

CENTRAL KANSAS BEEF SUMMIT

TUESDAY, NOVEMBER 14TH - 9:00 AM | BELOIT, KS



BEEF-CATTLE OUTLOOK

Dr. GLYNN T. TONSOR

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[http://www.agmanager.info/about/
contributors/individual/tonsor.asp](http://www.agmanager.info/about/contributors/individual/tonsor.asp)

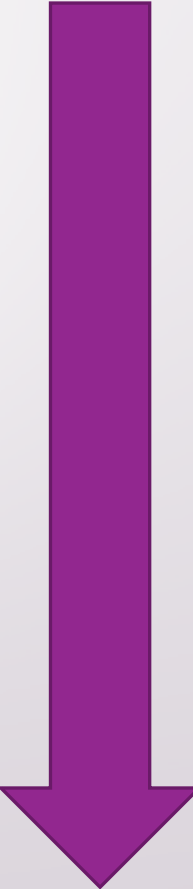
Take-Home Summary

1. Supply Dynamics Been Supporting Higher Cattle Prices
2. Consumer Meat Demand Mixed in 23' & Key to "Peak Prices" This Cycle

Quarterly Forecasts (LMIC: 11/10/23)

Year Quarter	Comm'l Slaughter	% Chg. from Year Ago	Average Dressed Weight	% Chg. from Year Ago	Comm'l Beef Production	% Chg. from Year Ago
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	8,098	-7.5	817.5	0.2	6,621	-7.3
IV	7,917	-6.8	831.9	0.2	6,586	-6.6
Year	32,607	-5.0	820.0	-0.5	26,738	-5.5
2024						
I	7,562	-9.0	830.9	1.3	6,284	-7.9
II	7,533	-9.0	820.4	1.2	6,181	-7.9
III	7,635	-5.7	828.9	1.4	6,329	-4.4
IV	7,398	-6.6	844.8	1.6	6,250	-5.1
Year	30,128	-7.6	831.2	1.4	25,043	-6.3
2025						
I	7,080	-6.4	838.8	0.9	5,939	-5.5
II	7,096	-5.8	827.9	0.9	5,874	-5.0
III	7,322	-4.1	837.3	1.0	6,130	-3.1
IV	7,024	-5.0	852.8	0.9	5,990	-4.2
Year	28,521	-5.3	839.1	1.0	23,933	-4.4

Data Source: Livestock Marketing Information Center



Quarterly Forecasts: Cattle (LMIC: 11/10/23)

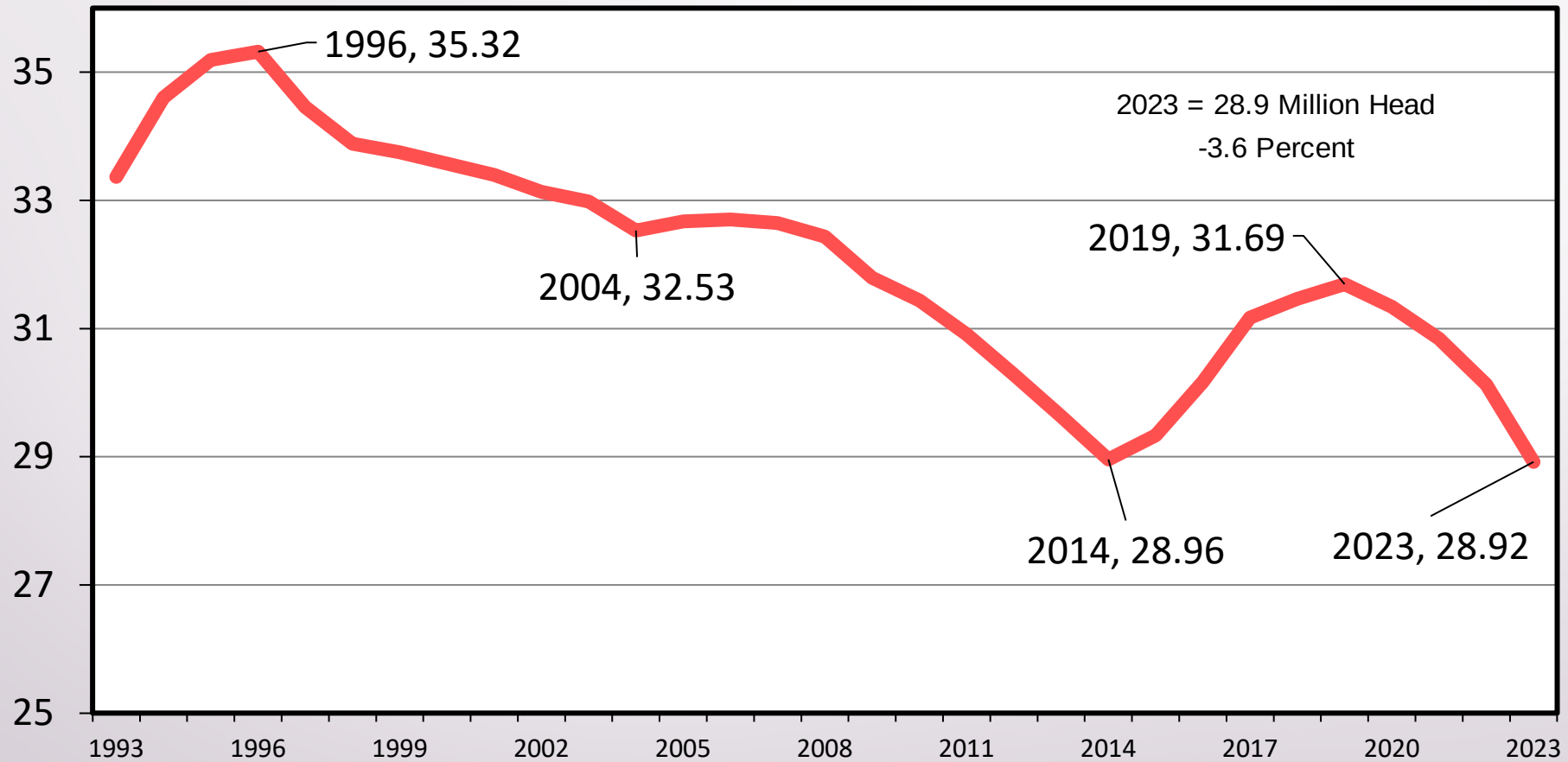
	Live Sltr.	% Chg.	Feeder Steer Price	
Year	Steer Price	from	Southern Plains	
Quarter	5-Mkt Avg	Year Ago	7-800#	5-600#
2023				
I	160.92	15.6	185.52	224.01
II	179.02	26.1	214.16	254.87
III	184	27.2	253	281
IV	182-183	19.3	252-253	283-284
Year	175-177	21.9	226-227	260-262
2024				
I	186-190	16.8	256-260	290-294
II	195-200	10.3	260-265	285-290
III	192-197	5.6	275-285	290-300
IV	205-210	13.7	280-290	300-310
Year	196-199	12.2	270-272	294-296
2025				
I	190-205	5.1	265-280	290-305
II	200-215	5.1	280-295	295-310
III	195-210	4.1	285-300	315-330
IV	225-240	12.0	275-290	325-340
Year	208-212	6.3	282-286	312-316

Data Source: Livestock Marketing Information Center

JANUARY 1 BEEF COW INVENTORY

U.S., Annual

Mil. Head



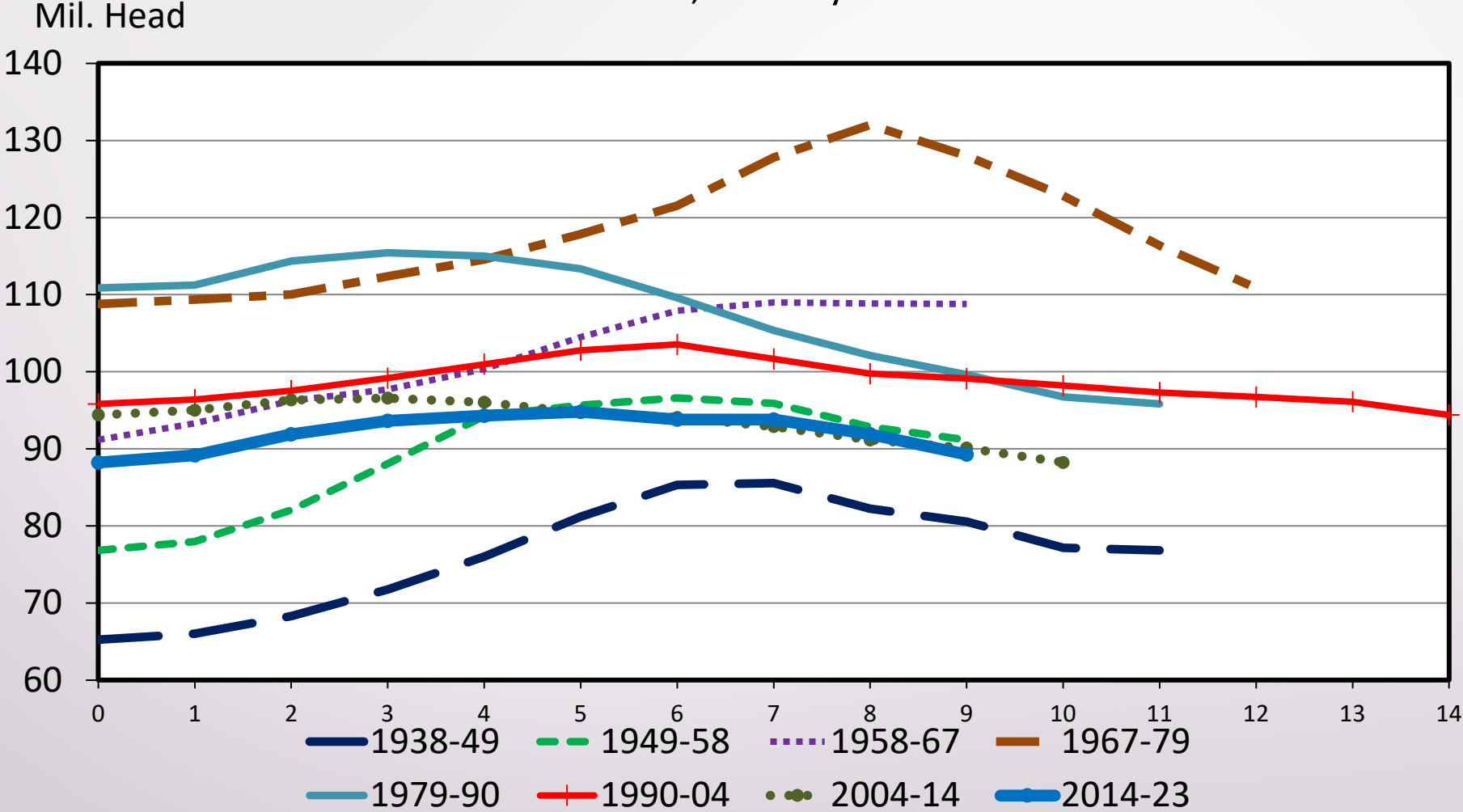
Data Source: USDA-NASS

Livestock Marketing Information Center

C-N-02
01/31/23

TOTAL CATTLE INVENTORY BY CYCLE

U.S., January 1



Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-40
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 (gtonsor@ksu.edu)

Kansas State University Department of Agricultural Economics

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

KSU – Beef Replacement Tool

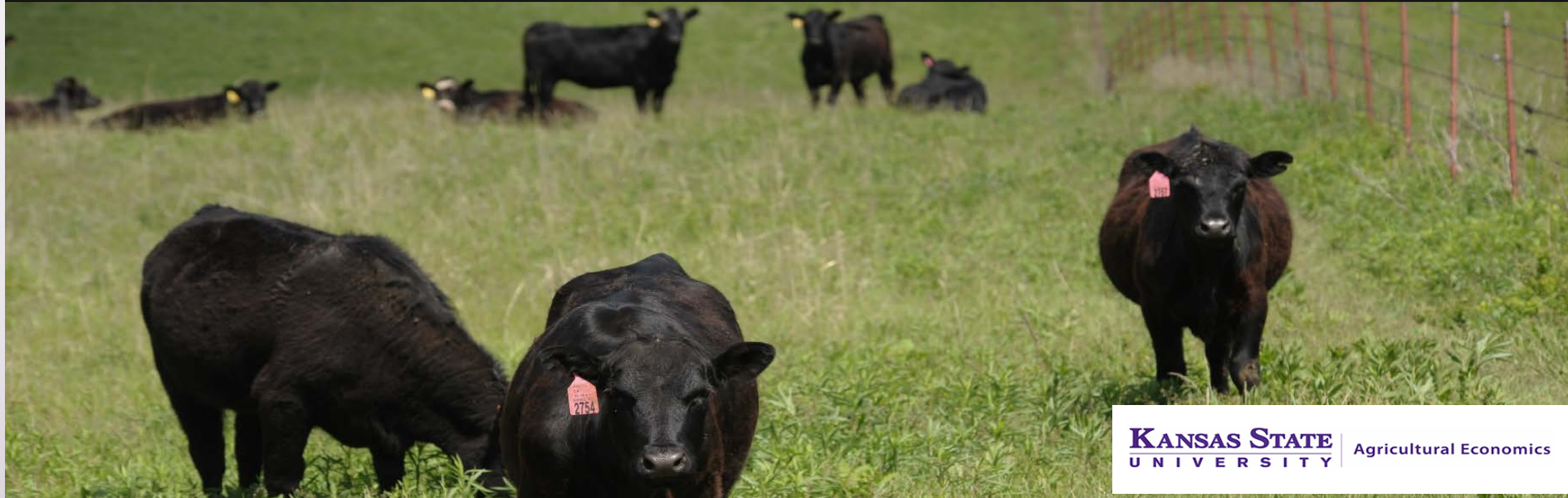
<https://www.agmanager.info/livestock-meat/production-economics/ksu-beef-replacement>

KSU-Beef Replacements

An Excel spreadsheet program to evaluate the economic value of purchasing beef replacement females.



Version- 1.30.2023



KANSAS STATE UNIVERSITY | Agricultural Economics

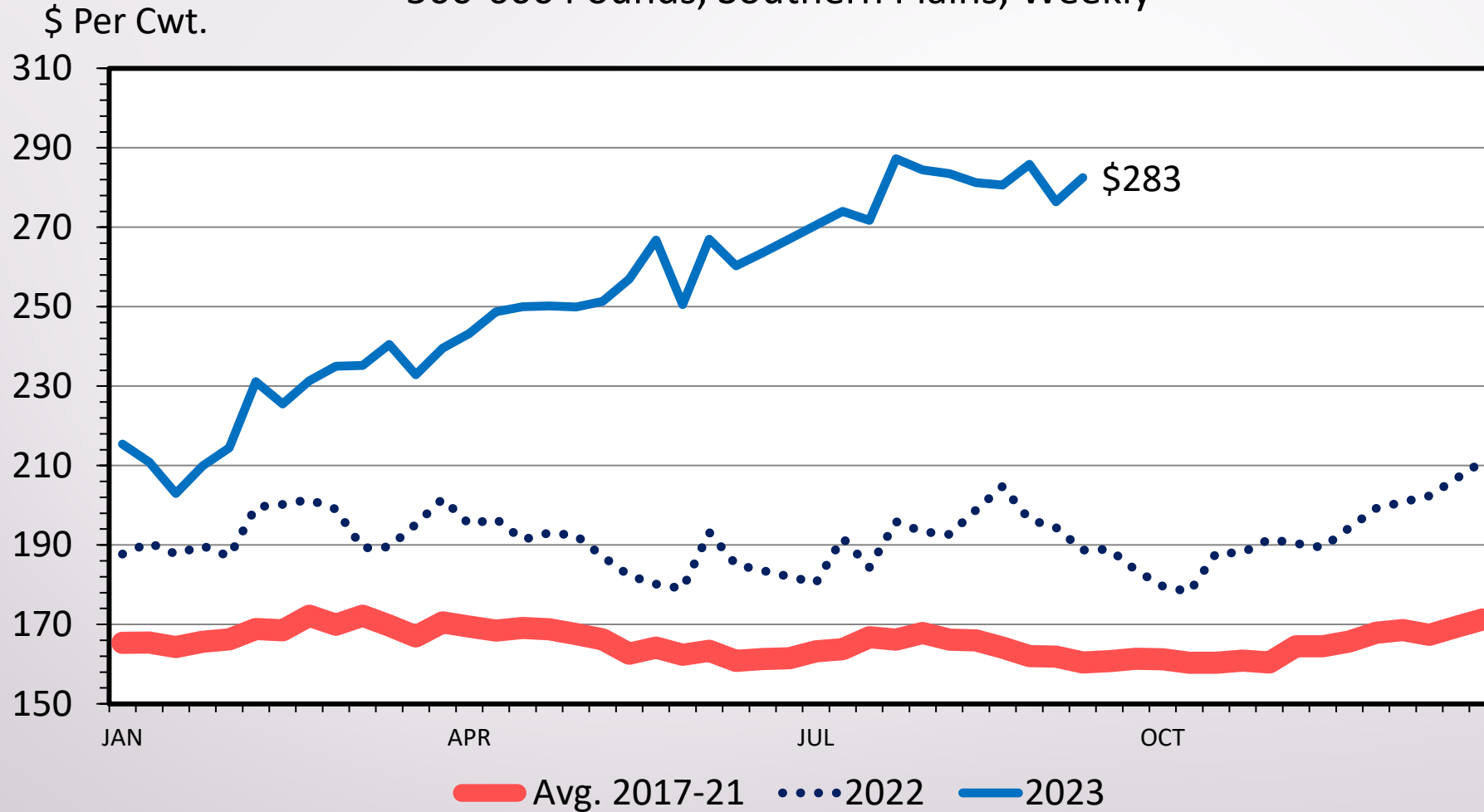
INTRODUCTION

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.

Always good to “push the pencil” on decisions such as what to pay in herd expansion/rebuild efforts

MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS

Livestock Marketing Information Center

C-P-54

09/18/23

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

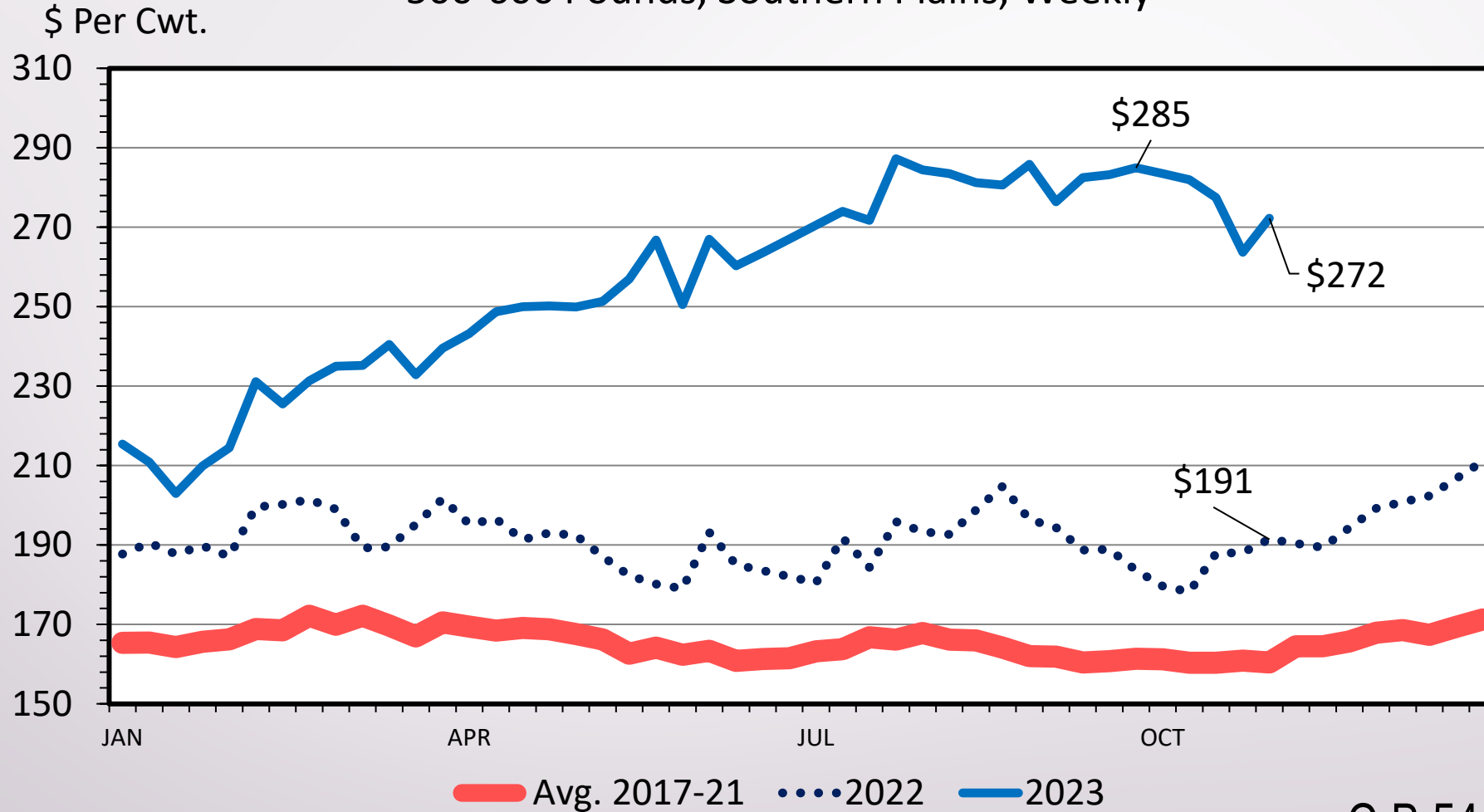
Salina *FALL CALF 2023* Market, as of *9/28*

10/18/2023 Sell @ Weaning @ 600 lbs

- *Expected Cash Price: \$282/cwt*

MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS

Livestock Marketing Information Center

C-P-54
11/06/23

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

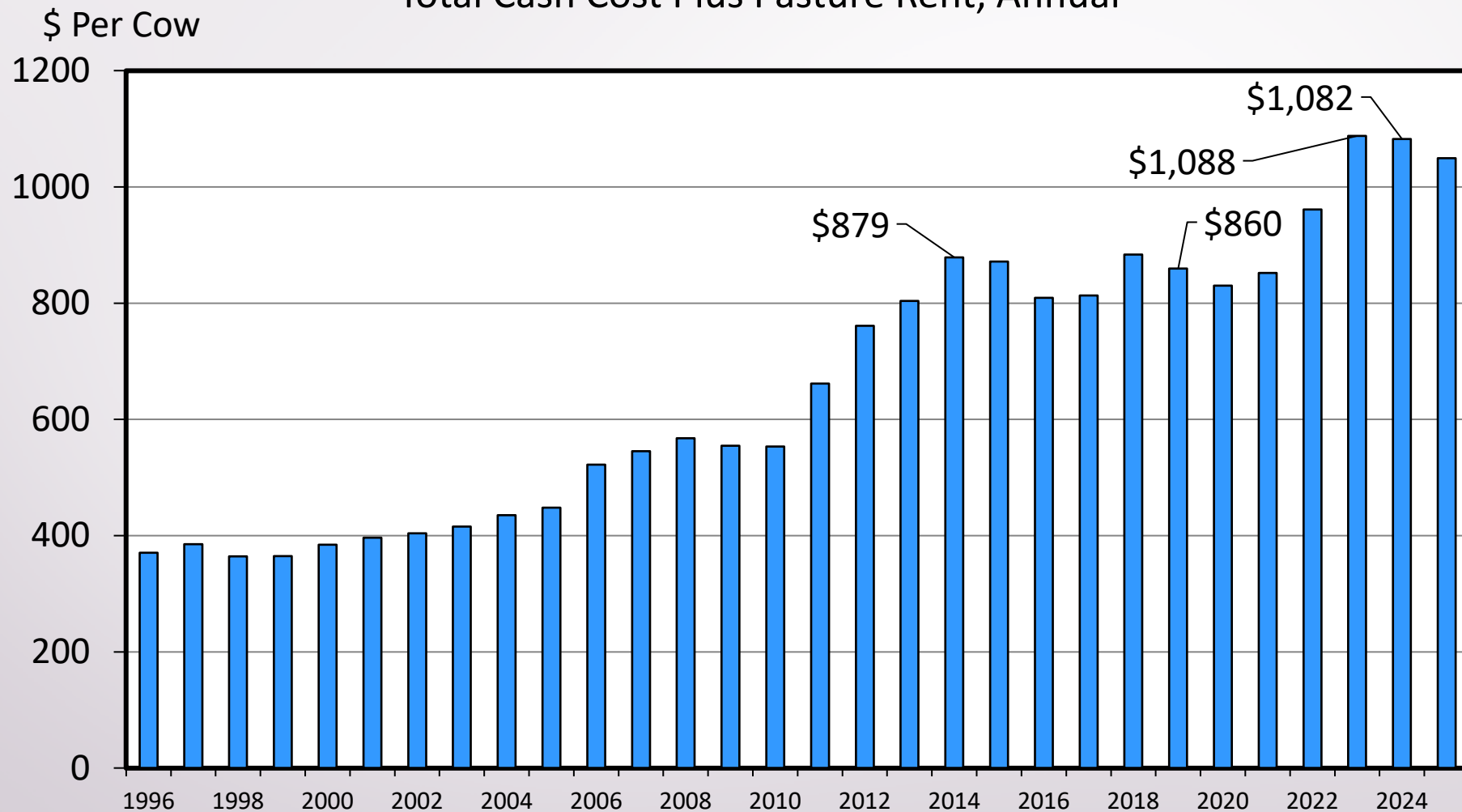
*Salina **FALL CALF 2024** Market, as of **11/10***

10/16/2024 Sell @ Weaning @ 600 lbs

- *Expected Cash Price: \$281/cwt*

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



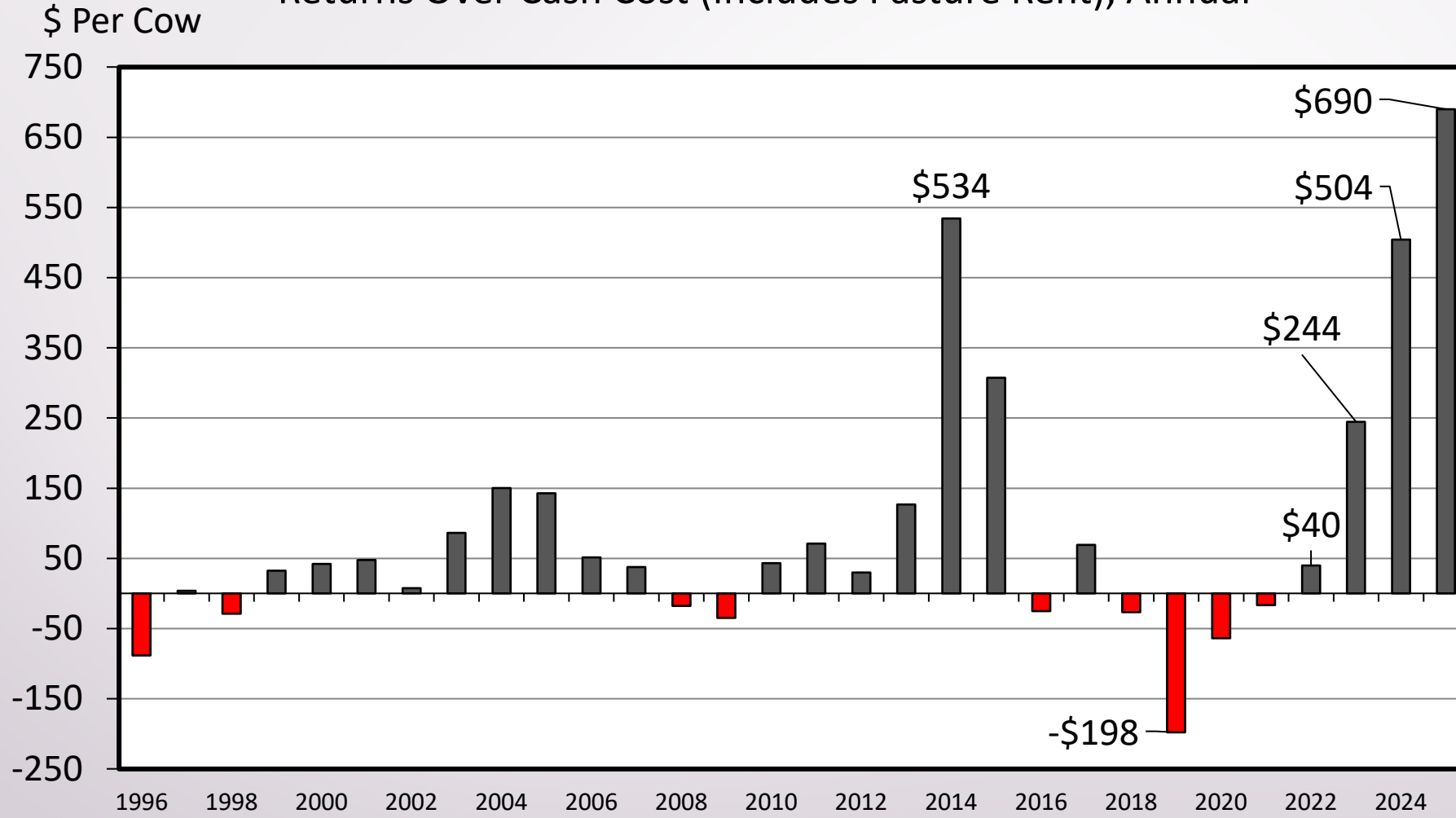
Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

09/19/23

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
09/19/23

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



Version- 2.11.2023



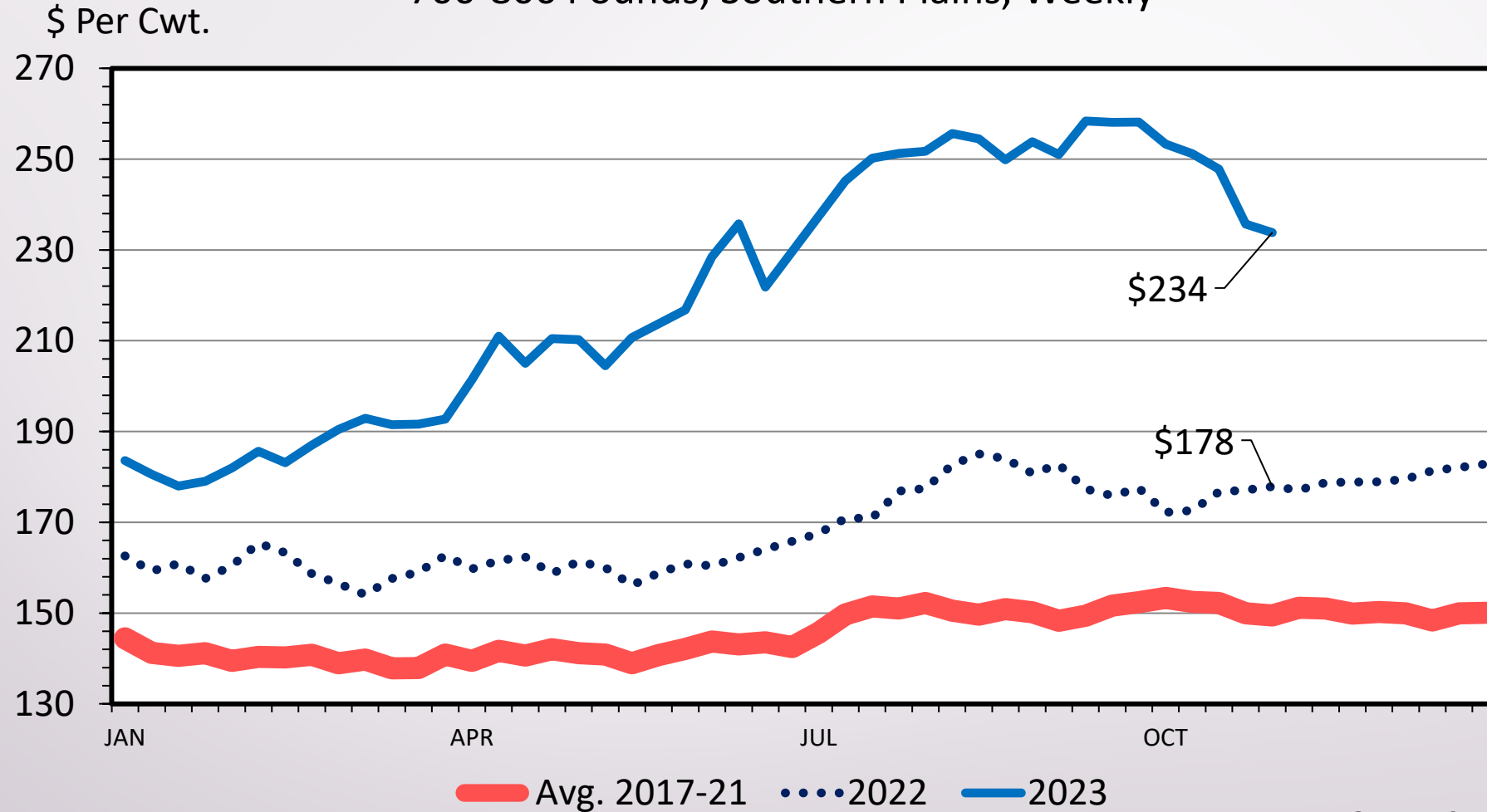
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INTRODUCTION

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.

MED. & LRG. #1 FEEDER STEER PRICES

700-800 Pounds, Southern Plains, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

C-P-49
11/06/23

Want Feeder Cattle Price, Basis, & VOG Projections?

Use BeefBasis.com

*Salina **BACKGROUND** Market, as of 11/10*

11/15/2023 Buy/Retail @ 600 lbs

1/31/2024 Sell @ 725 lbs

ADG=1.6

- *Expected Buy Price: \$257/cwt*
- *Expected Sell Price: \$238/cwt*
 - *VOG: \$184/head (\$147/cwt)*

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

Salina **SUMMER GRASS** Market, as of **9/28**

*4/10/2024 Buy/Retail @ 725 lbs
8/21/2024 Sell @ 925 lbs
DOF=133 & ADG=1.5*

- *Expected Buy Price: \$277/cwt*
- *Expected Sell Price: \$258/cwt*
 - *VOG: \$189/cwt (\$378/head)*

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

Salina **SUMMER GRASS** Market, as of 11/10

4/10/2024 Buy/Retail @ 725 lbs

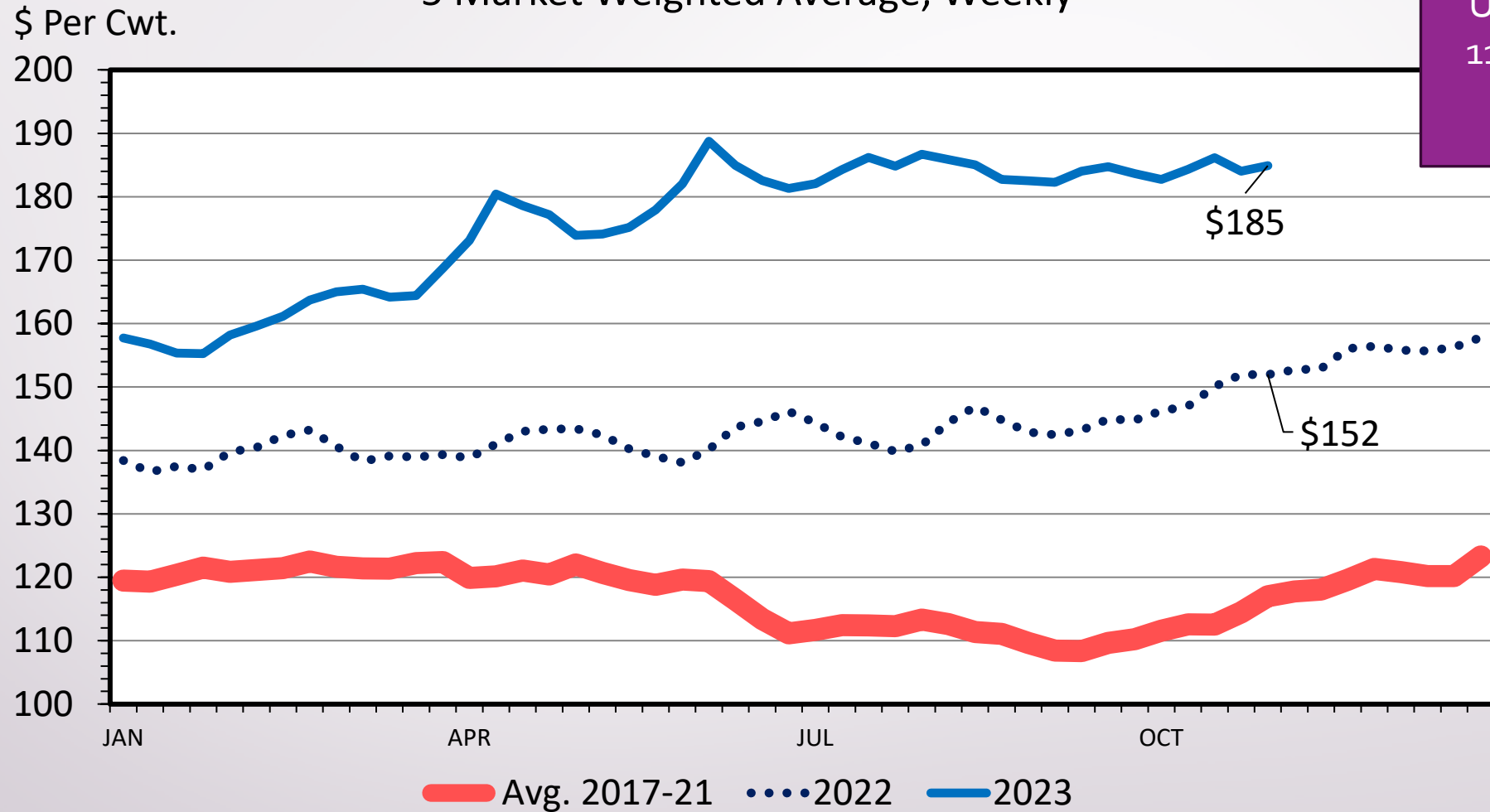
8/21/2024 Sell @ 925 lbs

DOF=133 & ADG=1.5

- *Expected Buy Price: \$243/cwt*
- *Expected Sell Price: \$232/cwt*
 - *VOG: \$194/cwt (\$388/head)*
 - **note less investment vs 9/29 #s**

SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

11/06/23

Historical and Projected Kansas Feedlot Net Returns (as of 9/15/23')

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

July 23': +\$193/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
Aug-23	193.24	138.32	180.25	179.49	0.76	183.00	167.81	166.74	207.93
Sep-23	281.54	135.12	187.50	186.93	0.57	186.67	179.05	167.84	222.27
Oct-23	340.88	129.49	193.84	191.82	2.02	193.88	183.54	170.05	236.36
Nov-23	361.32	123.63	195.59	191.82	3.76	199.78	180.02	170.58	244.71
Dec-23	279.68	118.43	200.69	196.32	4.36	224.03	162.05	180.76	260.74
Jan-24	119.41	114.03	196.81	196.32	0.48	239.83	132.46	188.44	255.14
Feb-24	217.64	110.29	200.71	199.75	0.96	242.24	142.43	185.45	271.26
Mar-24	174.28	109.93	201.08	199.75	1.33	247.70	136.26	188.60	271.44
Apr-24	-30.94	107.70	196.69	193.82	2.87	263.07	102.84	198.90	259.01
May-24	-2.74	108.14	200.23	193.82	6.40	264.41	107.70	200.42	264.05

Representative Barometer for Trends in Profitability

Historical and Projected Kansas Feedlot Net Returns (as of 11/10/23')

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

Sep. 23': +\$184/steer

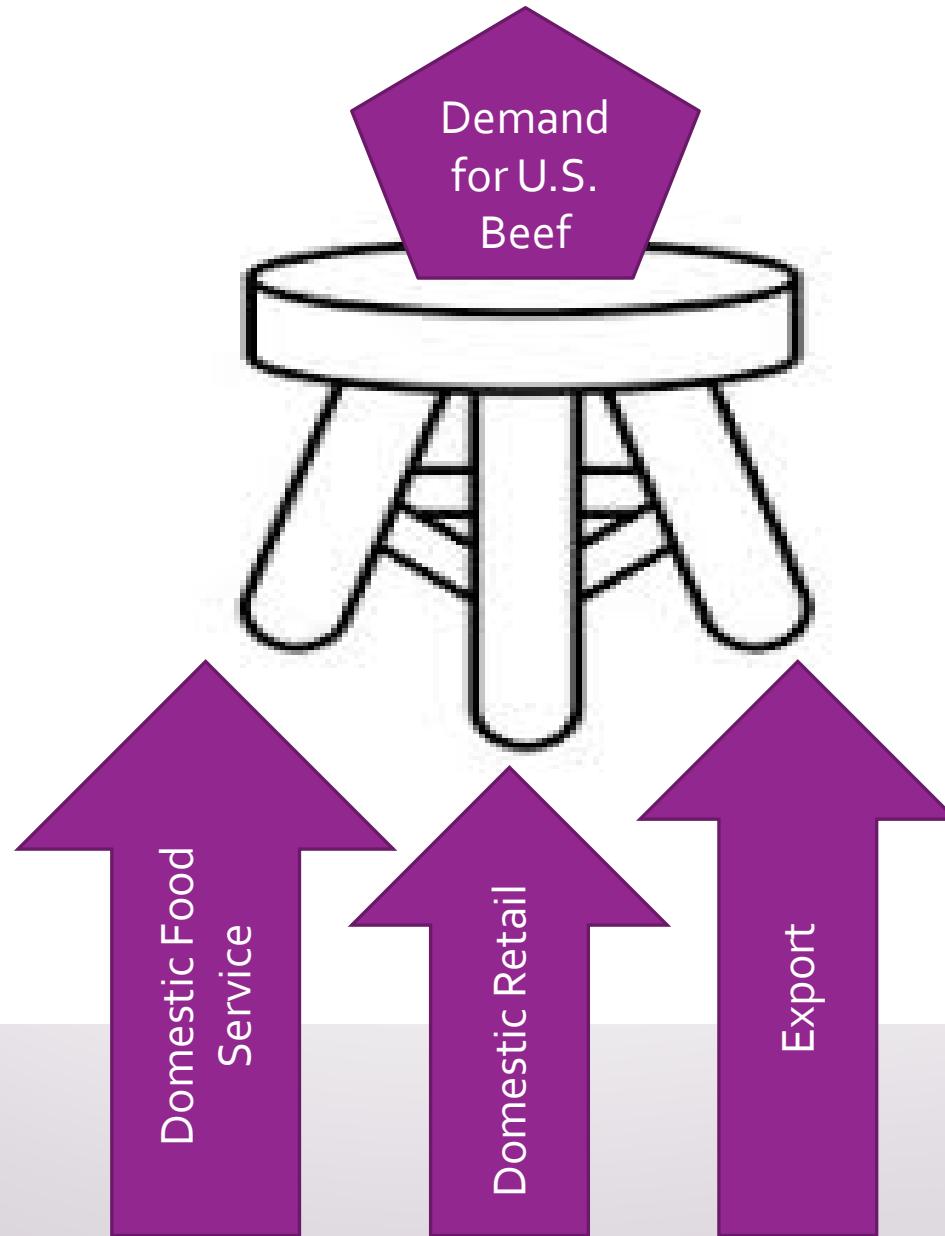
Table 1. Projected Values for Finishing Steers in Kansas Feedyards*

Closeout Mo-Yr	Net Return	FCOG**	Fed Price	Fed Futures	Fed Basis	Feeder Price	Breakeven FCOG**	Breakeven Fed Price	Breakeven Feeder Price
Oct-23	177.54	133.63	184.15	183.26	0.88	193.39	161.92	171.72	215.54
Nov-23	72.34	130.36	177.24	174.18	3.07	197.19	141.71	172.22	206.20
Dec-23	-62.12	125.38	178.07	174.65	3.42	221.13	115.64	182.52	212.96
Jan-24	-215.55	121.20	174.80	174.65	0.15	236.25	87.68	189.96	208.56
Feb-24	-171.13	117.69	177.43	176.93	0.51	242.50	92.21	189.49	219.62
Mar-24	-154.88	114.07	177.95	176.93	1.02	244.20	90.48	189.08	223.10
Apr-24	-200.25	108.86	174.22	172.02	2.20	243.48	77.20	188.60	217.14
May-24	-74.72	109.28	177.95	172.02	5.93	233.12	97.33	183.34	223.30
Jun-24	-9.14	107.02	175.45	172.63	2.82	223.23	105.58	176.10	222.03
Jul-24	-43.31	109.55	174.04	172.63	1.41	224.99	102.85	177.16	219.15

Representative Barometer for Trends in Profitability

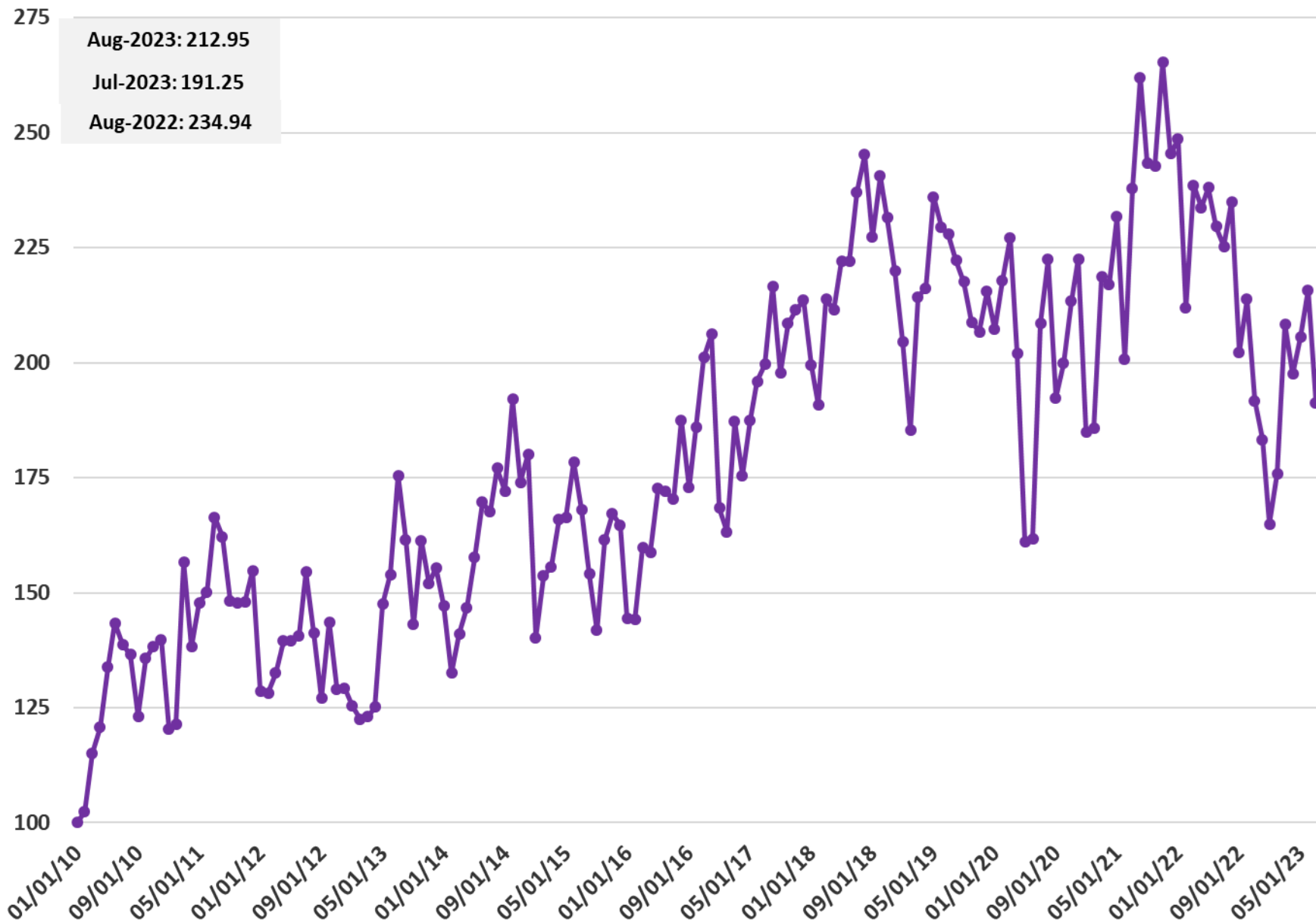


Beef Demand Patterns



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

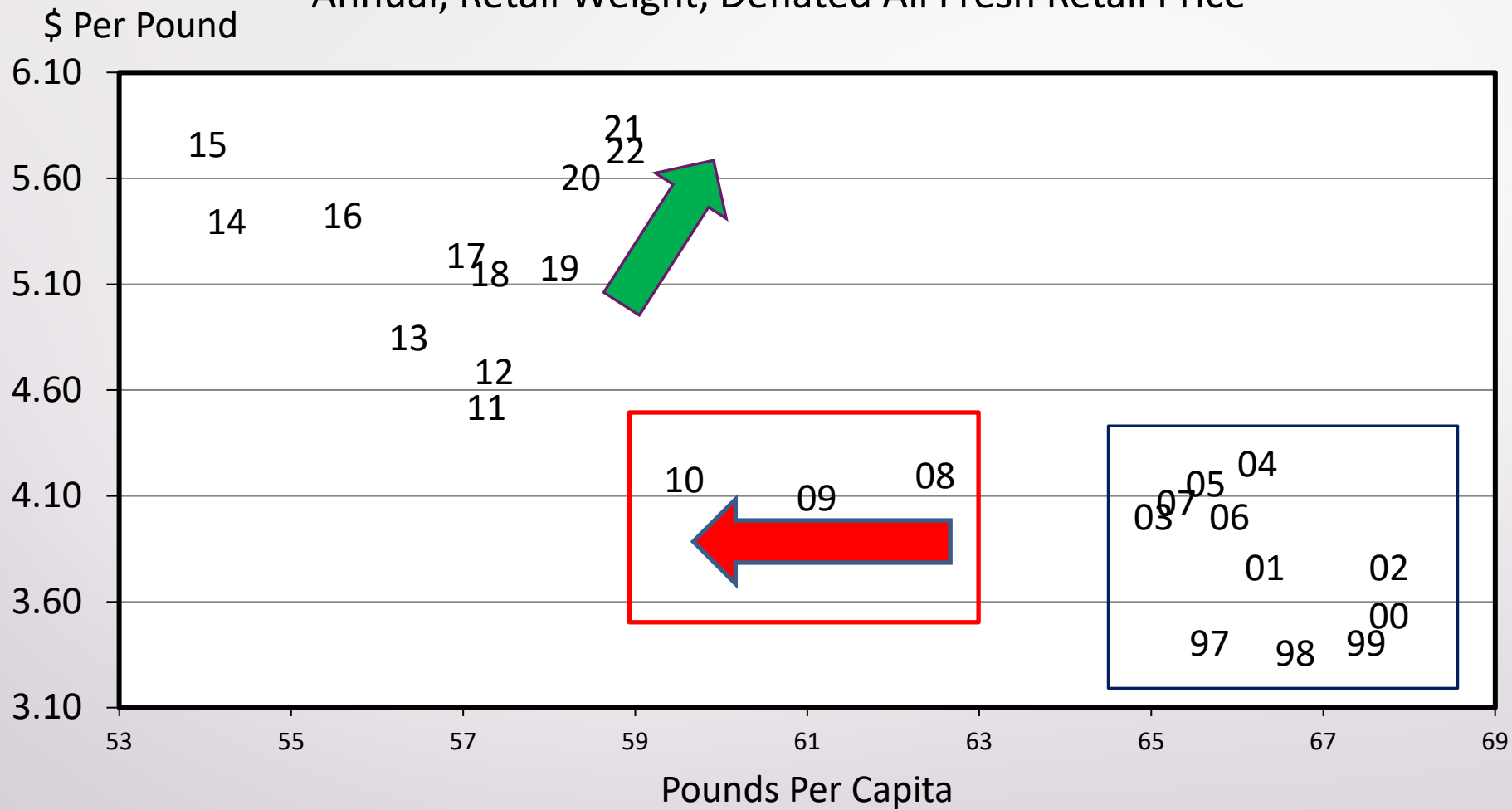
Monthly U.S. Beef, Export Demand Index, Jan. 2010 (base) - present



<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

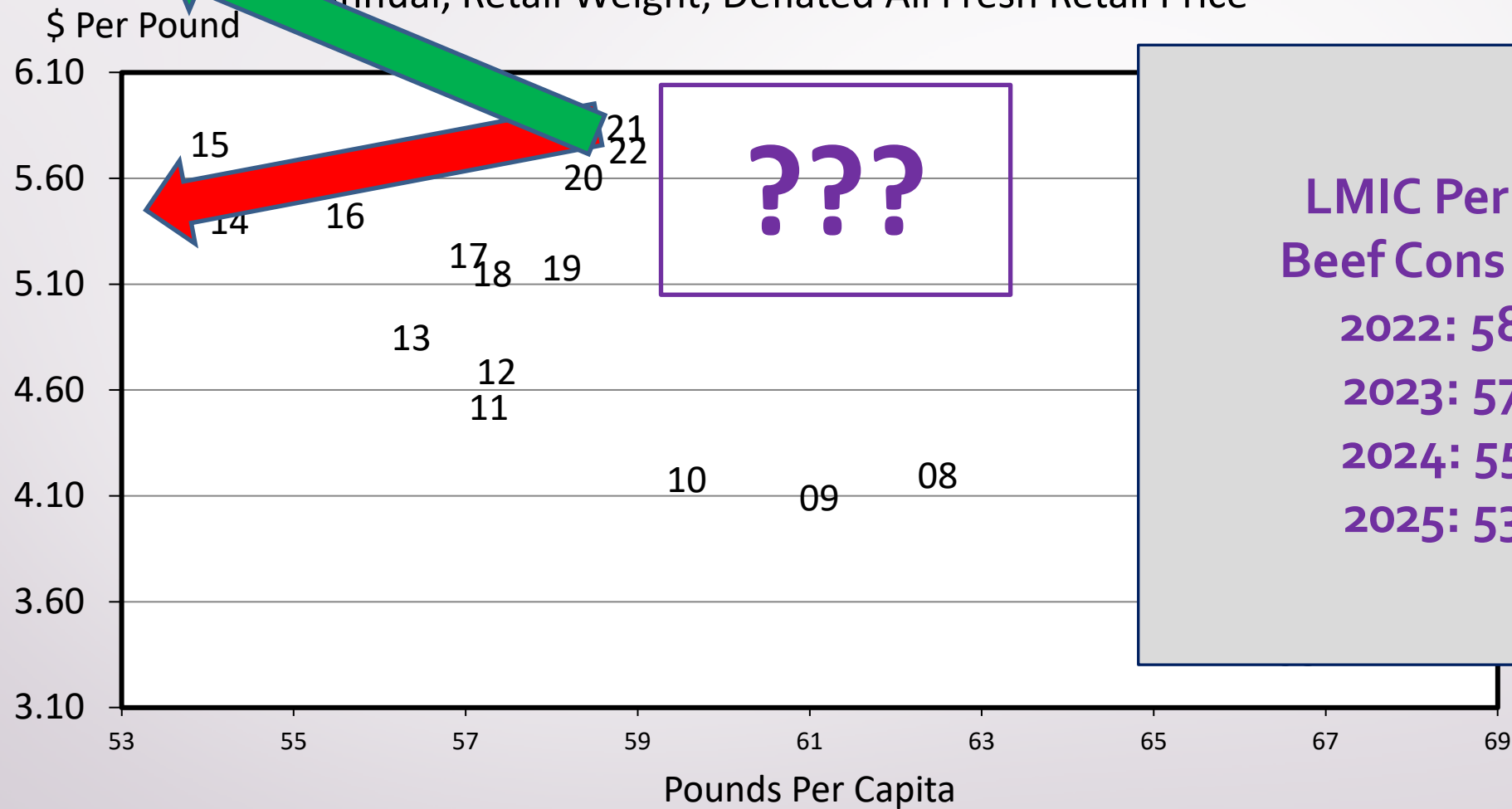


Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC
Livestock Marketing Information Center

C-P-65A
06/30/23

BEEF PRICE-QUANTITY RELATIONSHIP

Annual, Retail Weight, Deflated All Fresh Retail Price



LMIC Per Cap
Beef Cons (lbs):

2022: 58.9

2023: 57.0

2024: 55.0

2025: 53.1

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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[Projected Feeder Cattle Prices](#)

[Cattle Finishing Returns](#)

[Meat Demand](#)

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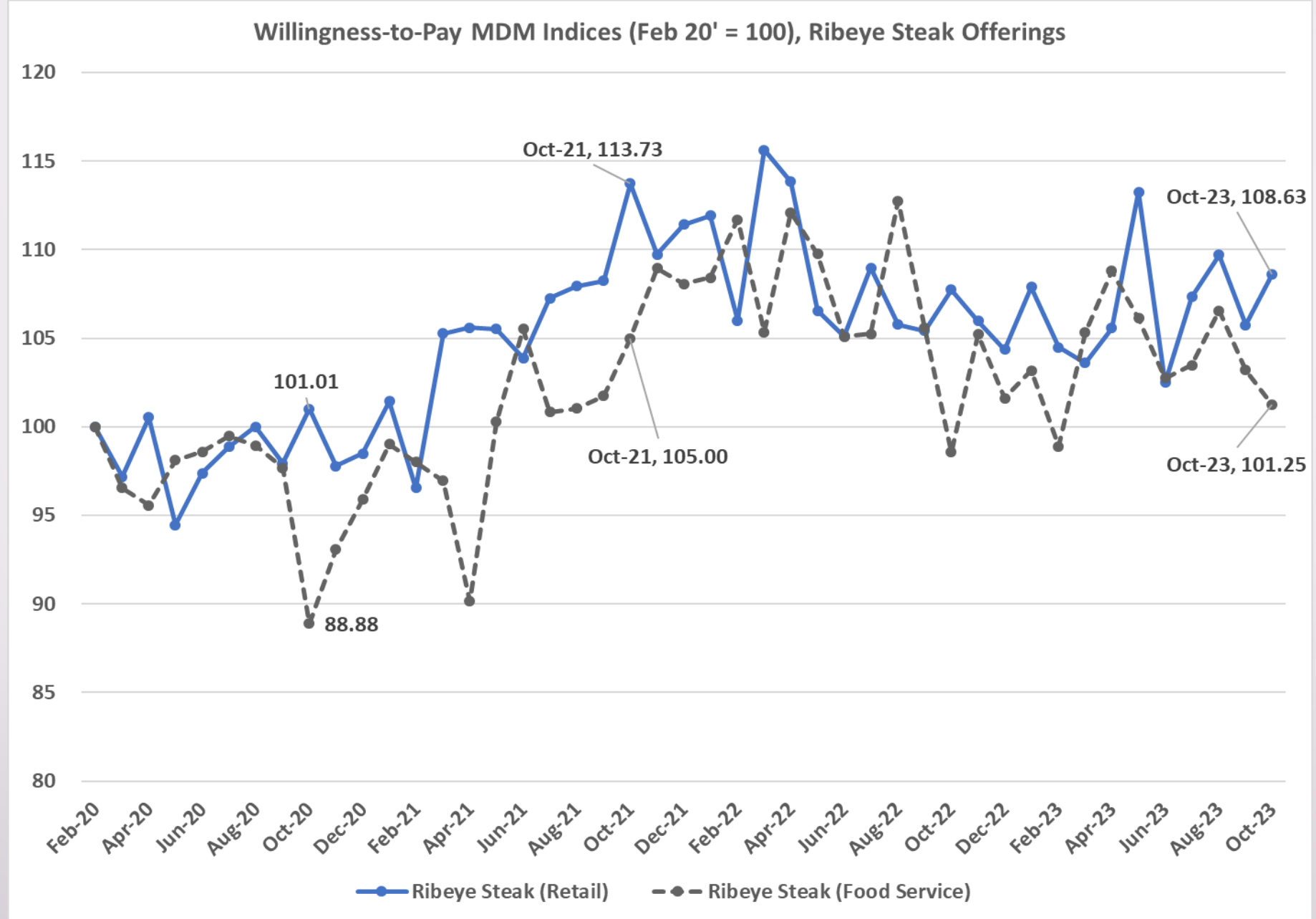
The Meat Demand Monitor (MDM) project is funded in-part by the beef checkoff and the pork checkoff. Monthly reports and supporting documentation are available here.



Monthly Meat Demand Monitor

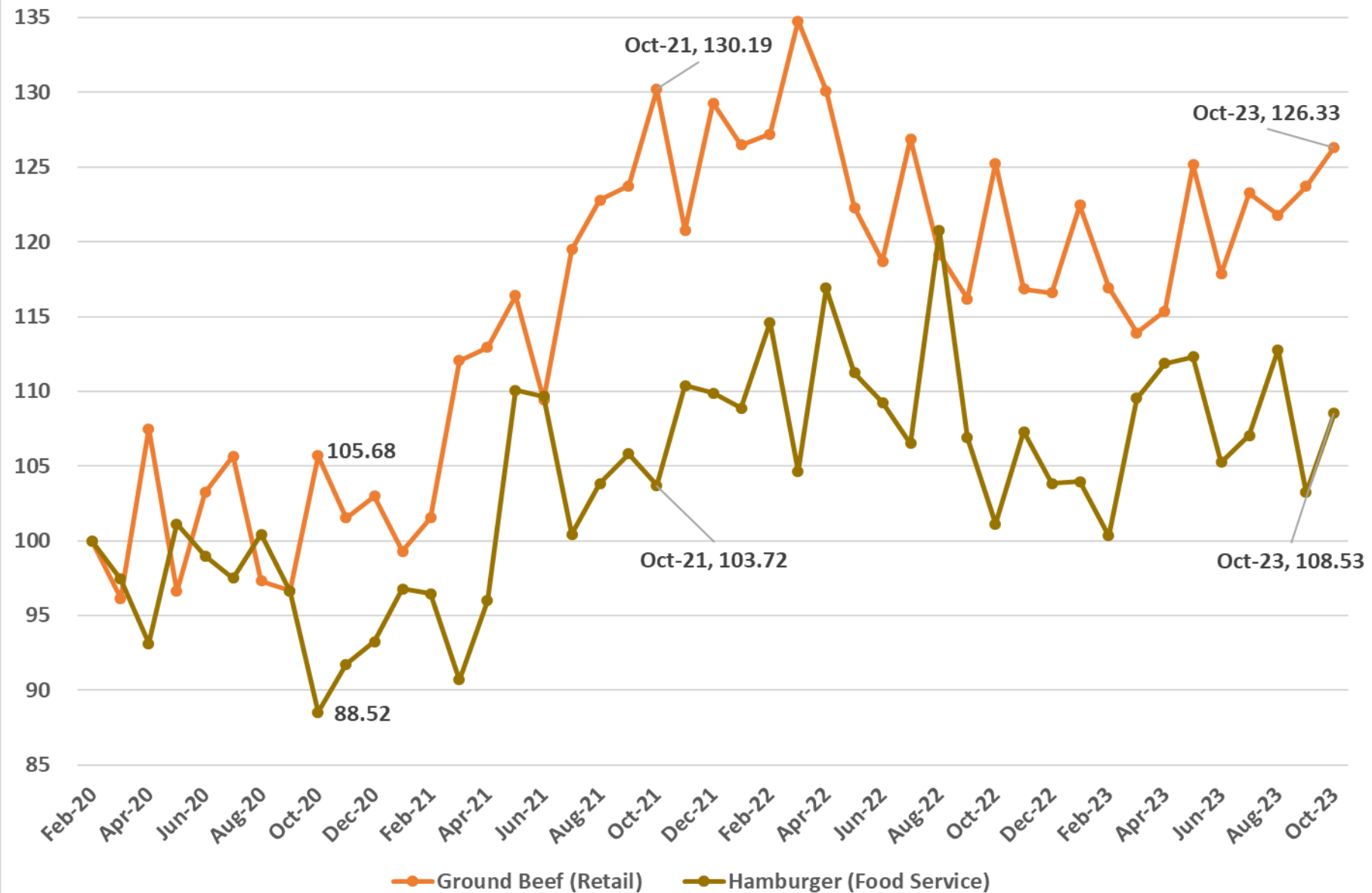
Title	Author	Date	Downloads
Meat Demand Monitor - August 2020	Tonsor	September 4, 2020	Downloads
Meat Demand Monitor - July 2020	Tonsor	August 4, 2020	Downloads
Meat Demand Monitor - February-June 2020 Summary Report	Tonsor	July 27, 2020	Downloads
Meat Demand Monitor - June 2020	Tonsor	July 2, 2020	Downloads
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>



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

Willingness-to-Pay MDM Indices (Feb 20' = 100), Ground Beef Offerings



<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

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

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

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



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

Real Wages Are Key



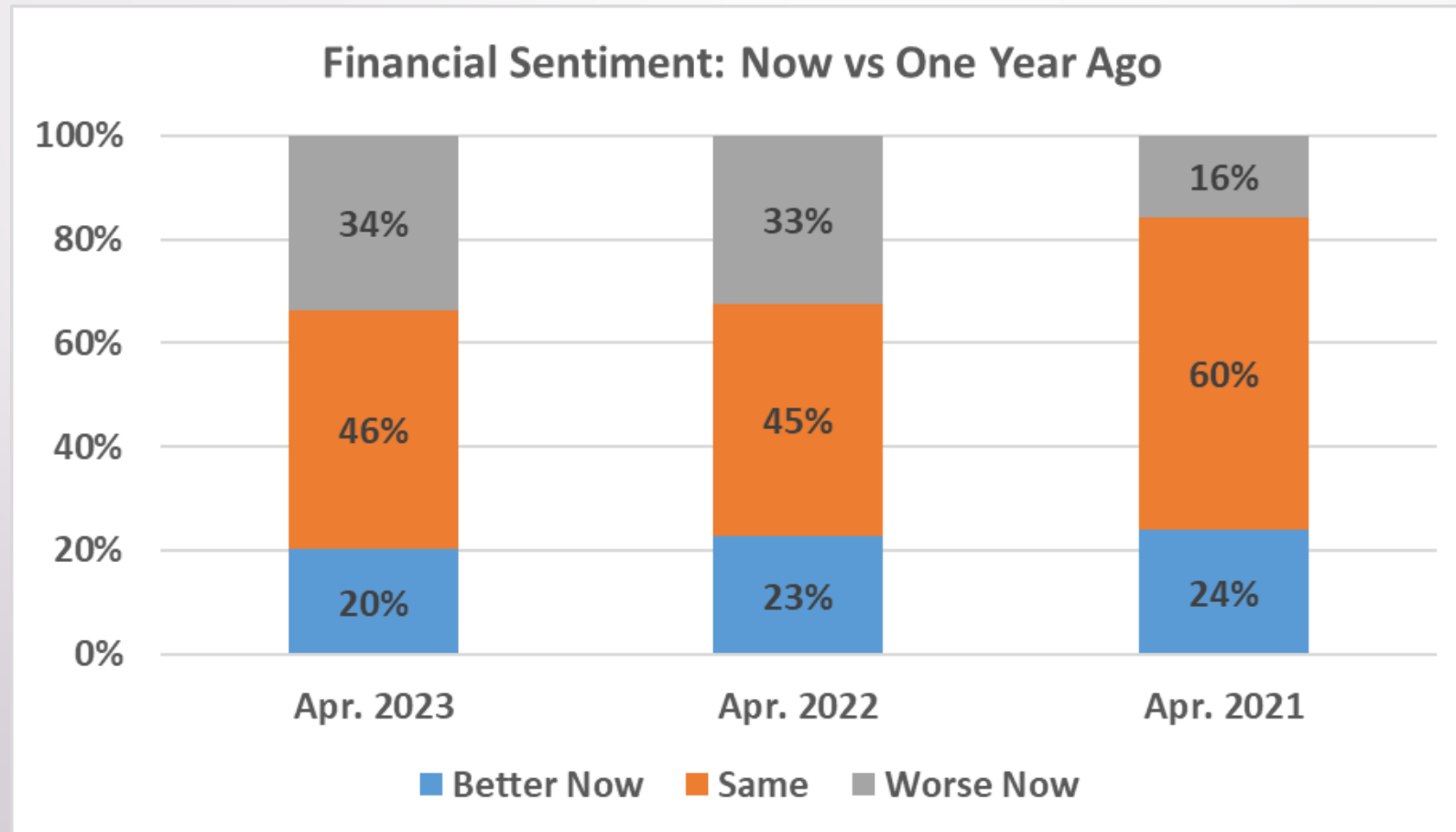
<https://fred.stlouisfed.org/series/LES1252881600Q#>

MDM: Meat Demand Monitor

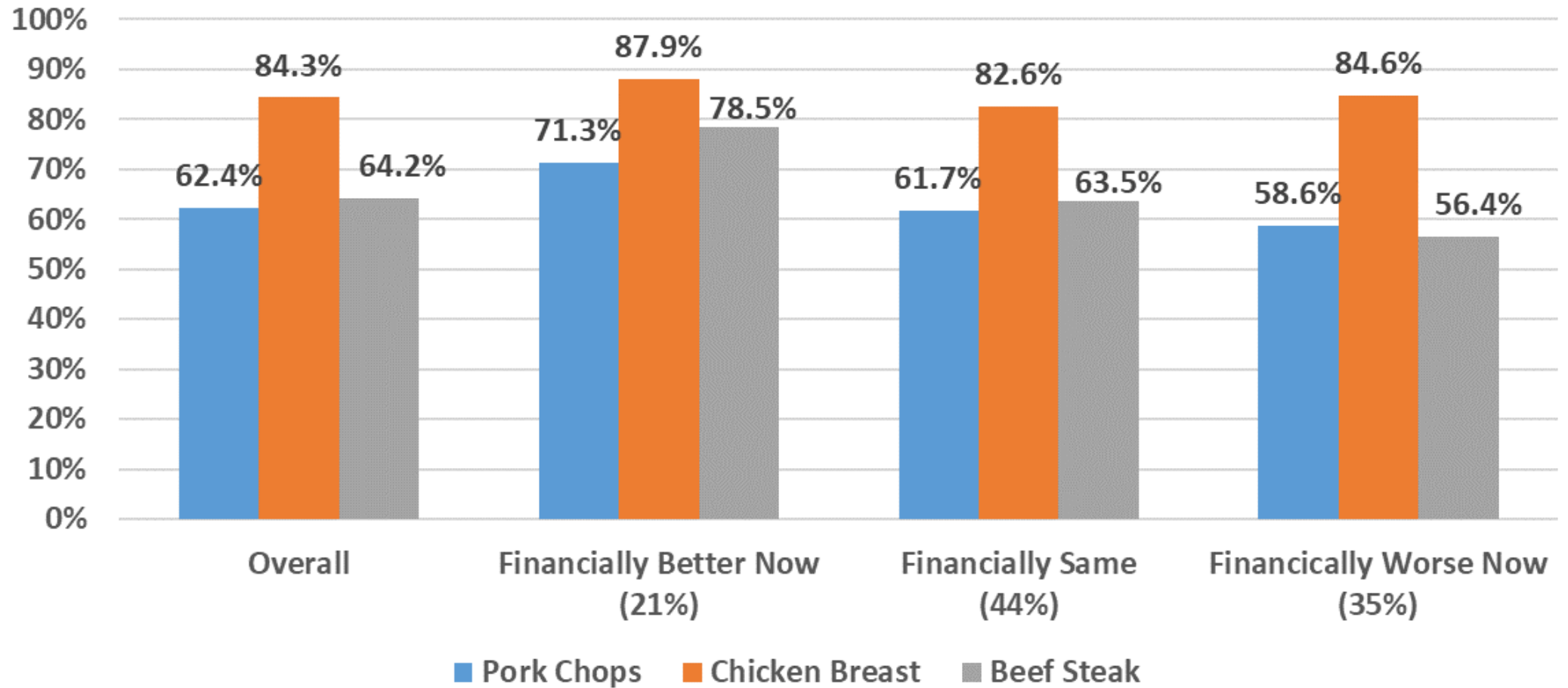
The MDM tracks U.S. consumer preferences, views, and demand for meat with separate analysis for retail and food service channels. MDM is a monthly online survey with a sample of over 2,000 respondents reflecting the national population.

<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



Consumption Rates in Past Month of Pork Chops, Chicken Breasts, ad Beef Steak by Financial Sentiment (Now vs One Year Ago), Oct. 2023 (MDM)





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

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%



<http://library.meatingplace.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...”

