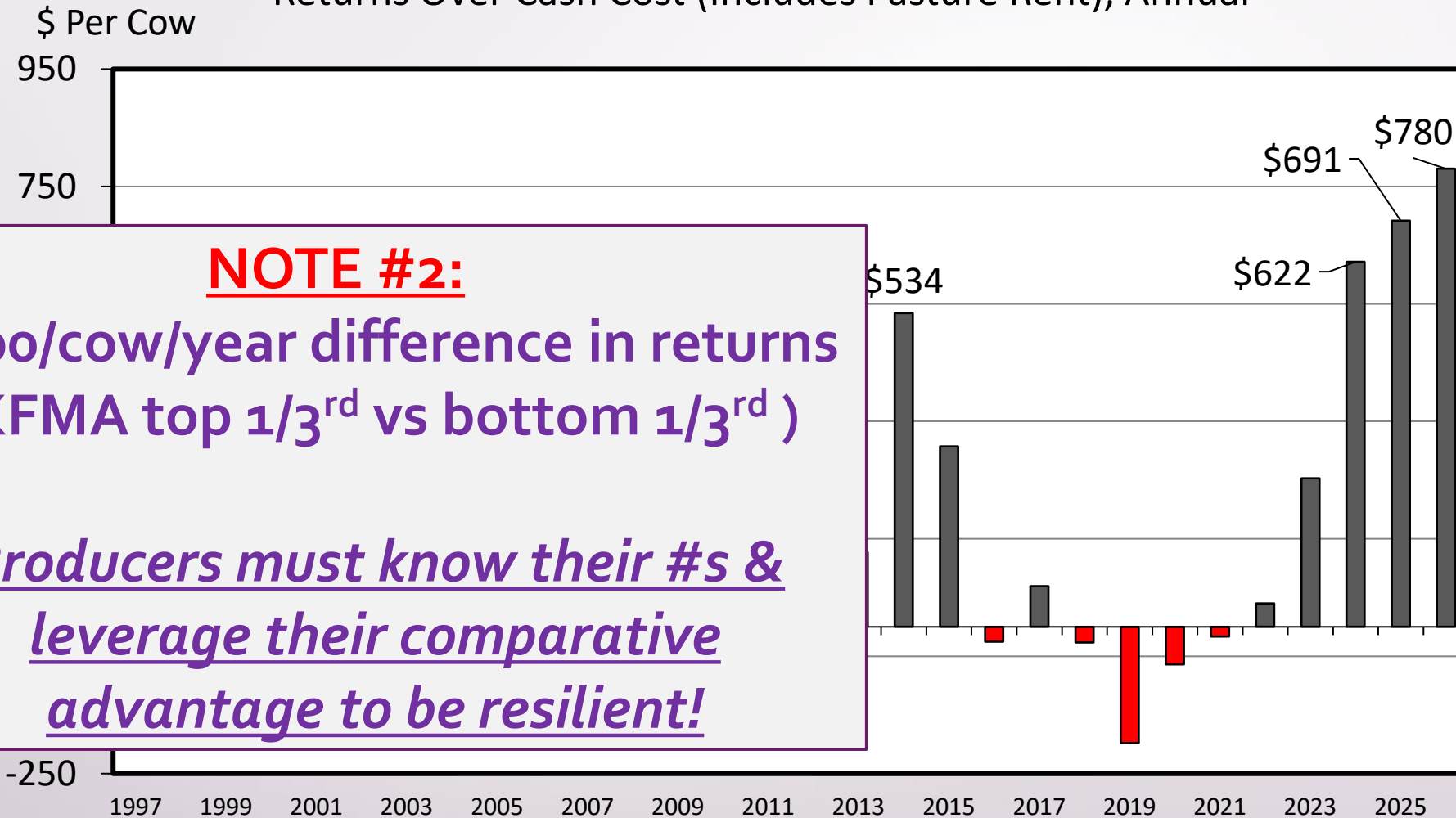
Returns Over Cash Cost (Includes Pasture Rent), Annual



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

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!

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

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



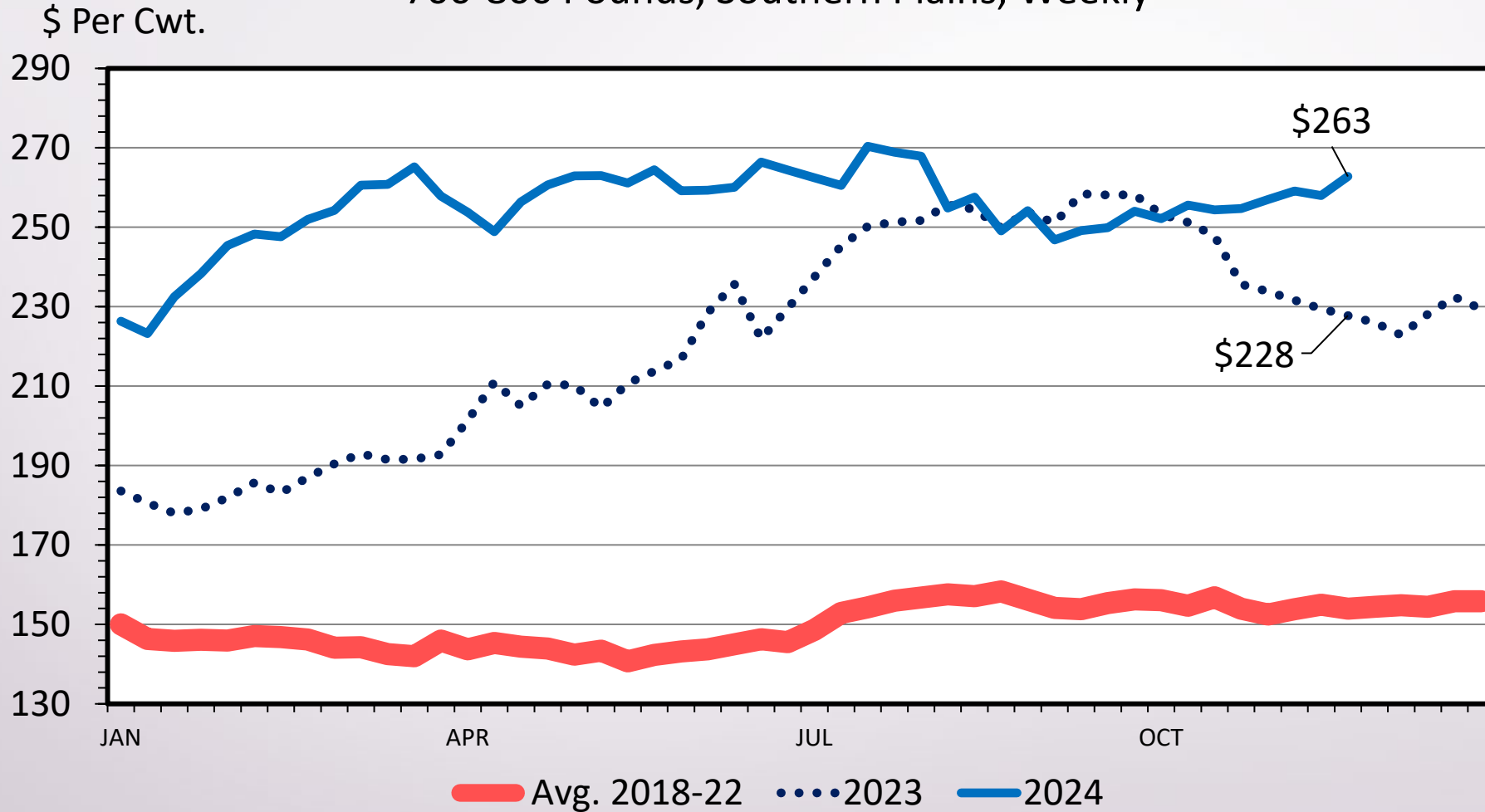
KANSAS STATE UNIVERSITY | Agricultural Economics

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
11/25/24

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

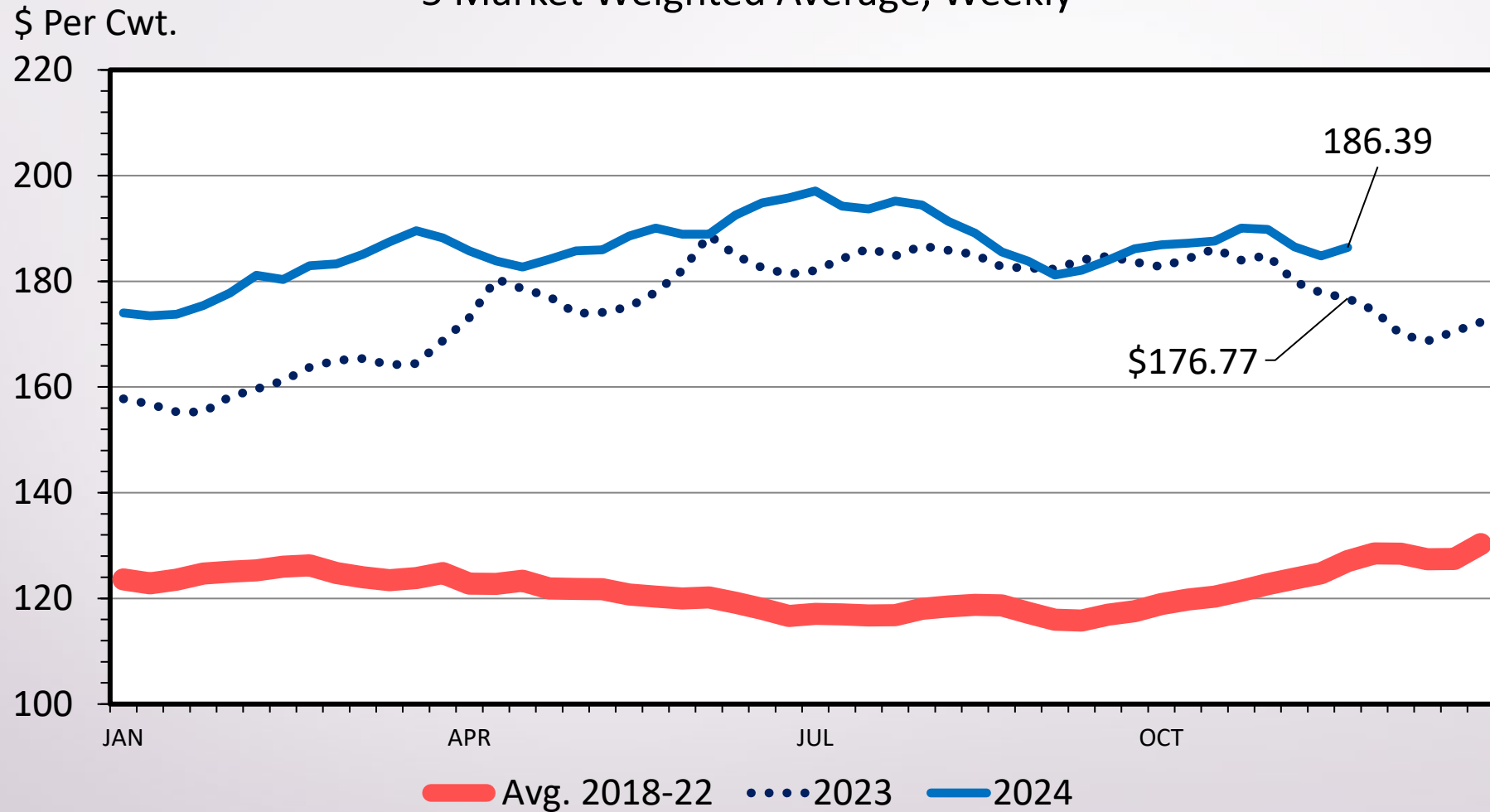
Dodge City *SUMMER GRASS* Market, as of 12/2

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

- ***Expected Buy/Retain Price: \$270/cwt***
 - ***Expected Sell Price: \$245/cwt***
 - ***VOG: \$155/cwt (\$309/head)***

SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly



Historical and Projected Kansas Feedlot Net Returns (as of 10/28/24')

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

Aug 24': +\$94/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
Sep-24	-8.01	110.50	190.41	190.18	0.24	244.27	109.27	190.96	243.28
Oct-24	30.74	108.90	191.54	189.27	2.27	249.54	113.32	189.45	253.51
Nov-24	12.36	107.28	191.79	189.27	2.52	254.93	109.02	190.97	256.51
Dec-24	-111.20	105.10	192.59	190.10	2.49	264.47	88.94	199.80	251.45
Jan-25	-161.50	107.73	190.41	190.10	0.31	263.23	83.01	201.30	243.76
Feb-25	-81.01	108.41	191.23	190.70	0.53	257.84	96.22	196.76	247.72
Mar-25	9.07	107.08	192.52	190.70	1.82	251.16	108.44	191.90	252.30
Apr-25	-31.54	106.43	185.90	183.65	2.25	246.97	101.80	188.06	242.92
May-25	65.43	102.47	189.56	183.65	5.91	245.94	111.76	185.22	254.10
Jun-25	14.37	103.11	184.29	180.60	3.69	244.15	105.15	183.32	246.01

Representative Barometer for Trends in Profitability



Beef Demand



Kansas Livestock Association

CONVENTION
& Expo

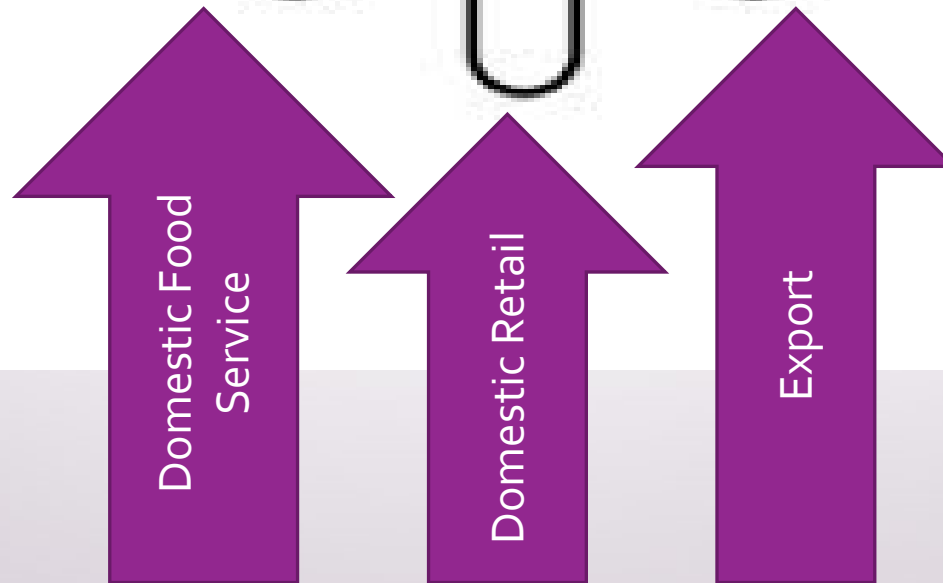
***CONSUMER
TRENDS
FORUM:
BEEF DEMAND
DEEP DIVE***

Dr. Glynn T. Tonsor

Email: gtonsor@ksu.edu

LinkedIn/X-Twitter: [@TonsorGlynn](#)

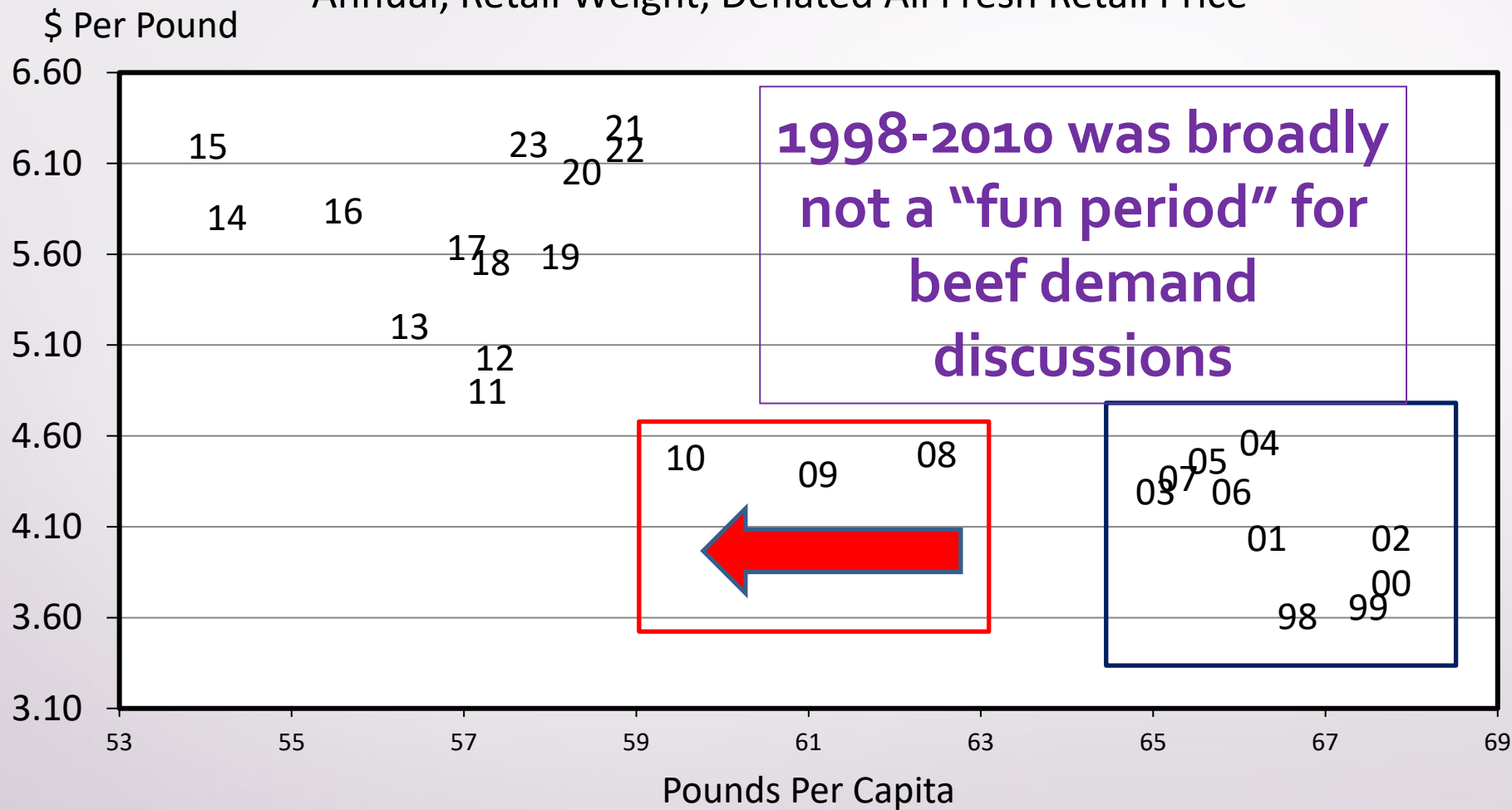
[http://www.agmanager.info/about/contributors/
individual/tonsor.asp](http://www.agmanager.info/about/contributors/individual/tonsor.asp)



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

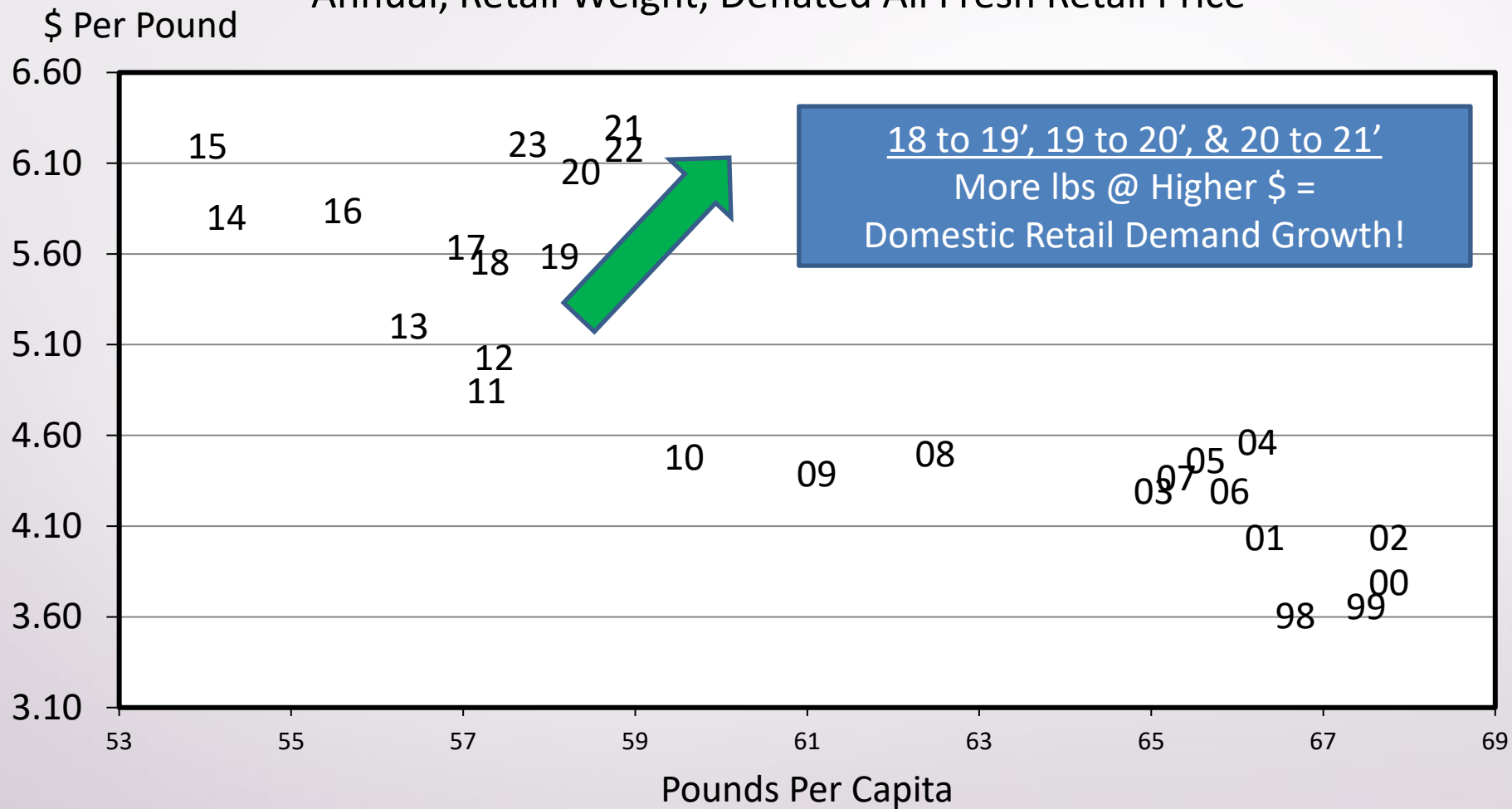


1998-2010 was broadly not a "fun period" for beef demand discussions

←

BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



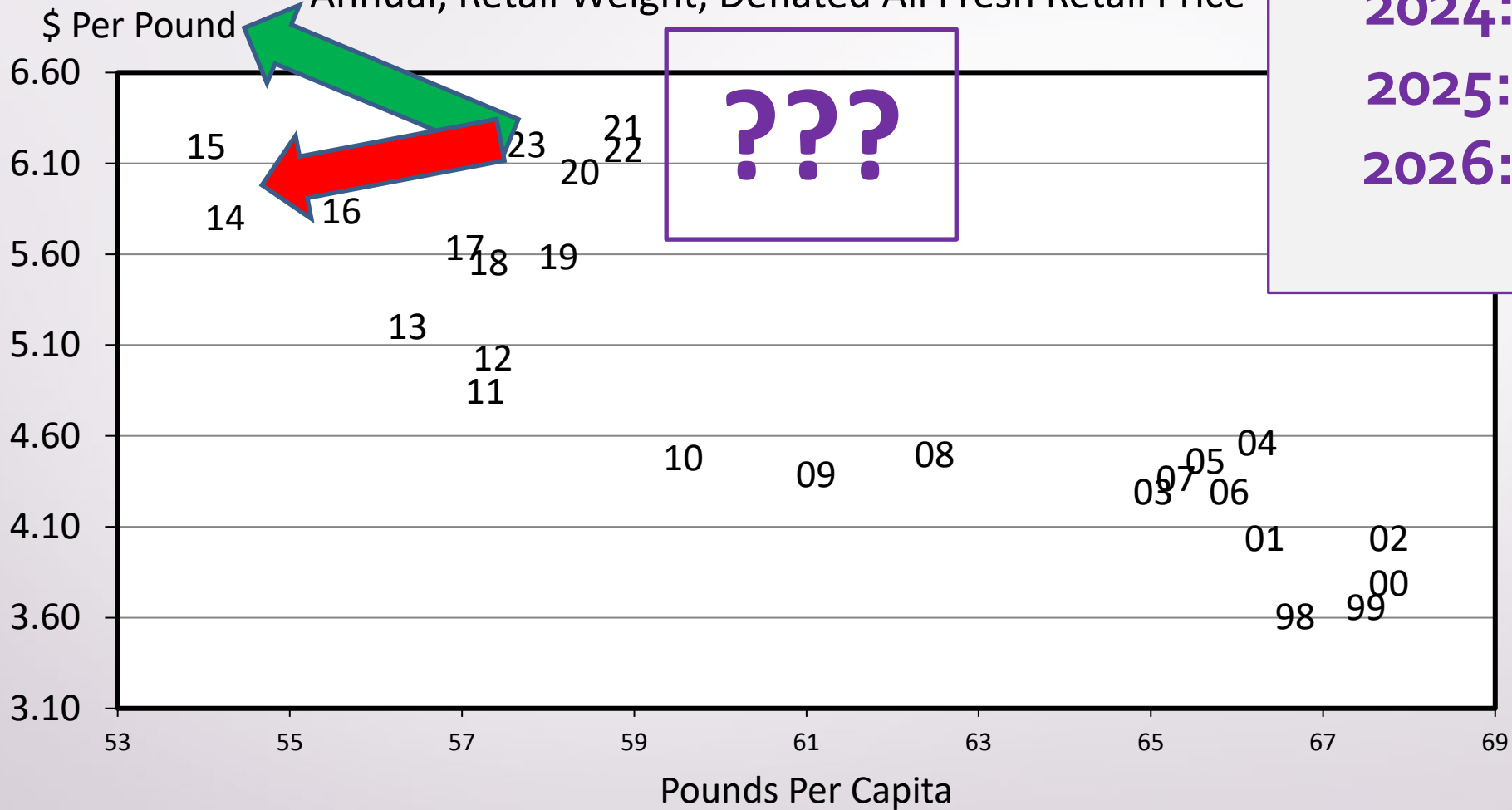
Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC

Livestock Marketing Information Center

C-P-65A
04/04/24

BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



LMIC

2024: 59.3 lbs

2025: 58.2 lbs

2026: 56.4 lbs

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

Livestock Marketing Information Center

C-P-65A

04/04/24

Meat Demand Monitor (MDM) Overview

1-STOP LOCATION FOR U.S. MEAT DEMAND TRENDS & INFORMATION

- Monthly surveys & experiments > 2,000 U.S. residents
 - ❖ >1,000 food service, restaurant focused
 - ❖ >1,000 retail, grocery-store focused
- Systematic economic modeling of consumer meat demand, preference, and behavior

FUNDING PARTNERSHIP & TIMING

- Fully launched Feb. 2020
 - Jointly funded by Beef & Pork Checkoffs
 - Current Beef Checkoff support scheduled to end September 2025
 - Pork Checkoff under annual renewal

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



Funded by the Beef Checkoff.

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]

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

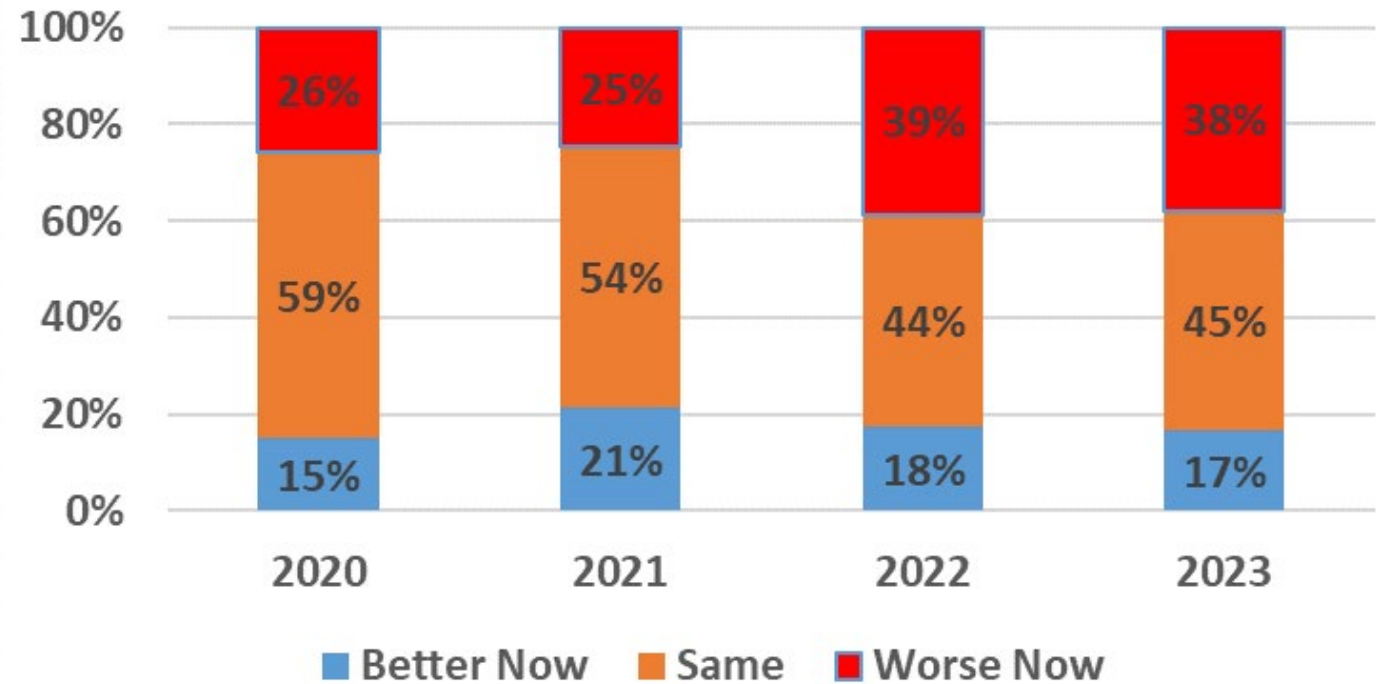
<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

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

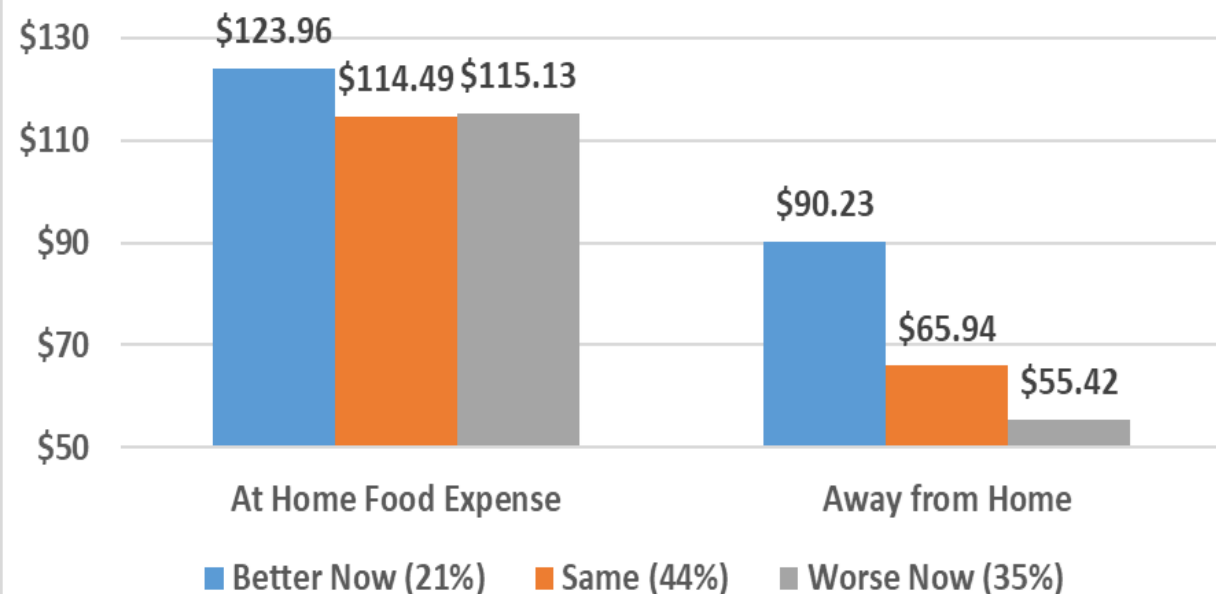


<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

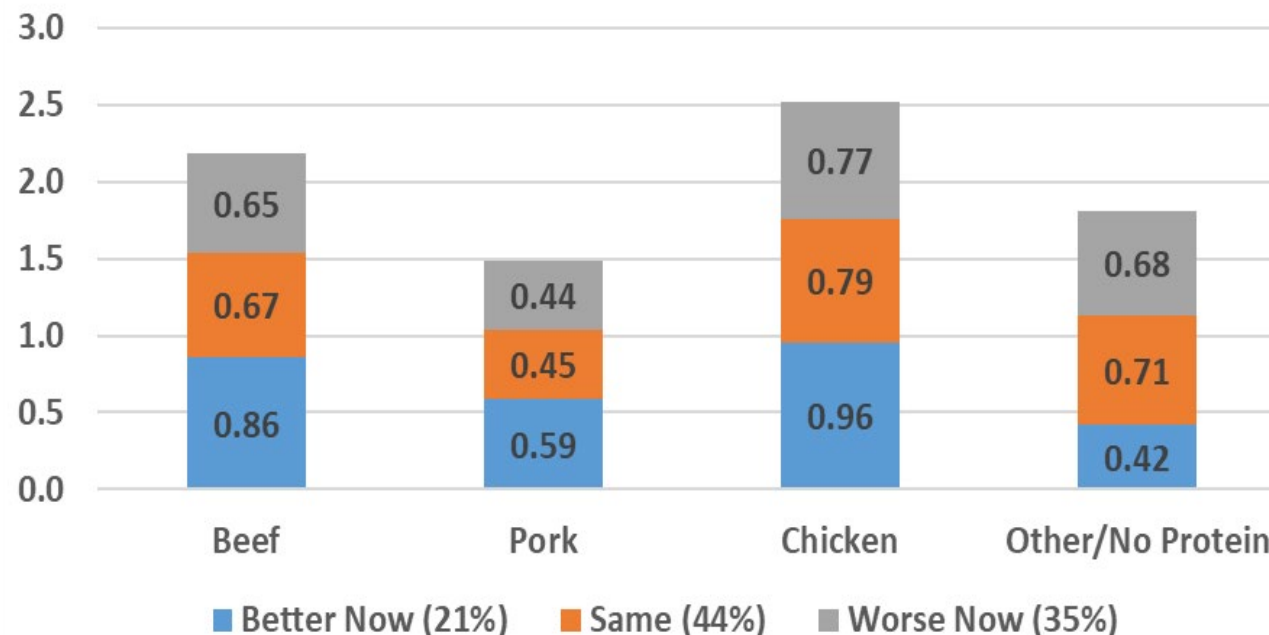
MDM: Meat Demand Monitor

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 Oct. 2024 (MDM)



Prior Day Meal, Protein Inclusion Rate by Financial Sentiment (Now vs One Year Ago) for Oct. 2024 (MDM)



EXAMPLES OF HIGH-IMPACT


The Washington Post
Democracy Dies in Darkness

ECONOMY

Half cows, entire pigs: Families are buying meat in bulk to save money

Rising meat prices — up 11 percent from last year — are leading many to change purchasing and consumption habits

By Abha Bhattarai
August 27, 2022 at 6:00 a.m. EDT



<https://www.agweb.com/news/business/taxes-and-finance/us-now-officially-recession?>

Is the U.S. Now Officially in a Recession?



U.S. Farm Report 10/29/22 - Roundtable 1

By TYNE MORGAN October 28, 2022



International Meat Secretariat



2024 INTERNATIONAL SUMMIT: The SOCIETAL ROLE of MEAT & LIVESTOCK

What the **SCIENTIFIC EVIDENCE** says



ANNUAL MEAT CONFERENCE.

REGISTER NOW

MARCH 18-20, 2024
GAYLORD OPRYLAND • NASHVILLE, TN

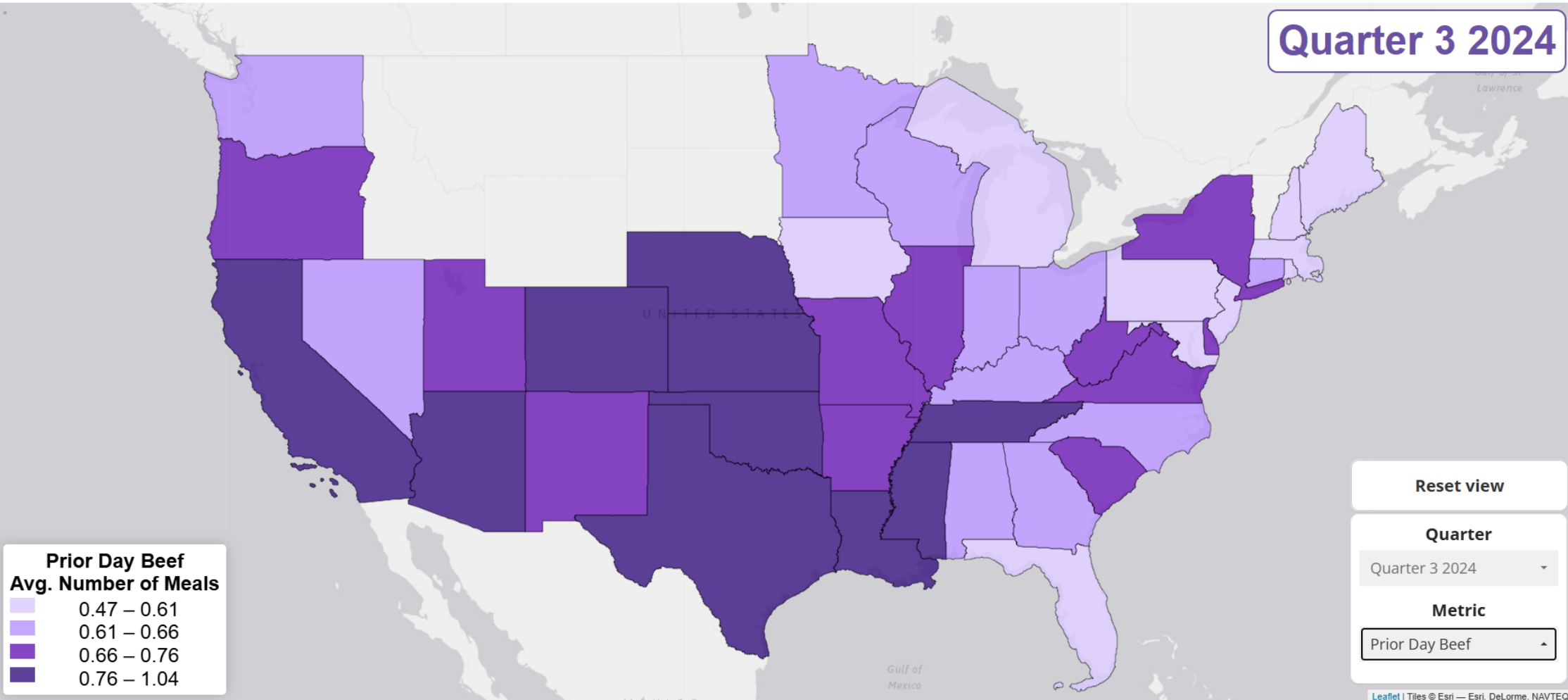


State-Level Dashboard (Justin Bina)

<https://ksmeatdemandmonitor.shinyapps.io/MDMapp/>

Meat Demand Monitor [Home](#) [State Summaries](#) [Quarterly Insight](#) [Supporting Information](#)

Quarter 3 2024



NE (n=55)
= 1.04

RI (n=41)
= 0.47

Reset view

Quarter

Quarter 3 2024

Metric

Prior Day Beef

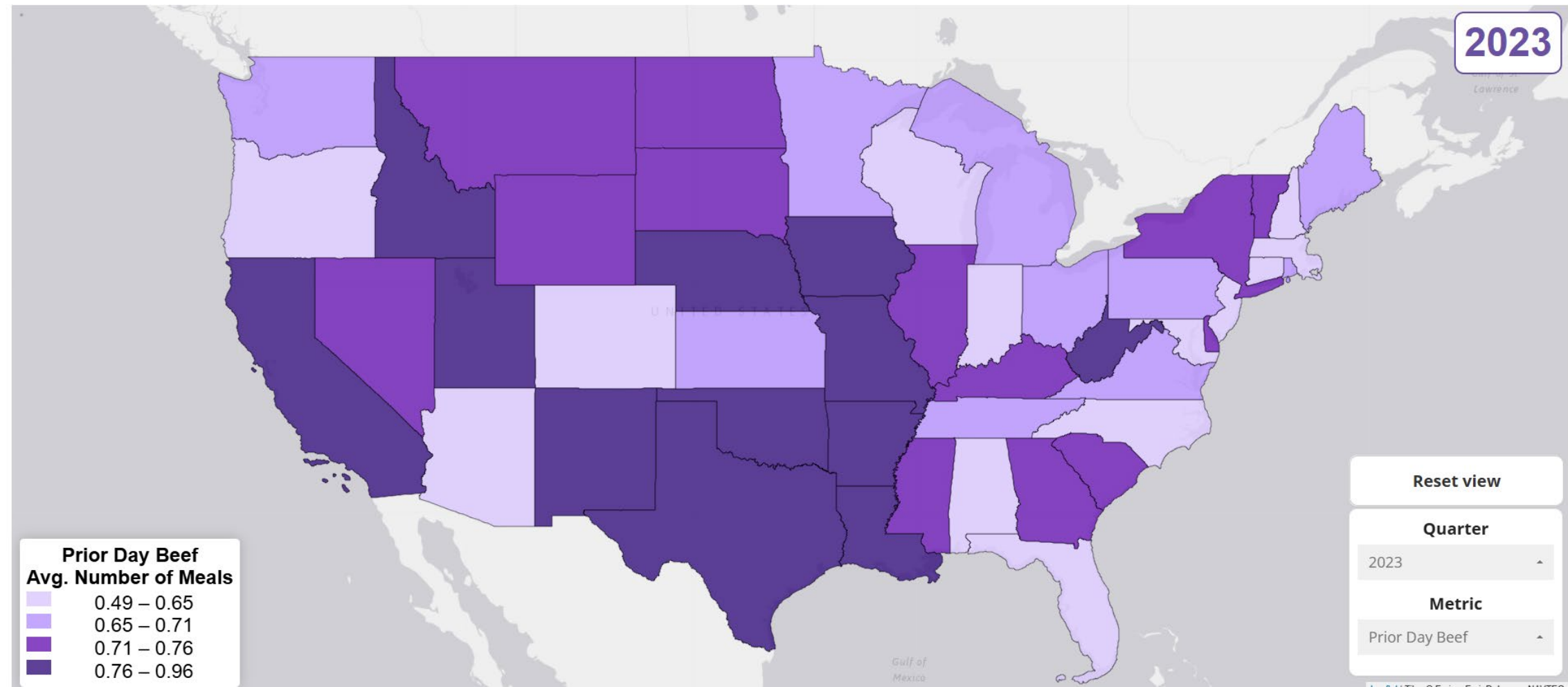


Funded by the Beef Checkoff.

State-Level Dashboard (Justin Bina)

<https://ksmeatdemandmonitor.shinyapps.io/MDMapp/>

Meat Demand Monitor [Home](#) [State Summaries](#) [Quarterly Insight](#) [Supporting Information](#)



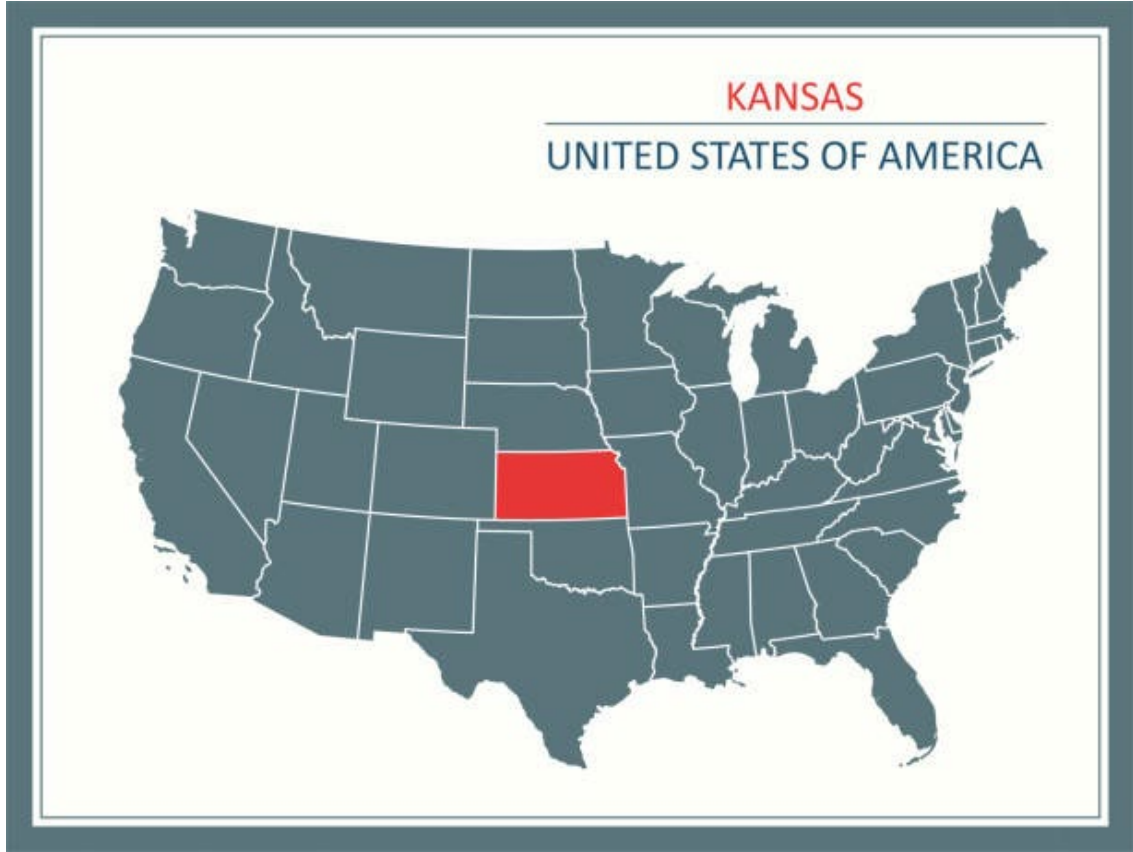
Alaska
(n=66) =
0.96

NE
(n=226) =
0.91

NH
(n=132) =
0.49



Funded by the Beef Checkoff.



	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%



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**



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