



Livestock Regulation and the 2023 Farm Bill: *U.S. Beef-Cattle Industry Considerations*

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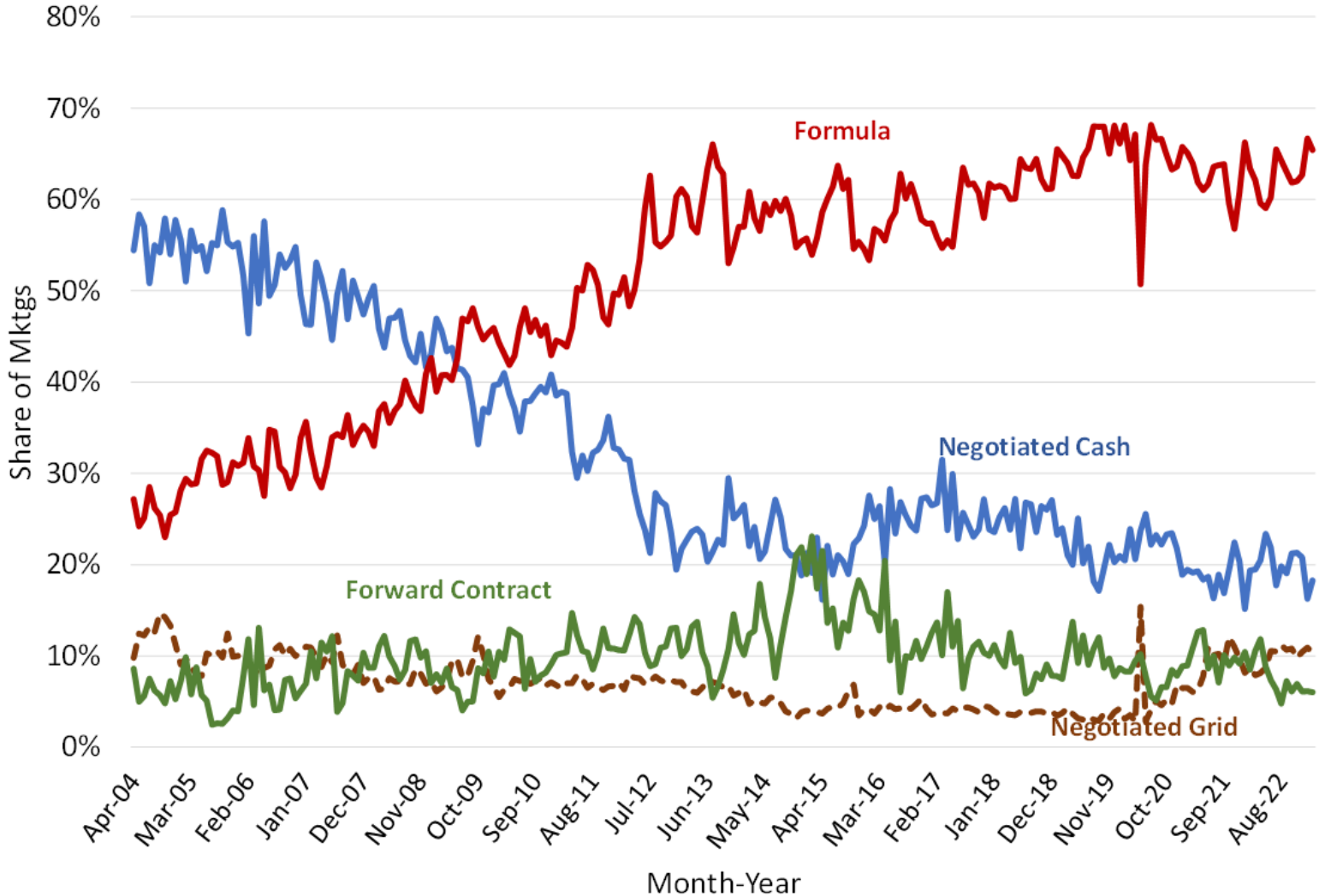


“
Any good
business
plan or policy
needs a
clearly
stated goal ...

**AND I
THINK
THERE ARE
CONFLICTING
GOALS.”**

November 2021, Meatingplace Thought Leader
<http://library.meatingplace.com/publication/frame.php?i=727245&p=72&pn=&ver=html5>

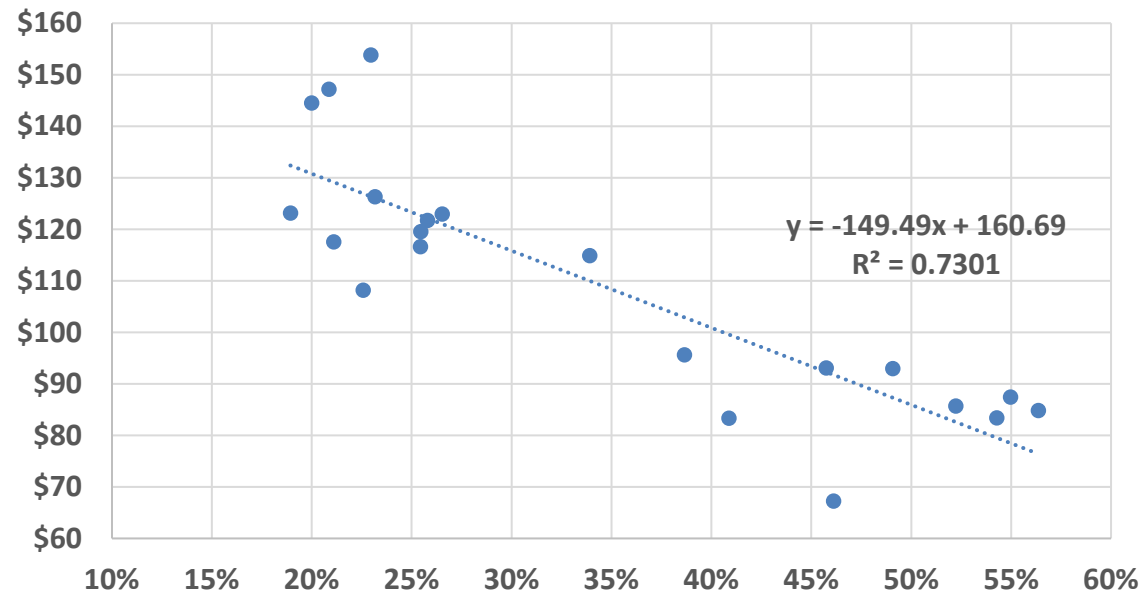
Monthly Cattle Marketing Methods, April 2002-February 2023



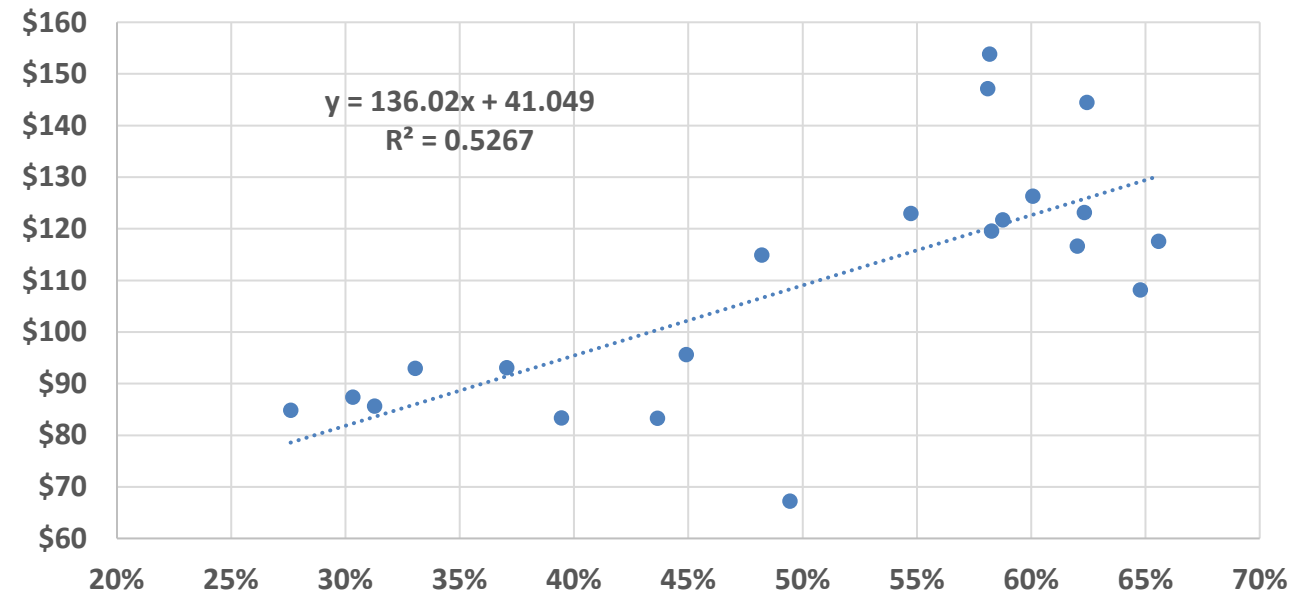
Source: LMIC, AMS USDA

2002-2022 Relationships Are Revealing

5-Area Wtd Avg Price (\$/cwt) vs National Negotiated Marketing Share (%)

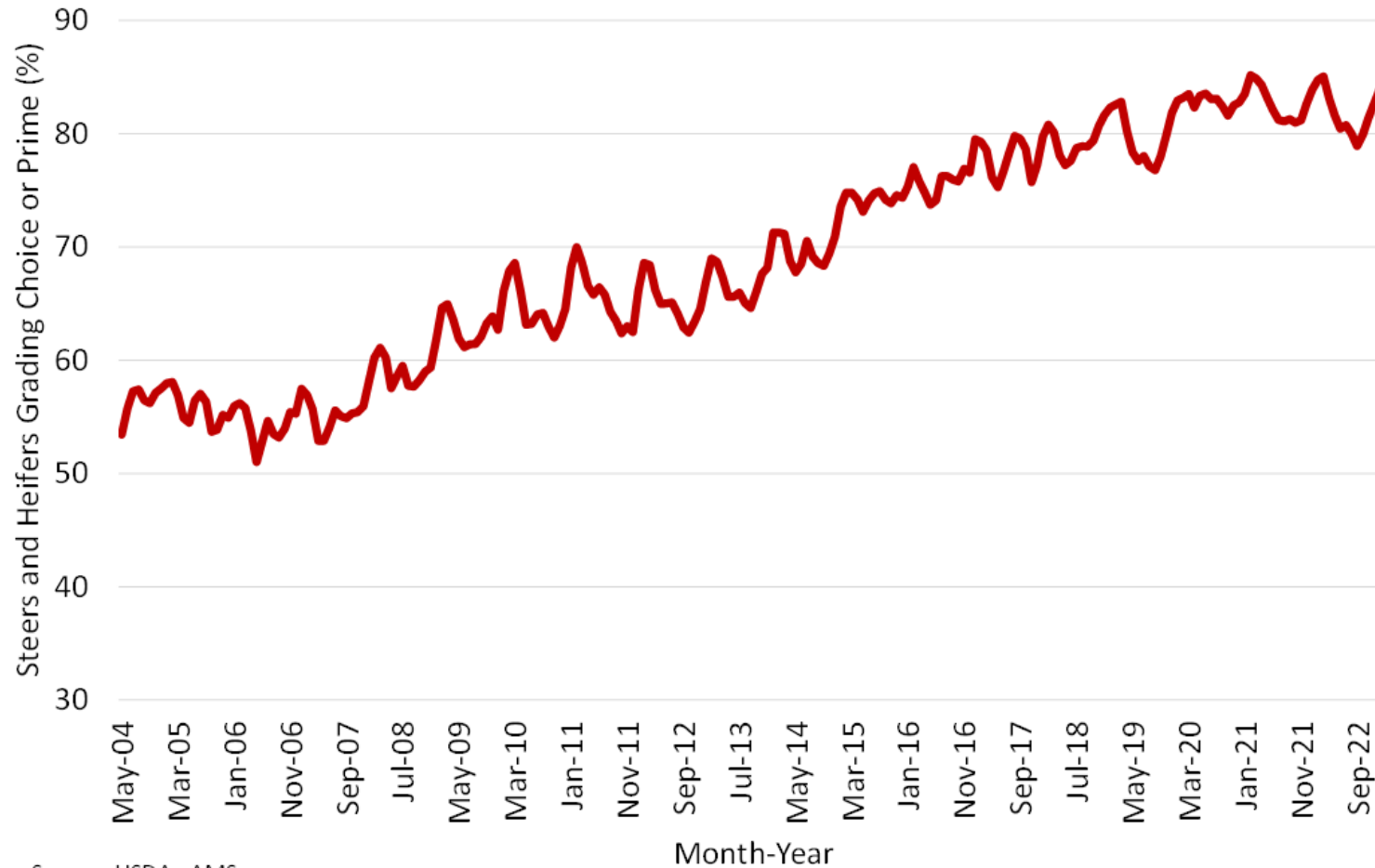


5-Area Wtd Avg Price (\$/cwt) vs National Formula Marketing Share (%)



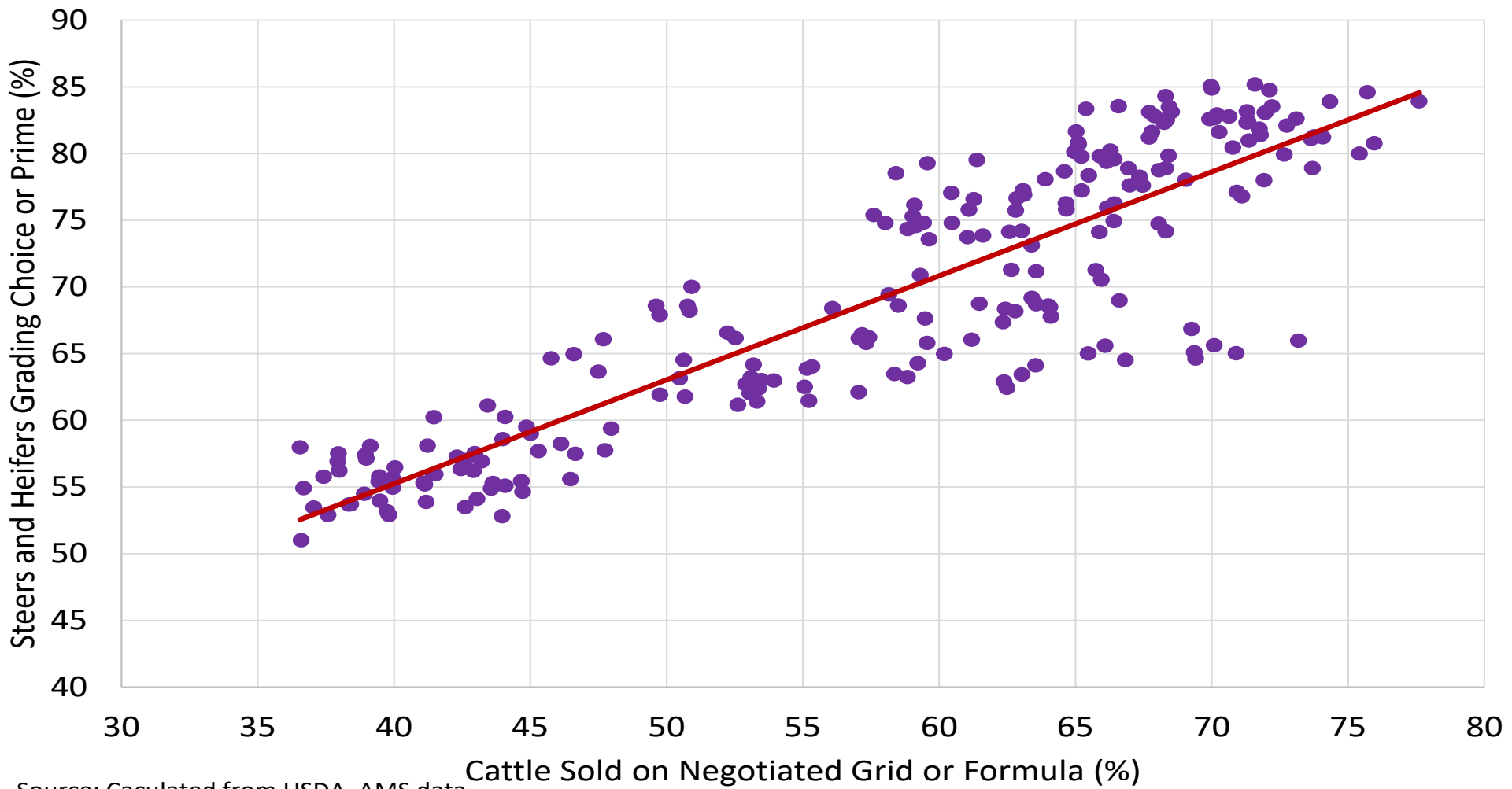
3 Highest Price Years: 2014 (23% Neg / 58% Formula), 2015 (21% Neg / 58% Formula), & 2022 (20% Neg / 62% Formula)

Monthly Percentage of Steers and Heifers Grading Choice or Prime, May 2004 - February 2023



Source: USDA, AMS

Percentage Steers and Heifers Grading Choice or Prime vs. Percentage Cattle Sold on a Negotiated Grid or Formula, Monthly May 2004 - February 2023



High
STEAKS
Game!

Source: Calculated from USDA, AMS data

Ongoing Evolution IS ESSENTIAL

1. “Standing Still Can Mean Falling Behind” (McCracken, 2023)

Ongoing Evolution IS ESSENTIAL

1. “Standing Still Can Mean Falling Behind” (McCracken, 2023)
2. MANY measures point to consumer demand evolution (Schroeder, Coffey, & Tonsor, 2023 AEPP & Meat Demand Monitor, 2023)

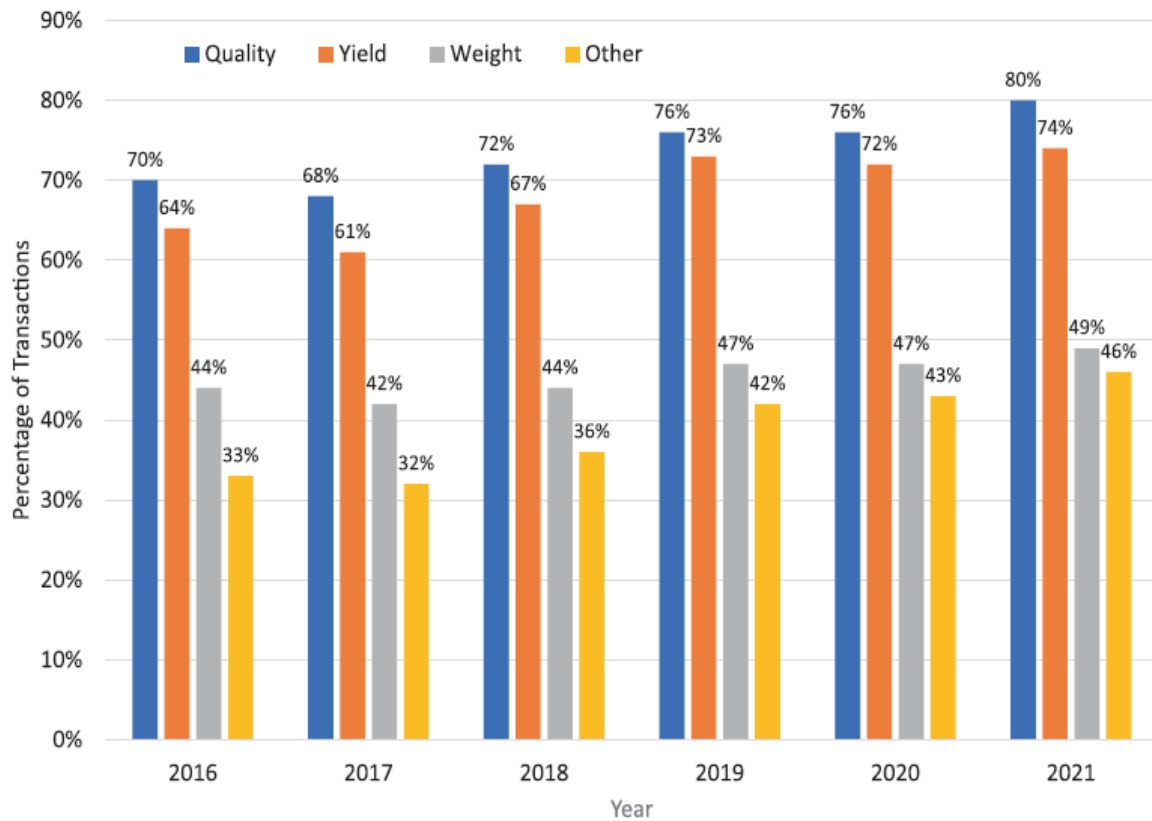
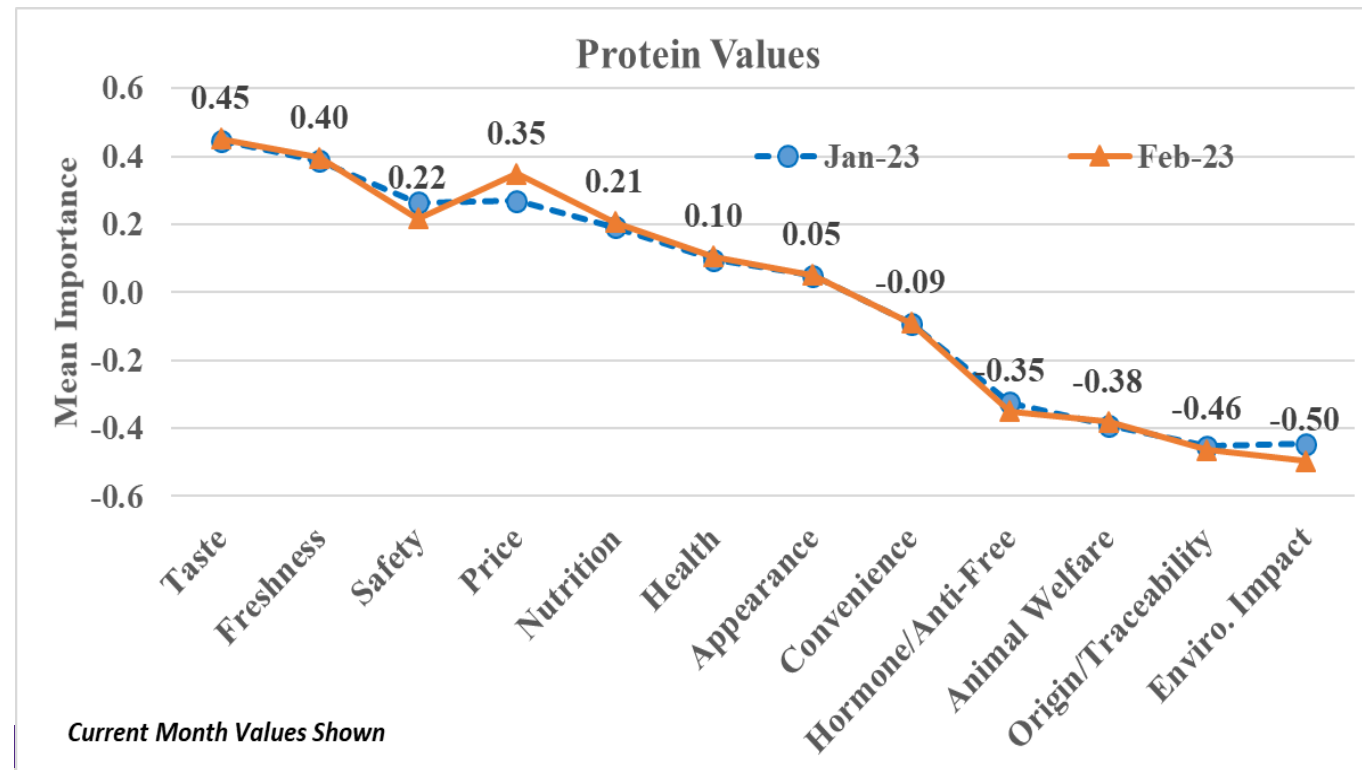


FIGURE 3 Percentage of formula transactions having a premium and/or discount associated with net Price, by year 2016-October 2021



Current Month Values Shown

Gov't Role Has Been Expanding

1. Livestock Mandatory Reporting
2. LRP & LGM Programs

Glynn's Summary Suggestion

1. Policies should align with end-user, consumer demand signals

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1. Policies should align with end-user, consumer demand signals
2. Policies should seek to leverage U.S. beef-cattle industry's comparative advantages
3. Policies should have a **forward-looking** approach



More information available at:



This presentation will be available in PDF format at:

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

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