

Cattle Market Outlook

Tri-State Beef Conference
Abingdon, VA

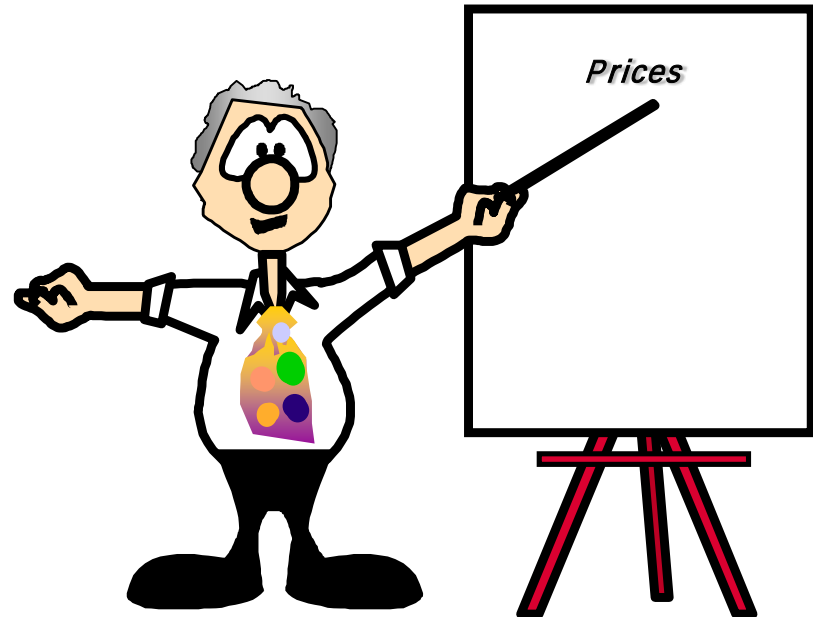
August 4, 2016

David P. Anderson
Professor and Extension Economist



Overview

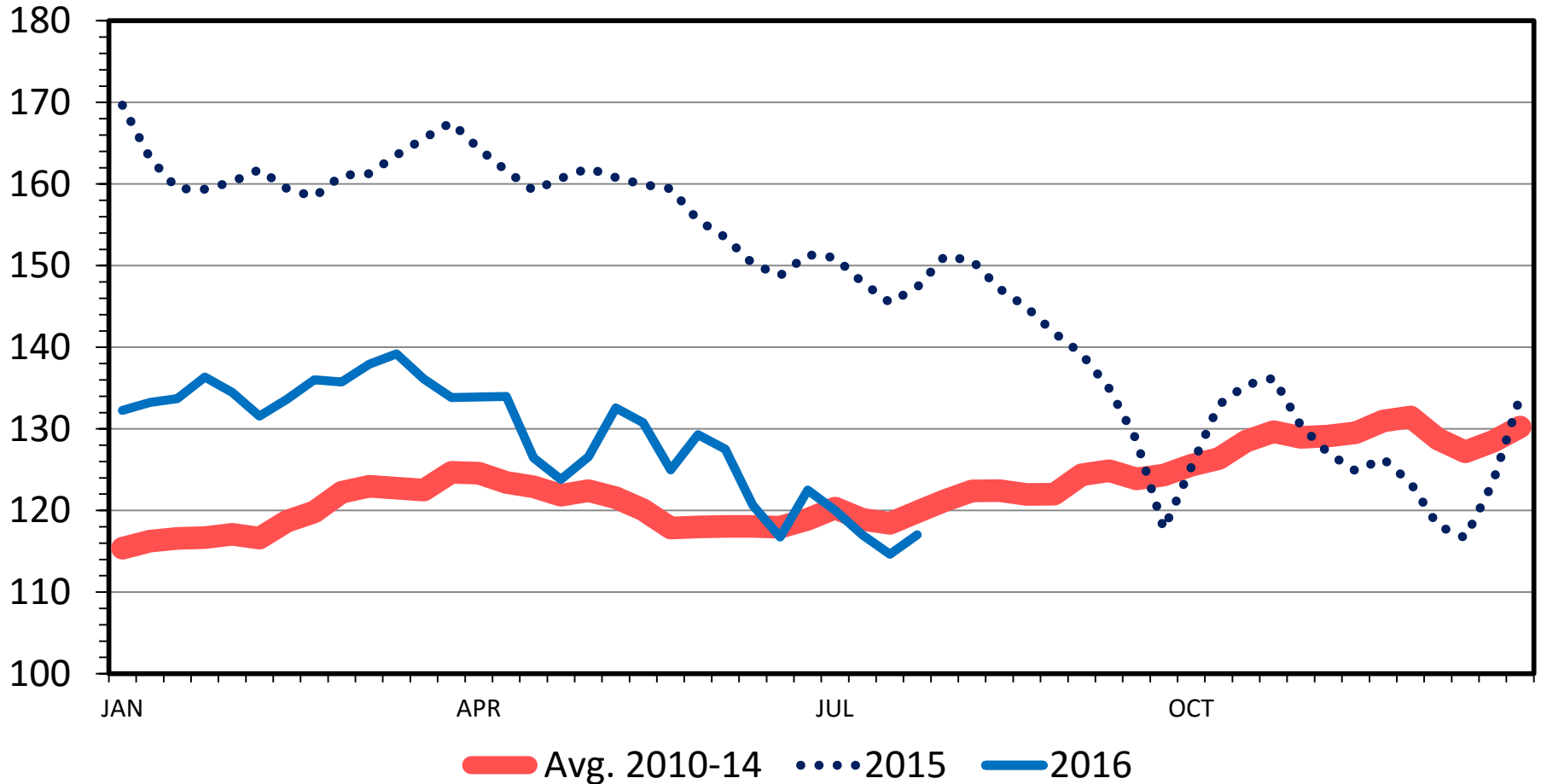
- Price Correction
- Increasing Beef Supply
- Demand
- Competition



SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly

\$ Per Cwt.

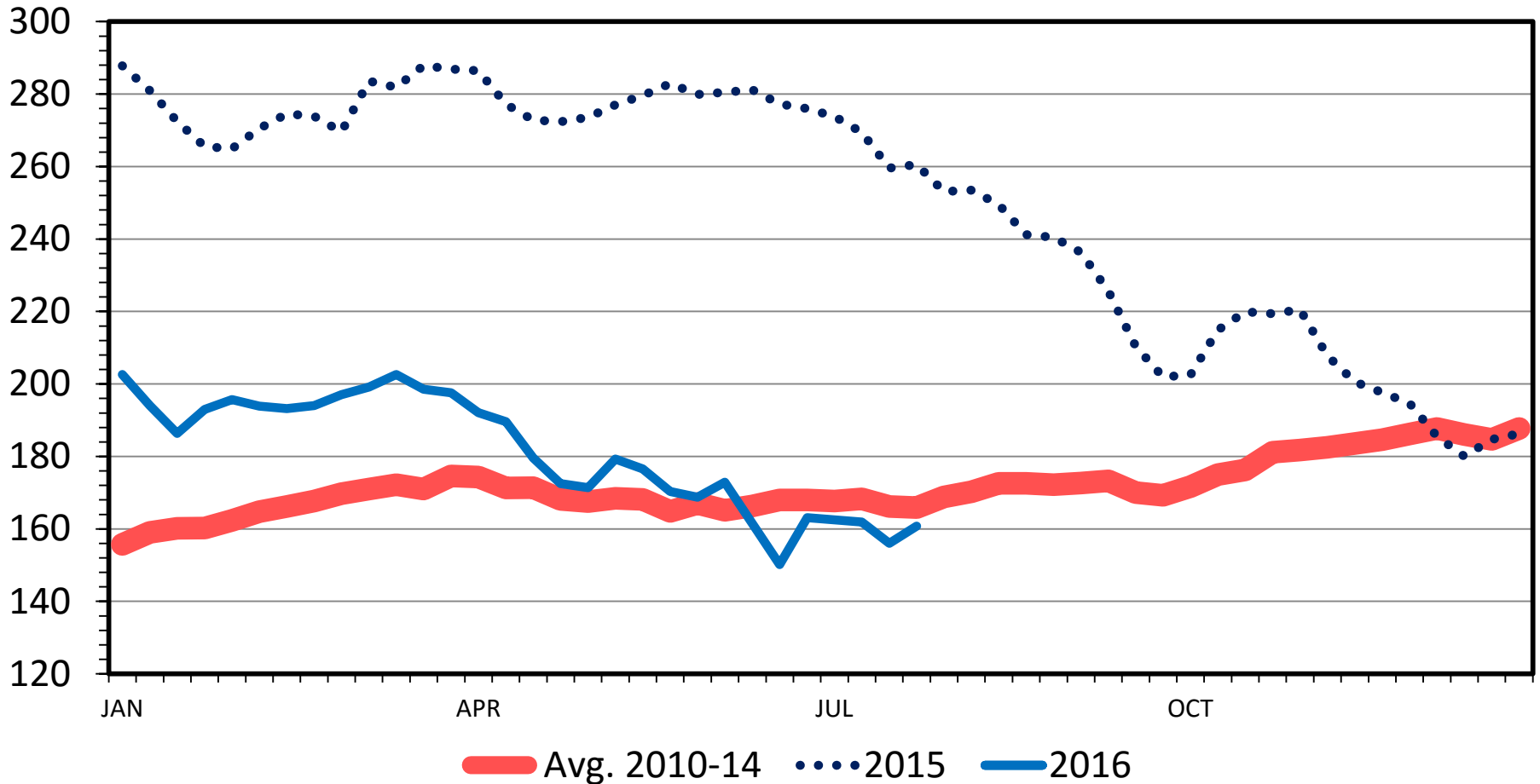


Data Source: USDA-AMS
Livestock Marketing Information Center

MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly

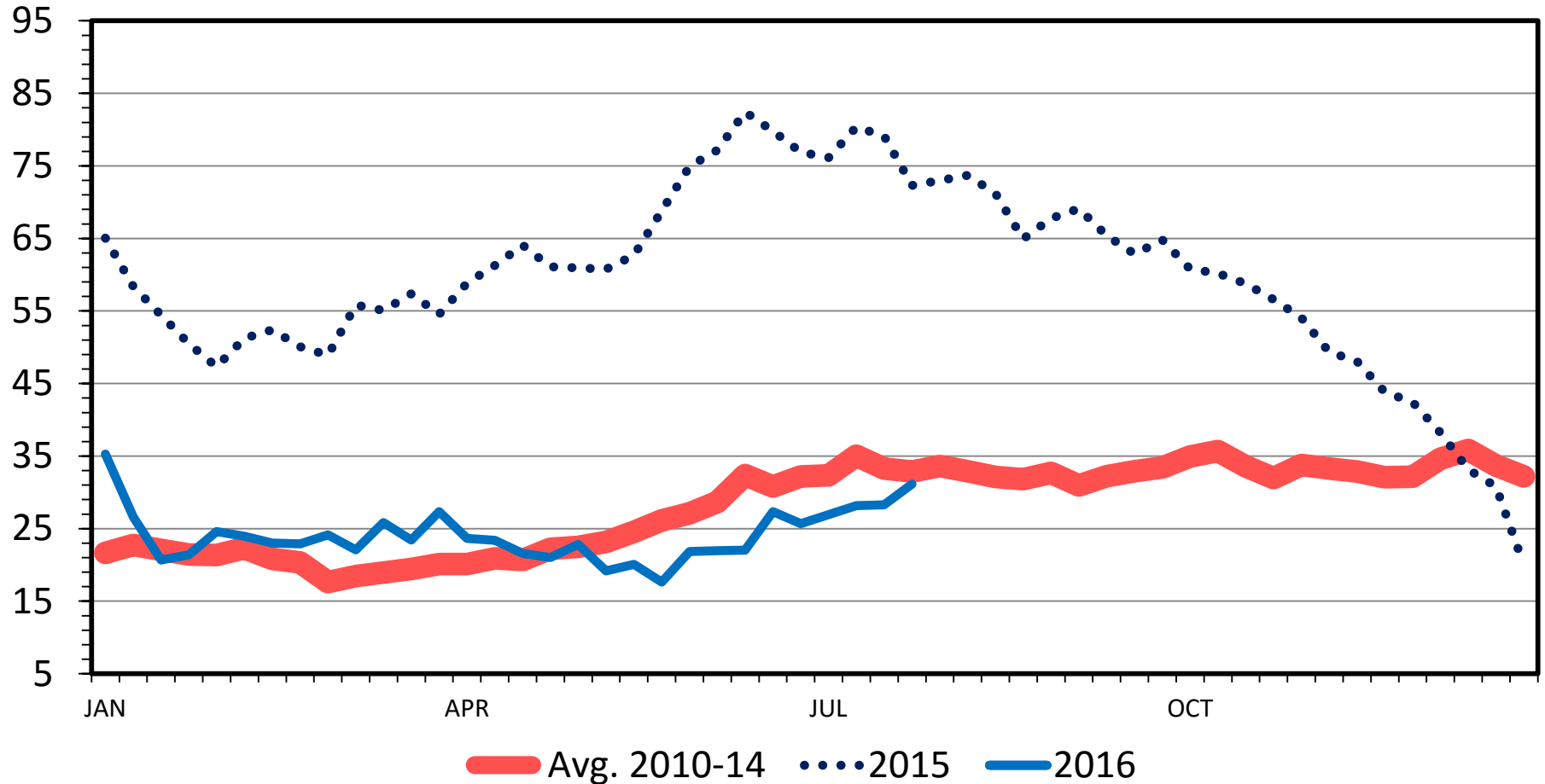
\$ Per Cwt.



FEEDER STEER vs FED STEER PRICES

700-800 Lbs. Minus Slaughter Steer, S. Plains, Weekly

\$ Per Cwt.

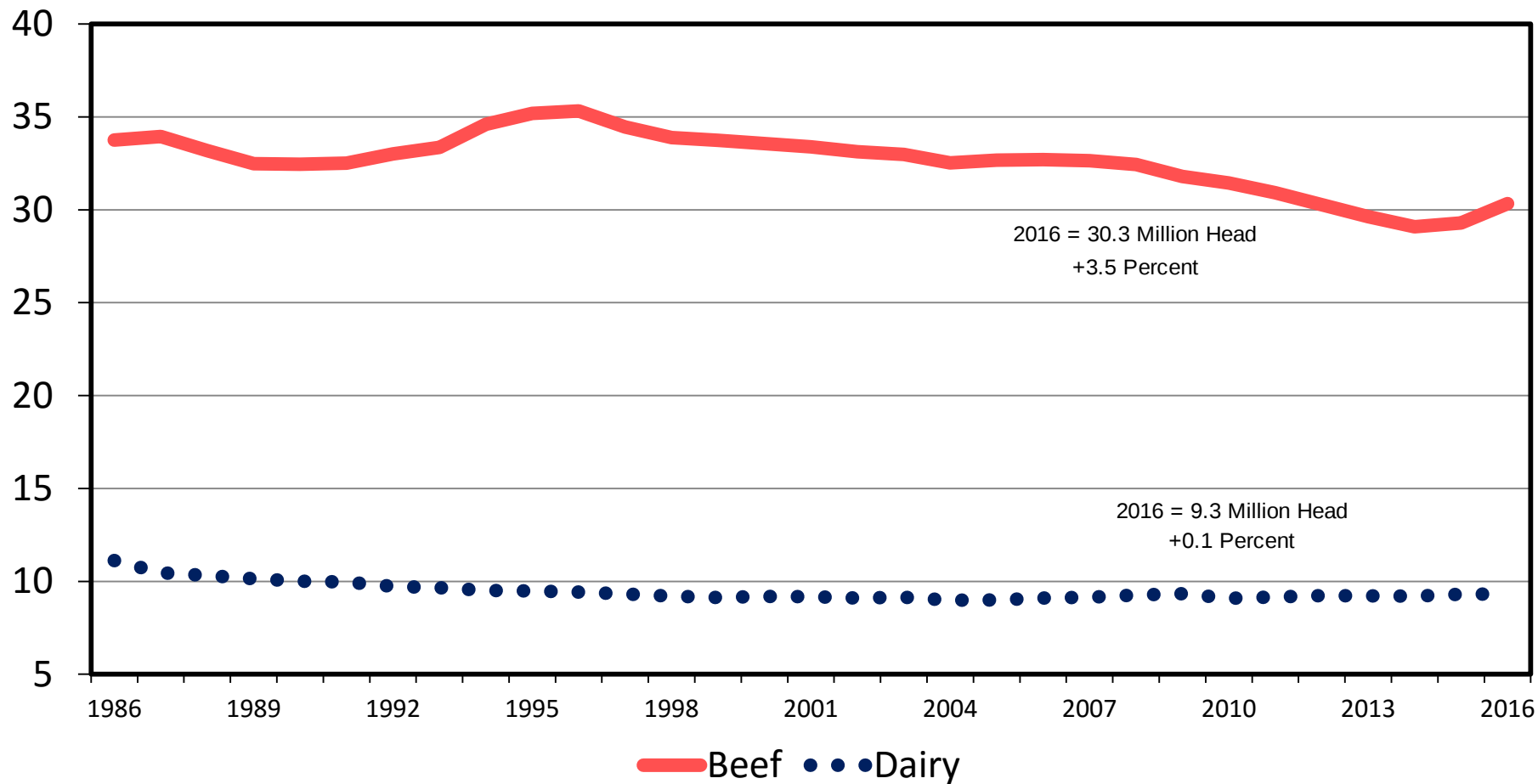


Data Source: USDA-AMS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

JANUARY 1 COW INVENTORY

U.S., Annual

Mil. Head

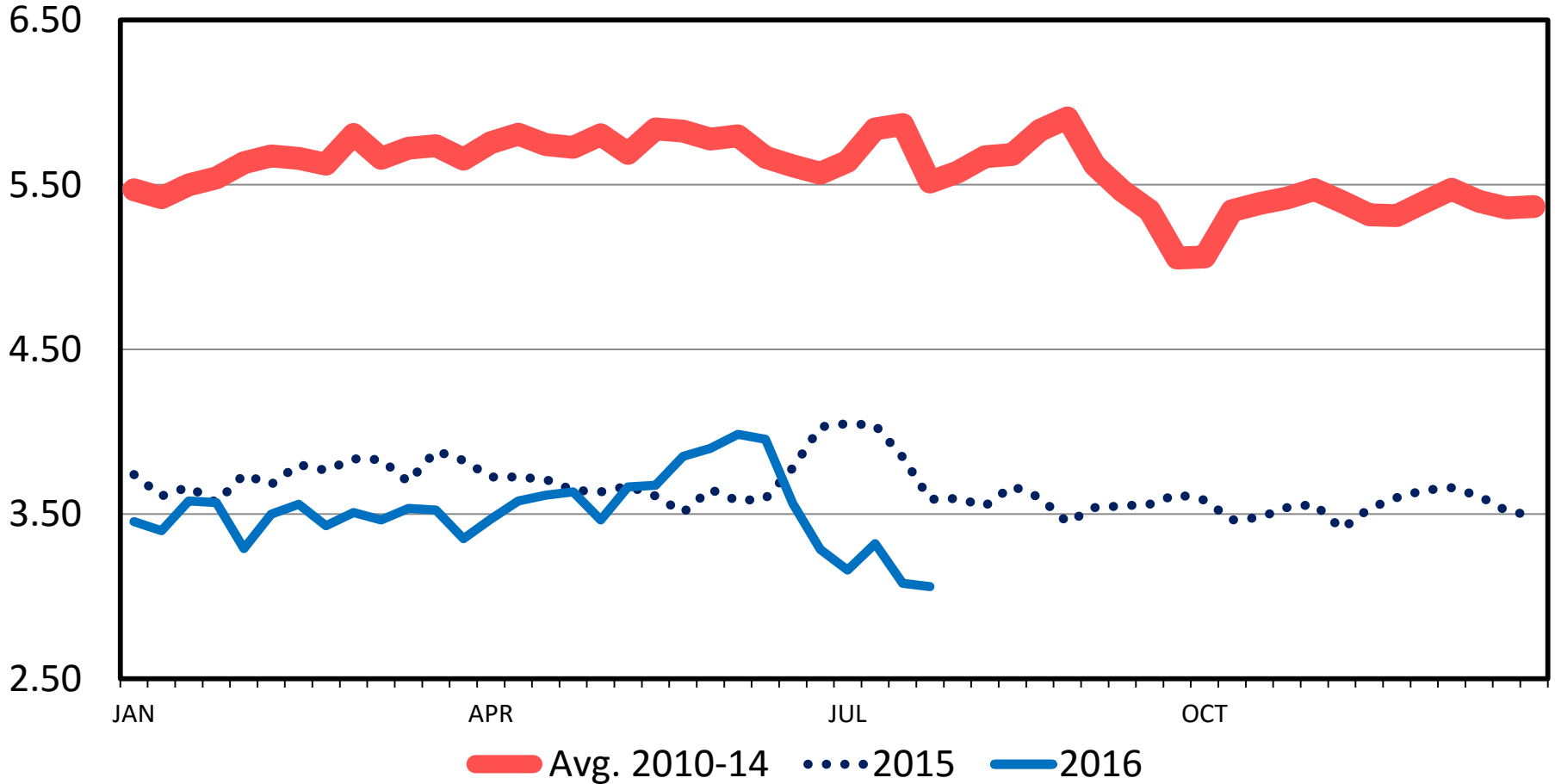


Data Source: USDA-NASS
Livestock Marketing Information Center

OMAHA CORN PRICES

Weekly

\$ Per Bu.

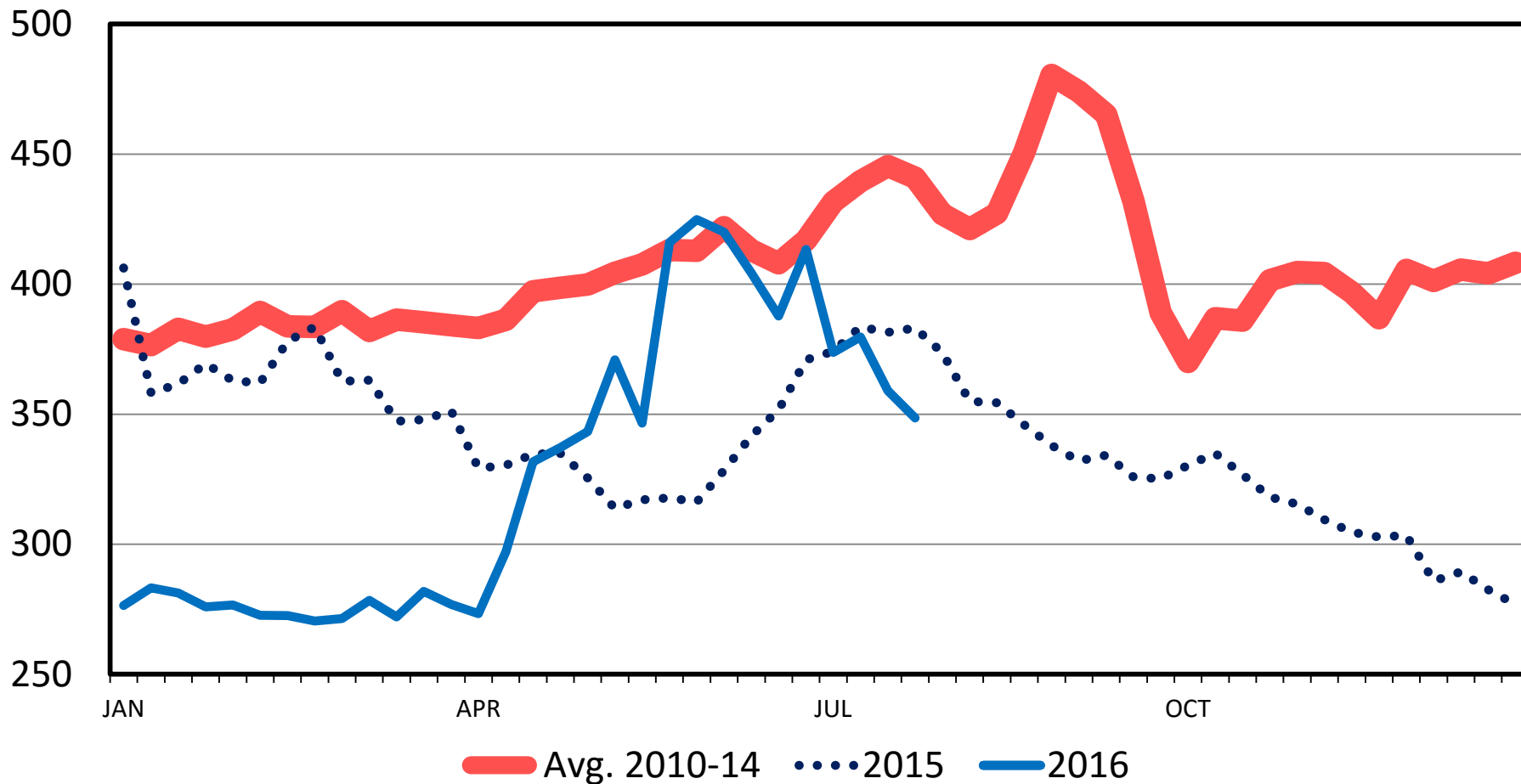


Data Source: USDA-AMS
Livestock Marketing Information Center

CENTRAL ILLINOIS SOYBEAN MEAL (48%) PRICES

Weekly

\$ Per Ton



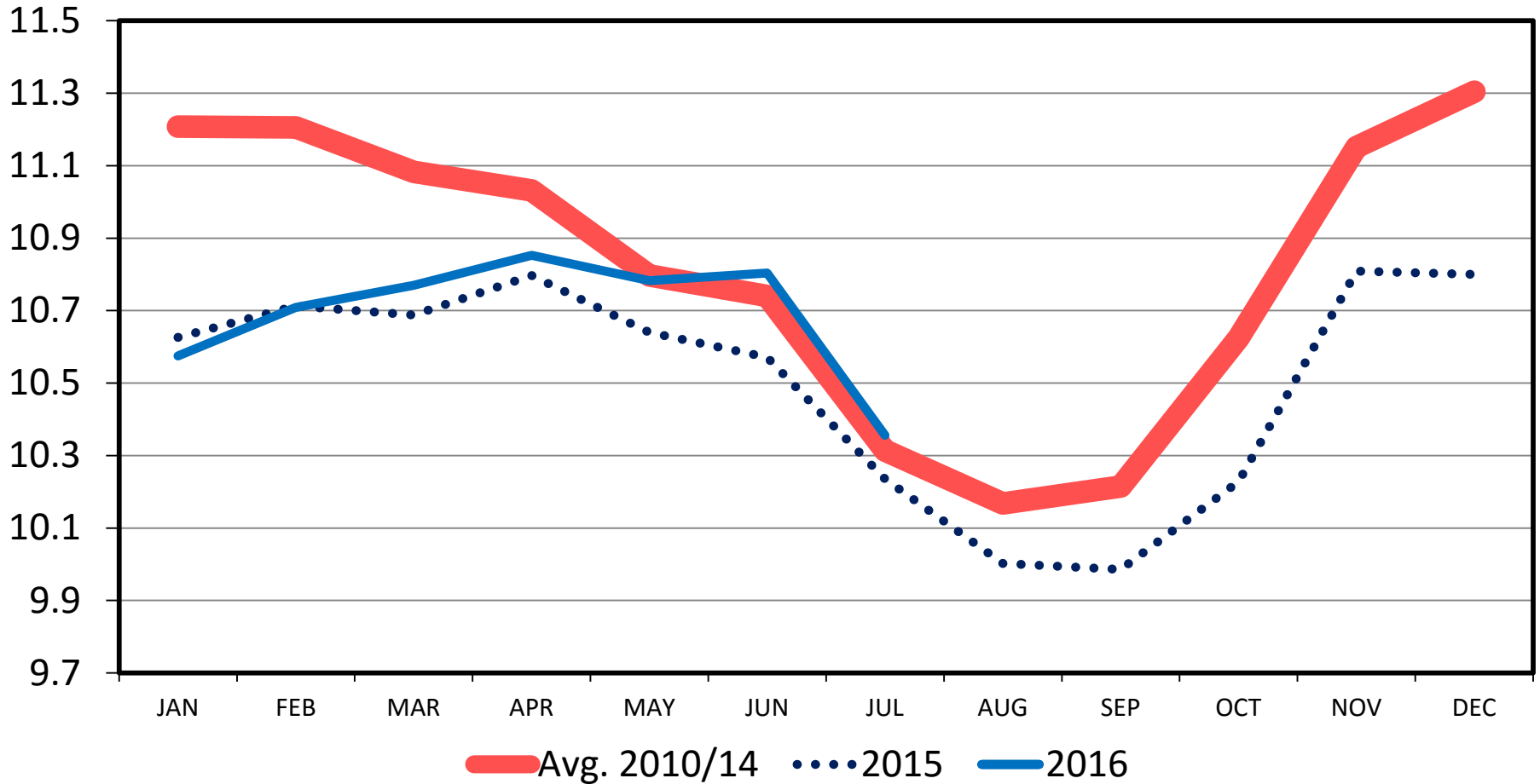
Data Source: USDA-AMS
Livestock Marketing Information Center

Short Term Supplies

CATTLE ON FEED

US Total, Monthly

Mil. Head

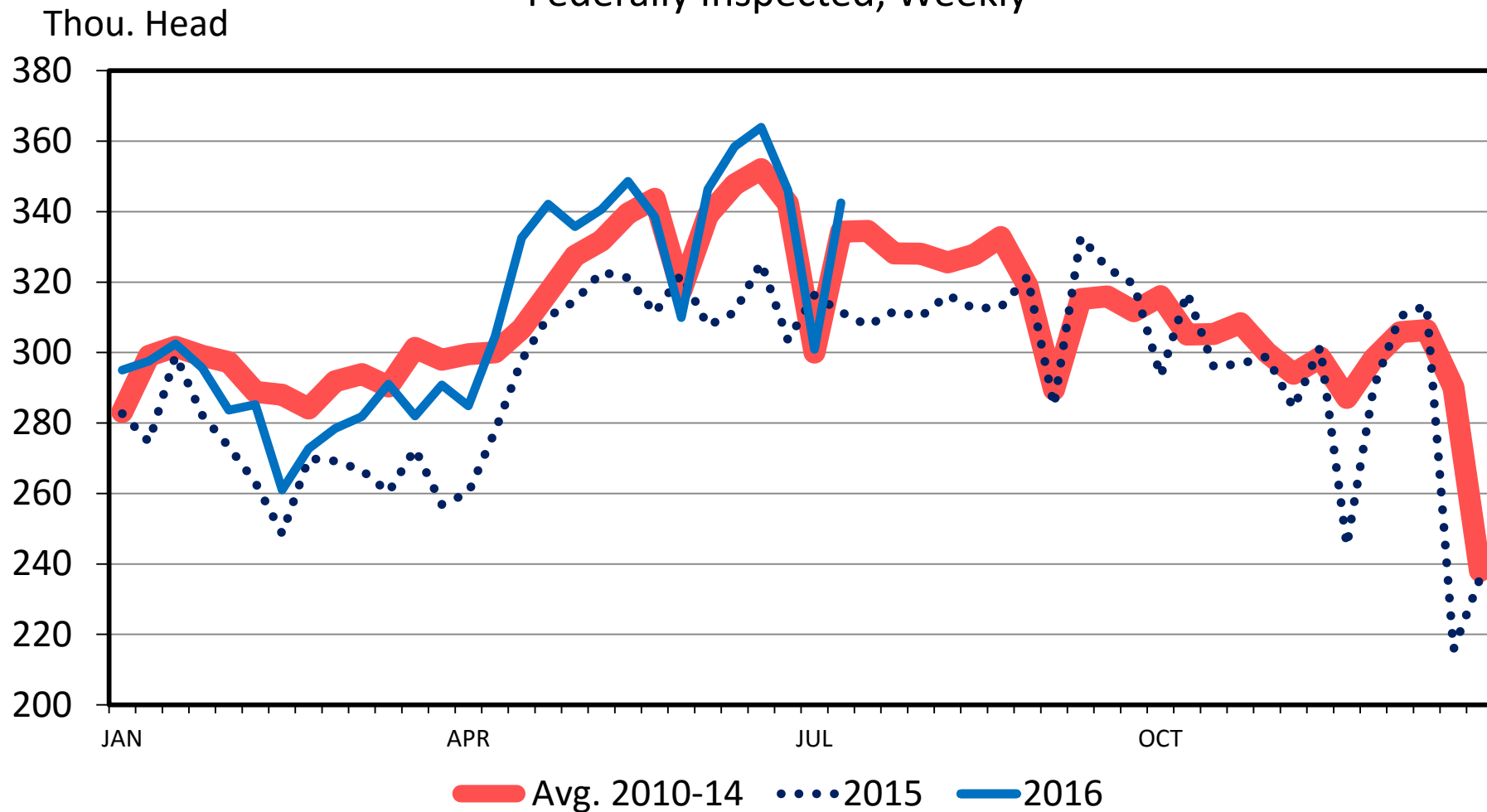


Data Source: USDA-NASS

Livestock Marketing Information Center

STEER SLAUGHTER

Federally Inspected, Weekly

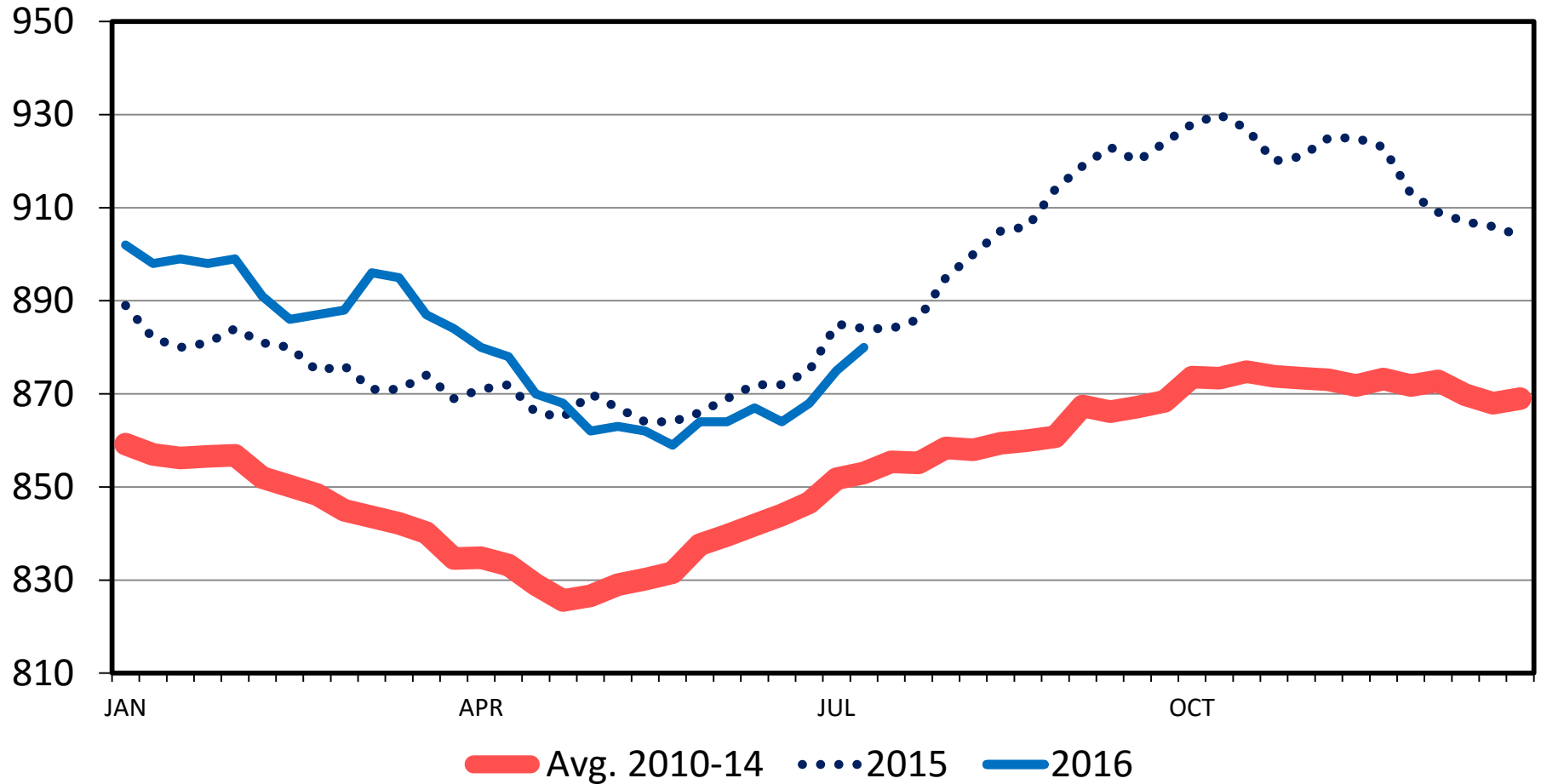


Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center

STEER DRESSED WEIGHT

Federally Inspected, Weekly

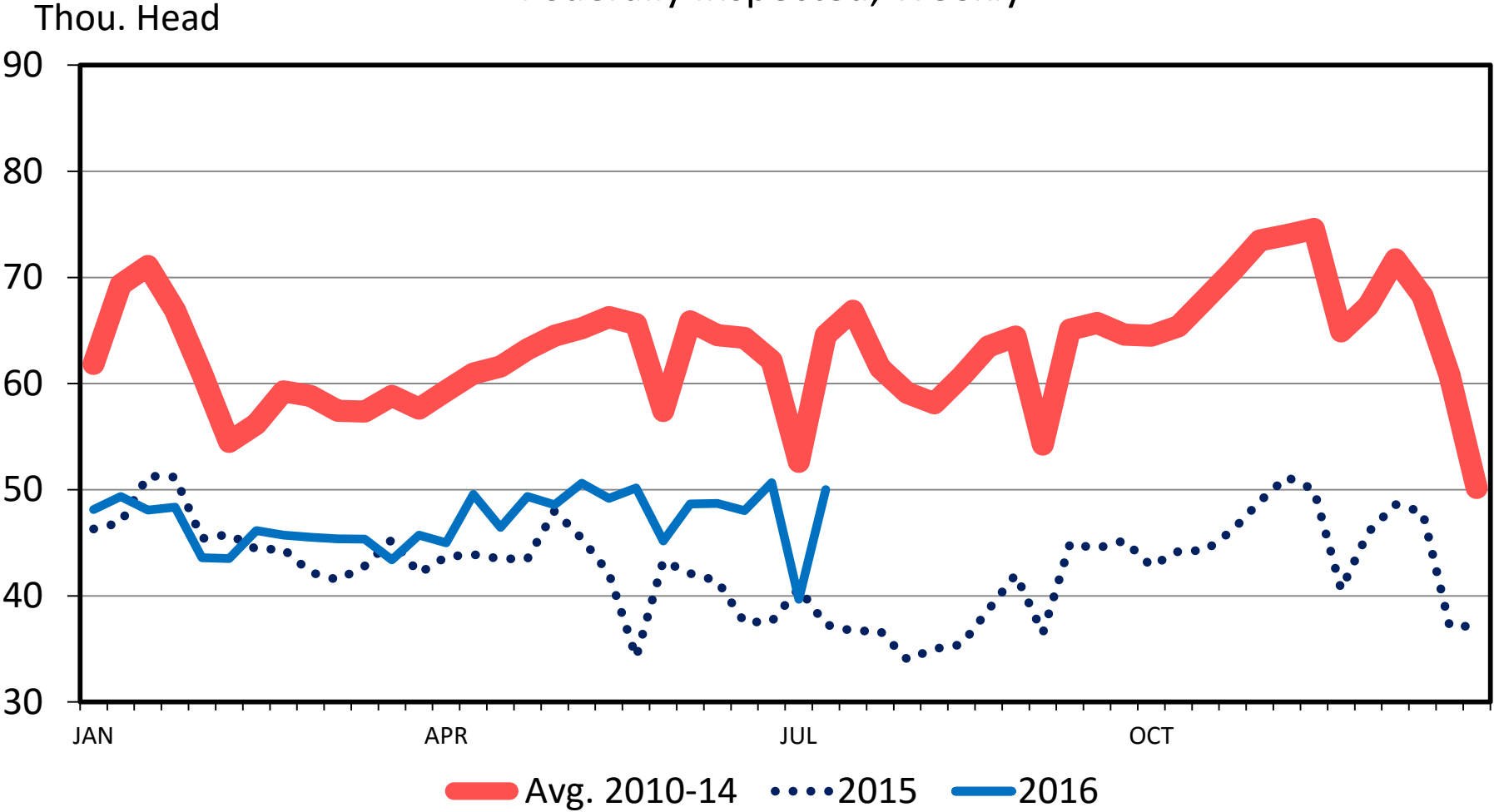
Pounds



Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center

BEEF COW SLAUGHTER

Federally Inspected, Weekly



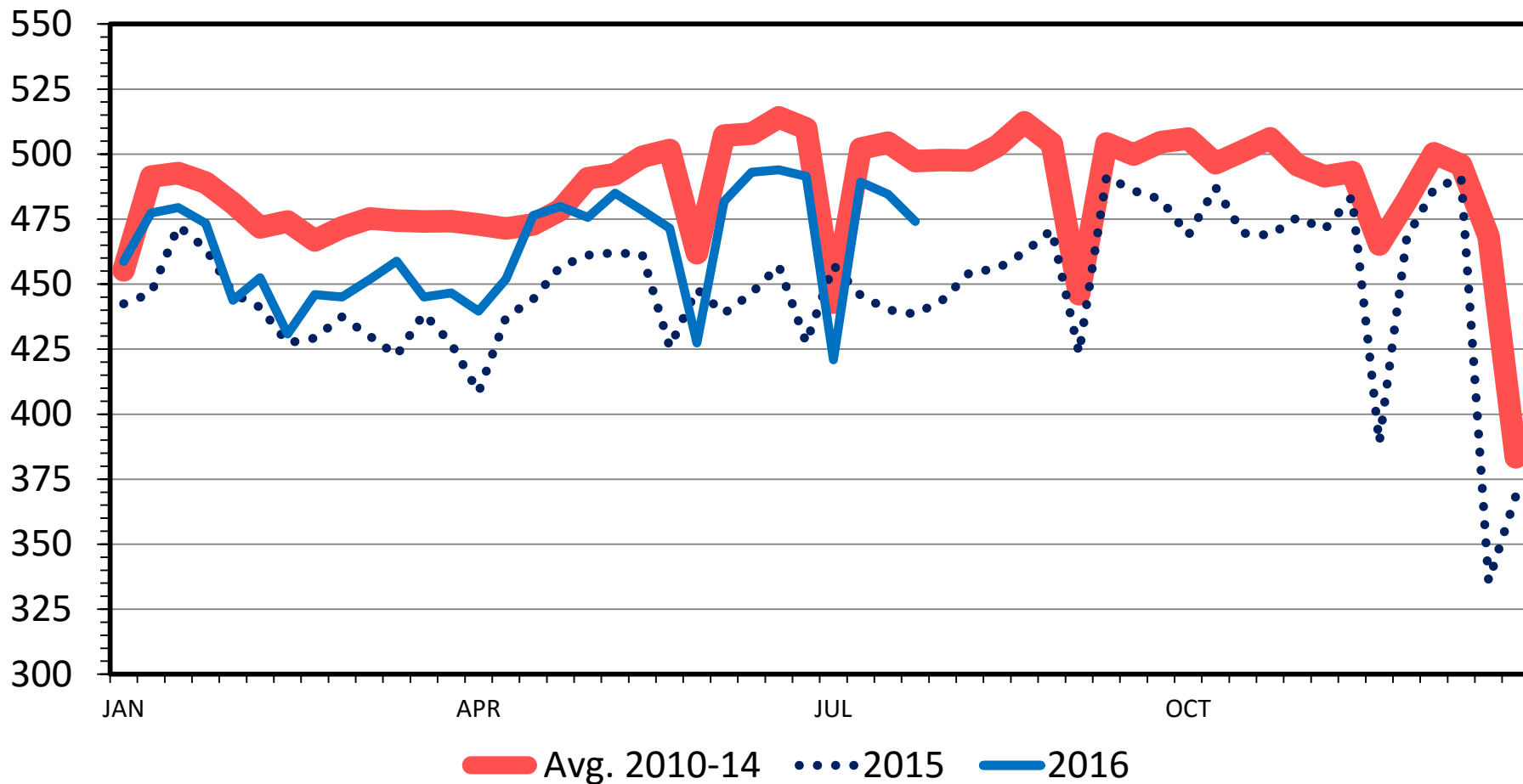
Data Source: USDA-AMS & USDA-NASS

Livestock Marketing Information Center

BEEF PRODUCTION

Federally Inspected, Weekly

Mil. Pounds



Data Source: USDA-AMS & USDA-NASS

Livestock Marketing Information Center

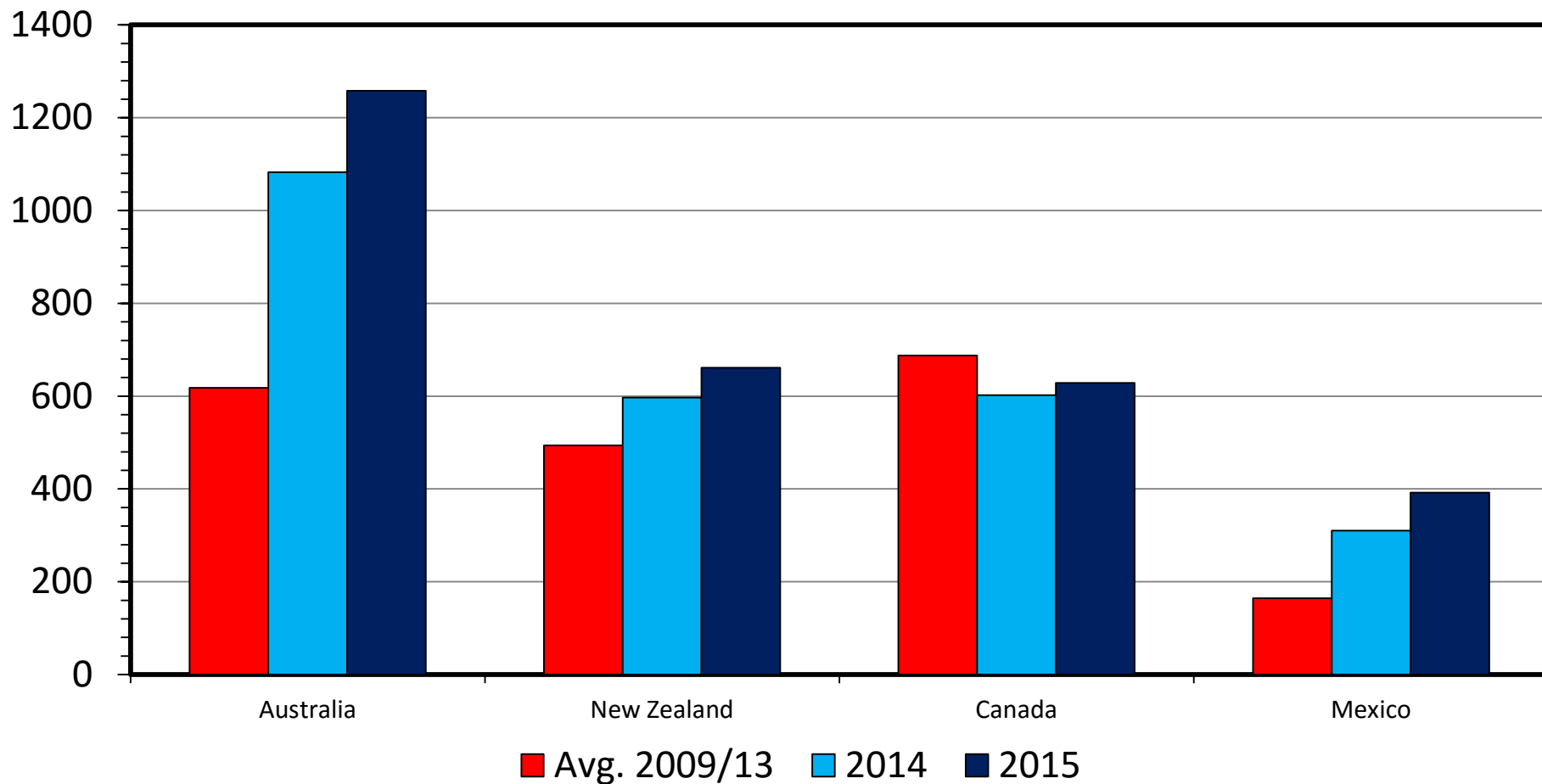
Brazil

- Tariff Rate Quotas
 - Imports at a lower tariff
 - Higher tariff to over quota imports
- Ongoing Process
 - Inspect and approve individual plants for export
 - GAO still reviewing the methodology used to change status
- Market Impacts
 - Not much, short term
 - 90% Lean, cull cows

MAJOR US BEEF IMPORT SOURCES

Carcass Weight, Annual

Mil. Pounds



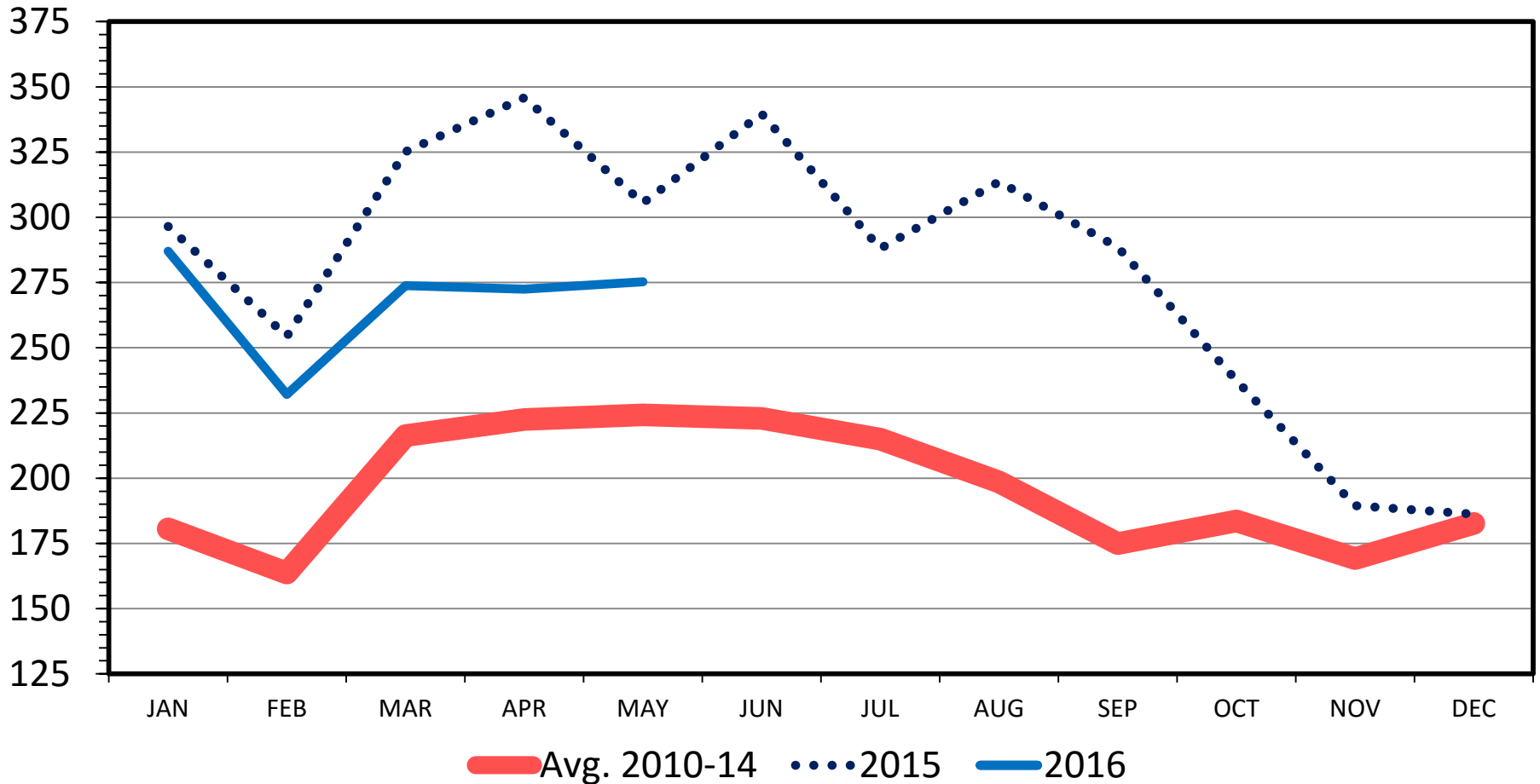
Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis
by LMIC

Livestock Marketing Information Center

US BEEF AND VEAL IMPORTS

Carcass Weight, Monthly

Mil. Pounds

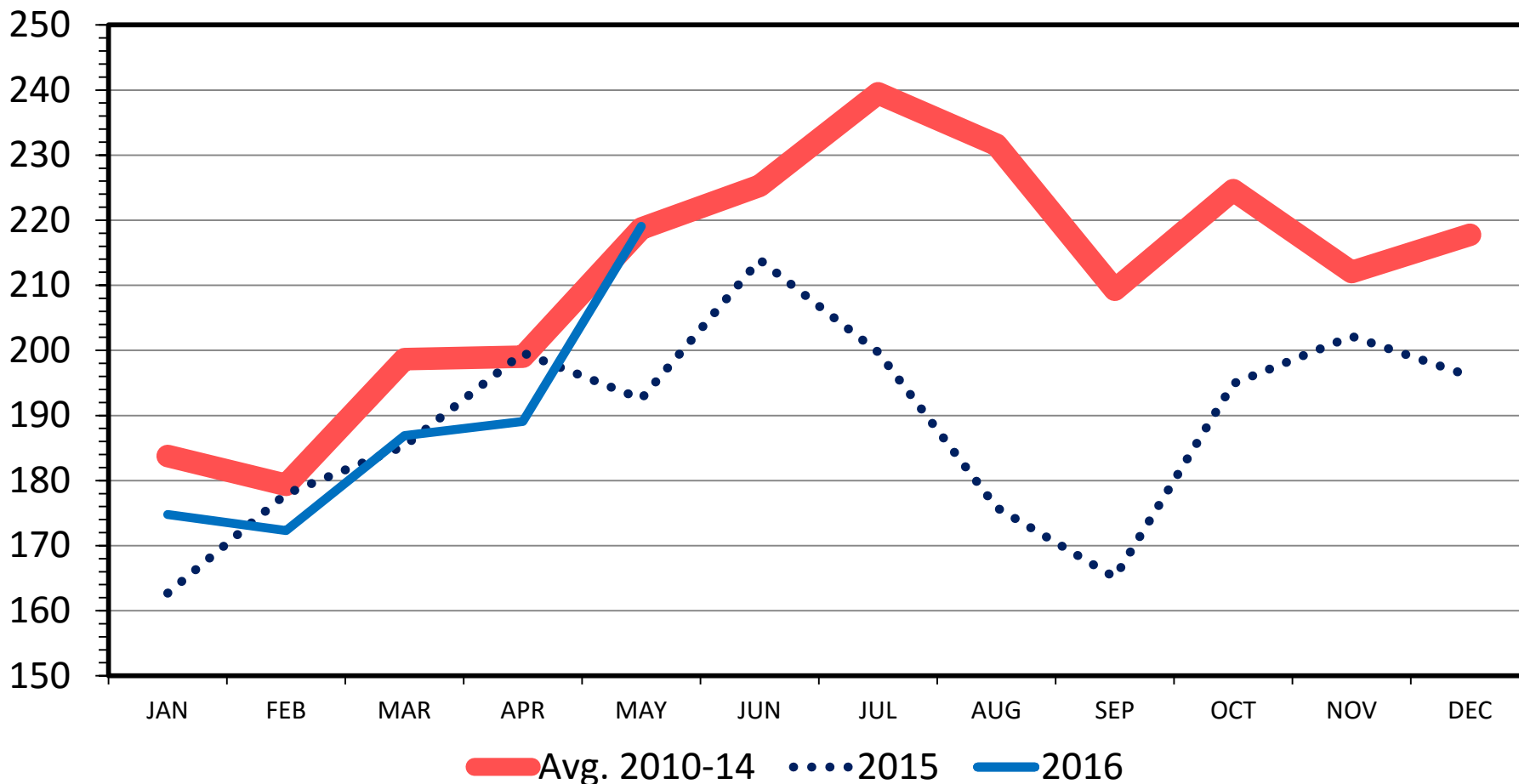


Data Source: USDA-ERS & USDA-FAS
Livestock Marketing Information Center

US BEEF AND VEAL EXPORTS

Carcass Weight, Monthly

Mil. Pounds

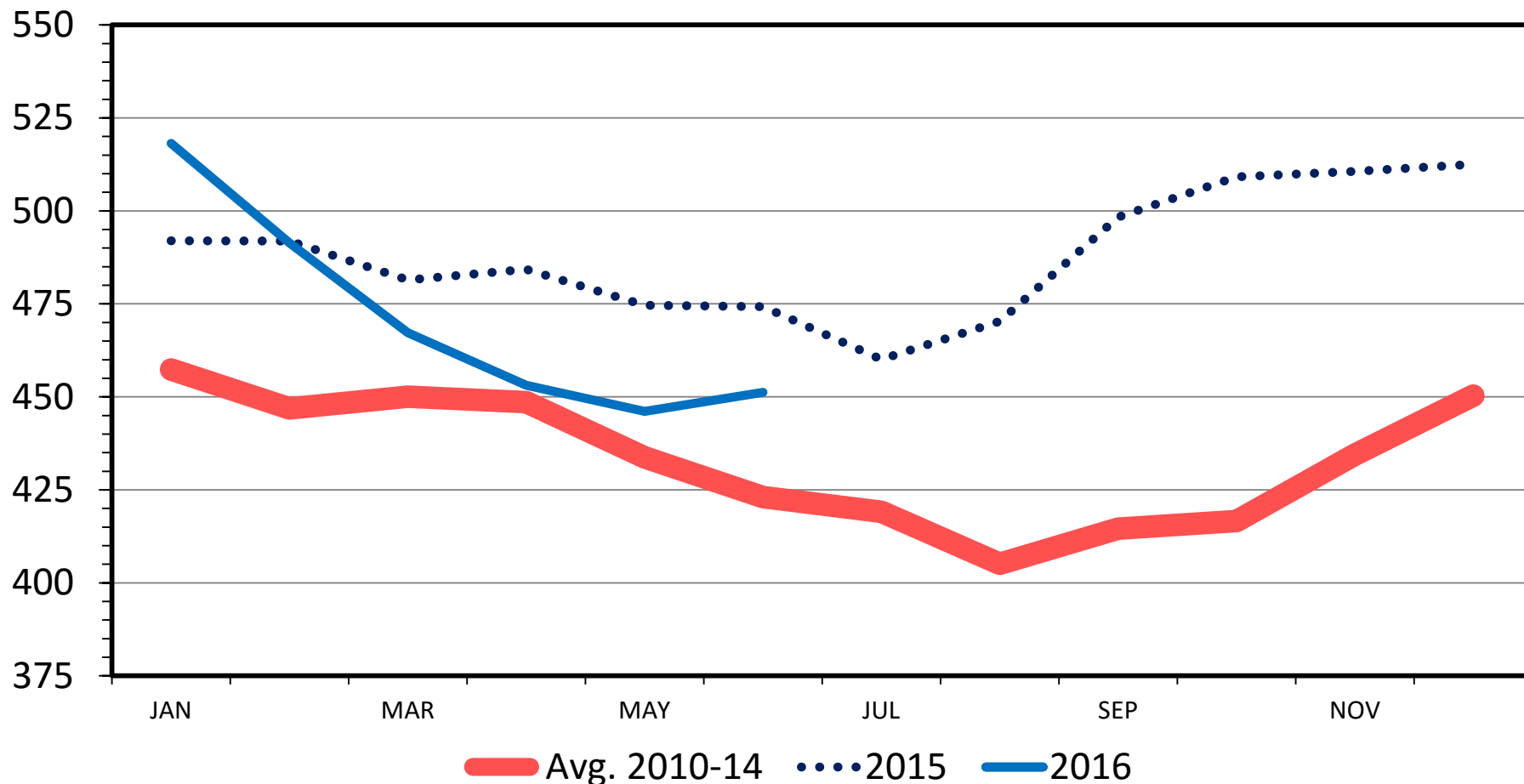


Data Source: USDA-ERS & USDA-FAS
Livestock Marketing Information Center

BEEF IN COLD STORAGE

End of the Month

Mil. Pounds

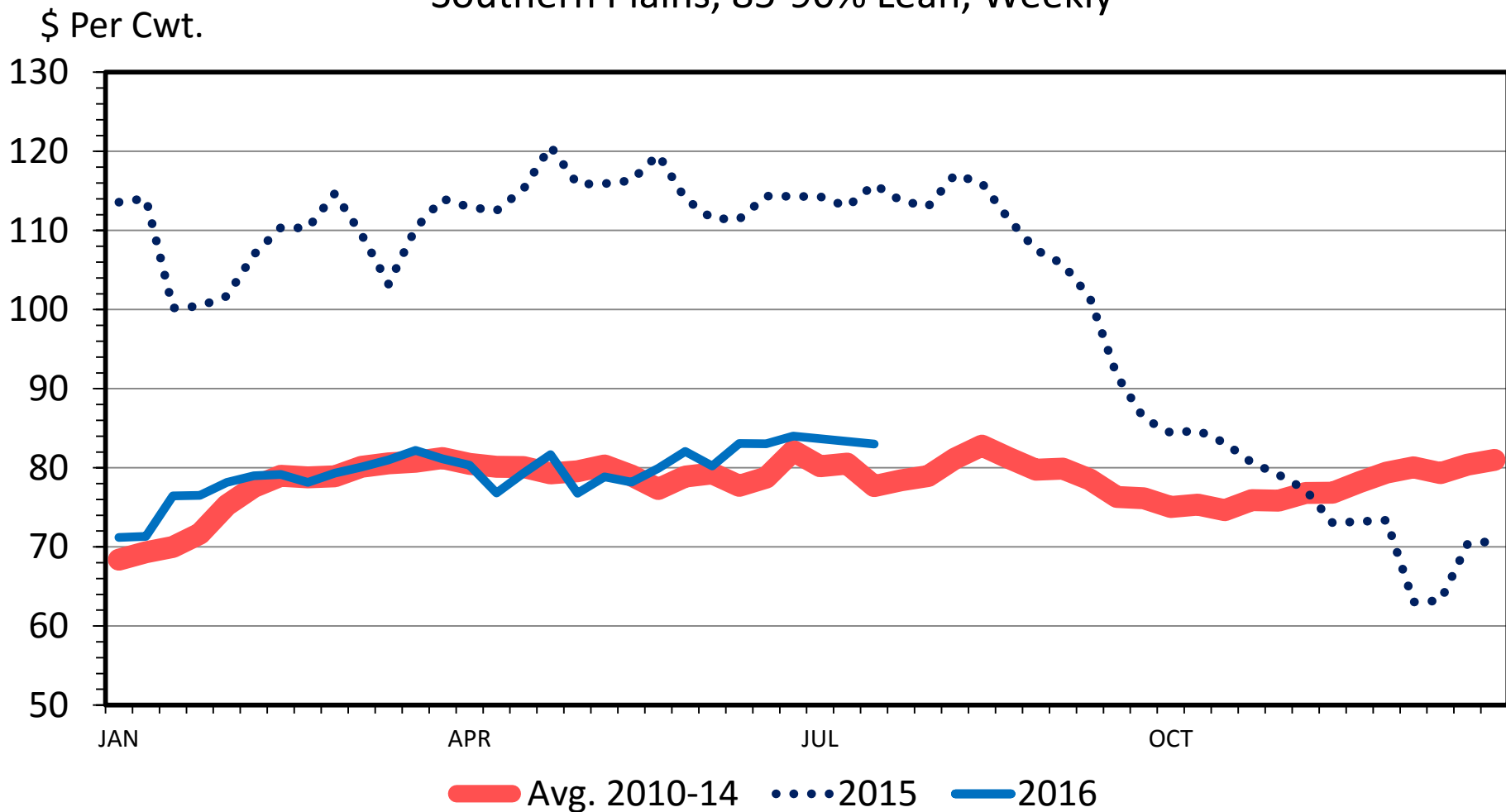


Data Source: USDA/NASS

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SLAUGHTER COW PRICES

Southern Plains, 85-90% Lean, Weekly

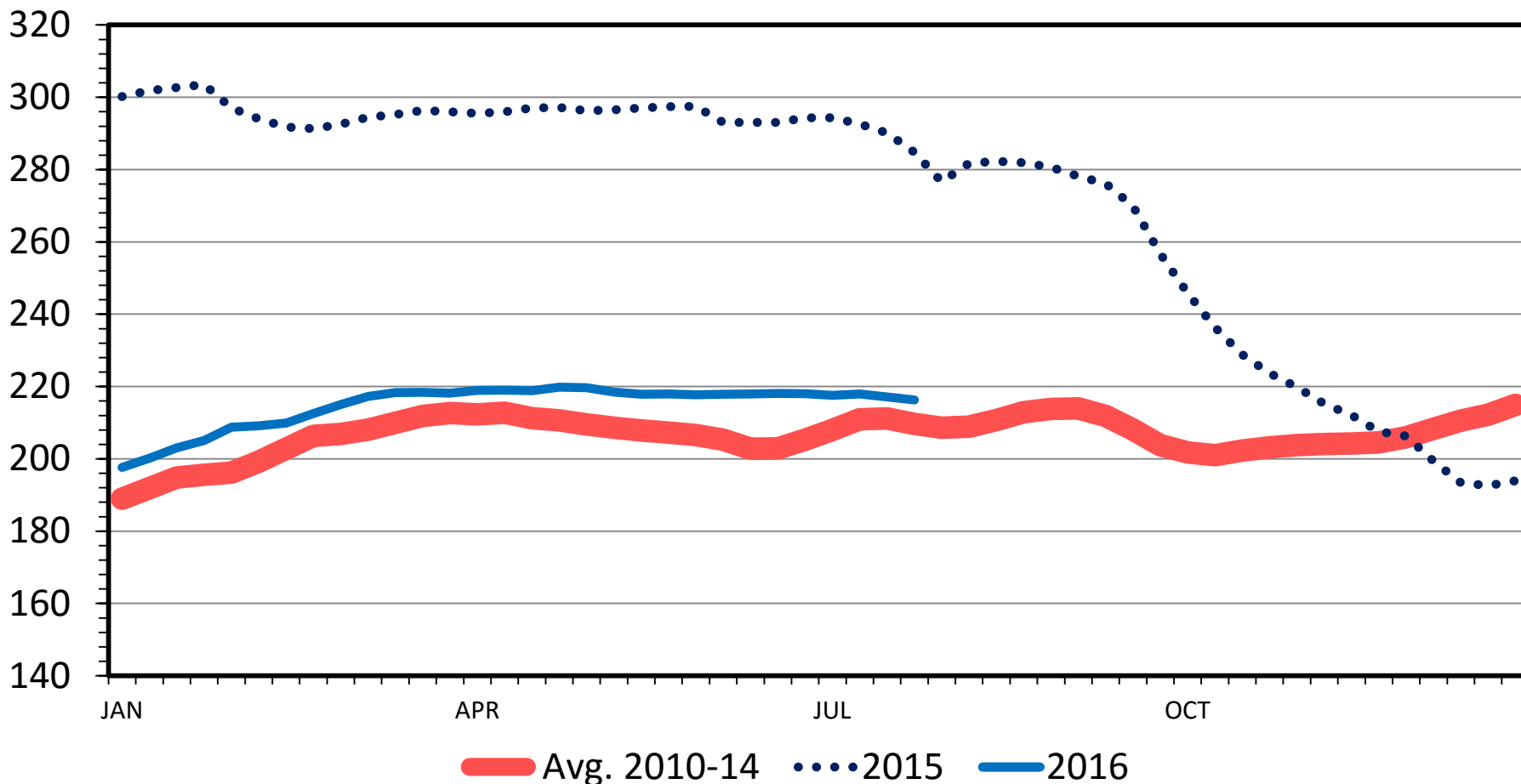


Data Source: USDA-AMS
Livestock Marketing Information Center

WHOLESALE BONELESS BEEF PRICES

Fresh, 90% Lean, Weekly

Cents Per Pound



Data Source: USDA-AMS
Livestock Marketing Information Center

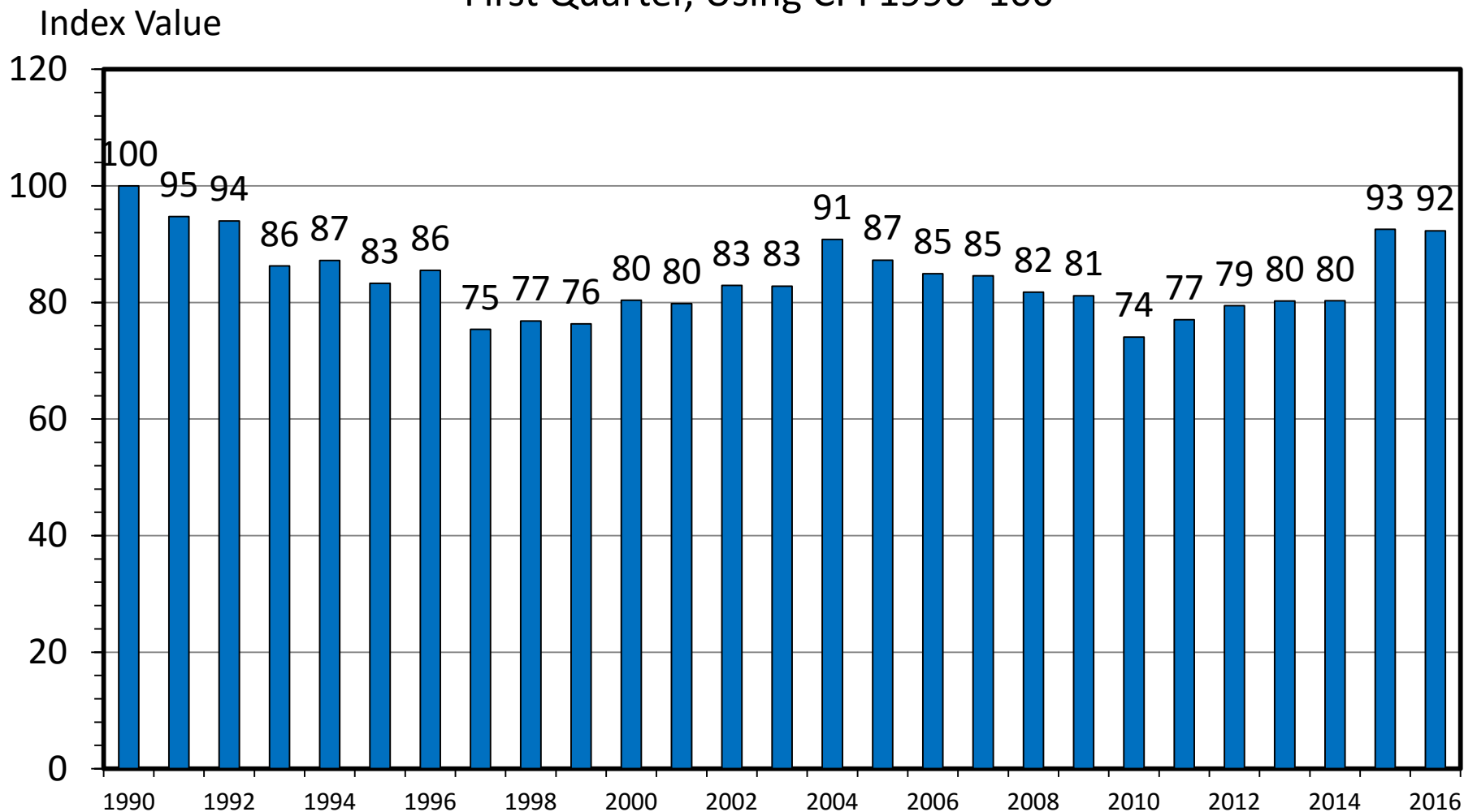
Short Term Supply

- Sharply Lower Cattle Prices
 - More beef than a year ago
 - Slaughter and weights
 - Increased domestic production
 - Improving trade
- Packing Capacity

Demand

RETAIL ALL FRESH BEEF DEMAND INDEX

First Quarter, Using CPI 1990=100



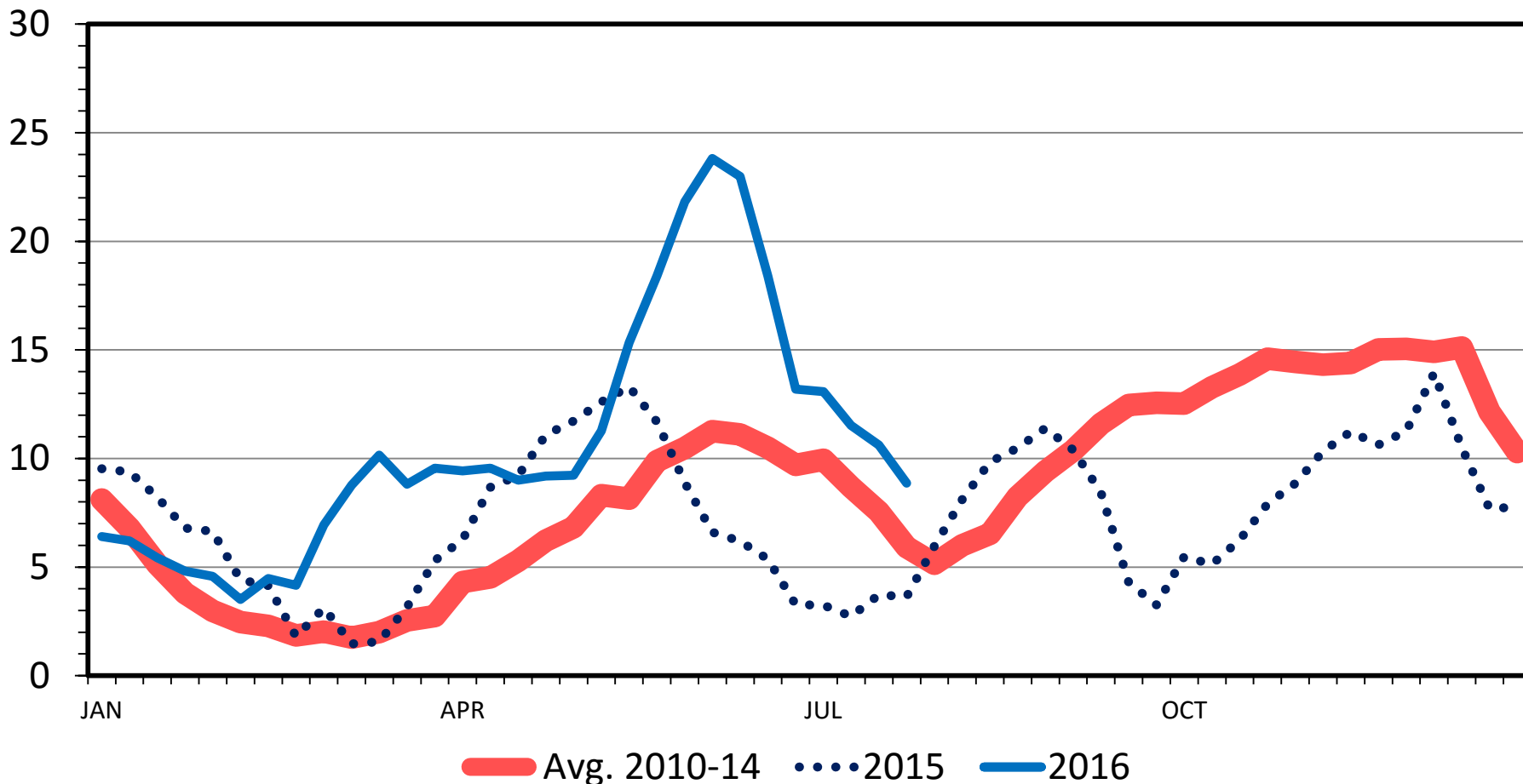
Data Source: Bureau of Labor Statistics, USDA-ERS, Compiled &
Analysis by LMIC

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CHOICE MINUS SELECT BEEF PRICES

Carcass Cutout Value 600-900 Lbs., Weekly

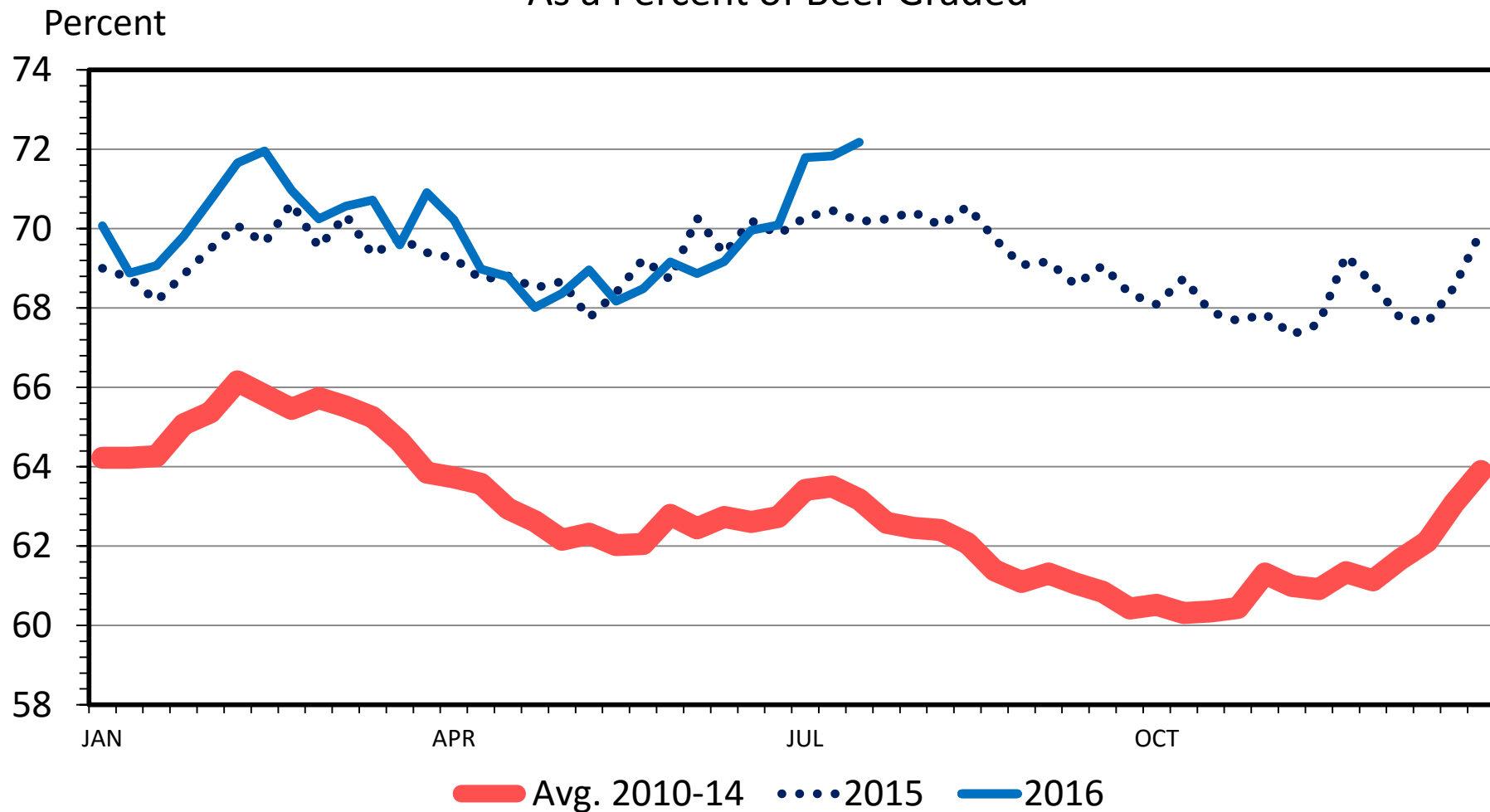
\$ Per Cwt.



Data Source: USDA-AMS, Compiled & Analysis by LMIC
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BEEF GRADED CHOICE

As a Percent of Beef Graded

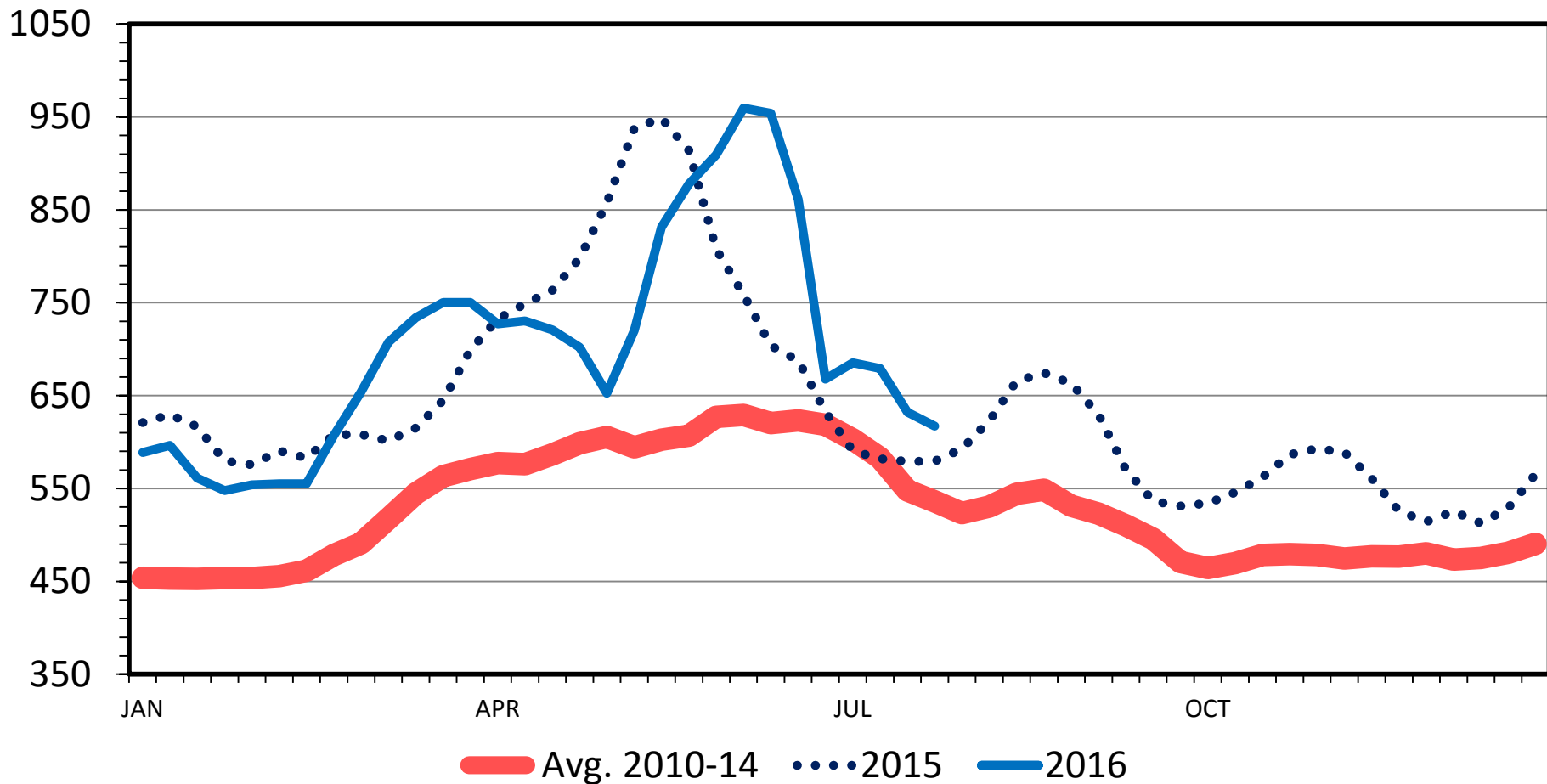


Data Source: USDA-AMS
Livestock Marketing Information Center

WHOLESALE BEEF LOIN STRIP PRICES

Boneless 0x1, Weekly

Cents Per Pound



Data Source: USDA-AMS

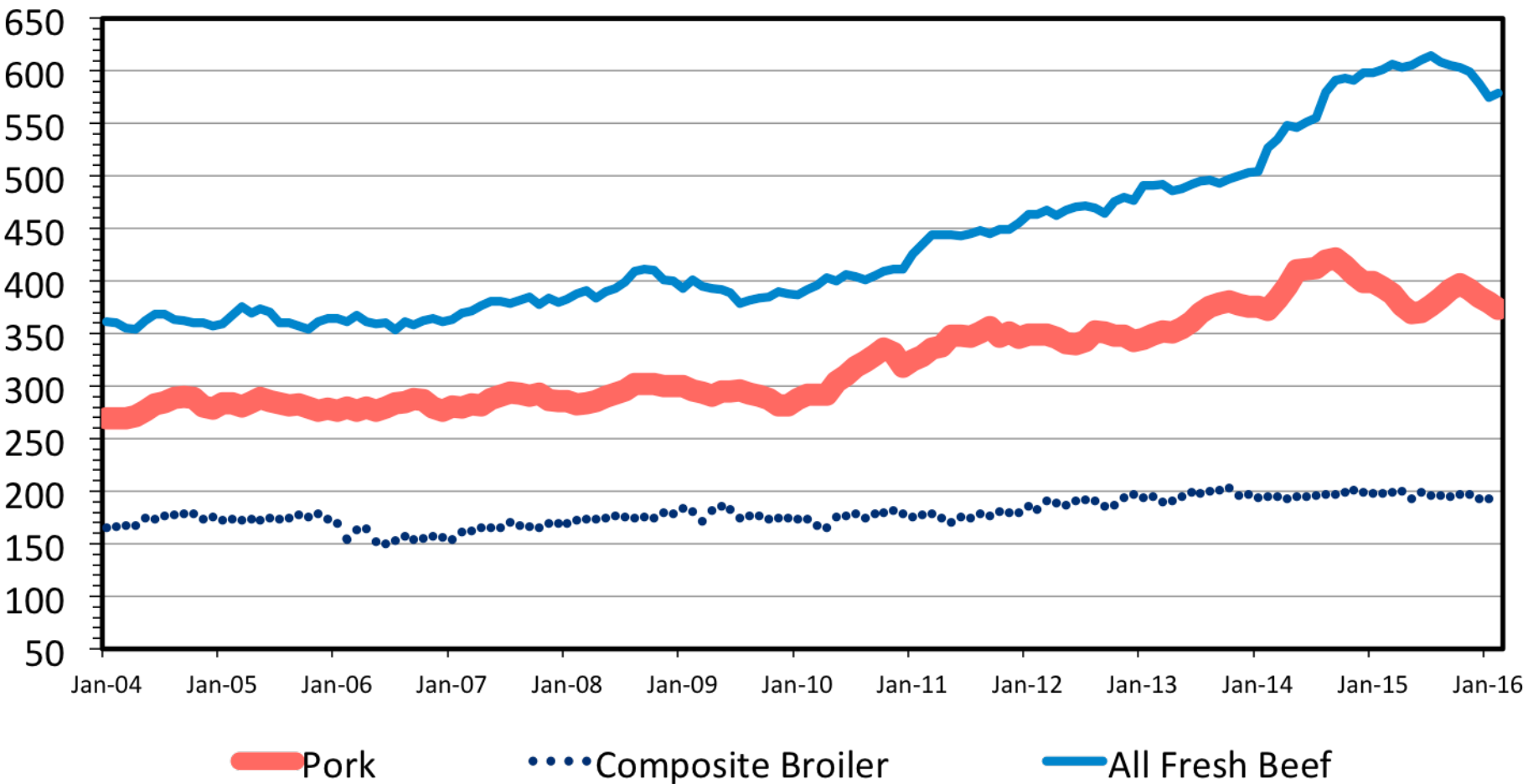
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Competition

RETAIL PRICE COMPARISON

Monthly

Cents Per Pound

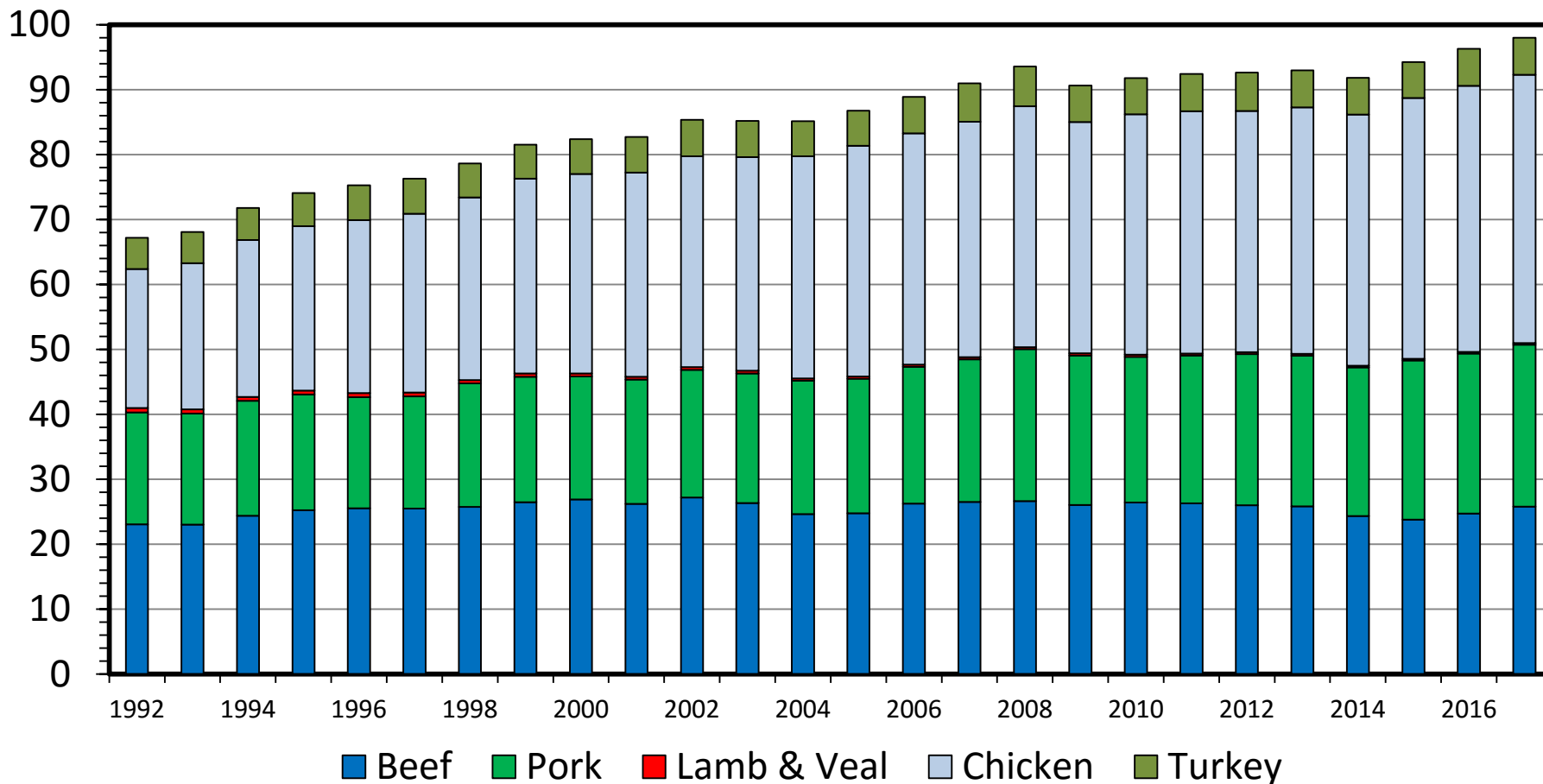


Data Source: Bureau of Labor Statistics & USDA-ERS
Livestock Marketing Information Center

COMMERCIAL MEAT & POULTRY PRODUCTION

By Type of Meat, Annual

Bil. Pounds



Prices for 2014-2017

	11-1300	7-800	5-600
2014	154.56	218.26	237.26
2015 I	162.43	209.42	264.17
II	158.11	222.31	273.53
III	144.22	209.88	240.26
IV	127.72	177.48	193.56
2016 I	134.81	159.65	187.35
II	127.68	147.64	168.74
III	120-123	143-145	154-162
IV	122-126	143-147	154-167
2017 I	123-126	143-148	159-165
II	121-126	145-150	162-169
III	118-123	142-149	158-168
IV	118-125	140-148	153-164

Texas Combined
Auction for 5-600
and 7-800

Thank You!

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One Big Thing in Livestock Markets

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