Beef Industry Issues

Tri-State Beef Conference
August 8-9, 2013
Abingdon, VA
Beef Cow Inventory

Data Source: USDA National Agricultural Statistics Service through Livestock Marketing Information Center.
Inventory & Production

Data Source: USDA National Agricultural Statistics Service and Foreign Agricultural Service PSD online.
Key Industry Challenges

- Long-term demand challenges
  - Increasing relative price disadvantage
  - Weak consumer incomes
  - Changing consumer demographics
  - Greater export dependence

- Maintaining freedom to operate
  - Aggressive environmental regulation
  - Consumer acceptance issues
Data Source: USDA National Agricultural Statistics Service.
Retail Beef Prices

Data Source: USDA Economic Research Service through Livestock Marketing Information Center.
Wholesale Beef & Fed Cattle Prices

Data Source: USDA Agricultural Marketing Service through Livestock Marketing Information Center.
MED. & LRG. #1 FEEDER STEER PRICES
700-800 Pounds, Southern Plains, Weekly

$ Per Cwt.

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

C-P-49
07/29/13
Competing Meat Prices

Data Source: USDA Economic Research Service through Livestock Marketing Information Center.
Data Source: USDA Economic Research Service.
Quarterly Beef & Pork

Data Source: USDA Economic Research Service.
30.1 million head = record quarterly pig crop.

Data Source: USDA National Agricultural Statistics Service through Livestock Marketing Information Center.
Broiler Eggs Set

Data Source: USDA National Agricultural Statistics Service through Livestock Marketing Information Center.
H1 Beef Cow Slaughter

Data Source: USDA Agricultural Marketing Service through Livestock Marketing Information Center.
Per Capita Meat Consumption

Data Source: USDA World Agricultural Outlook Board through Livestock Marketing Information Center.
COF Placements and Avg. Placement Weight

Data Source: USDA National Agricultural Statistics Service through Livestock Marketing Information Center.
Disposable Income Growth

Real disposable personal income: Per capita (A229RX0A048NBEA)
Source: U.S. Department of Commerce: Bureau of Economic Analysis

Real PDI annual growth rate <=1% for 4 years.
Changing Consumers
Meat Exports

2012 Export Volumes:
Broilers: 7.3 bil. lbs.
Pork: 5.4 bil. lbs.
Beef: 2.5 bil. lbs.

Data Source: USDA Foreign Agricultural Service.
Freedom to Operate

- Regulatory freedom
  - Biggest concern now is probably EPA
    - Clean Air Act / Clean Water Act

- Social license to operate
  - Animal rights/welfare, food safety, environmental stewardship
Social License

4 Factors Affecting SLO Level

1. Institutionalized Trust
2. Inter-actional Trust
3. Socio-Political Legitimacy
4. Economic Legitimacy

Levels of Social License to Operate (Boutilier and Thomson, 2011)
How to Respond

- To economic challenges
  - Be informed; be creative; be customer-focused
- To regulatory/political challenges
  - Be engaged
- To social challenges
  - Be transparent; don’t assume everyone knows what you do and why you do it