



BEEF-CATTLE OUTLOOK

JAN. 26, 2022

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

Quarterly Forecasts (LMIC: 1/24/22)

Year Quarter	Comm'l Slaughter	% Chg. from Year Ago	Average Dressed Weight	% Chg. from Year Ago	Comm'l Beef Production	% Chg. from Year Ago
2021						
I	8,274	-1.5	833.4	1.0	6,895	-0.5
II	8,502	14.9	818.3	-0.1	6,957	14.8
III	8,526	-0.2	818.5	-1.7	6,978	-1.9
IV	8,536	1.1	832.7	-0.5	7,108	0.5
Year	33,837	3.2	825.7	-0.4	27,937	2.8
2022						
I	8,044	-2.8	836.3	0.4	6,727	-2.4
II	8,247	-3.0	822.1	0.5	6,780	-2.5
III	8,222	-3.6	822.3	0.5	6,761	-3.1
IV	8,312	-2.6	837.7	0.6	6,963	-2.0
Year	32,826	-3.0	829.6	0.5	27,232	-2.5
2023						
I	7,739	-3.8	844.9	1.0	6,538	-2.8
II	8,076	-2.1	829.5	0.9	6,699	-1.2
III	7,995	-2.8	829.7	0.9	6,634	-1.9
IV	8,129	-2.2	846.0	1.0	6,877	-1.2
Year	31,939	-2.7	837.5	1.0	26,748	-1.8

Data Source: Livestock Marketing Information Center

Quarterly Forecasts: Cattle (LMIC: 1/24/22)

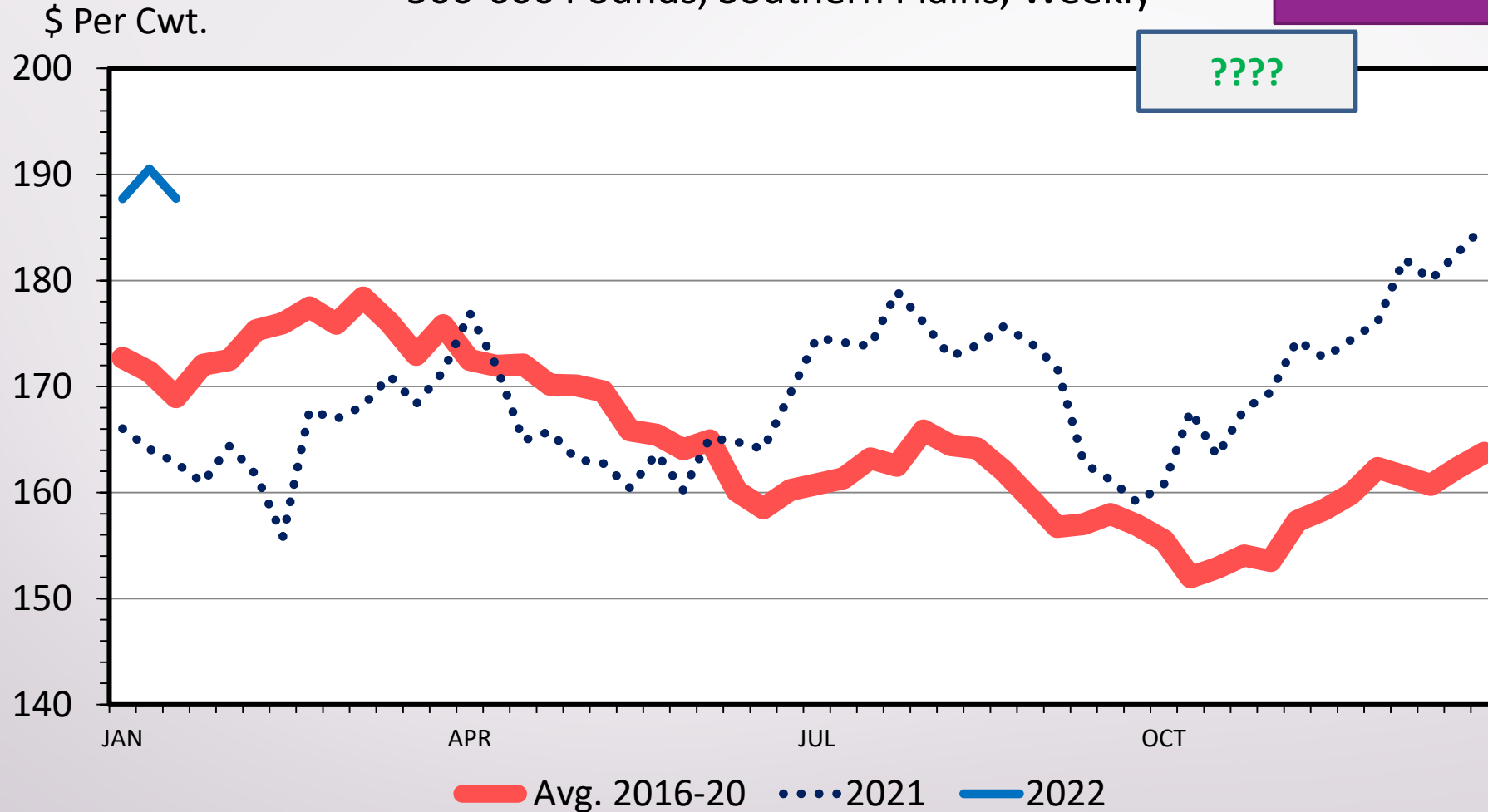
Year Quarter	Live Sltr. Steer Price	% Chg. from Year Ago	Feeder Steer Price Southern Plains	
	5-Mkt Avg		7-800#	5-600#
2021				
I	112.98	-4.5	136.65	164.83
II	120.76	14.1	142.02	165.42
III	124	21.4	156	172
IV	132	21.6	159	172
Year	122	12.0	148	169
2022				
I	132-135	18.2	161-162	183-186
II	135-139	13.5	158-162	182-186
III	126-131	4.0	163-173	180-190
IV	130-136	0.5	158-168	178-188
Year	132-134	8.7	163-165	184-185
2023				
I	137-147	6.4	165-175	185-195
II	140-150	3.6	168-178	188-198
III	130-145	7.0	172-187	199-214
IV	135-150	7.1	177-192	205-220
Year	139-144	6.4	172-182	195-205



Salina, KS 5.5 cwt Steer on
Oct 13th: \$207/cwt

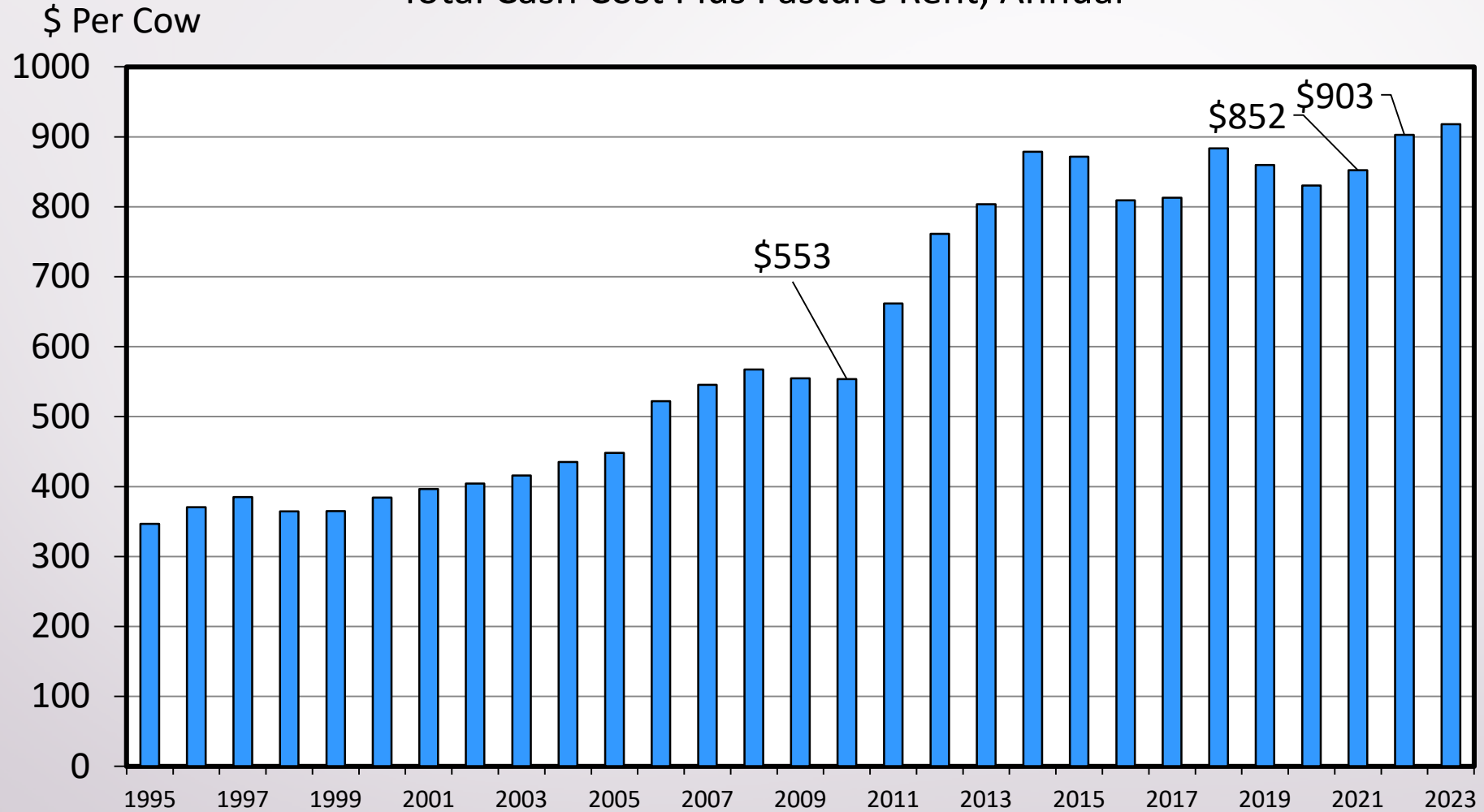
MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly



ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



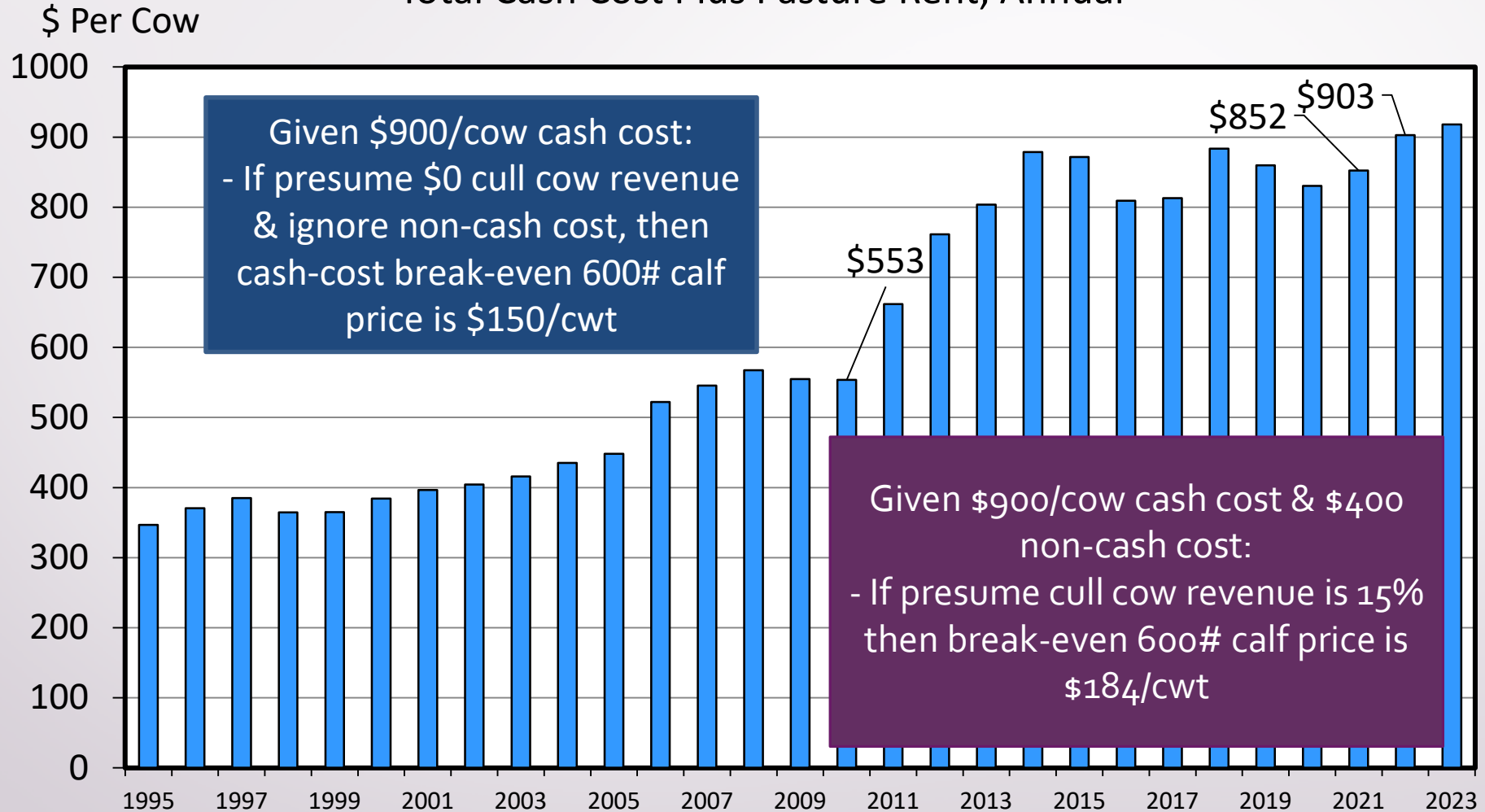
Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

01/06/22

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



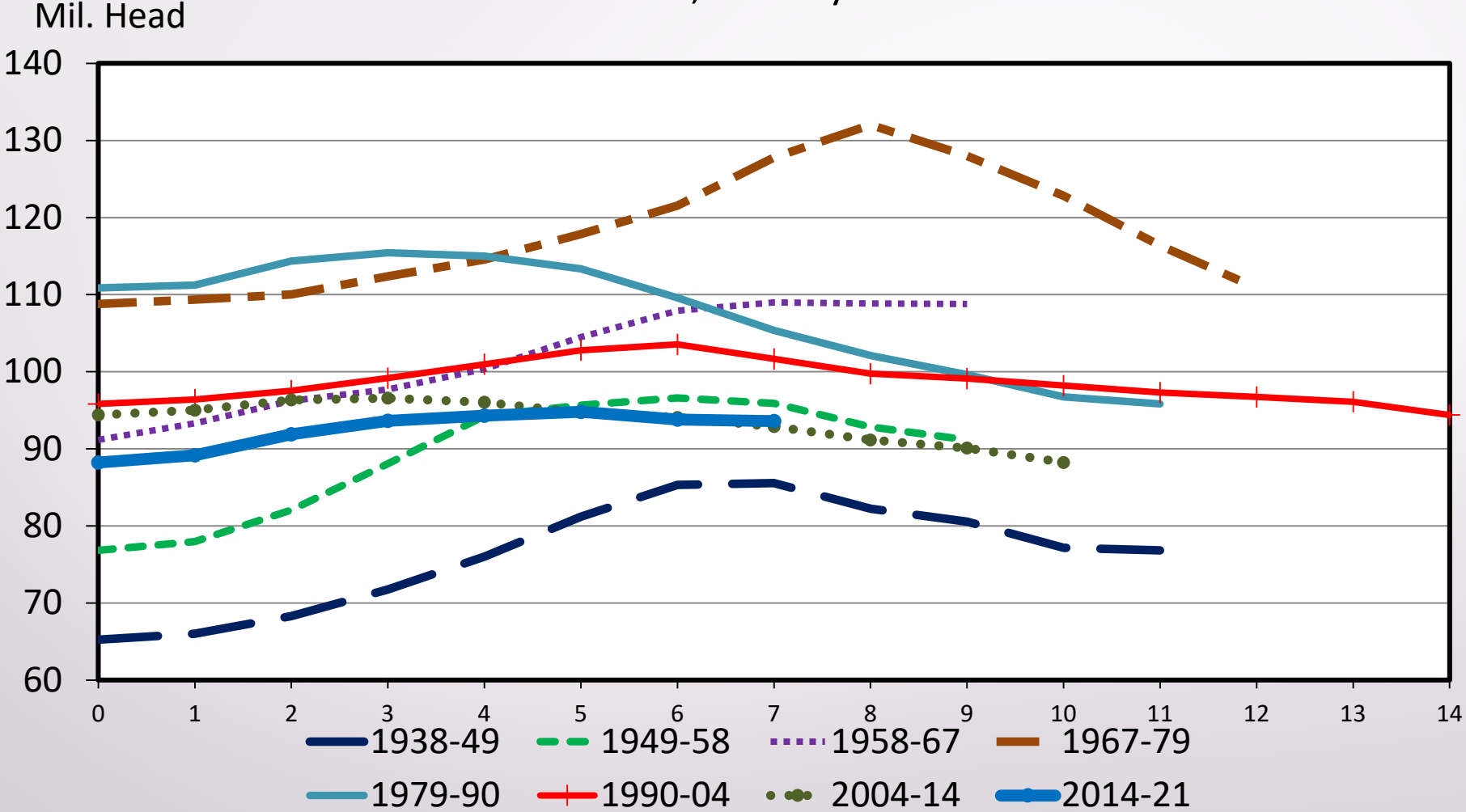
Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

01/06/22

TOTAL CATTLE INVENTORY BY CYCLE

U.S., January 1

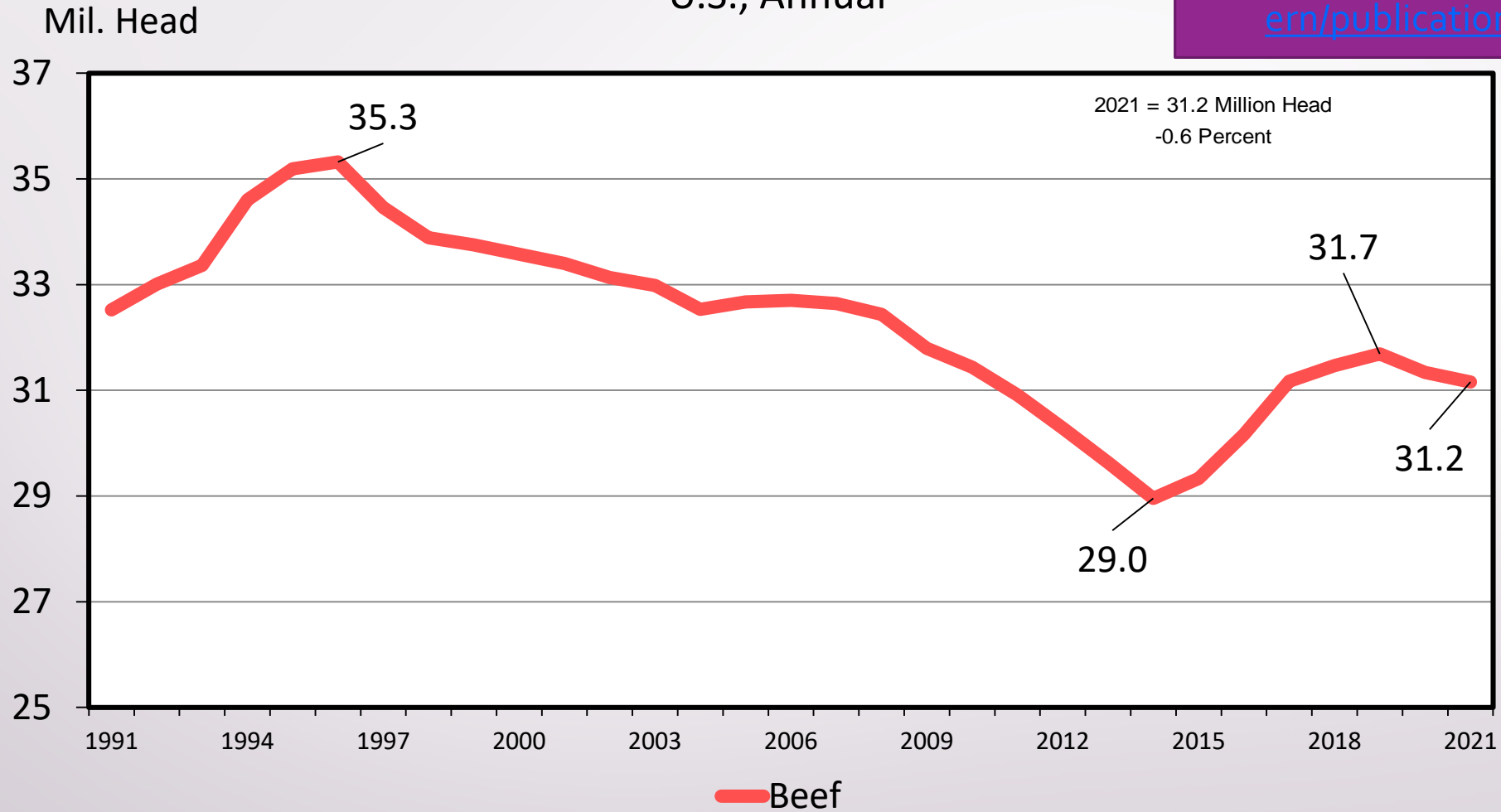


Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-40
07/23/21

JANUARY 1 COW INVENTORY

U.S., Annual



Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-02
07/23/21

Want Feeder Cattle Price, Basis, & VOG Projections?
Use BeefBasis.com

Salina *SUMMER GRASS* Market, as of 1/25


4/7/2022 Buy/Retail @ 750 lbs
9/1/2022 Sell @ 950 lbs
DOF=147 & ADG=1.36

- ***Expected Buy Price: \$170/cwt***
- ***Expected Sell Price: \$171/cwt***
 - ***VOG: \$355/head (\$178/cwt)***

KSU-Feeder Cattle Risk Management Tool

<https://www.agmanager.info/k-state-feeder-cattle-risk-management-tool>

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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.



INSTRUCTIONS FOR THE!
Be sure to "Enable Content" and "Enable Macros" for the spreadsheet to function correctly. In the Comparison sheet all blue numbers are input by the user. All black numbers are calculated using data provided by the user. The spreadsheet automatically recalculates every time an additional input is entered. Thus, it is important to wait until all data have been entered and reviewed before interpreting any of the calculated results (i.e., black numbers). Most of the input cells (i.e., blue number) have a red diamond in the upper right hand corner of the cell. By moving your mouse cursor over this diamond, a brief description of

FOR MORE INFORMATION:
To learn more about managing price risk and using LRP insurance visit www.AgManager.info or click on the following link
[P Insurance Informat](#) [Price Risk Management Information](#)

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ACKNOWLEDGEMENTS:
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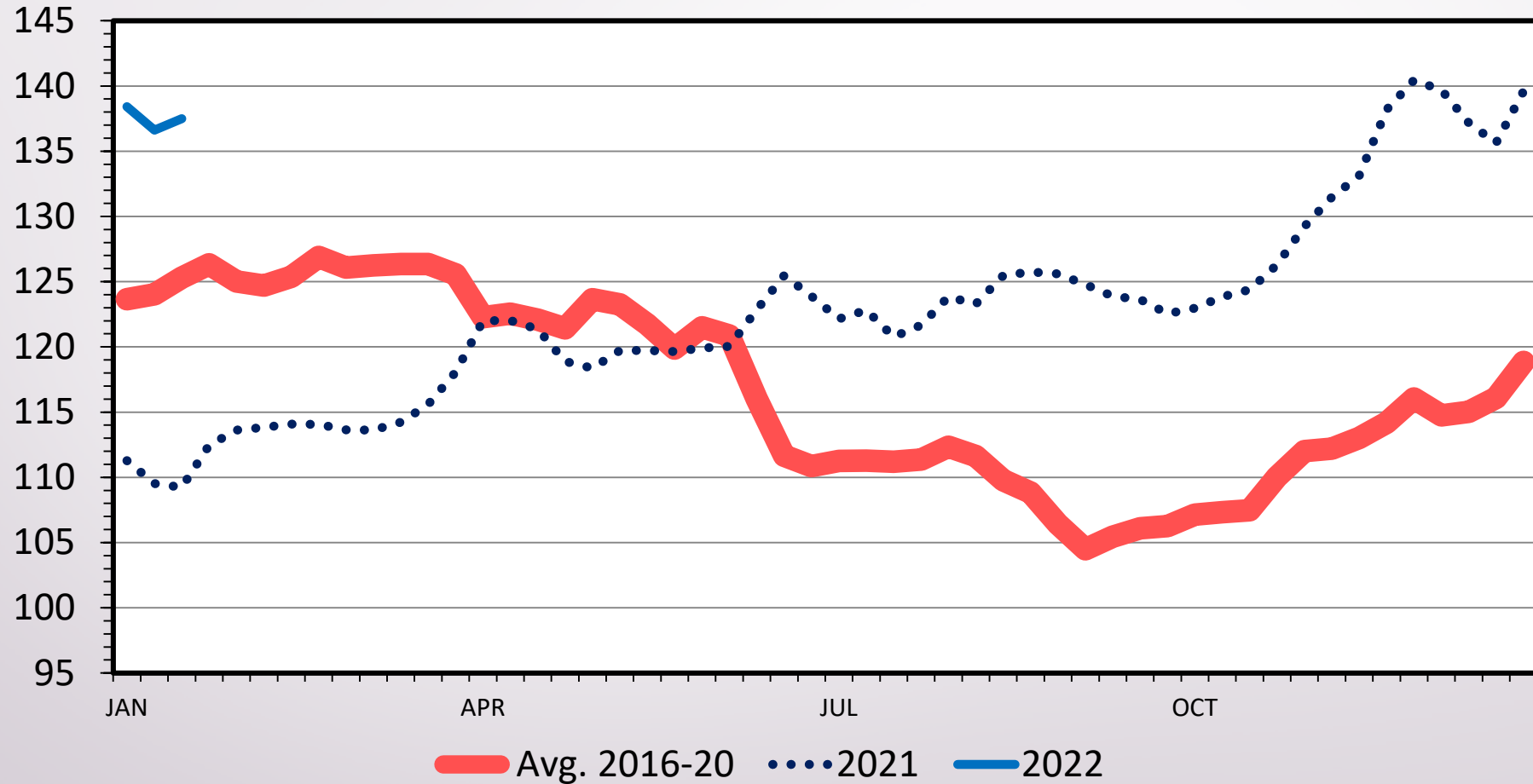
Always good to reassess
your situation

e.g. changes in LRP make
that more attractive to
some...

SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly

\$ Per Cwt.

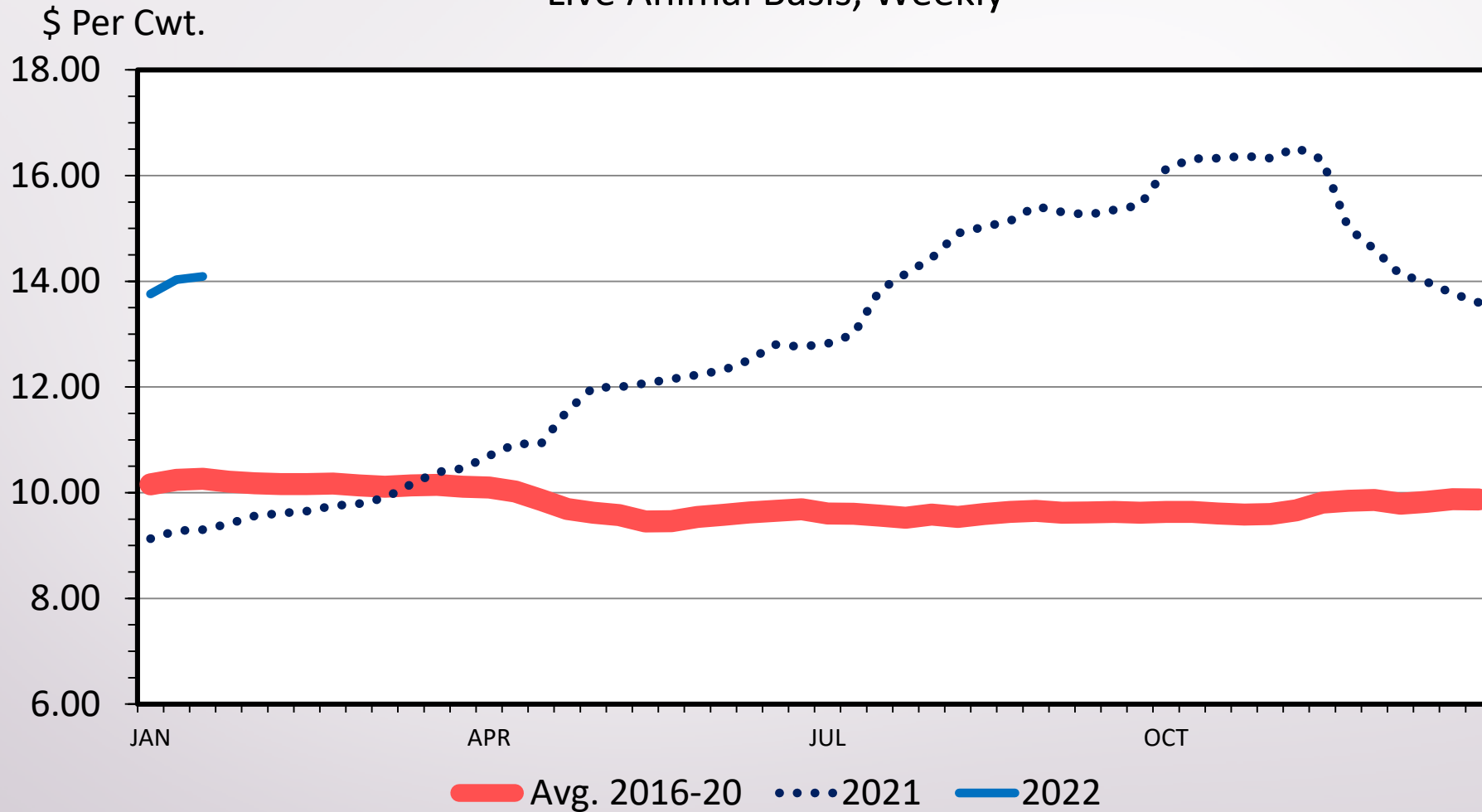


Data Source: USDA-AMS
Livestock Marketing Information Center

01/24/22

STEER HIDE AND OFFAL VALUE

Live Animal Basis, Weekly



Historical and Projected Kansas Feedlot Net Returns (as of 1/11/22')

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

Nov. 21': **+\$79/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
Dec-21	81.34	115.65	139.63	136.98	2.66	144.83	129.16	134.09	154.23
Jan-22	-2.80	114.87	137.16	137.58	-0.42	150.83	114.40	137.35	150.50
Feb-22	29.04	114.65	141.14	141.20	-0.06	152.89	119.72	139.13	156.21
Mar-22	81.70	114.68	143.35	141.20	2.15	153.41	127.68	137.51	164.02
Apr-22	51.94	112.22	140.20	136.73	3.47	153.41	120.56	136.46	160.17
May-22	111.05	110.80	143.62	136.73	6.90	154.95	127.62	135.72	169.86
Jun-22	57.94	108.57	139.42	136.30	3.12	154.80	117.56	135.36	162.21
Jul-22	-57.43	108.58	136.14	136.30	-0.16	161.46	99.35	140.12	154.46
Aug-22	-4.22	107.44	140.83	140.48	0.36	163.11	106.72	141.14	162.60
Sep-22	-105.88	108.06	140.65	140.48	0.18	171.79	88.73	148.24	159.29

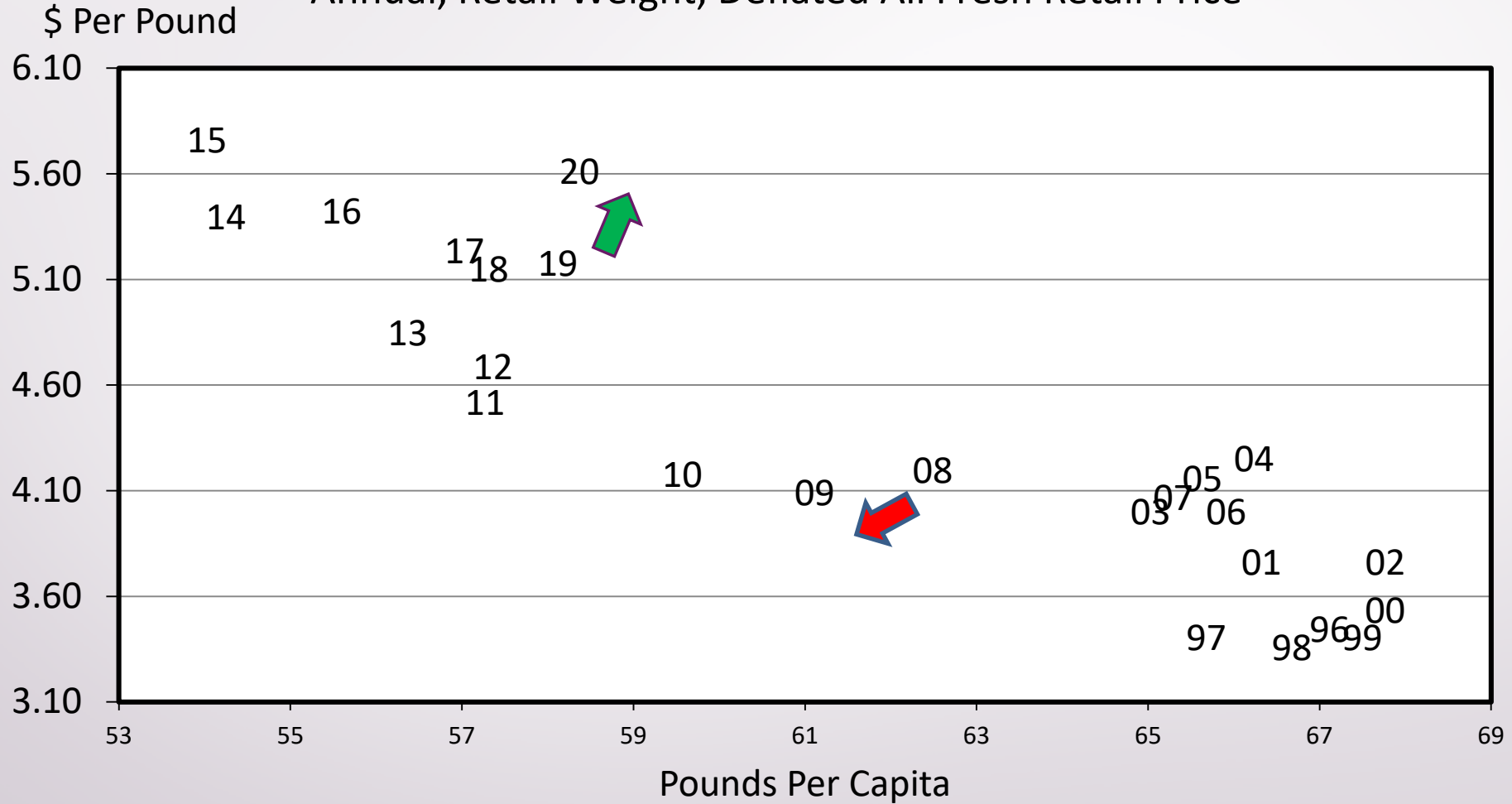
Representative Barometer for Trends in Profitability



Recent Beef Demand Patterns

BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



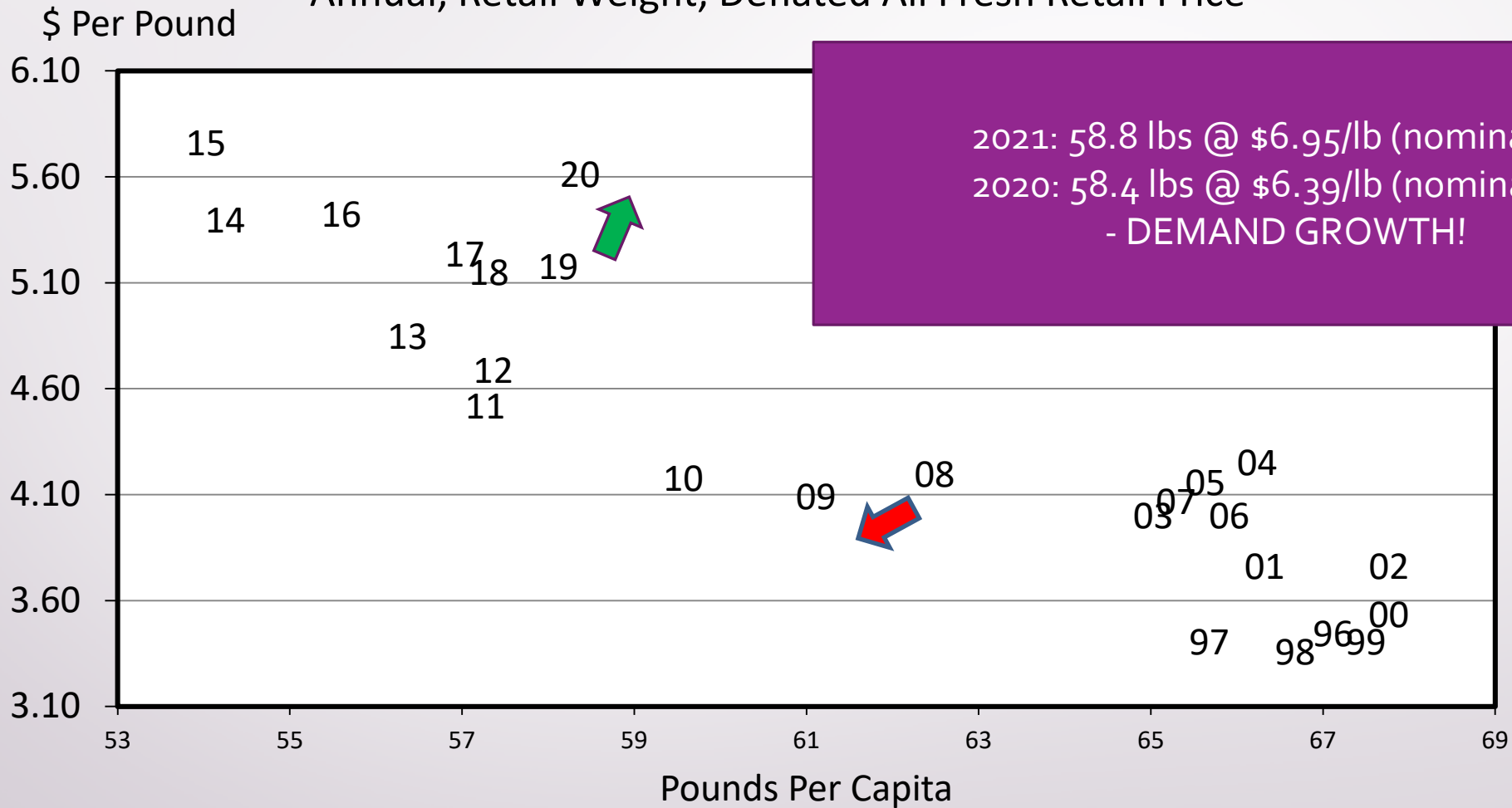
Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC

Livestock Marketing Information Center

C-P-65A
08/30/21

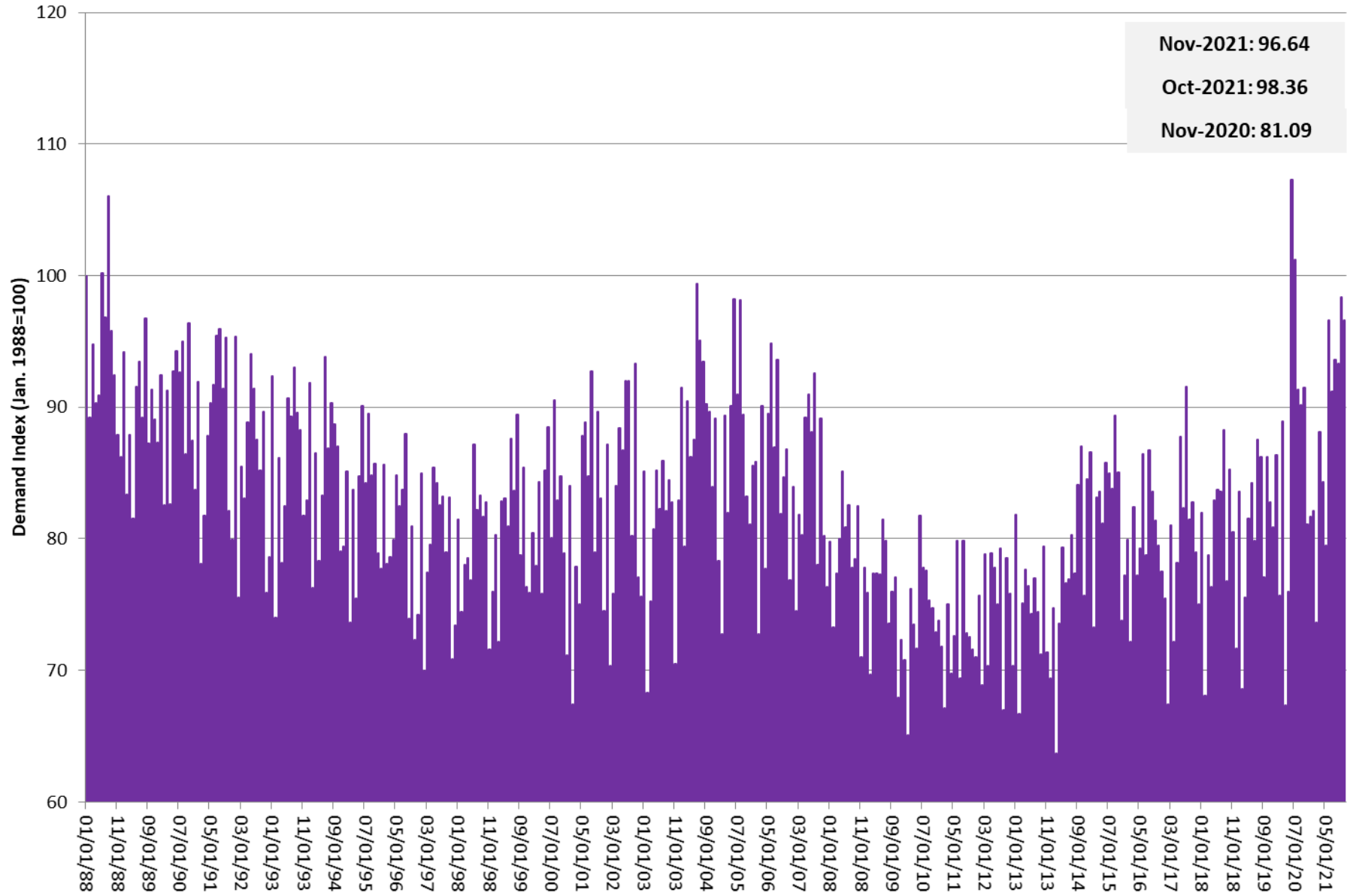
BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



2021: 58.8 lbs @ \$6.95/lb (nominal AF)
2020: 58.4 lbs @ \$6.39/lb (nominal AF)
- DEMAND GROWTH!

Monthly Domestic, All-Fresh Retail Beef Demand Index, Jan. 1988-present



Source: Glynn T. Tonsor, Kansas State University

Monthly Meat Demand Monitor, Methods, and Supporting Information

Home / Livestock & Meat / Meat Demand / Monthly Meat Demand Monitor [Survey Data]

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[Cattle Finishing Returns](#)

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[Meat Demand Research Studies](#)

[Monthly Domestic Meat Demand Indices \[USDA/BLS Data\]](#)

[Monthly Export Meat Demand Indices \[USDA/BLS Data\]](#)

[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.

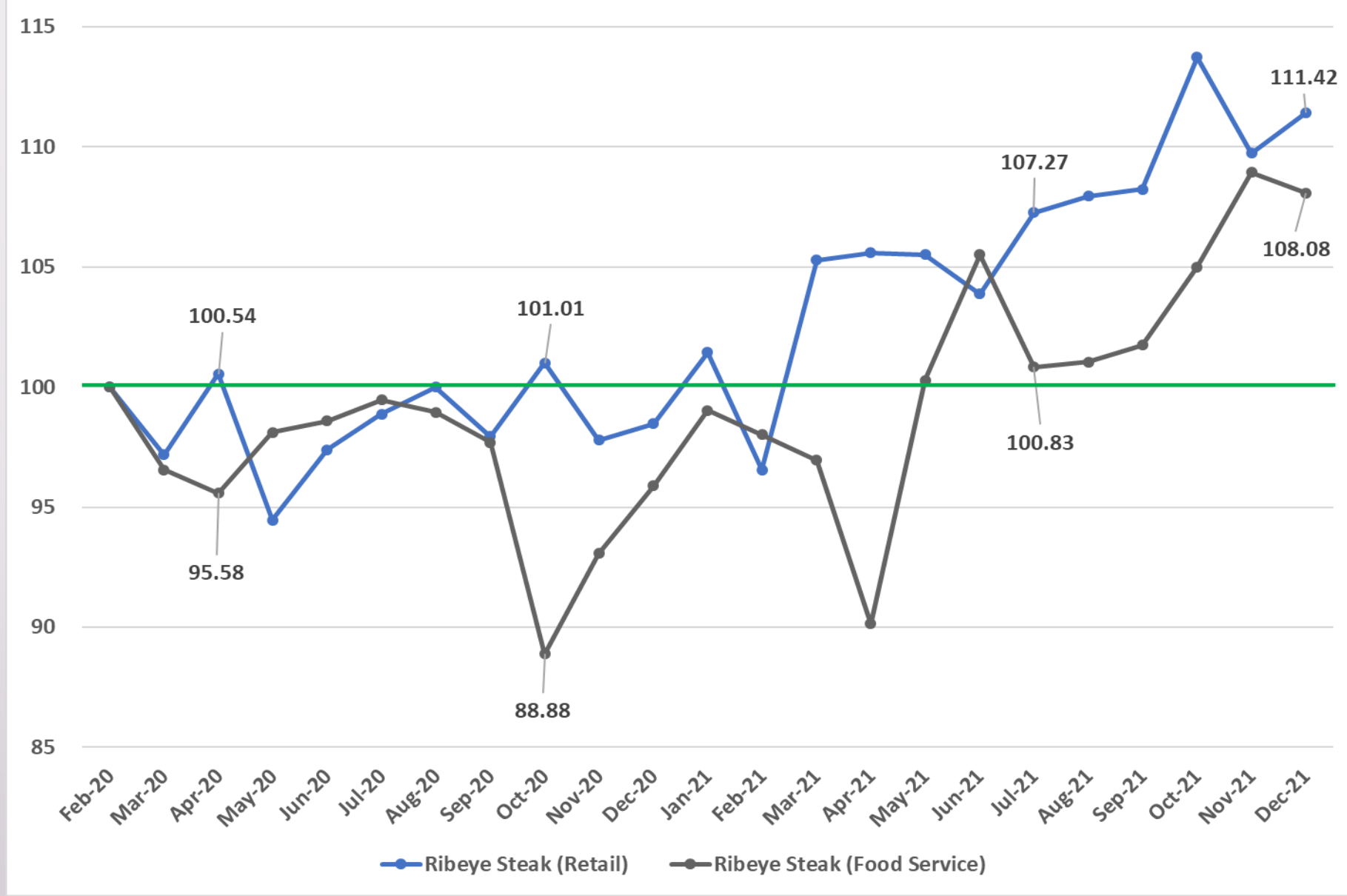


Monthly Meat Demand Monitor

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

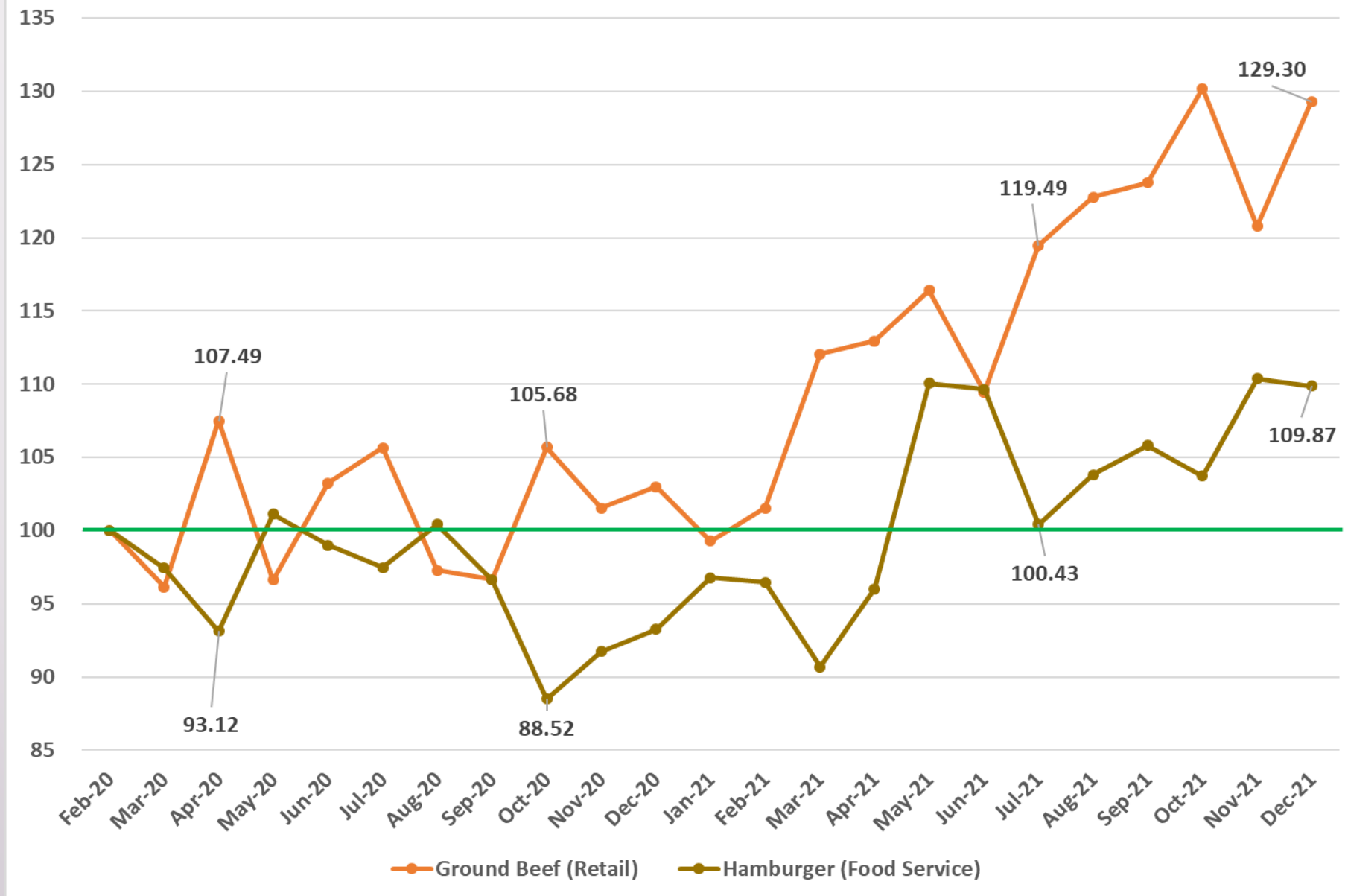
<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

Master WTP Indices (Feb 20' = 100), Ribeye Steak



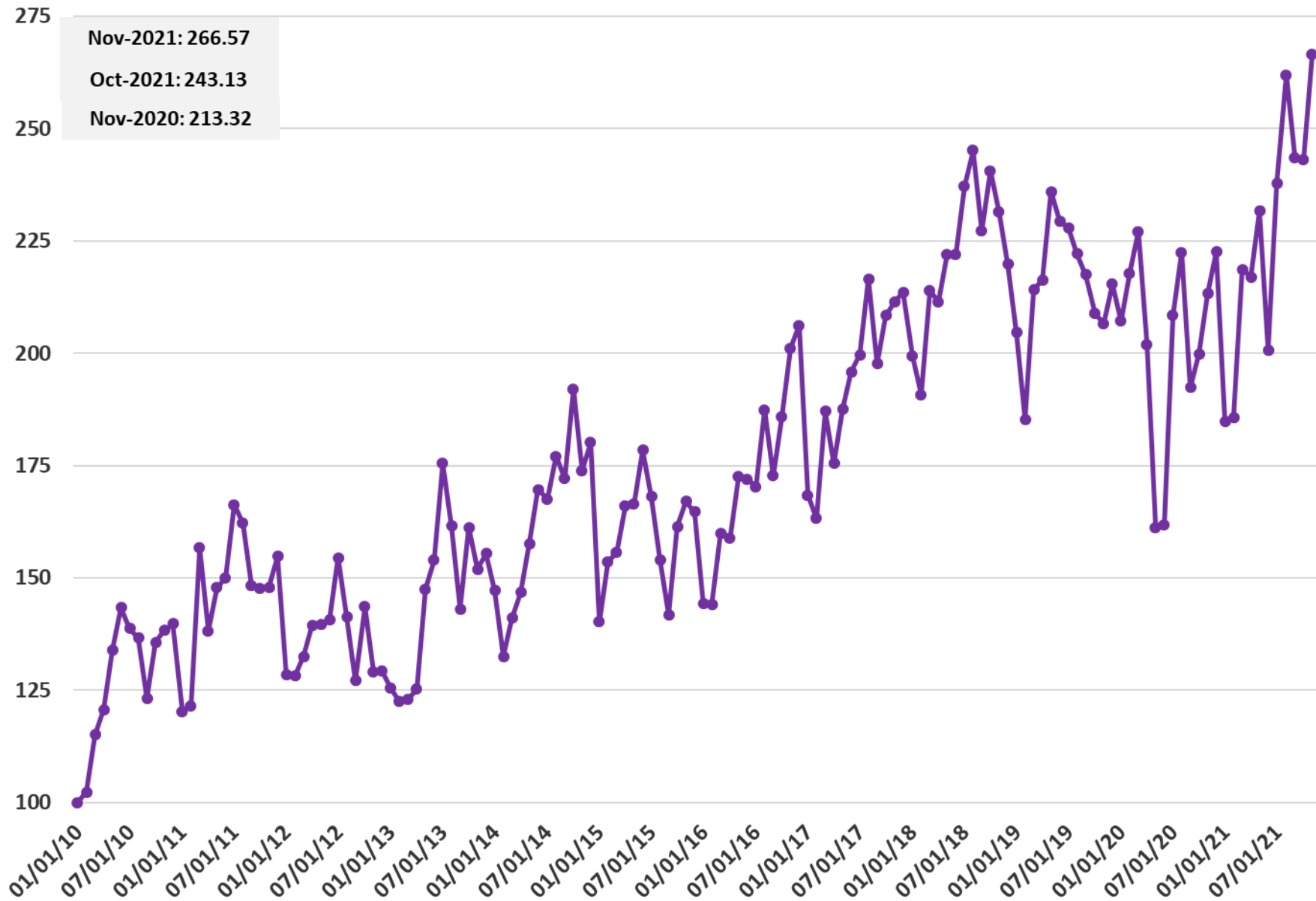
<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

Master WTP Indices (Feb 20' = 100), Ground Beef/Hamburger Meal Offerings



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

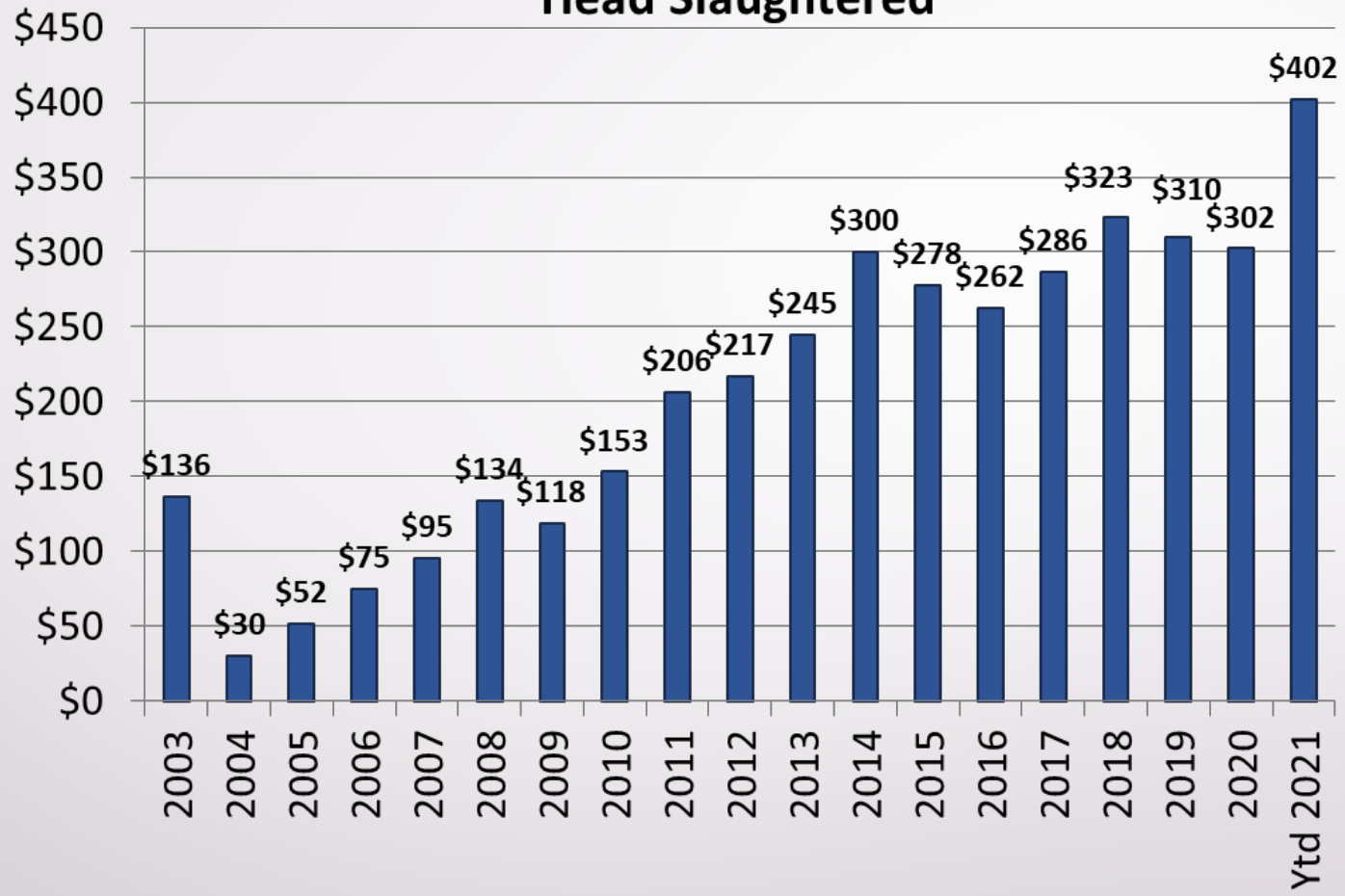
Monthly U.S. Beef, Export Demand Index, Jan. 2010 (base) - present



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

Export Demand Strength – Aligns with USMEF #s

Beef & Beef Variety Meat Export Value Per Fed Head Slaughtered

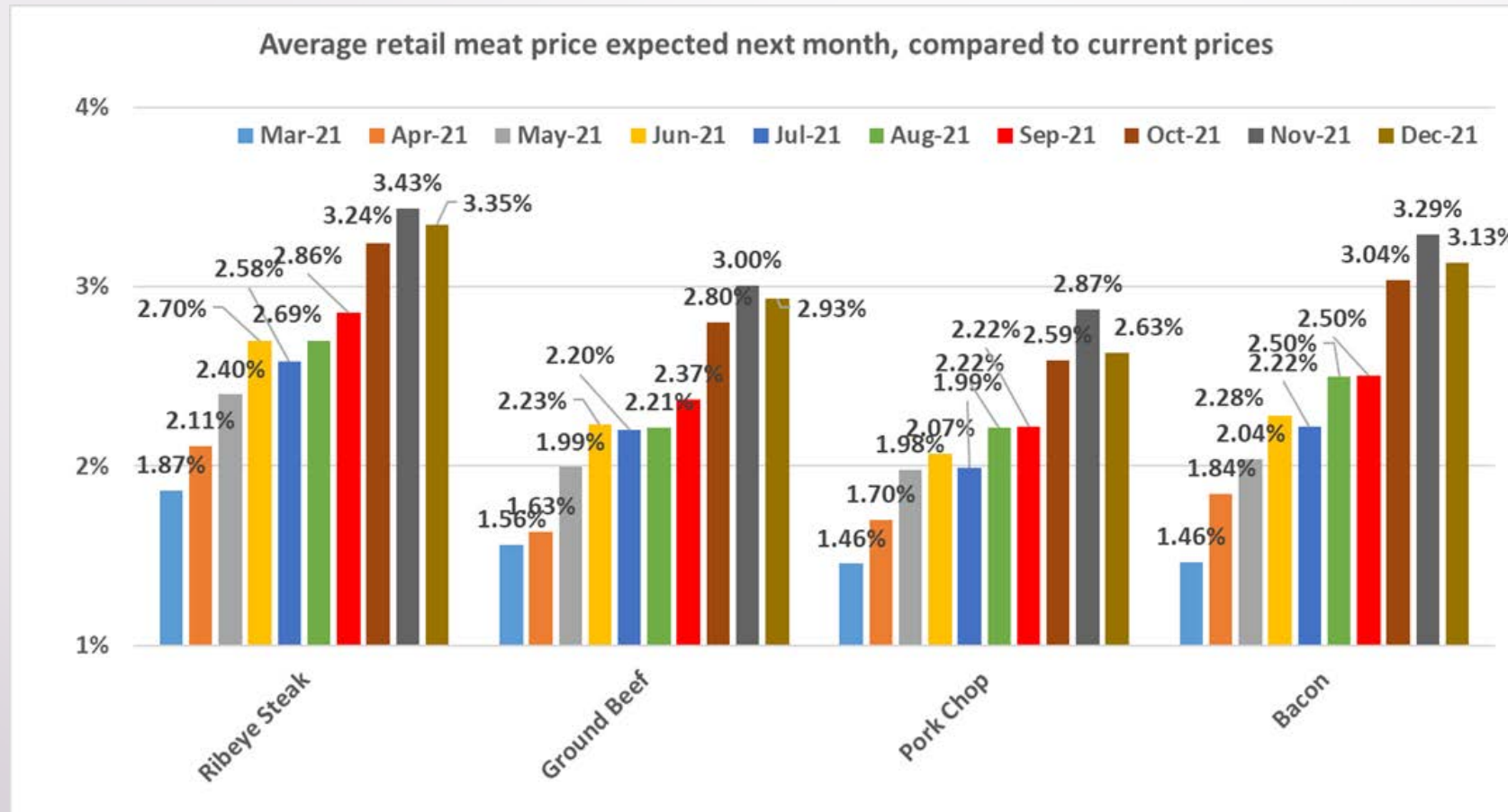


GT: \$402/hd = ~22% of Fed Cattle Value in 2021

Source: USDA/USMEF

What Underlies "High Retail Meat Prices" ?

GT – Elevated Costs & Strong Demand!

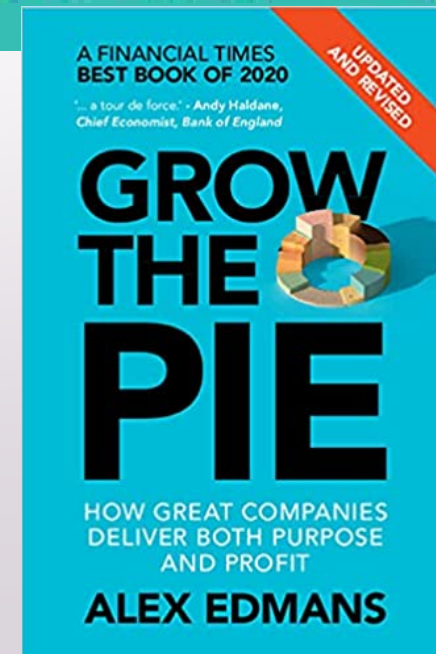



<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

What is the U.S. beef-cattle industry's future?



What is the U.S. beef-cattle industry's future?





Seek Long-Term Forecasts of Meat Industry Volumes (for grain demand and related insights)???

- See USDA 10-Year Forecasts:
 - <https://www.usda.gov/media/press-releases/2021/10/26/usda-announces-early-release-select-commodity-tables-agricultural>

USDA Projections to 2031: Beef-cattle

Item	Units	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Commercial production	Million lbs.	27,174	27,832	26,995	26,672	26,777	26,964	27,193	27,410	27,645	27,874	28,097	28,314
Change from previous year	Percent	0.0	2.4	-3.0	-1.2	0.4	0.7	0.9	0.8	0.9	0.8	0.8	0.8
Imports	Million lbs.	3,342	3,187	3,165	3,211	3,222	3,163	3,113	3,137	3,162	3,186	3,210	3,234
Exports	Million lbs.	2,951	3,414	3,270	3,201	3,213	3,249	3,290	3,330	3,373	3,415	3,456	3,497
Total disappearance	Million lbs.	27,561	27,750	26,960	26,757	26,851	26,923	27,071	27,276	27,494	27,706	27,916	28,121
Per capita, retail weight	Pounds	58.4	58.6	56.8	55.8	55.6	55.4	55.3	55.3	55.4	55.4	55.4	55.5
Change from previous year	Percent	1.0	0.3	-3.2	-1.6	-0.4	-0.4	-0.2	0.0	0.1	0.1	0.1	0.0
Prices:													
Beef cattle, farm	\$/cwt 1/	108.84	119.84	127.44	133.56	134.10	135.84	136.33	136.68	137.25	138.21	139.42	141.10
Calves, farm	\$/cwt	157.25	167.32	180.01	188.66	189.42	191.88	192.57	193.06	193.87	195.23	196.95	199.31
Steers, 5-area	\$/cwt	108.51	121.06	128.75	134.94	135.48	137.24	137.73	138.08	138.66	139.63	140.86	142.55
Feeder steers, Oklahoma City	\$/cwt	135.45	144.80	155.50	171.19	171.80	174.39	174.91	175.14	175.76	177.06	178.83	181.41
Beef cow inventory	1,000 head	31,339	31,158	30,555	30,534	30,596	30,663	30,797	30,946	31,091	31,227	31,350	31,460

Note: Totals may not add due to rounding. 1/ Cwt = hundredweight (100 pounds). The projections were completed in October 2021.

<https://www.usda.gov/media/press-releases/2021/10/26/usda-announces-early-release-select-commodity-tables-agricultural>

USDA Projections to 2031: Pork-hogs

Table 20: Pork long-term projections

Item	Units	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Commercial production	Million lbs.	28,303	27,674	27,585	28,367	28,394	28,509	28,905	29,269	29,657	29,976	30,286	30,603
Change from previous year	Percent	2.4	-2.2	-0.3	2.8	0.1	0.4	1.4	1.3	1.3	1.1	1.0	1.0
Imports	Million lbs.	904	1,107	1,145	954	959	964	969	974	979	983	988	993
Exports	Million lbs.	7,280	7,199	7,405	7,400	7,425	7,498	7,554	7,611	7,668	7,726	7,784	7,840
Total disappearance	Million lbs.	22,121	21,605	21,295	21,822	21,932	21,979	22,323	22,636	22,972	23,238	23,505	23,770
Per capita, retail weight	Pounds	50.6	49.7	49.6	50.5	50.4	50.1	50.5	50.9	51.3	51.5	51.7	52.0
Change from previous year	Percent	0.0	-1.8	-0.2	1.7	-0.2	-0.5	0.8	0.7	0.8	0.5	0.5	0.4
Prices:													
National base, live equivalent	\$/cwt	43.18	69.45	60.50	58.64	55.31	52.97	49.57	46.80	45.54	45.45	46.06	47.37
Hog inventory,													
December 1, previous year	1,000 head	78,228	76,822	74,750	77,500	77,484	77,554	78,383	79,122	79,922	80,531	81,111	81,705

Note: Totals may not add due to rounding. 1/ Cwt = hundredweight (100 pounds). The projections were completed in October 2021.

<https://www.usda.gov/media/press-releases/2021/10/26/usda-announces-early-release-select-commodity-tables-agricultural>

USDA Projections to 2031: Chicken

Table 21: Young chicken long-term projections

Item	Units	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Federally inspected slaughter	Million lbs.	44,583	44,724	45,240	46,546	47,195	47,805	48,213	48,849	49,275	49,711	50,382	51,020
Change from previous year	Percent	1.5	0.3	1.2	2.9	1.4	1.3	0.9	1.3	0.9	0.9	1.4	1.3
Exports	Million lbs.	7,367	7,491	7,410	7,599	7,730	7,858	7,987	8,116	8,245	8,374	8,503	8,653
Disappearance	Million lbs.	36,991	36,974	37,476	38,498	39,014	39,579	39,860	40,362	40,659	40,964	41,503	41,991
Per capita, retail weight	Pounds	96.2	95.8	96.8	98.6	99.2	99.9	99.9	100.4	100.5	100.5	101.1	101.6
Change from previous year	Percent	1.2	-0.4	1.0	1.8	0.6	0.7	0.0	0.5	0.0	0.1	0.6	0.5
Prices:													
Broilers, National composite	Cents/lb.	73.2	98.4	98.3	98.8	101.3	102.4	103.5	103.4	103.9	104.6	105.1	106.5

Note: Totals may not add due to rounding. 1/ Broiler feed price based on 58 percent corn price and 42 percent soybean price, as used by USDA, National Agricultural Statistics Service. The projections were completed in October 2021.

<https://www.usda.gov/media/press-releases/2021/10/26/usda-announces-early-release-select-commodity-tables-agricultural>



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