29 land Grant Universities:

USDA Members:
- ERS
- APHIS
- GIPSA
- NASS
- WAOB
- AMS

Associate Members:
- AFBF
- ASI
- NCBA
- NPB
- CME-Group
- Canadian Consortium
- Noble Foundation
- CoBank
- TCFA
- CWB
- TCU
Topics: Markets and ...

- Drought – A Game Changer
- Grain/Feedstuff Markets
- Aspects of U.S. Macro Economy and Consumer Beef Demand
- International Trade Comments: Beef & Cattle
- Competition at the Meat Case
- More on the Cattle Market and Price Outlook
- Economic Environment Market Planning

**USDA Data Sources** – NASS, AMS, FAS, and ERS
All Forecasts – LMIC
Drought – A Game Changer
US RANGE AND PASTURE CONDITION
Percent Poor and Very Poor, Weekly

Data Source: USDA-NASS
Grain/Feedstuffs
OMAHA CORN PRICES
Weekly

$ Per Bu.

Data Source: USDA-AMS
U.S. TOTAL CORN SUPPLY AND PRICE

Crop Year

Bil. Bushels

$ Per Bushel

Data Source: USDA-NASS, Forecasts by LMIC
U.S. ALL HAY SUPPLY
Crop Year

Data Source: USDA-NASS, Forecasts by LMIC
US Consumer Demand and Consumption (Disappearance)
PER CAPITA DISPOSABLE PERSONAL INCOME

Quarterly

Dollars

Data Source: Department of Commerce-BEA
RETAIL ALL FRESH BEEF DEMAND INDEX
Second Quarter, Using CPI 1990=100

Livestock Marketing Information Center
Data Source: Bureau of Labor Statistics, USDA-ERS, Compiled & Analysis by LMIC
US BEEF CONSUMPTION
Per Capita, Retail Weight, Annual

Data Source: USDA-NASS and ERS, Forecasts by LMIC
U.S. UNEMPLOYMENT RATE
Seasonally Adjusted, Quarterly

Percent

Data Source: Bureau of Labor Statistics
International Trade Comments
US BEEF AND VEAL EXPORTS
Carcass Weight, Monthly

Data Source: USDA-FAS and ERS
U.S. Beef and Veal Exports
Carcass Weight, Annual

Data Source: USDA-FAS and ERS, Forecasts by LMIC
U.S. BEEF AND VEAL IMPORTS
Carcass Weight, Annual

Bil. Pounds

Data Source: USDA-FAS and ERS, Forecasts by LMIC
U S BEEF INDUSTRY EXPORT VALUES

Annual

Bil. $

Data Source: USDA-FAS, Compiled & Analysis by LMIC
U S BEEF INDUSTRY IMPORT VALUES

Annual

Bil. $


Data Source: USDA-FAS, Compiled & Analysis by LMIC
US BEEF INDUSTRY NET EXPORT VALUES

Annual

Bil. $


Data Source: USDA-FAS, Compiled & Analysis by LMIC
FEEDER CATTLE IMPORTS FROM MEXICO

Weekly

Thou. Head

JAN APR JUL OCT

Avg. 2007-11

2012

2013

Data Source: USDA-AMS & APHIS
SLAUGHTER STEERS & HEIFERS
IMPORTS FROM CANADA

Weekly

Thou. Head

20
15
10
5
0

JAN APR JUL OCT

Data Source: USDA-AMS &APHIS
Chicken and Pork
BROILER EGGS SET
Weekly

Mil. Eggs

JAN
APR
JUL
OCT

Data Source: USDA-NASS
RTC BROILER PRODUCTION
Quarterly

Bil. Pounds

Data Source: USDA-NASS, Forecasts by LMIC
COMMERCIAL PORK PRODUCTION
Quarterly

Data Source: USDA-NASS, Forecasts by LMIC
US PORK EXPORTS
As a Percentage of Production, Carcass Weight, Annual

Data Source: USDA-FAS and ERS, Forecasts by LMIC
Cattle Market
TOTAL CATTLE INVENTORY BY CYCLE
U.S., January 1

Data Source: USDA-NASS, Compiled & Analysis by LMIC
CHANGE IN BEEF COWS NUMBERS
JANUARY 1, 2012 TO JANUARY 2013
(1000 Head)

U.S. Total: -862

Data Source: USDA-NASS
HEIFERS HELD AS BEEF COW REPLACEMENTS

January 1, U.S.

Mil. Head

Data Source: USDA-NASS
HEIFER SLAUGHTER
Federally Inspected, Weekly

Thou. Head

Data Source: USDA-NASS
BEEF COW SLAUGHTER
Federally Inspected, Weekly

Thou. Head

Data Source: USDA-NASS
JANUARY 1 TOTAL COW INVENTORY
U.S., Annual

Data Source: USDA-NASS, Forecasts by LMIC
CATTLE ON FEED
US Total, Monthly

Data Source: USDA-NASS
COMMERCIAL BEEF PRODUCTION
Quarterly

Data Source: USDA-NASS, Forecasts by LMIC
ANNUAL AVERAGE CATTLE PRICES
Southern Plains

$ Per Cwt

Data Source: USDA-AMS, Forecasts by LMIC
MED. & LRG. #1 STEER CALF PRICES
500-600 Pounds, Southern Plains, Weekly

$ Per Cwt.

Data Source: USDA-AMS
SLAUGHTER STEER PRICES
5 Market Weighted Average, Weekly

$ Per Cwt.

Data Source: USDA-AMS
CHANGE IN SLAUGHTER COW PRICES
Percent From November of Previous Year, S. Plains

Data Source: USDA-AMS
ESTIMATED AVERAGE COW CALF RETURNS

Returns Over Cash Cost (Includes Pasture Rent), Annual

$ Per Cow

Data Source: USDA-AMS, NASS, Analysis and Forecasts by LMIC
CHOICE STEER PRICE vs BREAKEVEN
Cattle Feeding, S. Plains, Monthly

Latest Data: July 2013

Data Source: USDA-AMS, NASS, Analysis and Forecasts by LMIC
Economic Environment Market Planning....

- Domestic Consumer Beef Demand has Slowly Improved
- Foreign Beef Demand Strong but Slipping
- Price Volatility Will Continue (Globalization, Ethanol, etc.)
- Market Shocks Will Continue (9-11-2001; BSE; 2008 Credit Crisis)
- Economic Incentive to Grow U.S. Cowherd Overcome by Drought
- Controls Already Set to Dramatically Reduced Beef Output
- Chicken and Pork Output Ramping-Up
- Rather High Feedstuff Price Range Continues, Forage is Valuable
- Headwind to Calf and Yearling Prices Has Been Compressed
  Margins for Cattle Feeders and Beef Packers
- Manage Cull Cows as Profit Center
- Mistakes Are Costly, Sound Business Practices Required
- Agile Firms Will Benefit.... **Be Adaptable NOT Adapted** ....
  Ranch Management is one of Sequential Decision Making