



**EXTENSION**



# Cattle Outlook

**Trent Milacek**  
**West Area Ag Econ Spec**

## Overview

- Pandemic Ripples Diminishing
- Cattle and Beef Markets More “Normal”
- Marketing in an Election Year



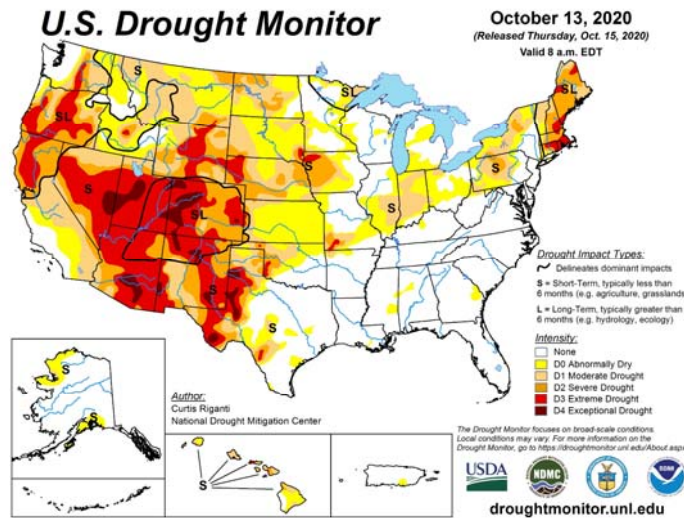
## What to Expect

- 2020 beef production up fractionally; 2021 down
- Slaughter down but carcass weight up
- Cattle numbers declining into '21

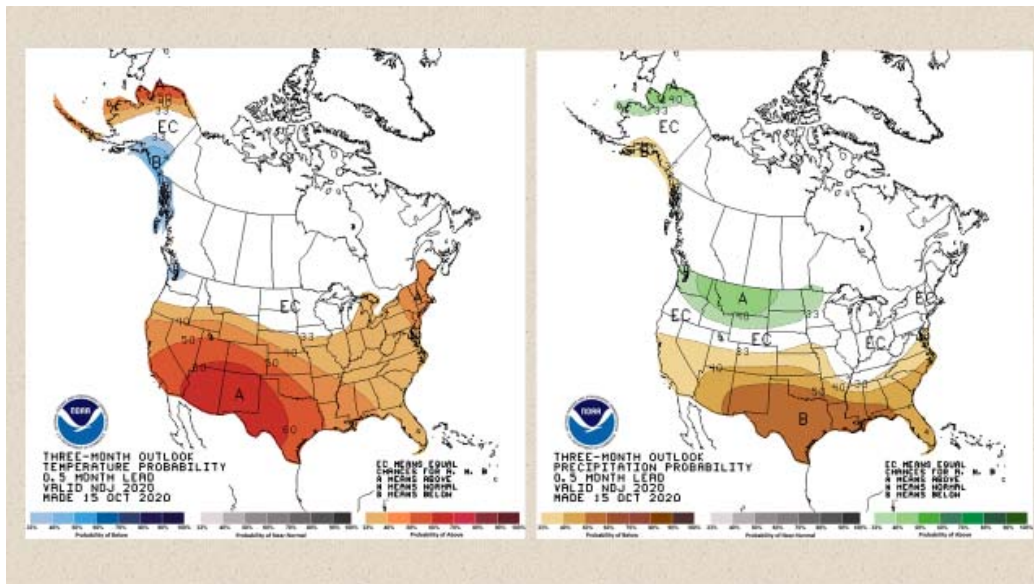
## Big Concerns

- 2020/21 Wheat Pasture Situation
- Beef Demand Remains Strong
- Higher Prices in '21 Expected

# The Source of All Problems or a Scapegoat?



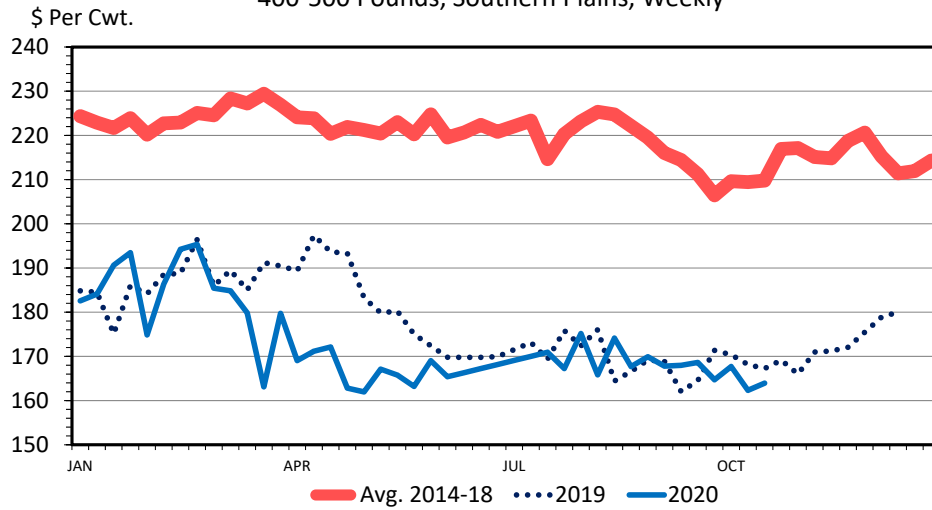
# What to expect?



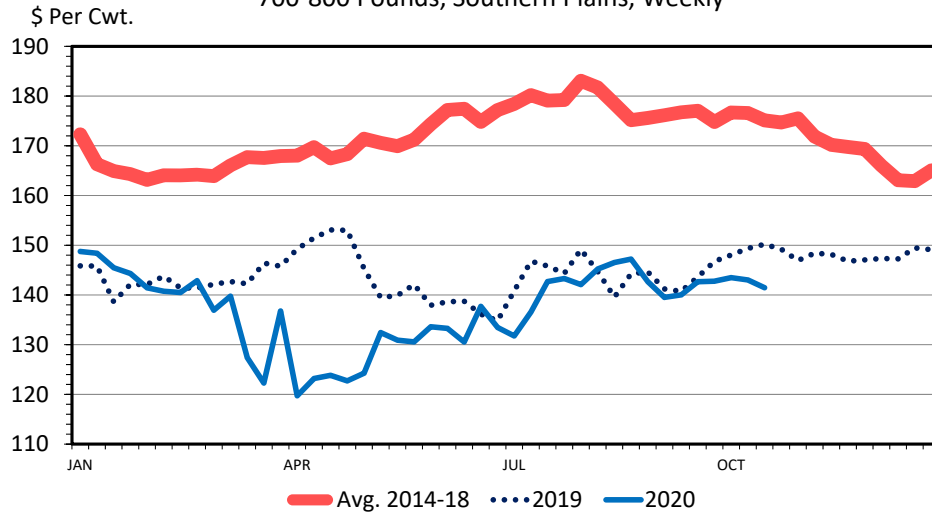
### Steer Price, Oklahoma Auctions



### MED. & LRG. #1 STEER CALF PRICES 400-500 Pounds, Southern Plains, Weekly



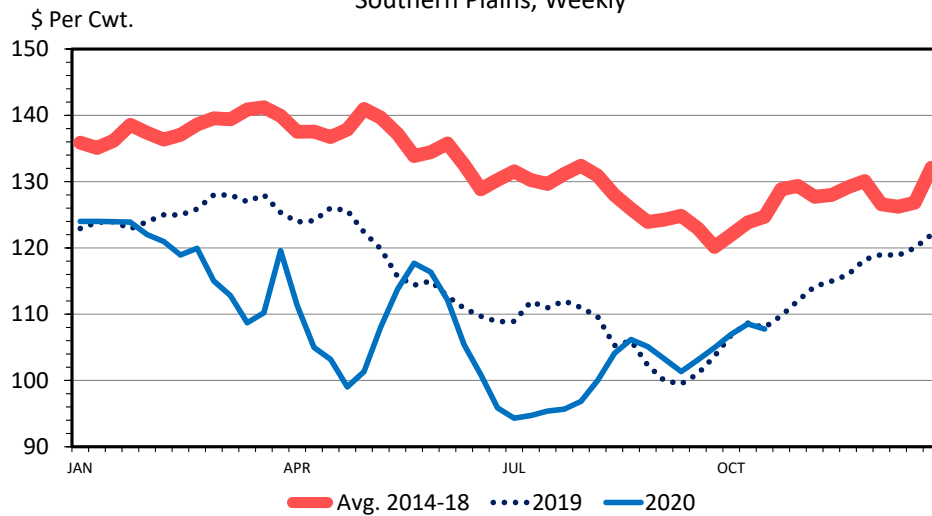
### MED. & LRG. #1 FEEDER STEER PRICES 700-800 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS  
Livestock Marketing Information Center

C-P-49  
10/20/20

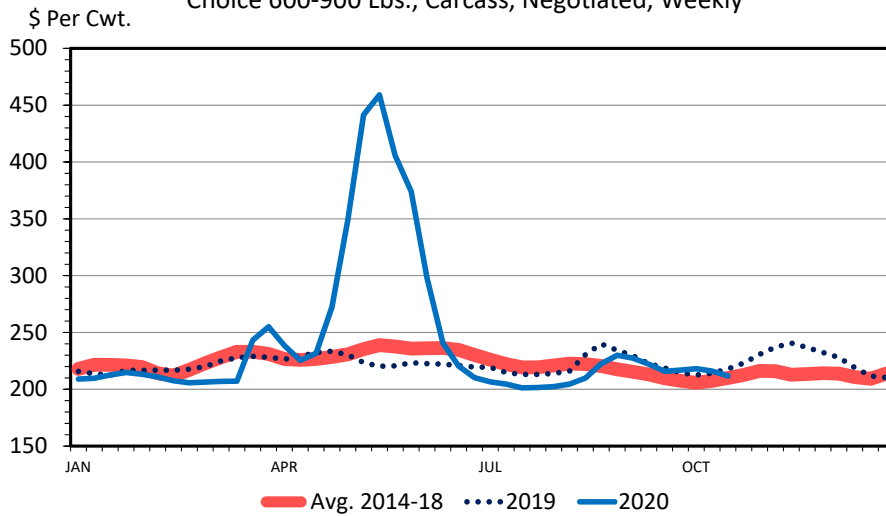
### SLAUGHTER STEER PRICES Southern Plains, Weekly



Data Source: USDA-AMS  
Livestock Marketing Information Center

### BOXED BEEF CUTOUT VALUE

Choice 600-900 Lbs., Carcass, Negotiated, Weekly

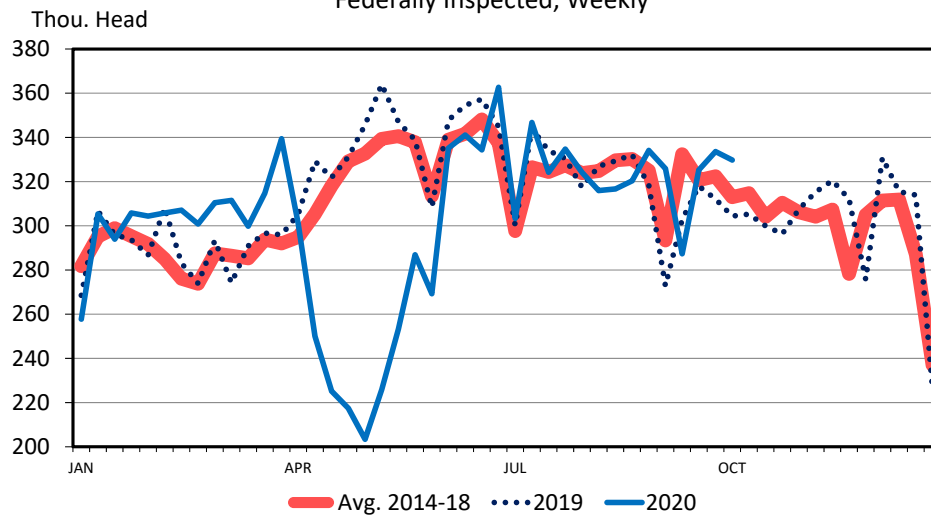


Data Source: USDA-AMS  
Livestock Marketing Information Center

C-P-62  
10/20/20

### STEER SLAUGHTER

Federally Inspected, Weekly

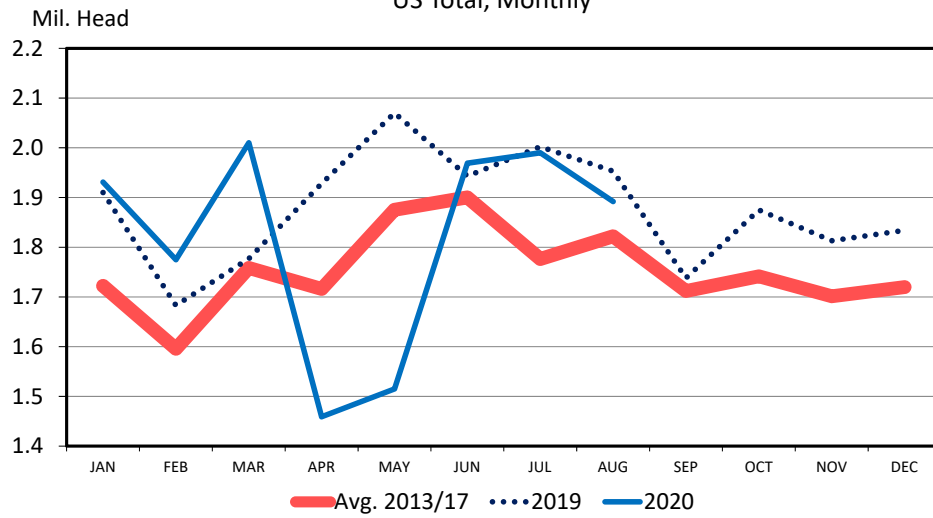


Data Source: USDA-AMS & USDA-NASS  
Livestock Marketing Information Center

C-S-17  
10/16/20

## FED CATTLE MARKETINGS

US Total, Monthly

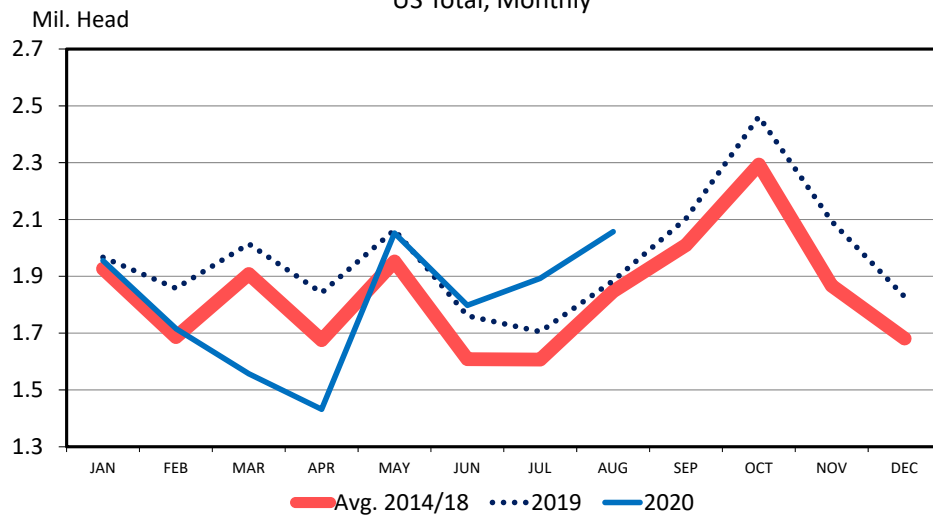


Data Source: USDA-NASS  
Livestock Marketing Information Center

C-M-11  
09/25/20

## FEEDLOT PLACEMENTS

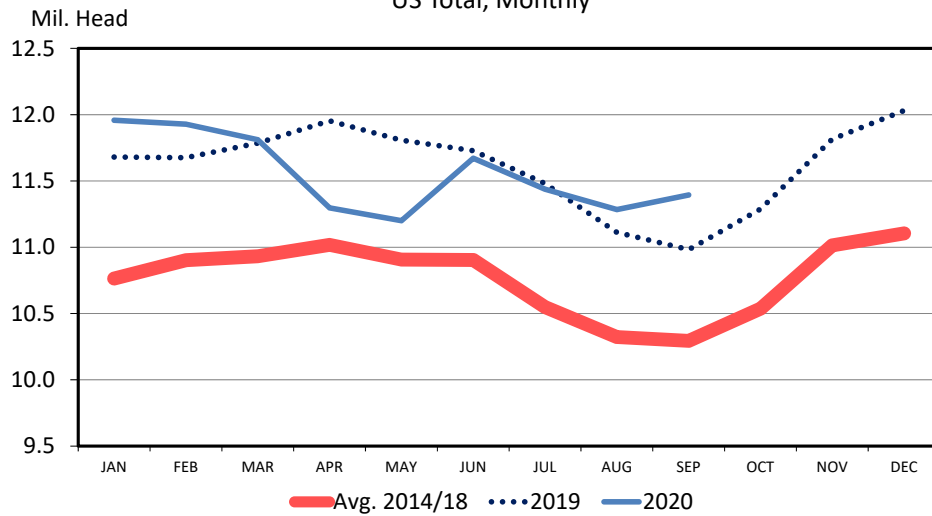
US Total, Monthly



Data Source: USDA-NASS  
Livestock Marketing Information Center

C-N-08  
09/25/20

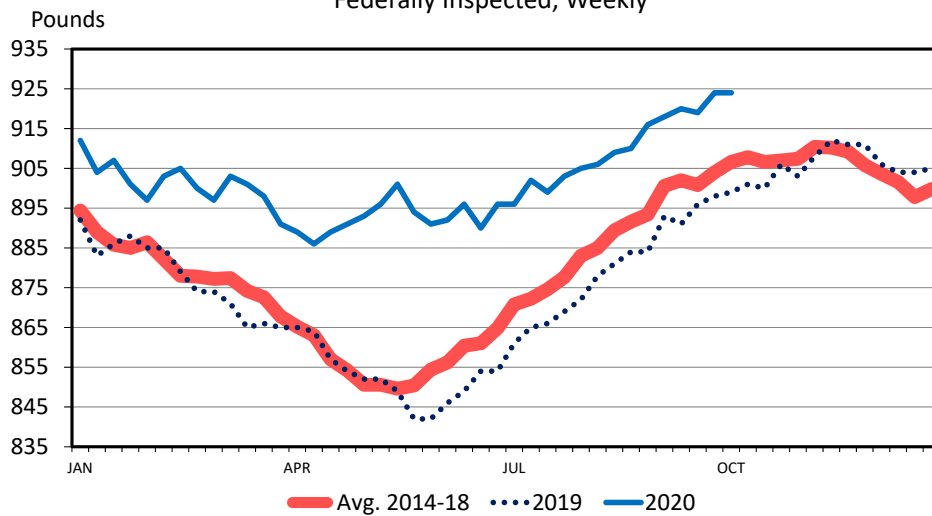
### CATTLE ON FEED US Total, Monthly



Data Source: USDA-NASS  
Livestock Marketing Information Center

C-N-10  
09/25/20

### STEER DRESSED WEIGHT Federally Inspected, Weekly

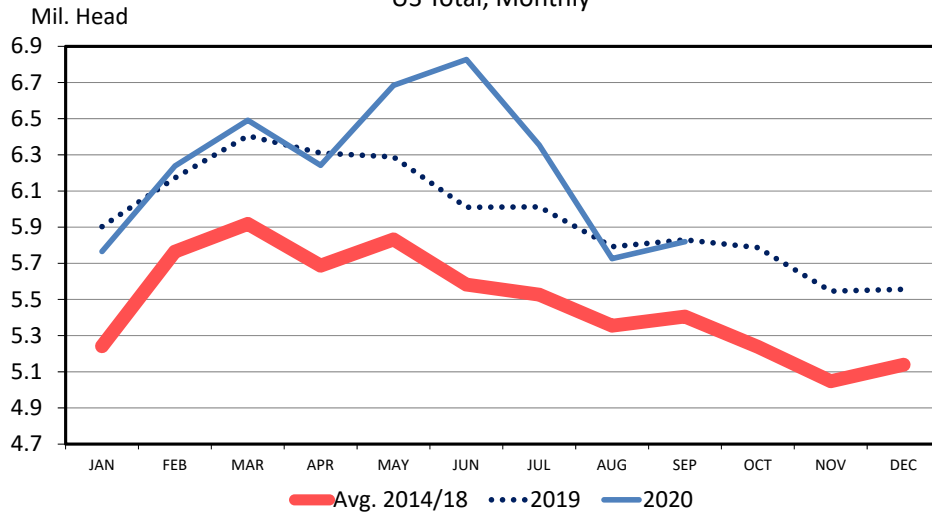


Data Source: USDA-AMS & USDA-NASS  
Livestock Marketing Information Center

C-S-18  
10/16/20



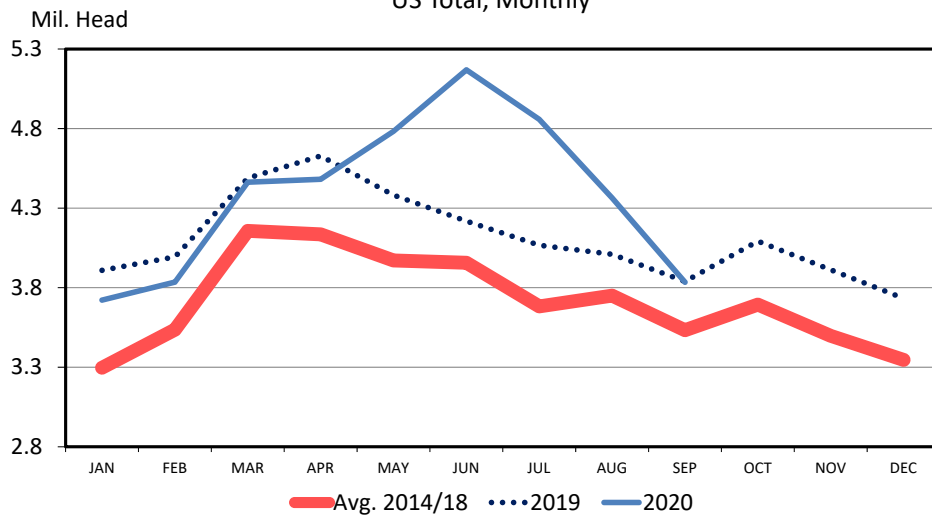
### CATTLE ON FEED OVER 90 DAYS US Total, Monthly



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

C-N-11  
09/25/20

### CATTLE ON FEED OVER 120 DAYS US Total, Monthly

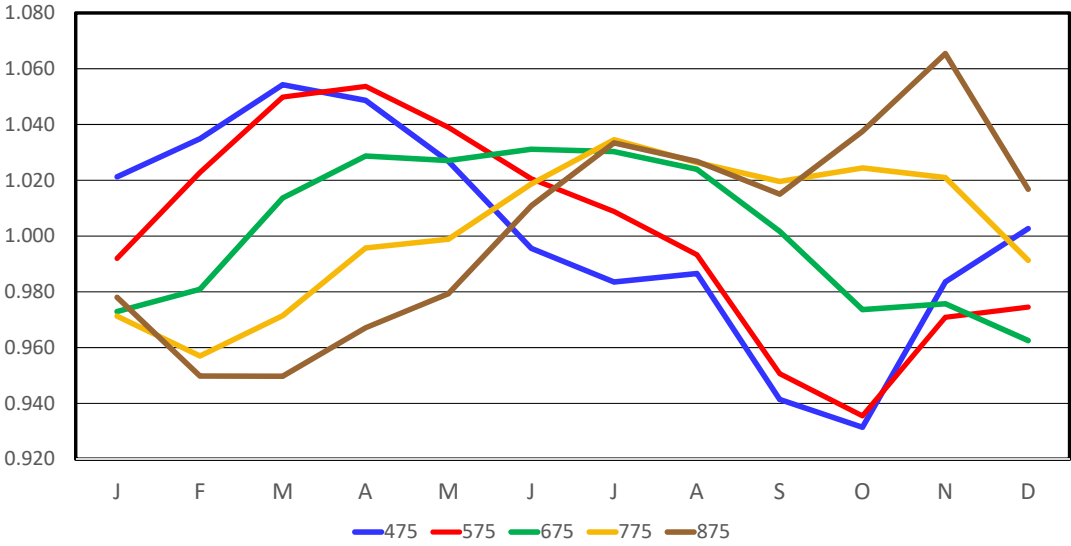


Data Source: USDA-NASS, Compiled by LMIC  
Livestock Marketing Information Center

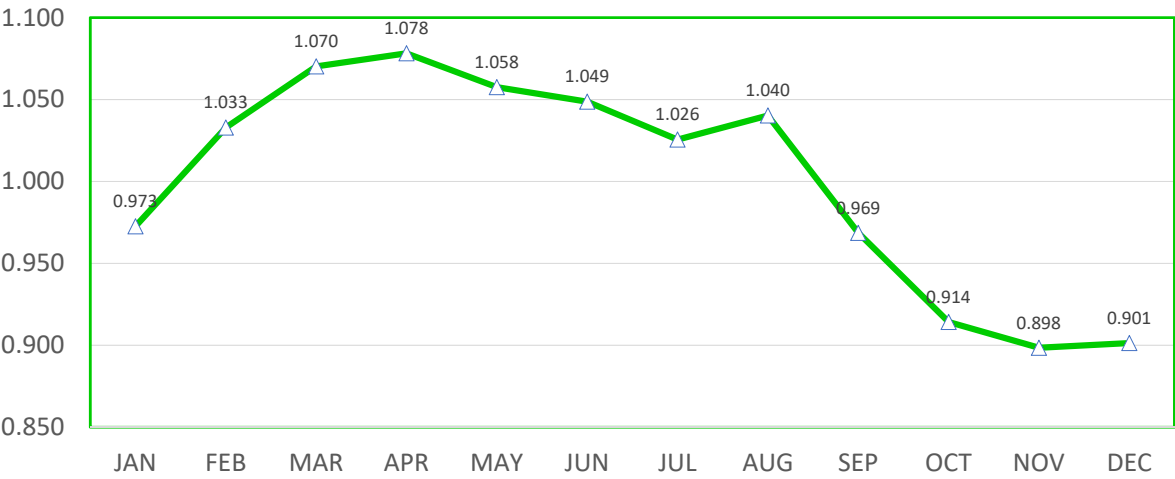
C-N-12  
09/25/20

# Steer Price Seasonality

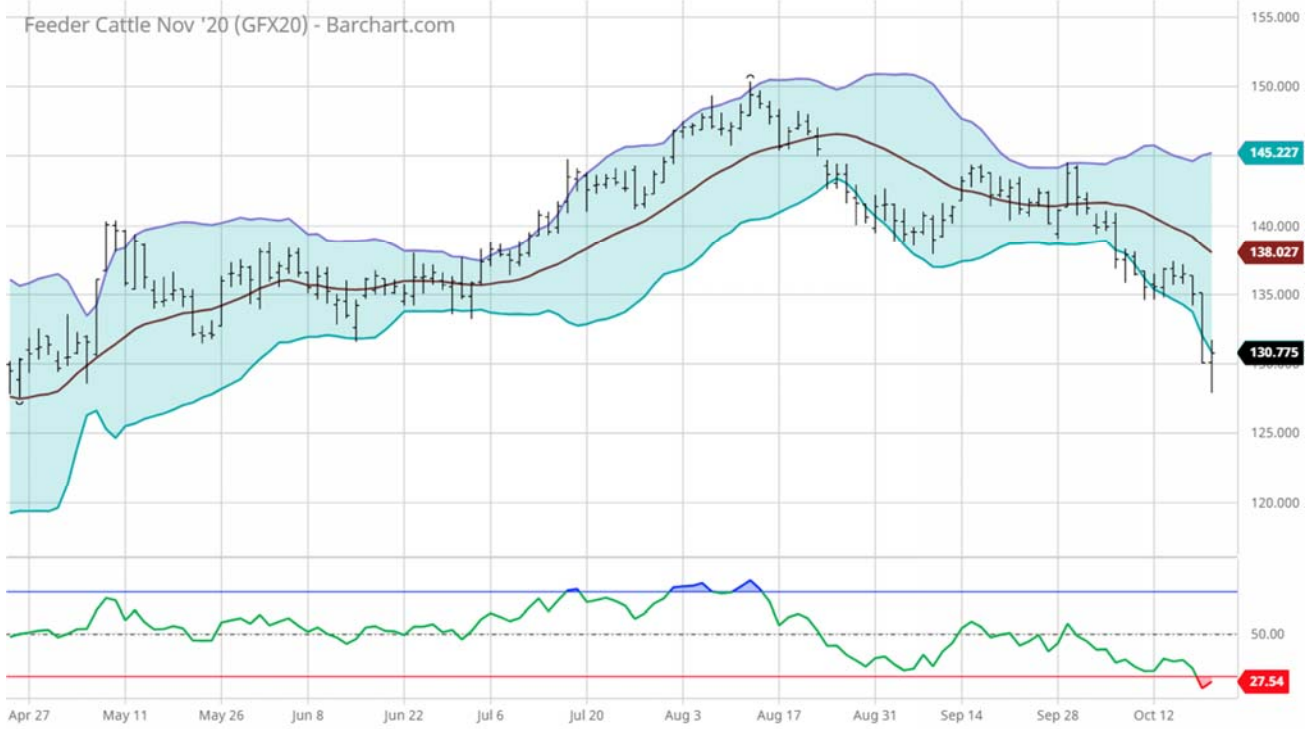
2015-2019



# Breaking Cows Seasonal Price Index, Oklahoma, 2010-2019



Feeder Cattle Nov '20 (GFX20) - Barchart.com



Feeder Cattle Nov '20 (GFX20) - Barchart.com



# LRP Subsidy Rates Increased

- 20% → **25%** for 95-100% Coverage Level
- 25% → **30%** for 90-94.99% Coverage Level
- 30% → **35%** for 80-89.99% Coverage Level
- 35% → **35%** for 70-79.99% Coverage Level

LRP Coverage Prices, Rates, and Actual Ending Values - Report for 10/20/2020

State	County	Endorsement Length	Commodity	Type	Practice	Crop Year	Exp. End Value	Coverage Price	Coverage Level	Rate	Cost Per CWT	End Date	Actual End Value
20 Kansas	998 All Counties	17	0801 Feeder Cattle	810 Steers Weight 2	202 Endorsement Ending in February Yr1	2021	126.813	\$107.910	0.850900	0.011778	1.271	02/16/2021	
20 Kansas	998 All Counties	21	0801 Feeder Cattle	810 Steers Weight 2	203 Endorsement Ending in March Yr1	2021	126.895	\$126.000	0.992900	0.060325	7.601	03/16/2021	
20 Kansas	998 All Counties	21	0801 Feeder Cattle	810 Steers Weight 2	203 Endorsement Ending in March Yr1	2021	126.895	\$124.000	0.977200	0.053177	6.594	03/16/2021	
20 Kansas	998 All Counties	21	0801 Feeder Cattle	810 Steers Weight 2	203 Endorsement Ending in March Yr1	2021	126.895	\$122.000	0.961400	0.046475	5.670	03/16/2021	
20 Kansas	998 All Counties	21	0801 Feeder Cattle	810 Steers Weight 2	203 Endorsement Ending in March Yr1	2021	126.895	\$120.000	0.945700	0.040575	4.869	03/16/2021	
20 Kansas	998 All Counties	21	0801 Feeder Cattle	810 Steers Weight 2	203 Endorsement Ending in March Yr1	2021	126.895	\$118.000	0.929900	0.034941	4.123	03/16/2021	
20 Kansas	998 All Counties	21	0801 Feeder Cattle	810 Steers Weight 2	203 Endorsement Ending in March Yr1	2021	126.895	\$116.000	0.914100	0.029288	3.487	03/16/2021	

## Protected Price

- 17 Week Coverage for #2 Steers, Expected Ending \$126.895, Coverage Price of \$126.00, Coverage Level of 0.992900, Rate 0.060325 Cost \$7.601/cwt. End Date 03/16/2021
- LRP: Coverage Price of \$126.00 Cost \$7.601  
8 cwt. Steer X ( $\$7.601 \times 0.75$ ) = **\$45.606/hd.**
- Put Option: April '21 Put Option \$128/cwt @ \$6.925  
8 cwt. Steer X \$6.925 = **\$55.40/hd.**

## Overview

- Markets have recovered from initial pandemic price loss but are experiencing new struggles
- Lack of wheat pasture and increasing feed grain costs will hamper profitability of mid-weight calves
- New risk management opportunities are a great asset for producers

