

BEEF-CATTLE OUTLOOK

Dr. GLYNN T. TONSOR

EMAIL: gtonsor@ksu.edu

Twitter: @TonsorGlynn

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

2023 RISK & PROFIT CONFERENCE

POLICY, PROSPECTS, and PRODUCERS

August 17-18, 2023
IN-PERSON-\$235/\$185
(Also includes online access)

August 21-25, 2023
ONLINE - \$50
(Live breakout sessions and
general session recordings)

Questions: Rich Llewelyn - rvi@ksu.edu

Details

- Live, in-person meeting at the K-State Alumni Center on August 17-18, 2023. Four general sessions / 7 breakout sessions.
- In-person meeting includes access to online sessions the following week and recordings. Two live online breakout sessions daily from 12:00—1:30 pm, on August 21-25.
- Online registration includes live online sessions during August 21-25, plus recordings of the general sessions from in-person meeting.

Take-Home Summary

1. Supply Dynamics Supporting Higher Cattle Prices
2. Consumer Meat Demand Mixed To-Date in 23'

Quarterly Forecasts (LMIC: 8/16/23)

Year Quarter	Comm'l Slaughter	% Chg. from Year Ago	Average Dressed Weight	% Chg. from Year Ago	Comm'l Beef Production	% Chg. from Year Ago
2022						
I	8,406	1.5	835.5	0.3	7,023	1.8
II	8,673	1.9	815.3	-0.4	7,072	1.6
III	8,754	2.7	816.1	-0.3	7,144	2.4
IV	8,493	-0.5	830.4	-0.3	7,052	-0.8
Year	34,325	1.4	824.2	-0.2	28,291	1.2
2023						
I	8,314	-1.1	820.5	-1.8	6,822	-2.9
II	8,278	-4.6	810.6	-0.6	6,710	-5.1
III	8,301	-5.2	815.9	0.0	6,773	-5.2
IV	8,134	-4.2	834.6	0.5	6,789	-3.7
Year	33,027	-3.8	820.3	-0.5	27,093	-4.2
2024						
I	7,614	-8.4	823.5	0.4	6,270	-8.1
II	7,520	-9.2	819.6	1.1	6,163	-8.1
III	7,836	-5.6	827.1	1.4	6,481	-4.3
IV	7,602	-6.5	846.2	1.4	6,432	-5.2
Year	30,572	-7.4	829.1	1.1	25,347	-6.4

Data Source: Livestock Marketing Information Center

Quarterly Forecasts: Cattle (LMIC: 8/16/23)

Year Quarter	Live Sltr. Steer Price	% Chg. from Year Ago	Feeder Steer Price Southern Plains	
	5-Mkt Avg		7-800#	5-600#
2022				
I	139.25	23.3	160.00	193.66
II	141.93	17.5	160.49	188.43
III	143	16.2	178	192
IV	153	13.7	177	192
Year	144	17.2	169	191
2023				
I	160.92	15.3	185.52	224.01
II	178.85	24.0	214.16	254.87
III	185-186	29.3	242-243	274-275
IV	187-189	22.9	245-247	280-282
Year	178-179	23.6	222-223	259-260
2024				
I	186-190	16.8	256-260	273-278
II	195-200	10.4	265-270	278-283
III	192-197	4.9	278-288	290-300
IV	205-210	10.4	285-295	300-310
Year	196-199	10.6	275-277	289-291

Data Source: Livestock Marketing Information Center

Quarterly Forecasts (LMIC: 2/7/23)

Year Quarter	Comm'l Slaughter	% Chg. from Year Ago	Average Dressed Weight	% Chg. from Year Ago	Comm'l Beef Production	% Chg. from Year Ago
2022						
I	8,405	1.5	835.6	0.3	7,022	1.8
II	8,669	1.9	815.4	-0.3	7,069	1.5
III	8,756	2.7	816.2	-0.3	7,147	2.4
IV	8,493	-0.5	830.5	-0.3	7,053	-0.7
Year	34,322	1.4	824.3	-0.2	28,290	1.2
2023						
I	8,260	-1.7	823.8	-1.4	6,805	-3.1
II	8,284	-4.4	812.2	-0.4	6,728	-4.8
III	8,223	-6.1	818.3	0.3	6,729	-5.8
IV	8,133	-4.2	834.5	0.5	6,787	-3.8
Year	32,900	-4.1	822.2	-0.3	27,049	-4.4
2024						
I	7,516	-9.0	828.4	0.6	6,226	-8.5
II	7,547	-8.9	818.0	0.7	6,174	-8.2
III	7,758	-5.6	827.6	1.1	6,421	-4.6
IV	7,601	-6.5	843.5	1.1	6,411	-5.5
Year	30,422	-7.5	829.4	0.9	25,232	-6.7

Data Source: Livestock Marketing Information Center

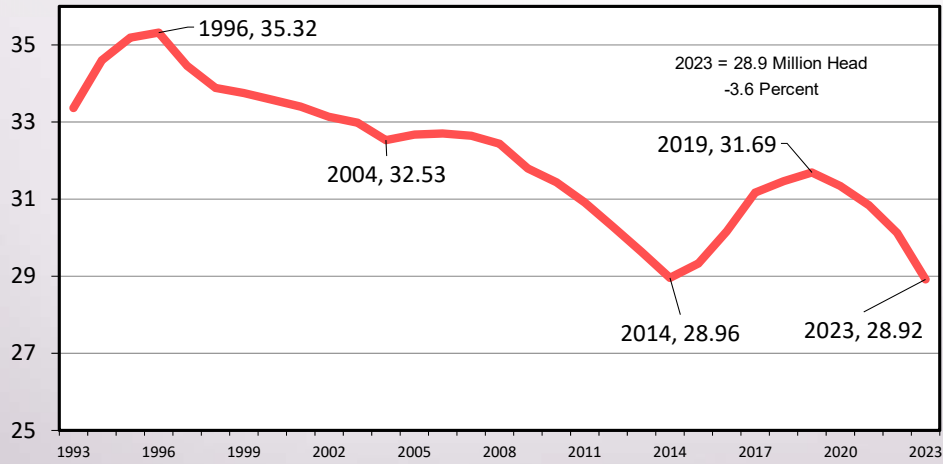
Quarterly Forecasts: Cattle (LMIC: 2/7/23)

Year Quarter	Live Sltr. Steer Price 5-Mkt Avg	% Chg. from Year Ago	Feeder Steer Price Southern Plains 7-800#	5-600#
2022				
I	139.25	23.3	160.00	193.66
II	141.93	17.5	160.49	188.43
III	143	16.2	178	192
IV	153	13.7	177	192
Year	144	17.2	169	191
2023				
I	155-156	11.7	181-182	211-212
II	158-162	12.7	178-183	213-218
III	152-162	9.5	183-188	208-213
IV	150-160	1.3	185-195	220-230
Year	155-157	8.0	183-185	214-216
2024				
I	160-175	7.7	190-200	230-240
II	165-180	7.8	188-198	222-232
III	163-178	8.6	190-205	233-248
IV	167-182	12.6	187-202	243-258
Year	165-175	9.0	190-200	233-243

Data Source: Livestock Marketing Information Center

JANUARY 1 BEEF COW INVENTORY U.S., Annual

Mil. Head

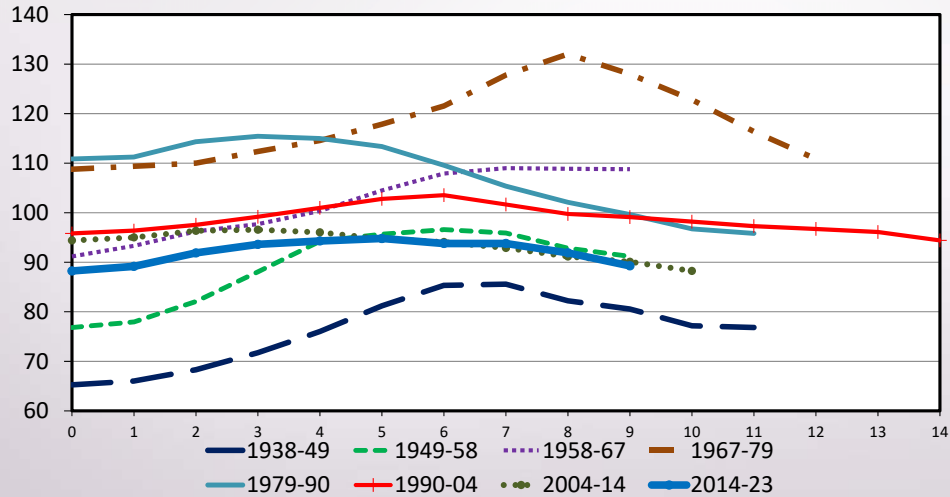


Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-02
01/31/23

TOTAL CATTLE INVENTORY BY CYCLE U.S., January 1

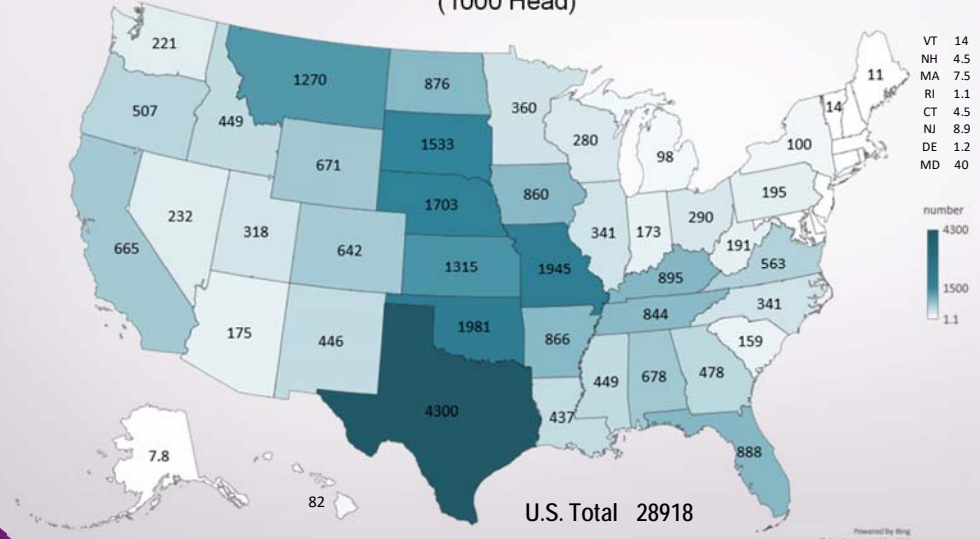
Mil. Head



Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-40
01/31/23

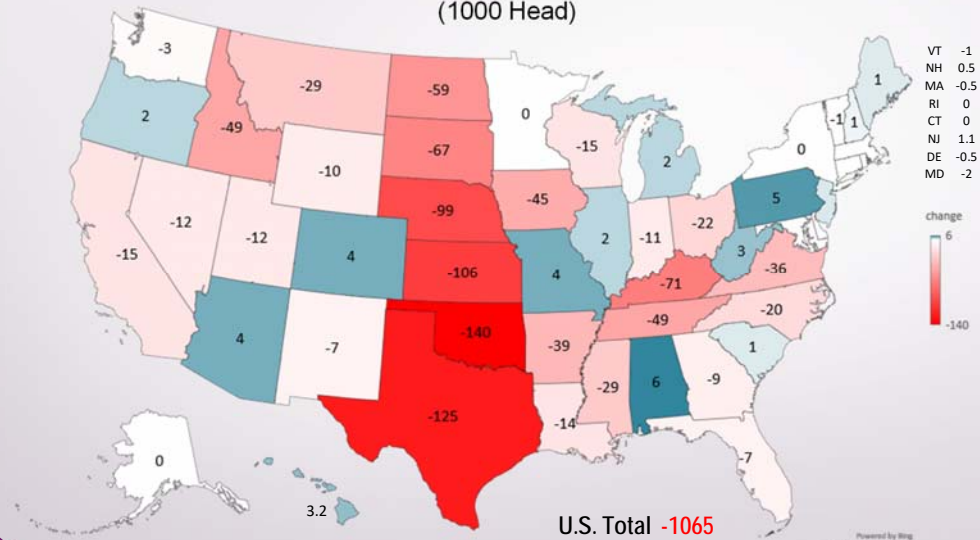
BEEF COWS THAT CALVED JANUARY 1, 2023 (1000 Head)



Livestock Marketing Information Center
Data Source: USDA-NASS

01/31/23

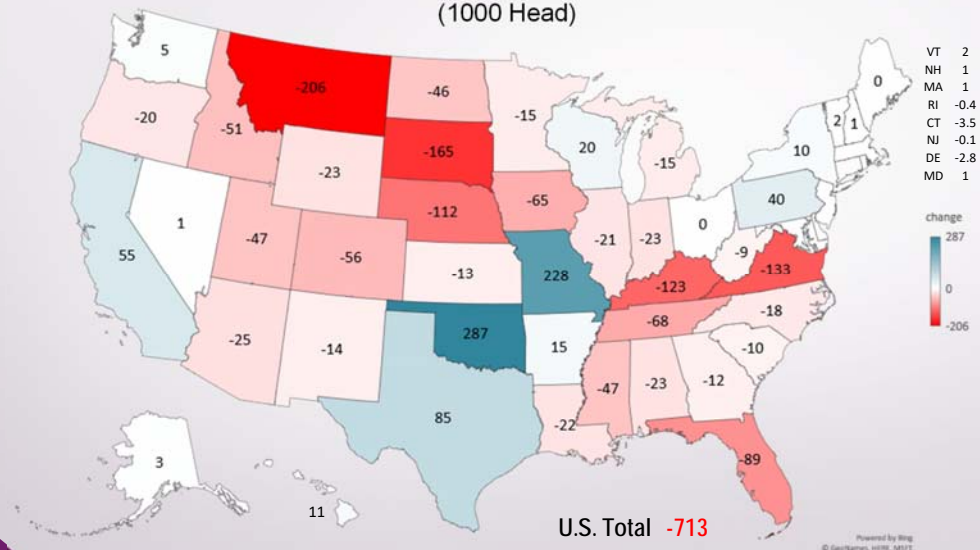
CHANGE IN BEEF COWS 2022 TO 2023 (1000 Head)



Livestock Marketing Information Center
Data Source: USDA-NASS

01/31/23

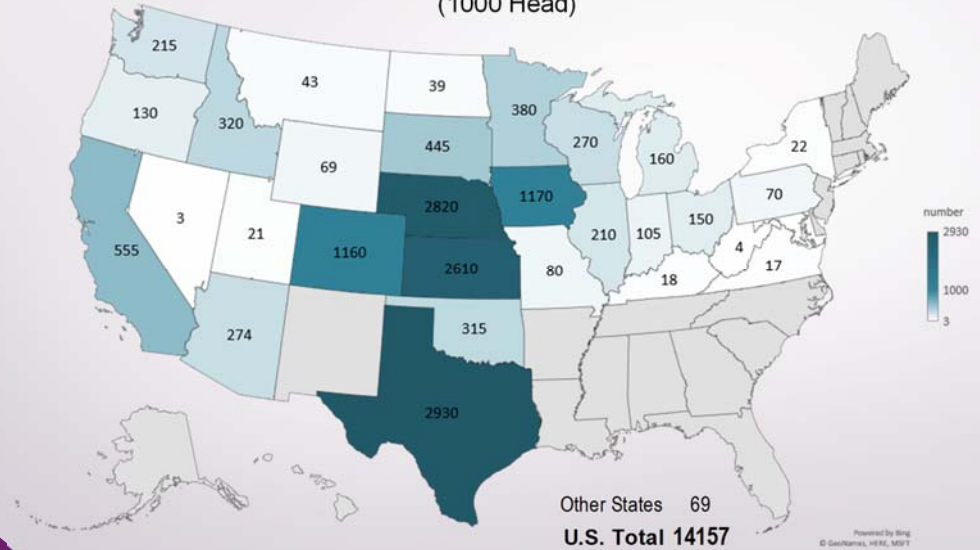
CHANGE IN BEEF COWS 2013 TO 2023 (1000 Head)



Livestock Marketing Information Center
Data Source: USDA-NASS

01/31/23

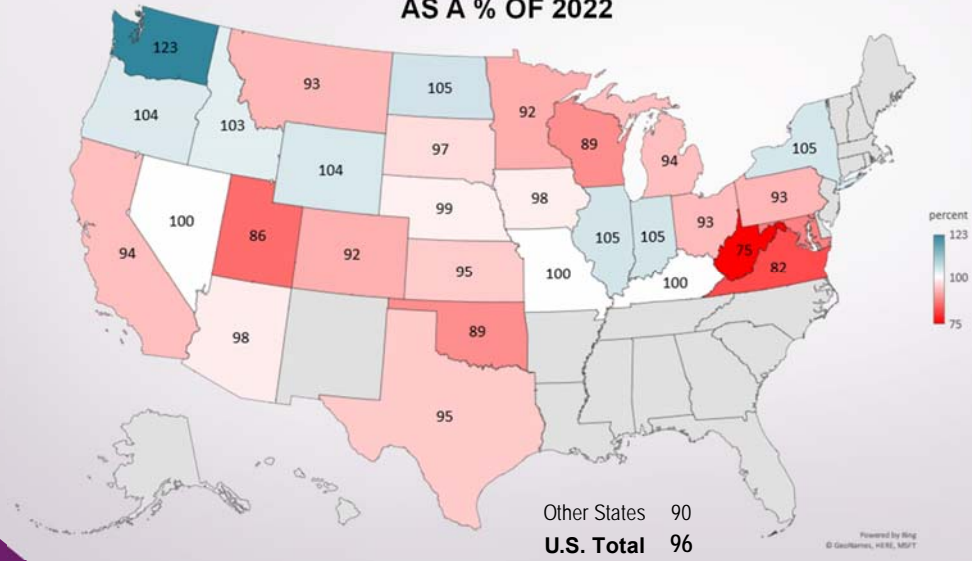
CATTLE ON FEED JANUARY 1, 2023 (1000 Head)



Livestock Marketing Information Center
Data Source: USDA-NASS

01/31/23

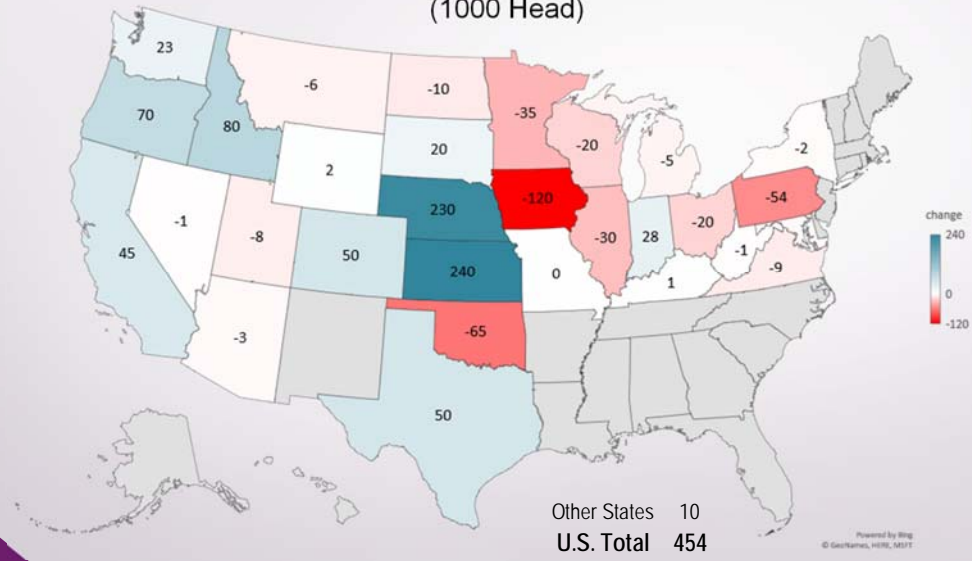
CATTLE ON FEED JANUARY 1, 2023 AS A % OF 2022



Livestock Marketing Information Center
Data Source: USDA-NASS

01/31/23

CHANGE IN CATTLE ON FEED 2013-2023 (1000 Head)



Livestock Marketing Information Center
Data Source: USDA-NASS

01/31/23

Context on Beef Cow Herd Dynamics

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 (atonsor@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

Table 1. Beef Cow Inventory (000's head)

CATTLE CYCLE	AVERAGE	STD DEV	MIN	MAX	RANGE	RELATIVE RANGE*
1949-1958	21,772	3,867	15,919	25,659	9,740	44.7%
1958-1967	29,300	3,898	24,165	34,442	10,277	35.1%
1967-1979	39,505	3,520	34,708	45,711	11,003	27.9%
1979-1990	36,033	2,373	32,487	39,229	6,742	18.7%
1990-2004	33,688	909	32,454	35,318	2,864	8.5%
2004-2014	31,704	1,108	29,631	32,702	3,071	9.7%
2014-PRESENT	30,620	1,025	28,956	31,690	2,734	8.9%

* Relative range is calculated as $100 \times \text{range} / \text{average}$.

• <https://www.agmanager.info/livestock-meat/production-economics/updated-evaluation-us-cattle-cycle>

Number of Beef Cows by Region							
	Western	Great Plains	Southern Plains	Cornbelt	Northeast	Southeast	U.S. Total
2016	9.9%	29.4%	20.6%	14.7%	1.2%	23.8%	30,166
2017	10.0%	29.2%	21.0%	15.0%	1.3%	23.3%	31,171
2018	10.2%	29.1%	21.0%	14.9%	1.3%	23.2%	31,466
2019	10.0%	29.1%	21.5%	14.7%	1.4%	23.0%	31,691
2020	10.2%	28.9%	21.3%	14.8%	1.4%	23.2%	31,339
2021	10.1%	28.7%	22.0%	14.4%	1.3%	23.2%	30,844
2022	10.3%	28.0%	21.9%	14.8%	1.3%	23.4%	30,125

Context on Beef Cow Herd Dynamics

Western: AZ, CA, ID, NV, NM, OR, UT, WA
 Great Plains: CO, **KS**, MT, NE, ND, SD, WY
 Southern Plains: OK, TX
 Cornbelt: IL, IN, IA, MI, MN, MO, OH, WI
 Southeast: AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV

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- 1.30.2023



INTRODUCTION
 A spreadsheet program to calculate the net present value of purchasing replacement heifers given expectations for calf selling price, weaning weights, cull cow price, and a target rate of return on investment.

KSU – Beef Replacement Tool

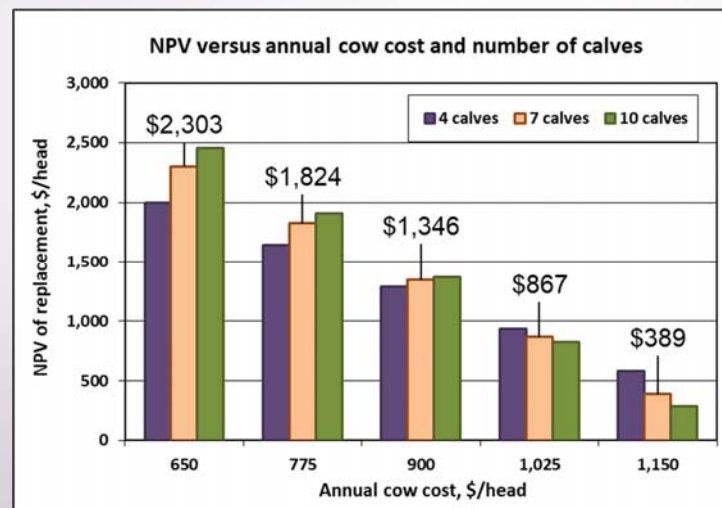
<https://www.agmanager.info/livestock-meat/production-economics/ksu-beef-replacement>

Base/Default Case

- Annual Cash Cow Costs \$900/year
- Annual inflation rate on costs 3.0%
- Discount Rate 8.0%
- USDA projected calf prices (\$218/cwt in 2024)
= *Net Present Value of "7-calf heifer" is \$1,346*

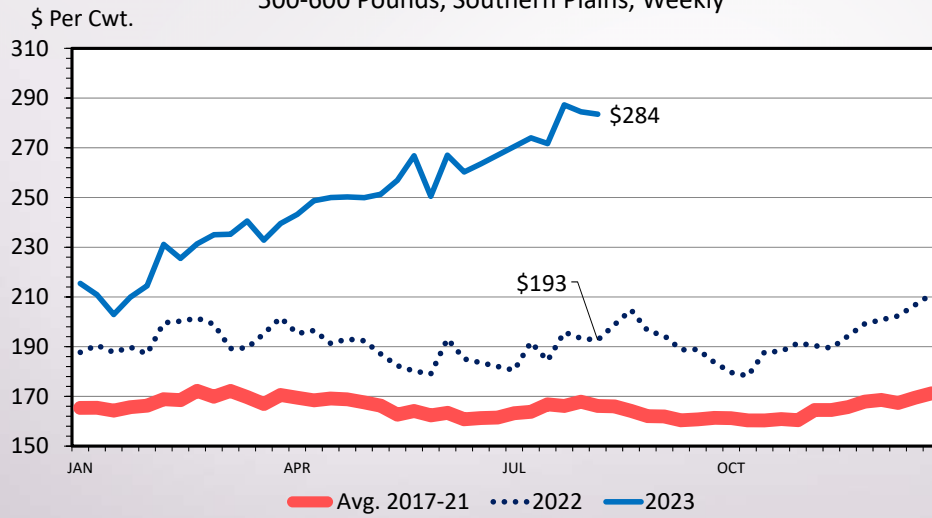
KSU – Beef Replacement Tool

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



MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly

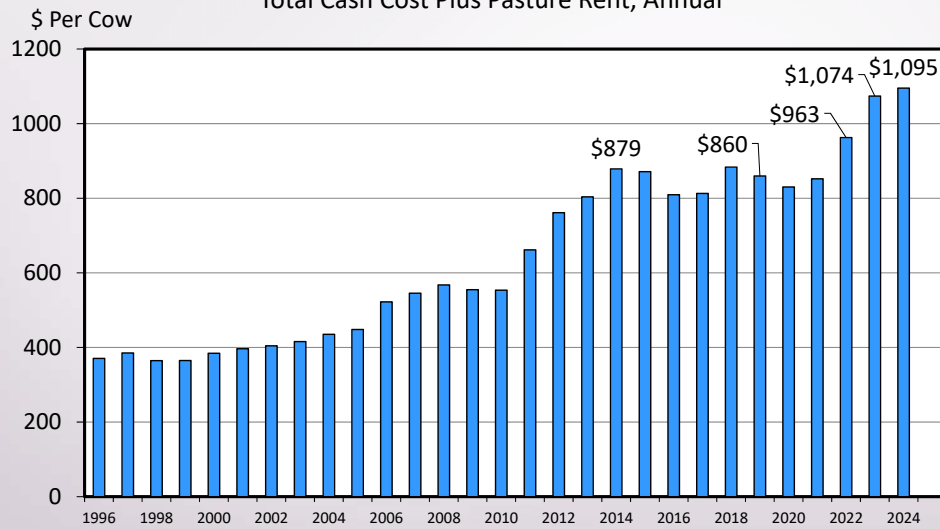


Data Source: USDA-AMS
Livestock Marketing Information Center

C-P-54
08/14/23

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual

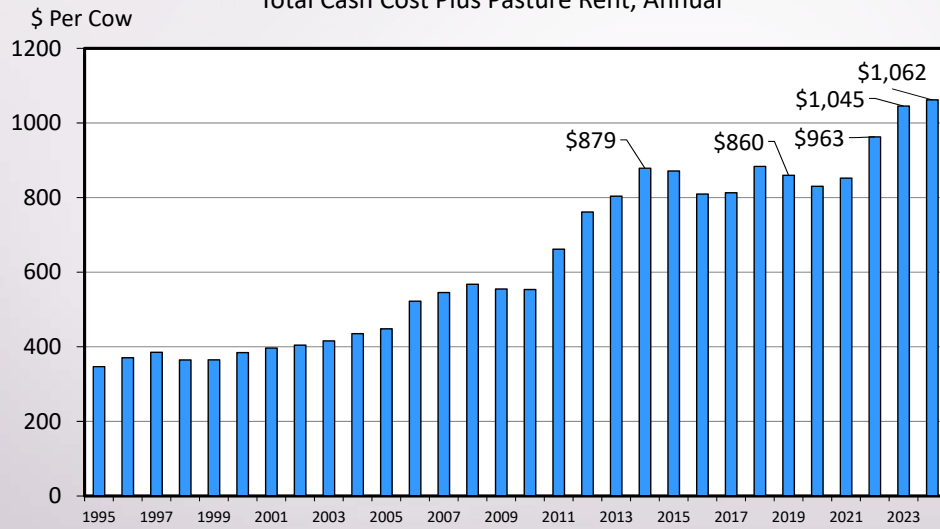


Data Source: USDA & LMIC, Compiled by LMIC
Livestock Marketing Information Center

07/06/23

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual

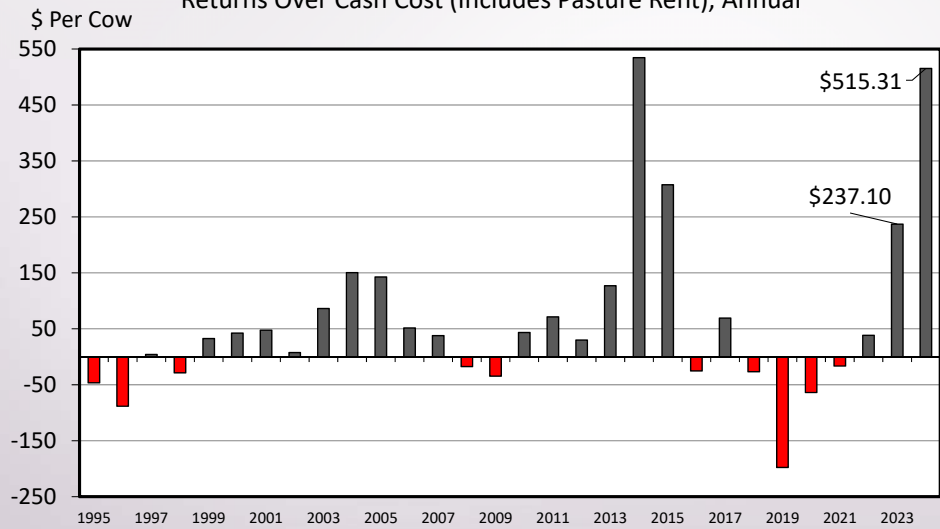


Data Source: USDA & LMIC, Compiled by LMIC
Livestock Marketing Information Center

02/07/23

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
07/06/23

Want Feeder Cattle Price, Basis, & VOG Projections?
[Use BeefBasis.com](http://BeefBasis.com)

*Salina **FALL CALF** Market, as of 8/16*

10/19/2023 Sell @ Weaning @ 600 lbs
▪ *Expected Cash Price: \$281/cwt*

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

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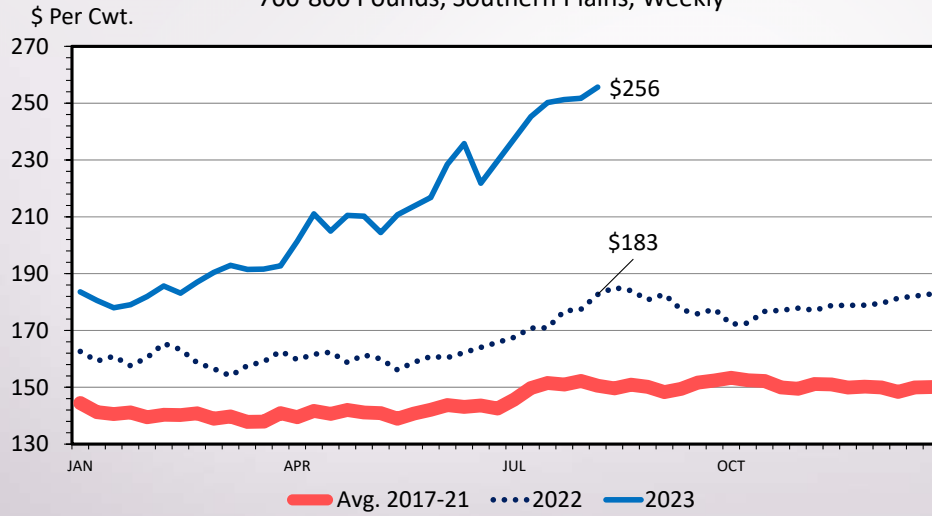
Version- 2.11.2023

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.

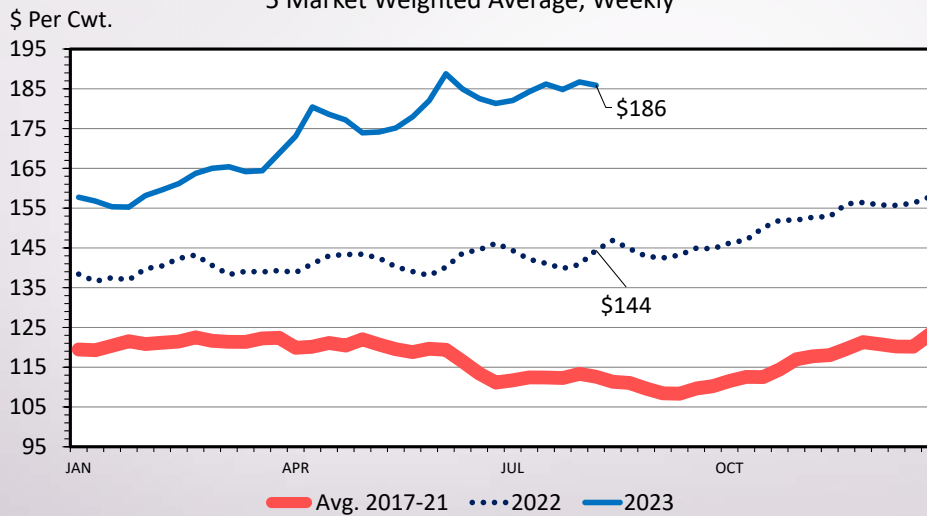
MED. & LRG. #1 FEEDER STEER PRICES 700-800 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

C-P-49
08/14/23

SLAUGHTER STEER PRICES 5 Market Weighted Average, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

08/14/23

Historical and Projected Kansas Feedlot Net Returns (as of 8/11/23')

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

June 23': **+\$249/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
Jul-23	208.80	139.59	179.37	178.32	1.05	177.26	172.67	164.47	204.37
Aug-23	212.99	137.99	181.65	181.32	0.32	183.12	170.65	166.76	210.49
Sep-23	217.20	131.48	181.59	181.32	0.26	186.84	165.56	166.42	214.18
Oct-23	261.73	125.99	186.97	185.45	1.52	193.92	167.78	168.70	226.38
Nov-23	268.75	120.28	188.31	185.45	2.86	200.48	162.55	169.70	233.70
Dec-23	176.17	115.21	192.33	189.23	3.11	224.31	142.93	179.78	247.27
Jan-24	34.19	110.89	189.31	189.23	0.09	238.85	116.23	186.92	243.20
Feb-24	59.63	110.87	192.00	191.63	0.37	245.53	119.74	187.82	253.44
Mar-24	37.32	110.47	192.68	191.63	1.05	249.23	116.15	190.00	254.28
Apr-24	-60.46	108.22	187.54	185.45	2.09	249.69	98.65	191.87	241.80

Representative Barometer for Trends in Profitability

Beef Demand Patterns



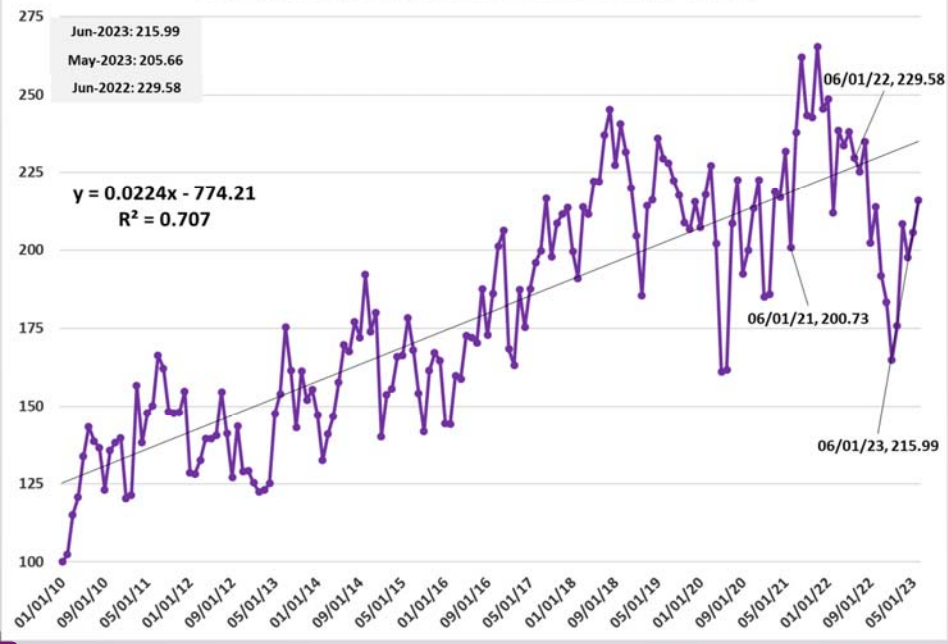
Domestic Food Service

Domestic Retail

Export

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

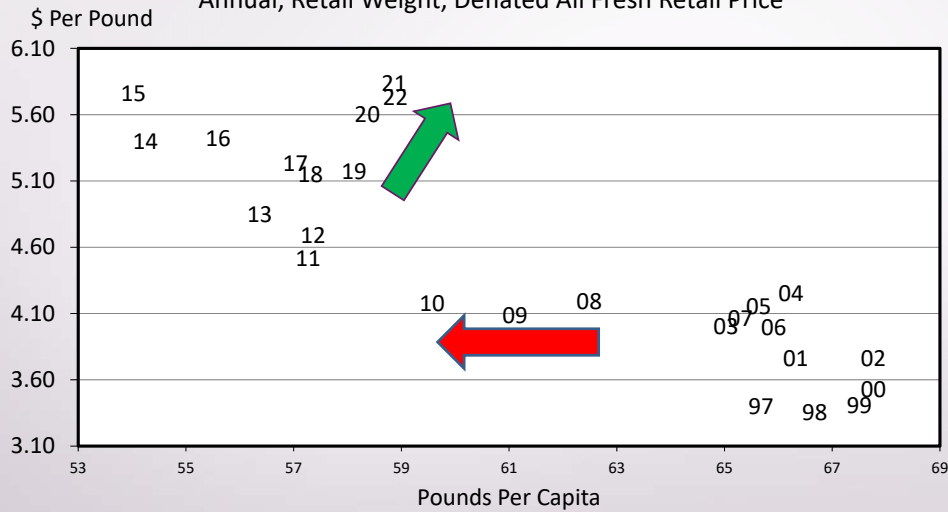
Monthly U.S. Beef, Export Demand Index, Jan. 2010 (base) - present



<https://www.agmanager.info/livestock-meat/meat-demand/monthly-export-meat-demand-indices-usdabls-data>

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
06/30/23

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 \[USDA/BLS Data\]](#)

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[Monthly Meat Demand Monitor \[Survey Data\]](#)

Monthly Meat Demand Monitor [Survey Data]

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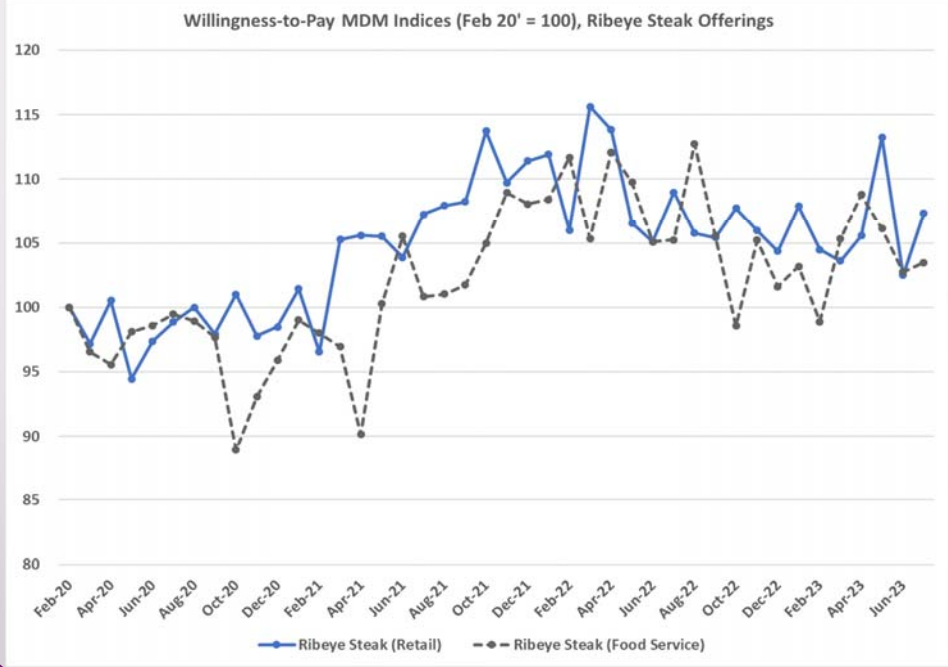
The Meat Demand Monitor (MDM) project is funded in-part by the beef checkoff and the pork checkoff. Monthly reports and supporting documentation are available here.



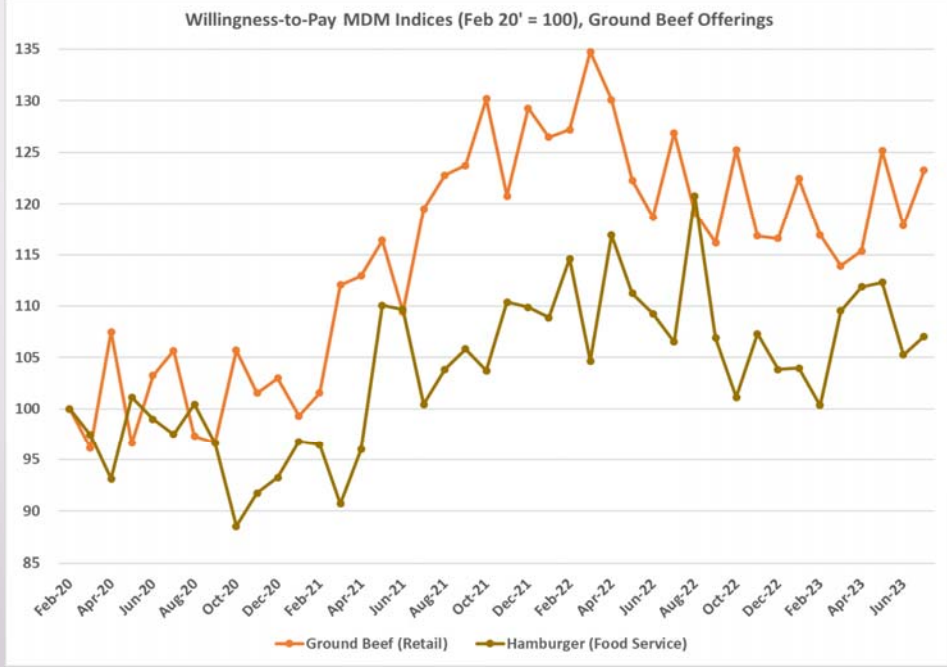
Monthly Meat Demand Monitor

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>



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



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

Meat Demand Outdoes Meat Avoidance

Meat Science 190 (2022) 108843



Contents lists available at ScienceDirect

Meat Science

journal homepage: www.elsevier.com/locate/meatsci



U.S. perspective: Meat demand outdoes meat avoidance

Glynn T. Tonsor^a, Jayson L. Lusk^{b,*}

^a Department of Agricultural Economics, Kansas State University, United States of America

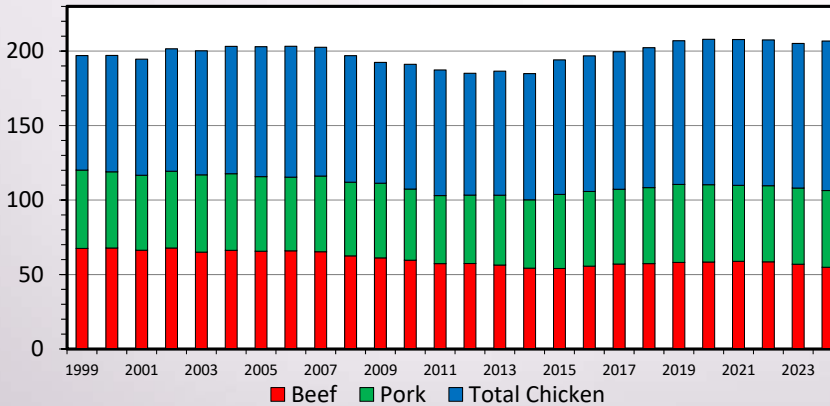
^b Department of Agricultural Economics, Purdue University, United States of America

<https://www.sciencedirect.com/science/article/pii/S0309174022001115>

US RED MEAT & POULTRY CONSUMPTION

Per Capita, Retail Weight, Annual

Pounds



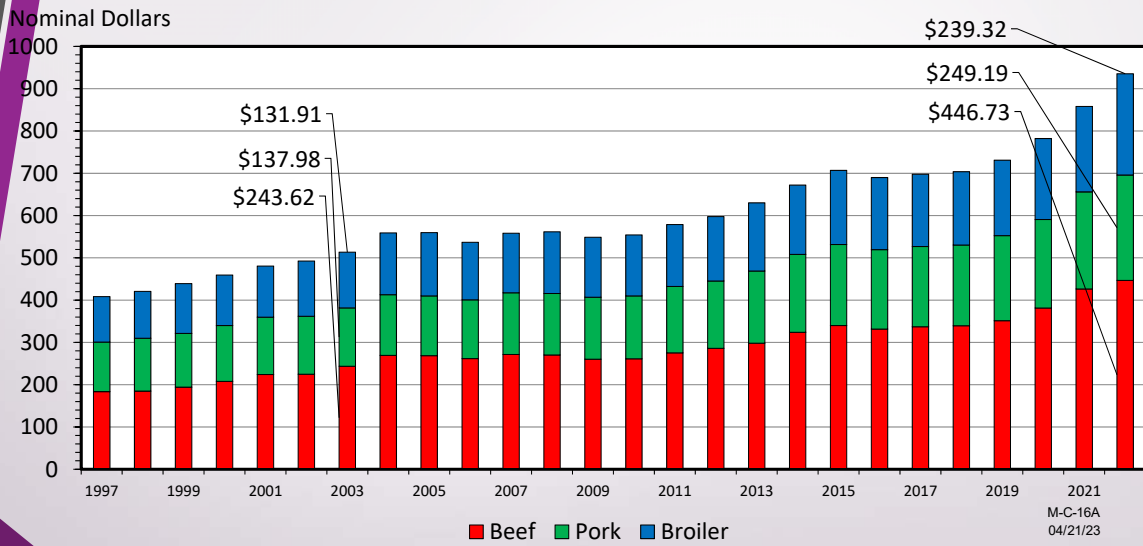
Per Capita Consumption
IS NOT
Per Capita Demand

Data Source: USDA-NASS and USDA-ERS, Compiled & Analysis by LMIC
Livestock Marketing Information Center

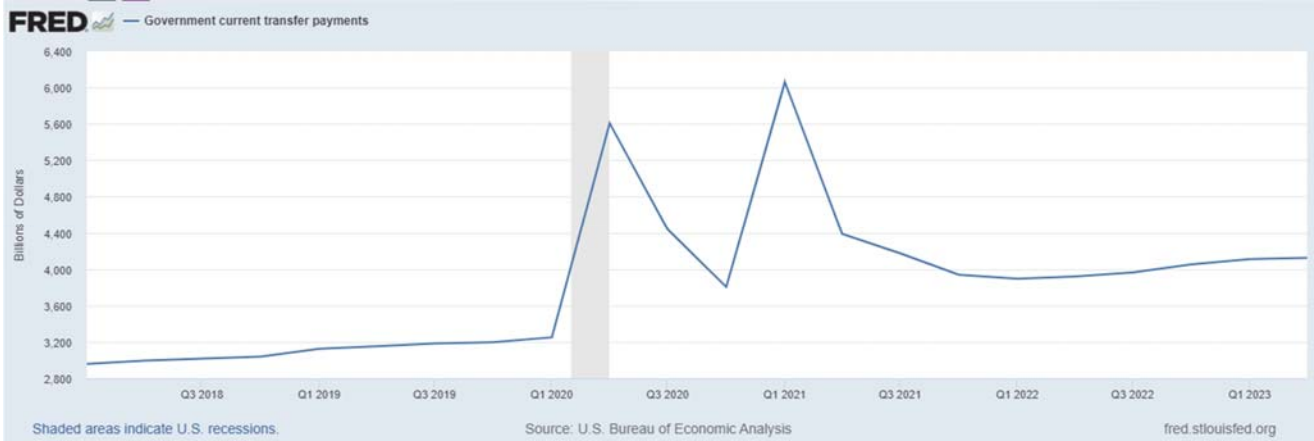
M-C-01
08/24/22

US EXPENDITURES FOR MEAT & POULTRY

Per Capita, By Type of Meat, Annual



Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC
Livestock Marketing Information Center



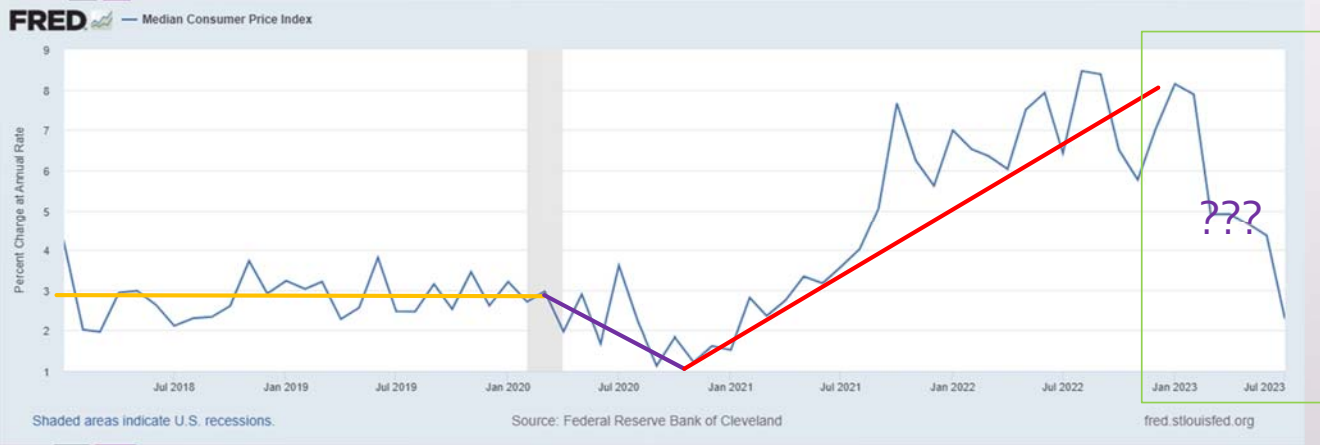
Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Economic Analysis

fred.stlouisfed.org

<https://fred.stlouisfed.org/series/Ao84RC1Qo27SBEA>

Summer 2022, Inflation in U.S. Was Highest in 4 Decades

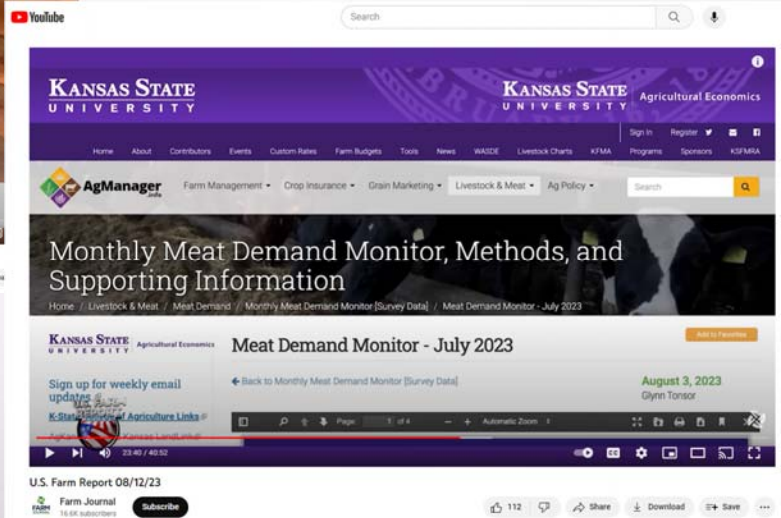
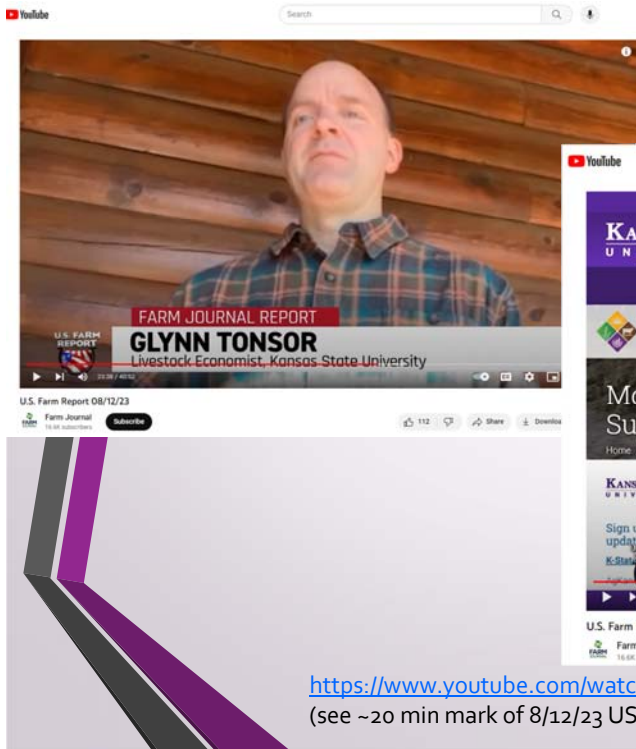


<https://fred.stlouisfed.org/series/MEDCPIM158SFRBCLE#>

Real Wages Are Key



<https://fred.stlouisfed.org/series/LES1252881600Q#>



<https://www.youtube.com/watch?v=fEjc8owWi2g>

(see ~20 min mark of 8/12/23 USFR segment with Tyne Morgan, Lee Schulz, & Scott Brown)

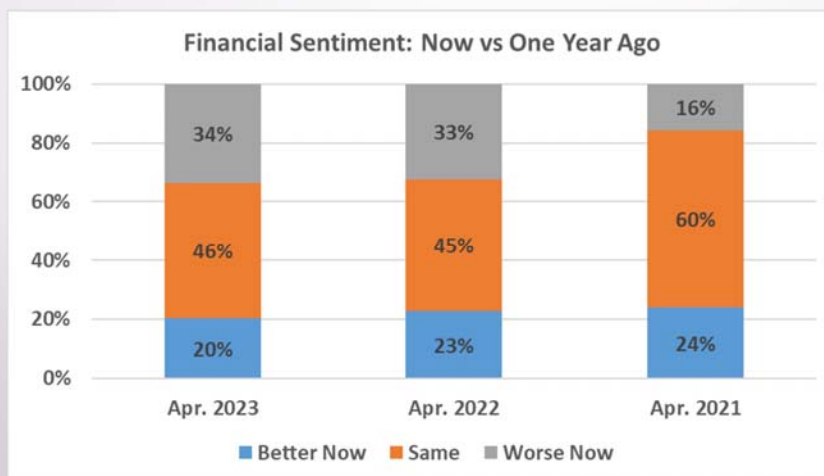
KANSAS STATE
Department of
Agricultural Economics
May 2023 Special Report

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.

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

Demand Update & Role of Financial Sentiment



MDM: Meat Demand Monitor

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

Demand Update & Role of Financial Sentiment

Protein Inclusion in Prior Day Meals, by Species and Financial Sentiment (April 2023 MDM)

	Better Now	Same	Worse Now
Beef	90.7%	66.5%	63.3%
Pork	60.7%	45.7%	44.9%
Chicken	95.5%	76.4%	68.3%
Fish/Seafood	57.9%	29.8%	23.9%

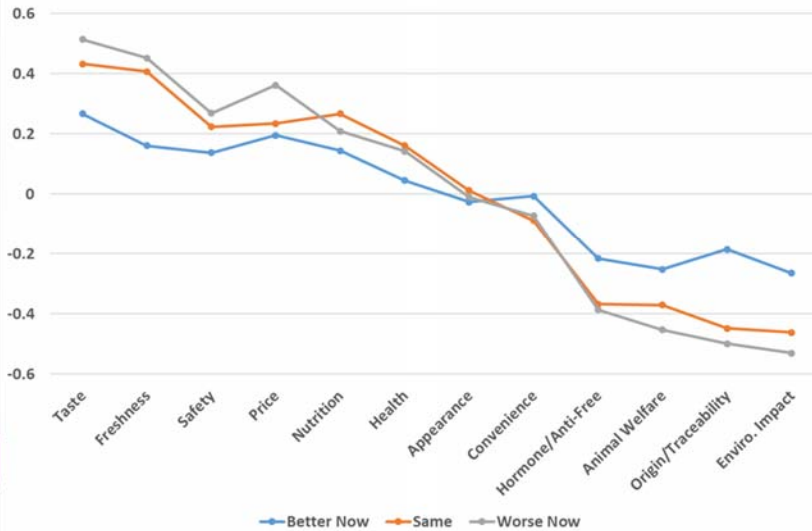
MDM: Meat Demand Monitor

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.

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

Demand Update & Role of Financial Sentiment

Protein Values, MDM
 (April 2023 by Financial Sentiment)





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

THE IMPACT OF INFLATION ON THE PORK CATEGORY

RETAIL ADVISORY COMMITTEE (RAC) /
PACKER PROCESSOR INDUSTRY COUNCIL (PPIC) FALL MEETING
DENVER, CO
OCTOBER 6, 2022

Dr. GLYNN T. TONSOR
EMAIL: gtonsor@ksu.edu
Twitter: @TonsorGlynn

Roadmap of Today's Discussion

1. Broadly Highlight Economic Situation
2. Share Recent Research Findings w/ Dr. Jayson Lusk
 - What Has Caused the Increase in Retail Pork Prices? (June 2022)
 - How Has Economy-Wide Inflation Impacted Consumer Sensitivity to Pork Prices (Sept. 2022)
3. Leverage Meat Demand Monitor Insights
4. Provide Context & Encouragement <https://www.amsmanager.info/livestock-meat/meat-demand>

Are we in a recession?

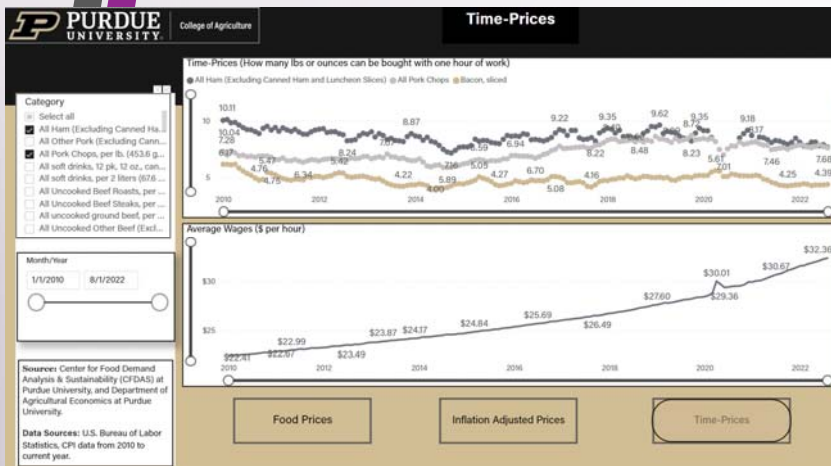
- "...committee broadly defines a recession as a **significant decline in economic activity spreading across the economy, lasting more than a few months**. The committee considers a wide range of indicators..." [Federal Reserve Bank, 2009](#)
- While NOT a macroeconomist, GT's take:
Regardless of formal definition, and hence official Yes/No scoring of recessions, consumer behavior matters!

Consumer Sentiment Evolves & Matters for Demand



https://maps.semcog.org/EconomicDashboard/chart/bc_cons_sent.html#

Purdue's Dashboard: Pork Prices (\$/lb) Relative to Average Wages (\$/hr)



Jan. 2020, 1 hr work =

9.1 lbs ham
8.4 lbs pork chop
5.1 lbs bacon

Aug. 2022, 1 hr work =

7.7 lbs ham
7.6 lbs pork chop
4.4 lbs bacon

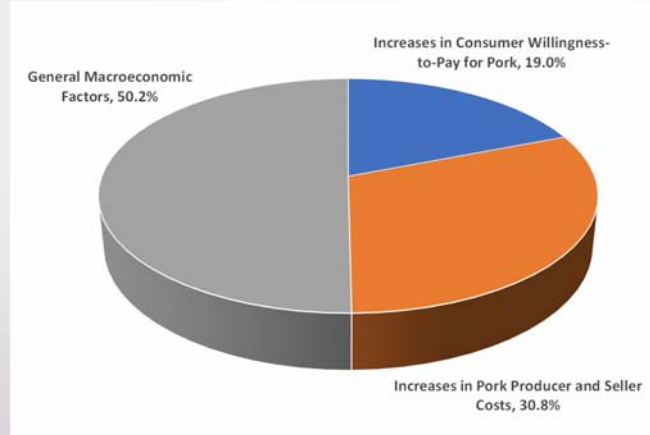
<https://ag.purdue.edu/cfdas/>

What Underlies Higher Retail Pork Prices?

- Supply-Drivers
 - “Pushing up” prices?
- Demand-Drivers
 - “Pulling up” prices?
- Broader Macroeconomic Drivers
 - Historic increase in money supply underpin general inflation?

What Underlies Higher Retail Pork Prices?

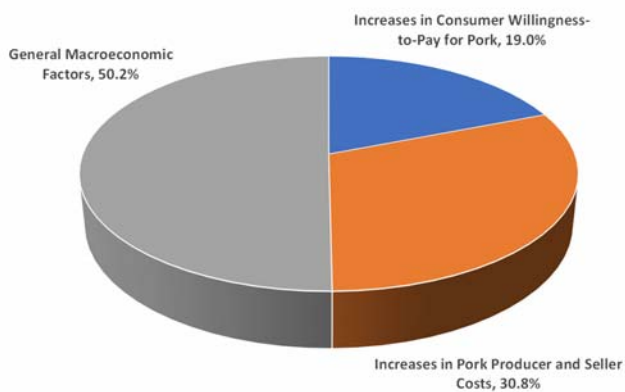
Relative Drivers of Change in Retail Pork Prices January 2020 to April 2022



<https://www.agmanager.info/livestock-meat/meat-demand/meat-demand-research-studies/what-has-caused-increase-retail-pork-prices>

What Underlies Higher Retail Pork Prices?

Relative Drivers of Change in Retail Pork Prices January 2020 to April 2022

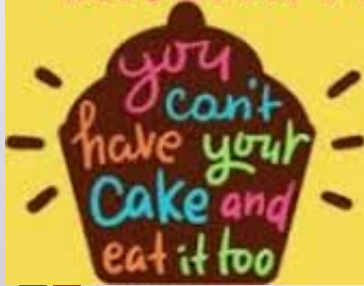


Jan 2020 – Apr 2022, Nominal Retail Pork
+27.3%

- +13.7% from macroeconomic pressures
- +8.4% from inner-industry supply-side factors
- +5.2% from pork demand factors

<https://www.agmanager.info/livestock-meat/meat-demand/meat-demand-research-studies/what-has-caused-increase-retail-pork-prices>

ENGLISH PROVERB



You can't have your cake and eat it too



There are no solutions; there are only trade-offs.

— Thomas Sowell —

AZ QUOTES

How is Elevated Inflation Impacting Pork Price Sensitivity?

Table 1. Own-Price Elasticity Estimates, Across CPI-Delineated Regimes (Mixed Model Approach)

- First Consider Econometric Evidence from IRI Data
- Jan 2017 – Aug 2022, 51 U.S. Retail Pork Markets (n=14,208)

CPI Regime	Loin	Ribs	Shoulder	Breakfast Sausage	Dinner Sausage	Bacon	Pork (Aggregate)
CPI Regime 1 (Under 2.5%)	-0.488	-1.286	-1.746	-3.972	-1.122	-1.773	-0.676
CPI Regime 2 (2.5%-3.0%)	-0.547	-1.399	-1.680	-4.141	-1.218	-1.798	-0.830
CPI Regime 3 (3.0%-4.0%)	-0.466	-1.596	-1.646	-4.068	-1.256	-1.783	-0.677
CPI Regime 4 (Over 4.0%)	-1.003	-1.467	-1.961	-4.299	-1.088	-1.789	-1.246

How is Elevated Inflation Impacting Pork Price Sensitivity?

Table 2. Own-Price Elasticity Estimates, Across Calendar Years (Mixed Model Approach)

- Jan 2017 – Aug 2022, 51 U.S. Retail Pork Markets (n=14,208)

Year	Loin	Ribs	Shoulder	Breakfast Sausage	Dinner Sausage	Bacon	Pork (Aggregate)
2017	-0.713	-1.932	-1.700	-4.387	-1.497	-1.604	-0.781
2018	-0.491	-1.706	-1.747	-4.081	-1.403	-2.235	-0.721
2019	-0.512	-1.917	-1.673	-3.914	-1.498	-2.256	-0.923
2020	-0.411	-1.556	-1.633	-3.841	-1.283	-2.069	-0.735
2021	-0.728	-1.273	-1.801	-4.020	-0.934	-1.384	-0.999
2022 (January-August)	-1.037	-1.805	-1.830	-4.222	-1.605	-1.931	-1.182

How is Elevated Inflation Impacting Pork Price Sensitivity?

- Jan 2017 – Aug 2022, 51 U.S. Retail Pork Markets (n=14,208)

- Implication Example Consideration:

➤ *If price sensitivity increasing in LOIN category should industry adjust marketing, promotion, featuring activity of LOIN products?*

Economic Importance of Meat

AMSA IMPROVE Summit

Dallas TX April 17-19, 2023

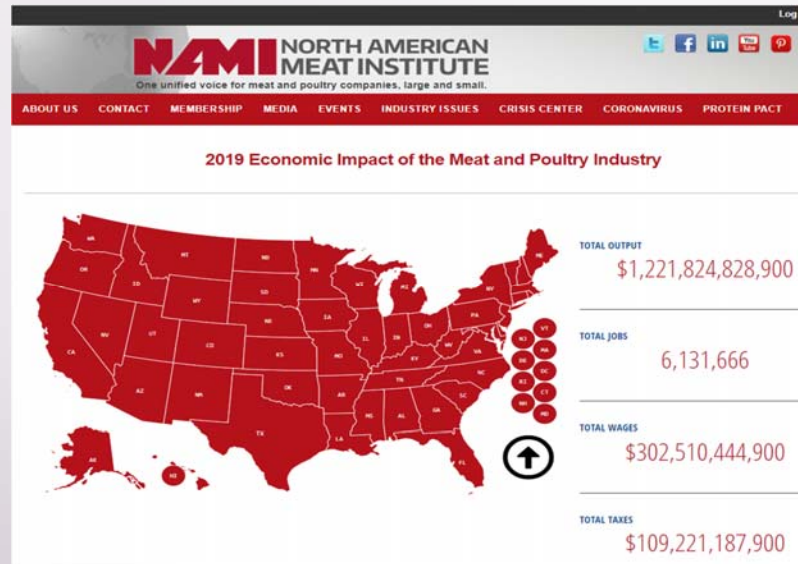
Dr. GLYNN T. TONSOR

EMAIL: gtonsor@ksu.edu

Twitter: [@TonsorGlynn](https://twitter.com/TonsorGlynn)



Economic Impact of Meat Industry: 2019 Data



NAMI study by John Dunham & Associates

<https://www.meatinstitute.org/index.php?ht=d/sp/i/156726/pid/156726>

Meat Demand Outdoes Meat Avoidance

Meat Science 190 (2022) 108843



Contents lists available at [ScienceDirect](#)

Meat Science

journal homepage: www.elsevier.com/locate/meatsci



U.S. perspective: Meat demand outdoes meat avoidance



Glynn T. Tonsor^a, Jayson L. Lusk^{b,*}

^a Department of Agricultural Economics, Kansas State University, United States of America

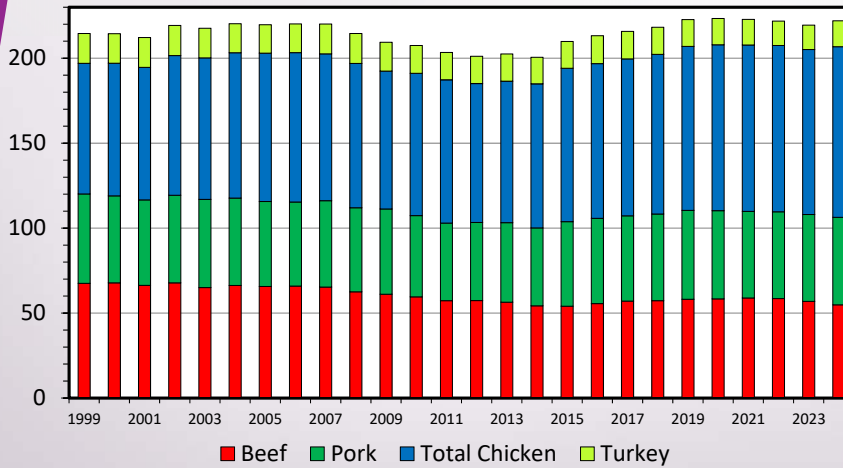
^b Department of Agricultural Economics, Purdue University, United States of America

<https://www.sciencedirect.com/science/article/pii/S0309174022001115>

US RED MEAT & POULTRY CONSUMPTION

Per Capita, Retail Weight, Annual

Pounds



2022 (vs 2002)

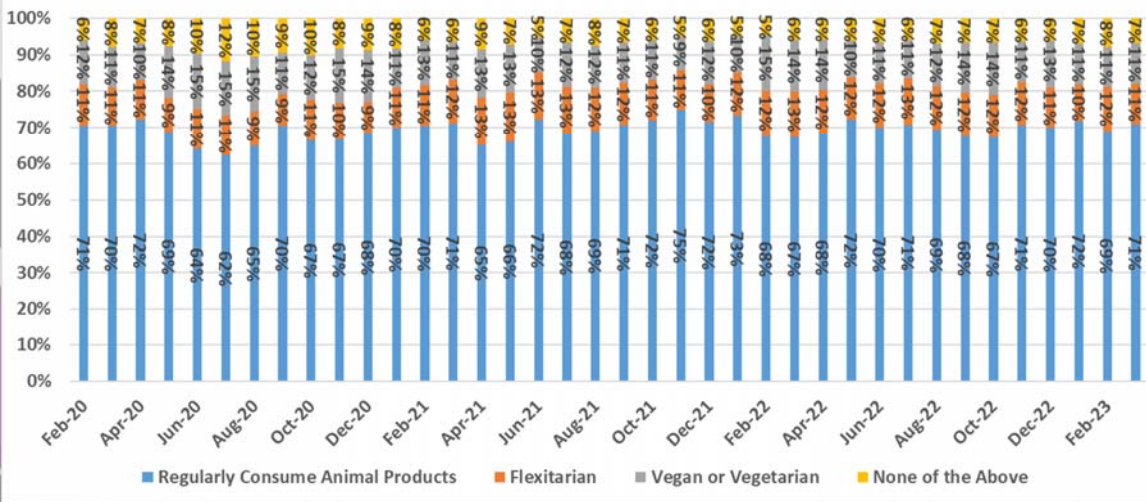
Beef: 58.5 (67.8)
 Pork: 51.1 (51.6)
 Chicken: 97.8 (82.2)
 Turkey: 14.3 (17.7)

M-C-01
08/24/22

Data Source: USDA-NASS and USDA-ERS, Compiled & Analysis by LMIC
 Livestock Marketing Information Center

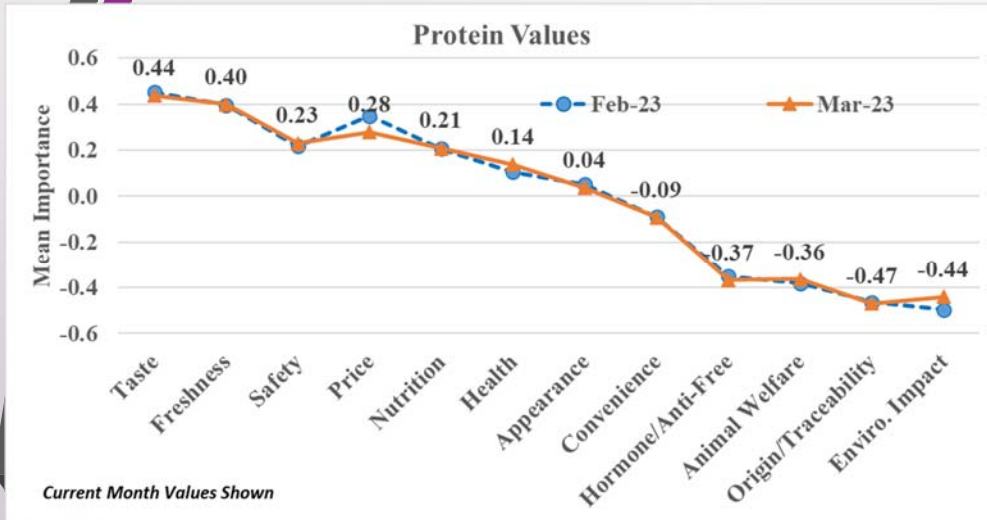
Self-Declared Diet Tracking

Self-Declared Diet, Feb. 2020 - Mar. 2023 (Source: MDM Project)



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

Protein Values – What Drives Purchasing?

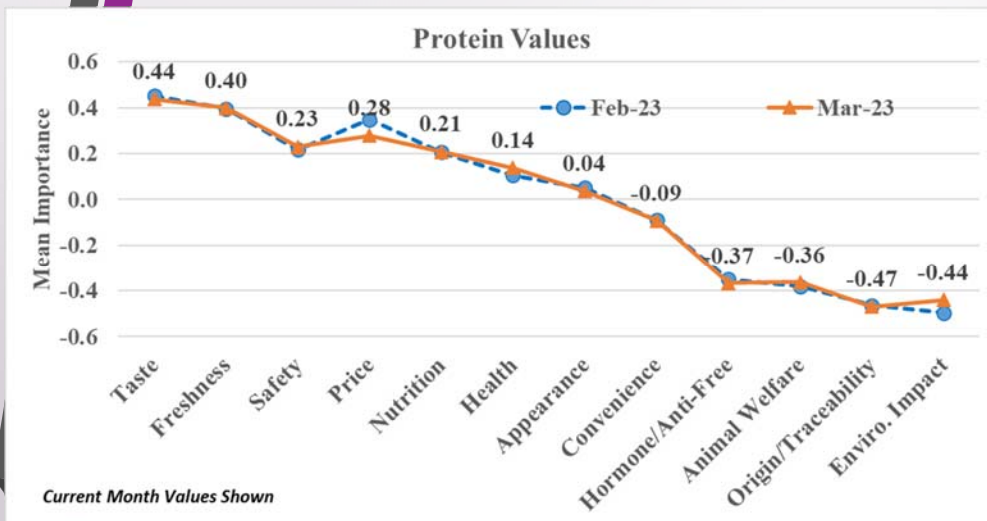


On Average
 Freshness is 1.4x
 Importance of Price

 Convenience is 4.9x
 Importance of Env.
 Impact

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

Protein Values – What Drives Purchasing?



On Average
 Freshness is 1.4x
 Importance of Price

 Convenience is 4.9x
 Importance of
 Env. Impact

**Share Indicating Top-4
 Importance**
 Freshness 54%
 Price 50%

 Convenience 26%
 Env. Impact 14%

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



2023 USRSB General Assembly:
COLLABORATING FOR CONTINUOUS IMPROVEMENT



MAY 2-4, 2023

THE GROVE HOTEL
BOISE, IDAHO



Societal Role of Meat



Dr. GLYNN T. TONSOR
EMAIL: gtonsor@ksu.edu
Twitter: [@TonsorGlynn](https://twitter.com/TonsorGlynn)



Unfunded Mandate is NOT Unique to Environmental Impact

APPLIED ECONOMIC
PERSPECTIVES
AND POLICY



ANIMAL FRONTIERS

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I Will Give You My Vote but Not My Money: Preferences for Public versus Private Action in Addressing Social Issues

Franklin Bailey Norwood Glynn Tonsor, Jayson L Lusk

First published: 12 March 2018 | <https://doi.org/10.1093/aep/ppy002> | Citations: 9

Get It @ K-State

Senior authorship is shared equally between Norwood and Tonsor.

This article is published and distributed under the terms of the Oxford University Press, Standard Journals Publication Model (



Volume 8, Issue 1
January 2018

JOURNAL ARTICLE

Public animal welfare discussions in the United States: perspectives from a Missouri farm boy turned economist

Glynn T Tonsor

Animal Frontiers, Volume 8, Issue 1, January 2018, Pages 4–7,

<https://doi.org/10.1093/af/vfx002>

Published: 11 April 2018

Article Contents

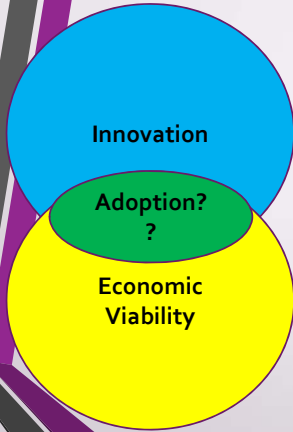
PDF Split View Cite Permissions Share ▾

Lessons From Past “Societal Challenge Efforts”

Science Working is Necessary but NOT Sufficient!

Case Study: E.coli Fed Cattle Vaccine

- 2012 USDA NIFA Grant
- \$25 million, 5-years, 48 co-PIs & 10 institutions



- Example technical statement following innovation:
 - "...a commercial vaccine for cattle can effectively reduce *E.coli* by more than 50 percent..."
- Tonsor & Schroeder – why hasn't this vaccine been adopted?
 - No market signals to drive feedlot adoption: Incentives matter!
 - ✓ Retail (2-4%) or packer (1-2%) cost savings needed OR
 - ✓ Retail (2-3%) or export (18-33%) beef demand increases

RESEARCH

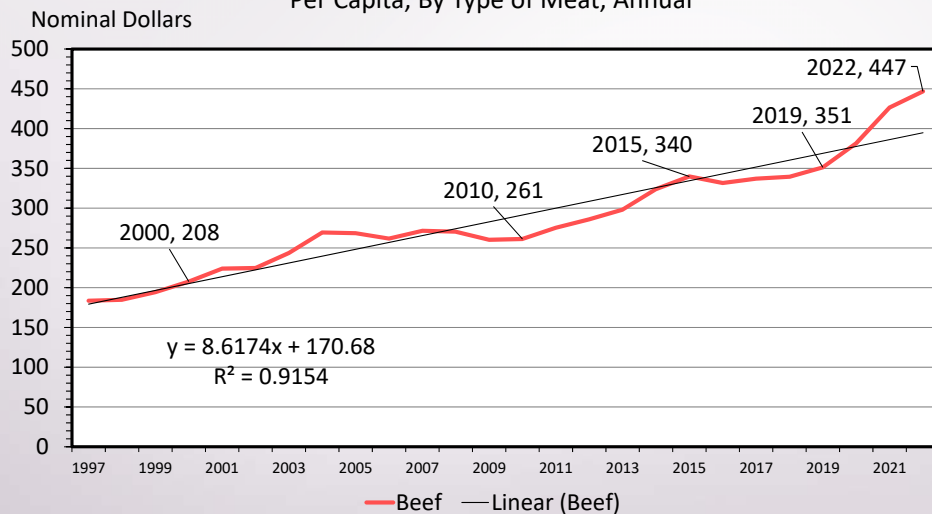
Open Access

Market impacts of *E. Coli* vaccination in U.S. Feedlot cattle

Glynn T Tonsor* and Ted C. Schroeder

US EXPENDITURES FOR MEAT & POULTRY

Per Capita, By Type of Meat, Annual

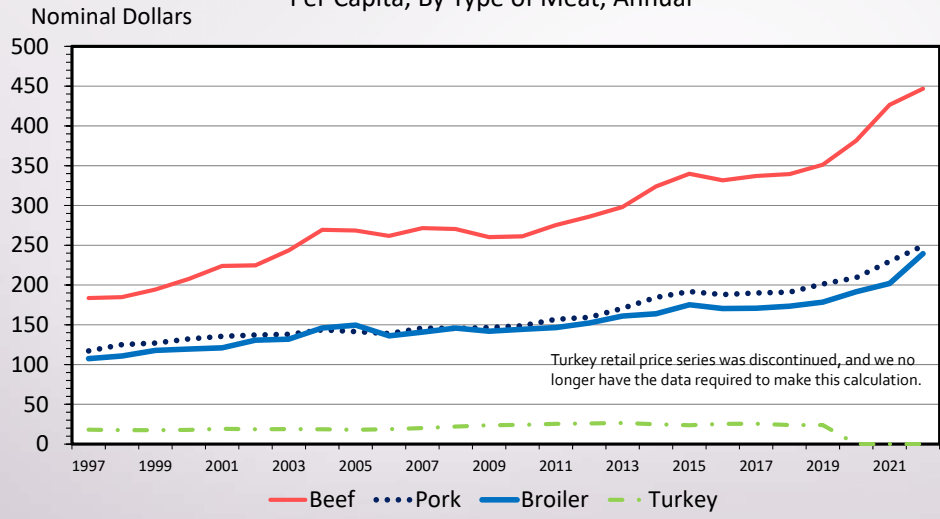


M-C-16B
04/21/23

Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC
 Livestock Marketing Information Center

US EXPENDITURES FOR MEAT & POULTRY

Per Capita, By Type of Meat, Annual

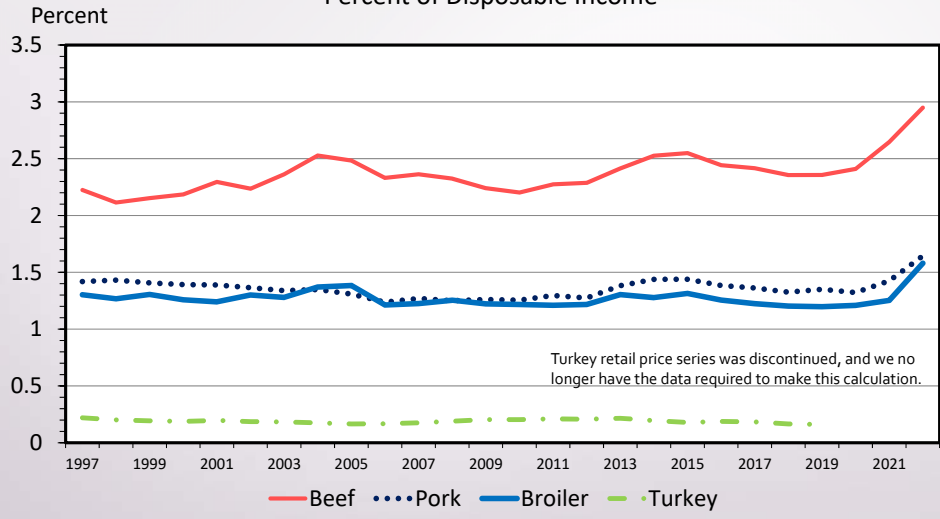


Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC
 Livestock Marketing Information Center

M-C-16B
04/21/23

US EXPENDITURES FOR MEAT & POULTRY

Percent of Disposable Income



Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC
 Livestock Marketing Information Center

M-C-16
04/21/23



Supply Chain Resilience in the Agri-Food Sector: *Insights on Meat & Livestock Sector Resiliency*



Dr. GLYNN T. TONSOR
EMAIL: gtonsor@ksu.edu
Twitter: [@TonsorGlynn](https://twitter.com/TonsorGlynn)

Overall, in U.S. 2020 Meat Consumption (lbs per capita) INCREASED!

	Beef	Pork	Chicken	Turkey	Total Red Meat & Poultry
2018	57.3	51.0	92.6	16.0	219.6
2019	58.1	52.4	95.1	15.8	224.1
2020	58.4	51.9	96.1	15.5	224.8
2021	58.9	51.0	96.4	15.0	224.3
2022	58.9	50.9	98.5	14.4	225.7
vs 2019					
2020	100.4%	99.2%	101.1%	98.3%	100.3%
2021	101.3%	97.4%	101.4%	95.1%	100.1%
2022	101.3%	97.1%	103.6%	91.4%	100.7%

Wiley Online Library Kansas State University Libraries

AGRICULTURAL ECONOMICS
The Journal of the International Association of Agricultural Economists

ORIGINAL ARTICLE | Open Access

Impacts of COVID-19 and Price Transmission in U.S. Meat Markets

A. Ford Ramsey, Barry K. Goodwin, William F. Hahn, Matthew T. Holt

First published: 04 May 2021 | <https://doi.org/10.1111/agec.12628> | Citations: 23

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SECTIONS PDF TOOLS SHARE

Abstract

Coronavirus 2019 (COVID-19) has caused ongoing disruptions to U.S. meat

<https://onlinelibrary.wiley.com/doi/full/10.1111/agec.12628>

Recommended

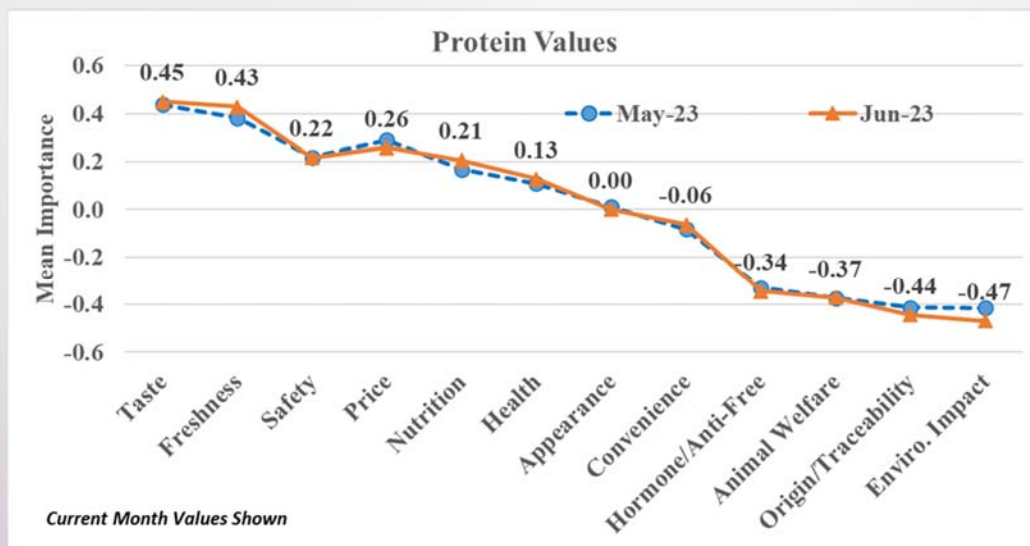
How Meat Demand Elasticities Vary with Price, Income, and Product Category
Jayson L. Lusk, Glynis T. Tonsor
Applied Economic Perspectives and Policy

Ramsey et al (2021) abstract:
 "... Early COVID-19 related shocks appear to be transitory with prices returning to expected levels at a pace consistent with the speed of transmission prior to the pandemic. **This well-functioning market process suggests a degree of resilience in U.S. meat supply chains.**"



Hadachek, Ma, & Sexton (2023) abstract:
 "... Results show that some of the policies have potential to improve supply-chain resilience, but their impacts depend on the existing market structure, **and resilience gains often come at the cost of reduced efficiency.**"

Protein Values (MDM): **PRICE MATTERS!**





<http://library.meetingplace.com/publication/frame.php?i=727245&p=72&pn=&ver=html5>

- “Any good business plan or policy needs a clearly stated goal... and I think there are conflicting goals...”



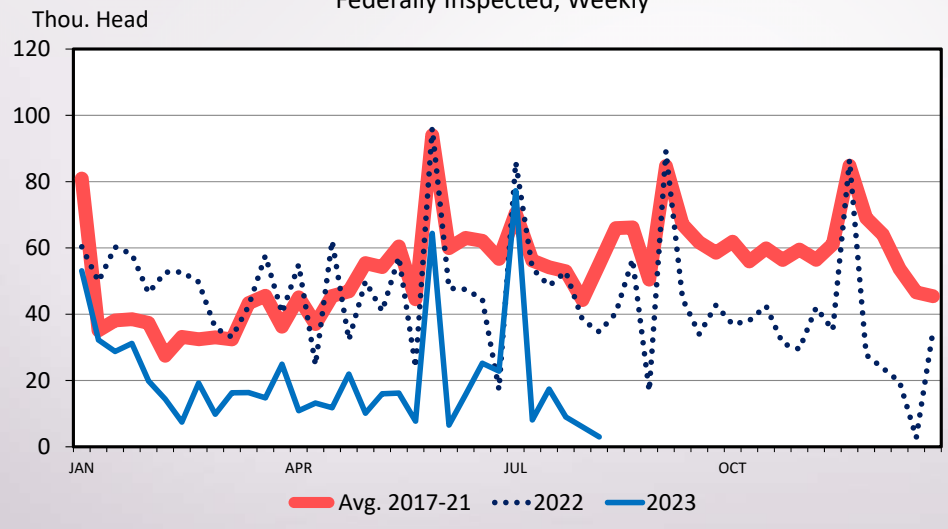
<http://library.meetingplace.com/publication/frame.php?i=727245&p=72&pn=&ver=html5>

- “Any good business plan or policy needs a clearly stated goal... and I think there are conflicting goals...”

- clearly define “resiliency” & use data (vs emotion & opinion) to assess industry
- then identify areas where “resiliency” may be increased with minimal “unintended,” adverse consequences



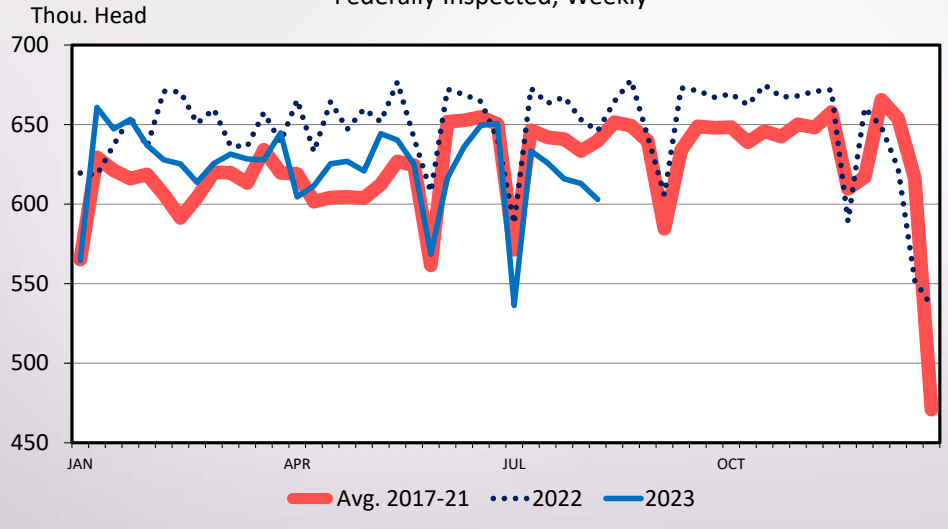
SATURDAY CATTLE SLAUGHTER Federally Inspected, Weekly



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

C-S-03
08/11/23

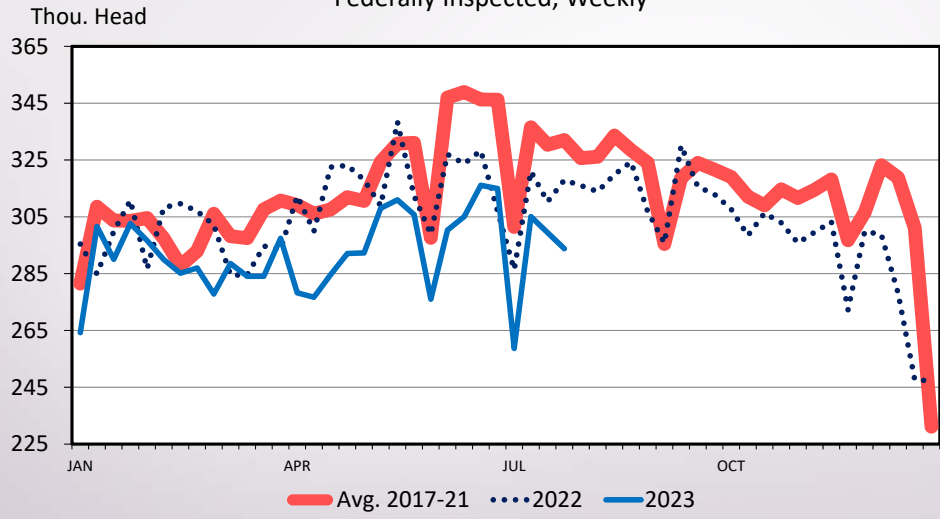
CATTLE SLAUGHTER Federally Inspected, Weekly



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

C-S-08
08/11/23

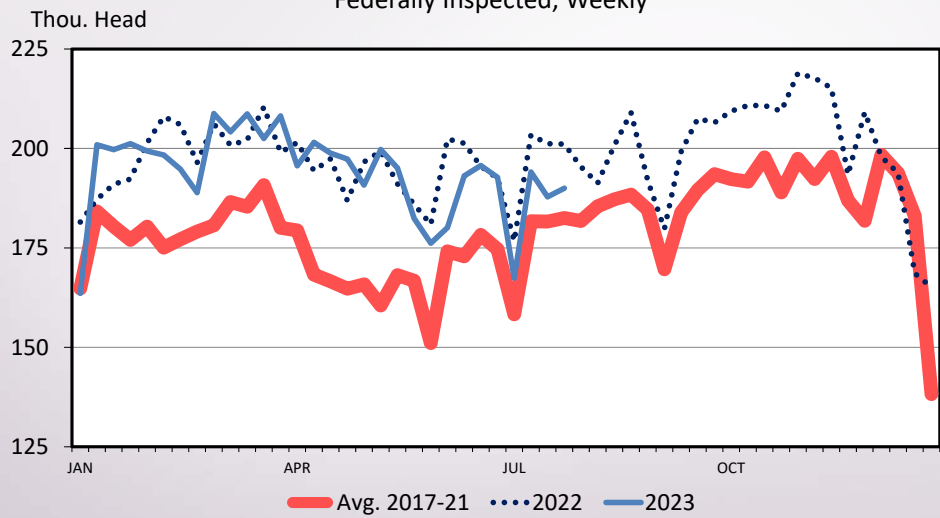
STEER SLAUGHTER Federally Inspected, Weekly



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

C-S-17
08/11/23

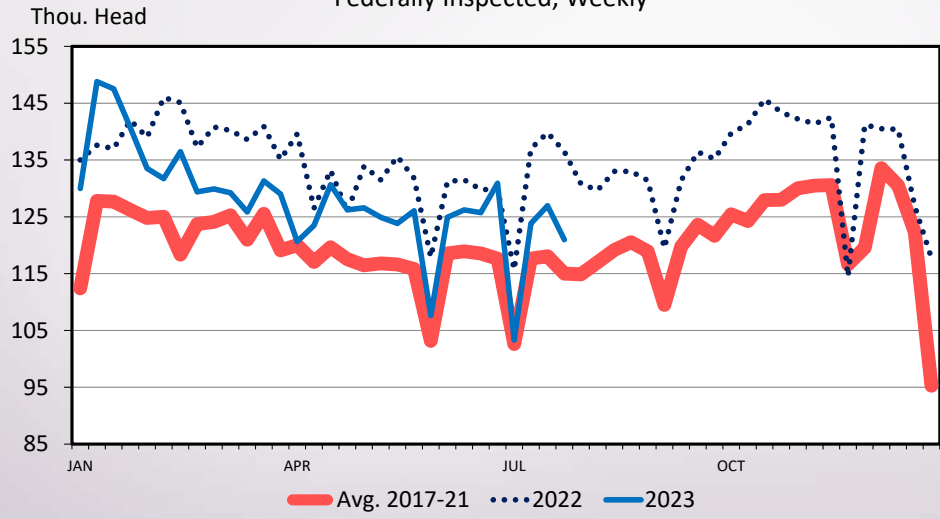
HEIFER SLAUGHTER Federally Inspected, Weekly



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

C-S-13
08/11/23

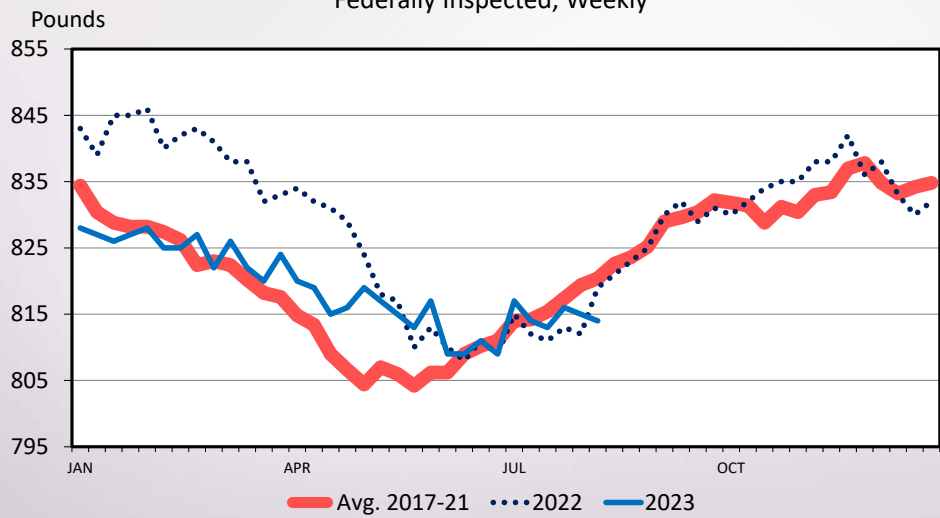
TOTAL COW SLAUGHTER Federally Inspected, Weekly



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

C-S-14
08/11/23

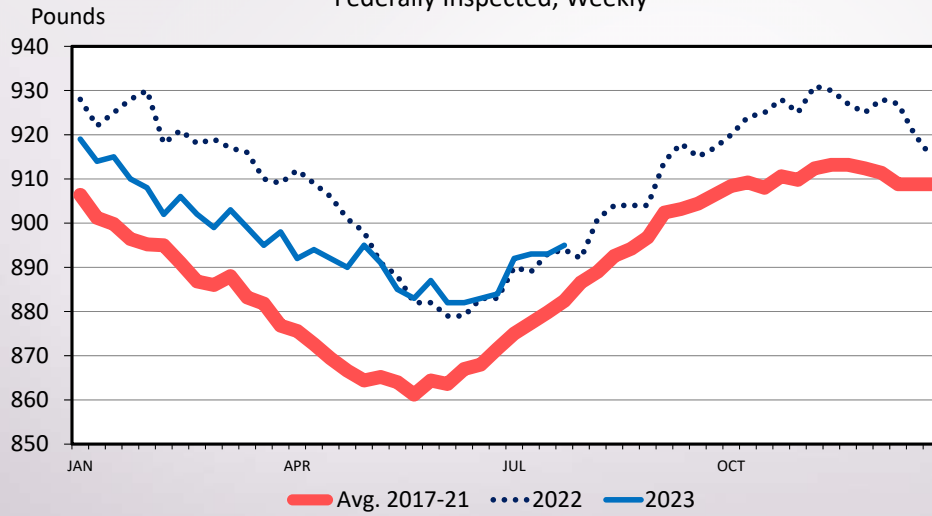
CATTLE DRESSED WEIGHT Federally Inspected, Weekly



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

C-S-18A
08/11/23

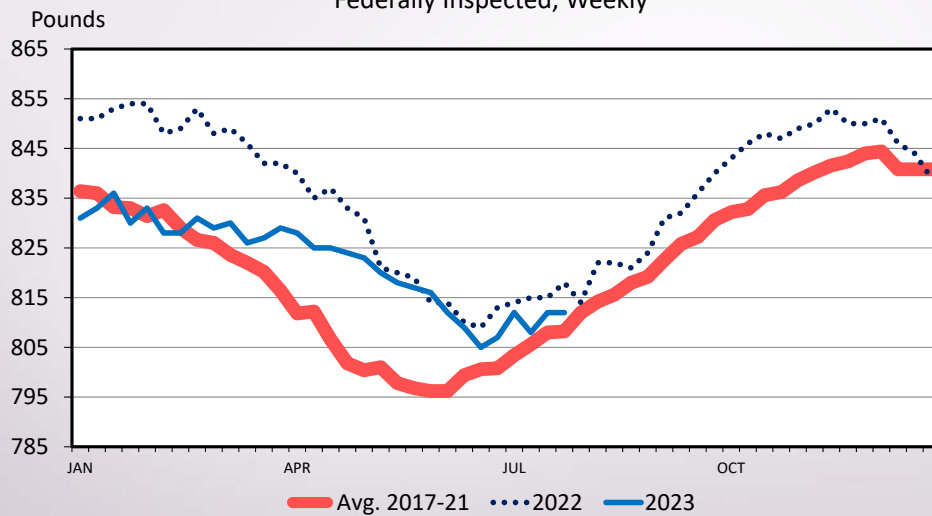
STEER DRESSED WEIGHT Federally Inspected, Weekly



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

C-S-18
08/11/23

HEIFER DRESSED WEIGHT Federally Inspected, Weekly

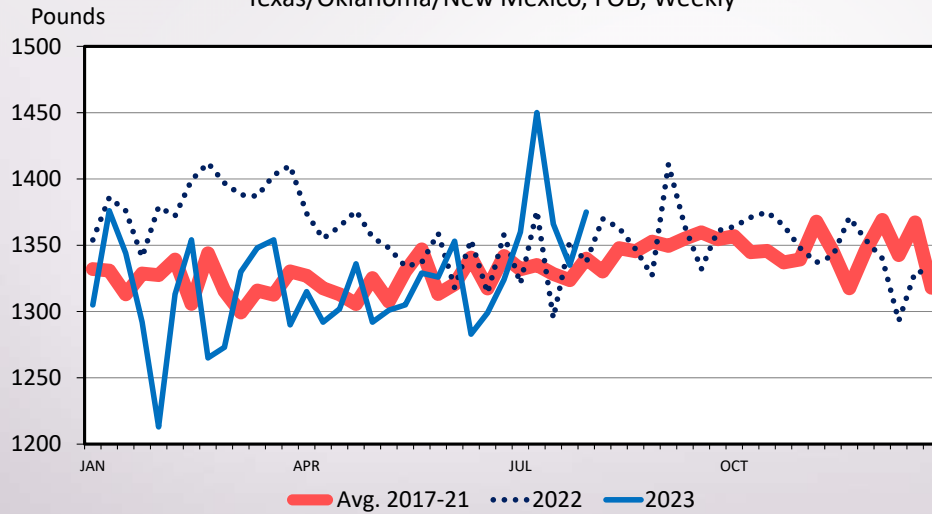


Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center

C-S-18B
08/11/23

STEER LIVE WEIGHT

Texas/Oklahoma/New Mexico, FOB, Weekly

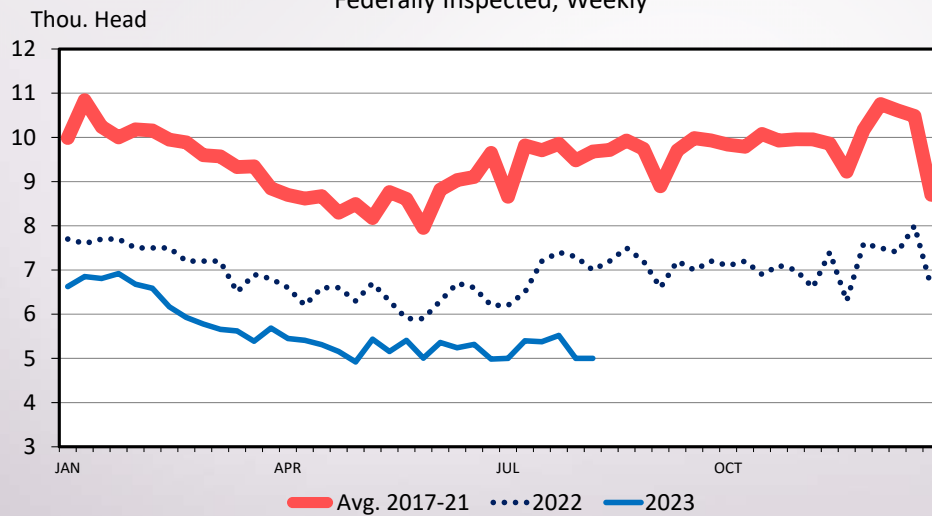


Data Source: USDA-AMS
Livestock Marketing Information Center

C-S-26
08/11/23

CALF SLAUGHTER

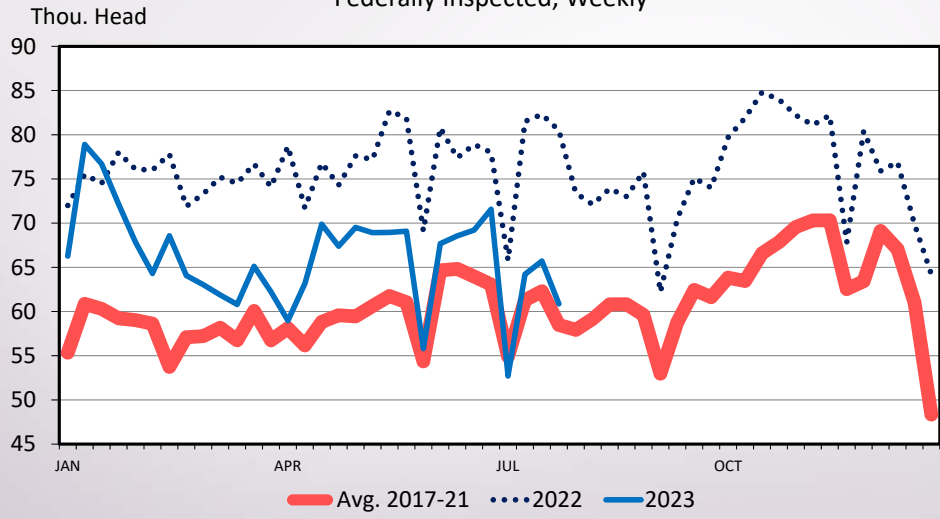
Federally Inspected, Weekly



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

C-S-32
08/11/23

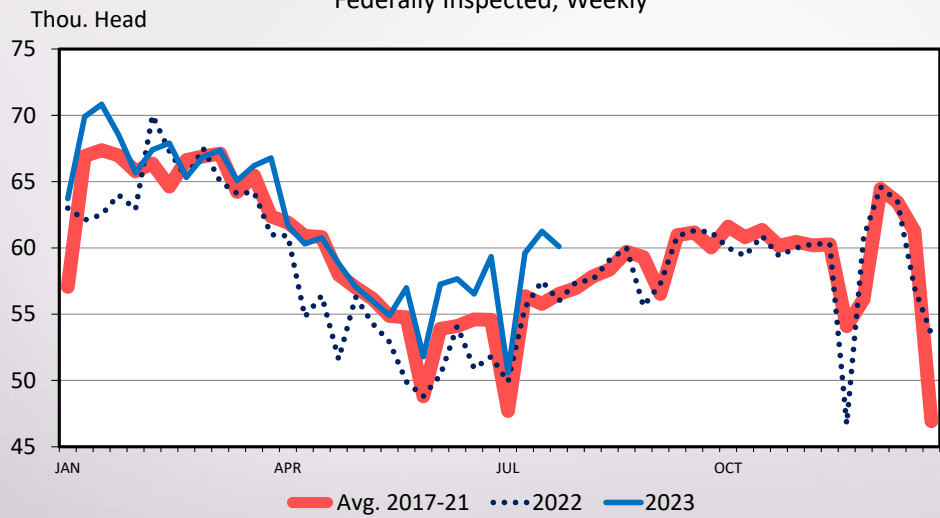
BEEF COW SLAUGHTER Federally Inspected, Weekly



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

C-S-34
08/11/23

DAIRY COW SLAUGHTER Federally Inspected, Weekly



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

C-S-35
08/11/23