

BEEF- CATTLE OUTLOOK

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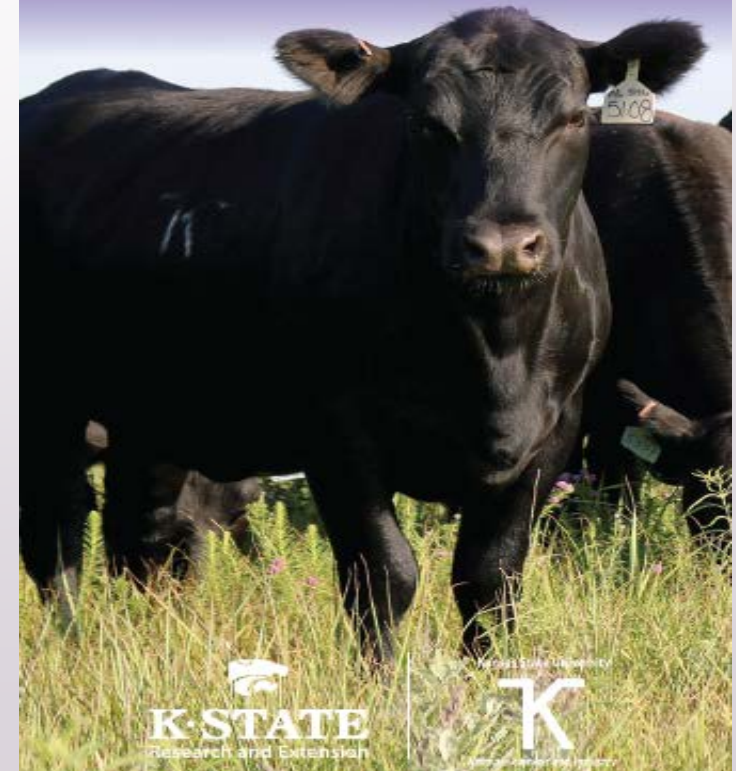
Twitter: @TonsorGlynn



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

2022
K-STATE
CATTLEMEN'S DAY

MARCH 4, 2022
KSU Weber Hall
Manhattan, Kansas



Quarterly Forecasts (LMIC: 3/1/22)

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	8,225	-0.6	838.3	0.6	6,895	0.0
II	8,266	-2.8	821.4	0.4	6,790	-2.4
III	8,201	-3.8	822.1	0.4	6,742	-3.4
IV	8,206	-3.9	837.0	0.5	6,869	-3.4
Year	32,898	-2.8	829.7	0.5	27,295	-2.3
2023						
I	7,819	-4.9	838.8	0.1	6,558	-4.9
II	8,075	-2.3	824.9	0.4	6,661	-1.9
III	7,933	-3.3	825.9	0.5	6,552	-2.8
IV	8,005	-2.5	841.1	0.5	6,733	-2.0
Year	31,832	-3.2	832.6	0.4	26,504	-2.9

Data Source: Livestock Marketing Information Center

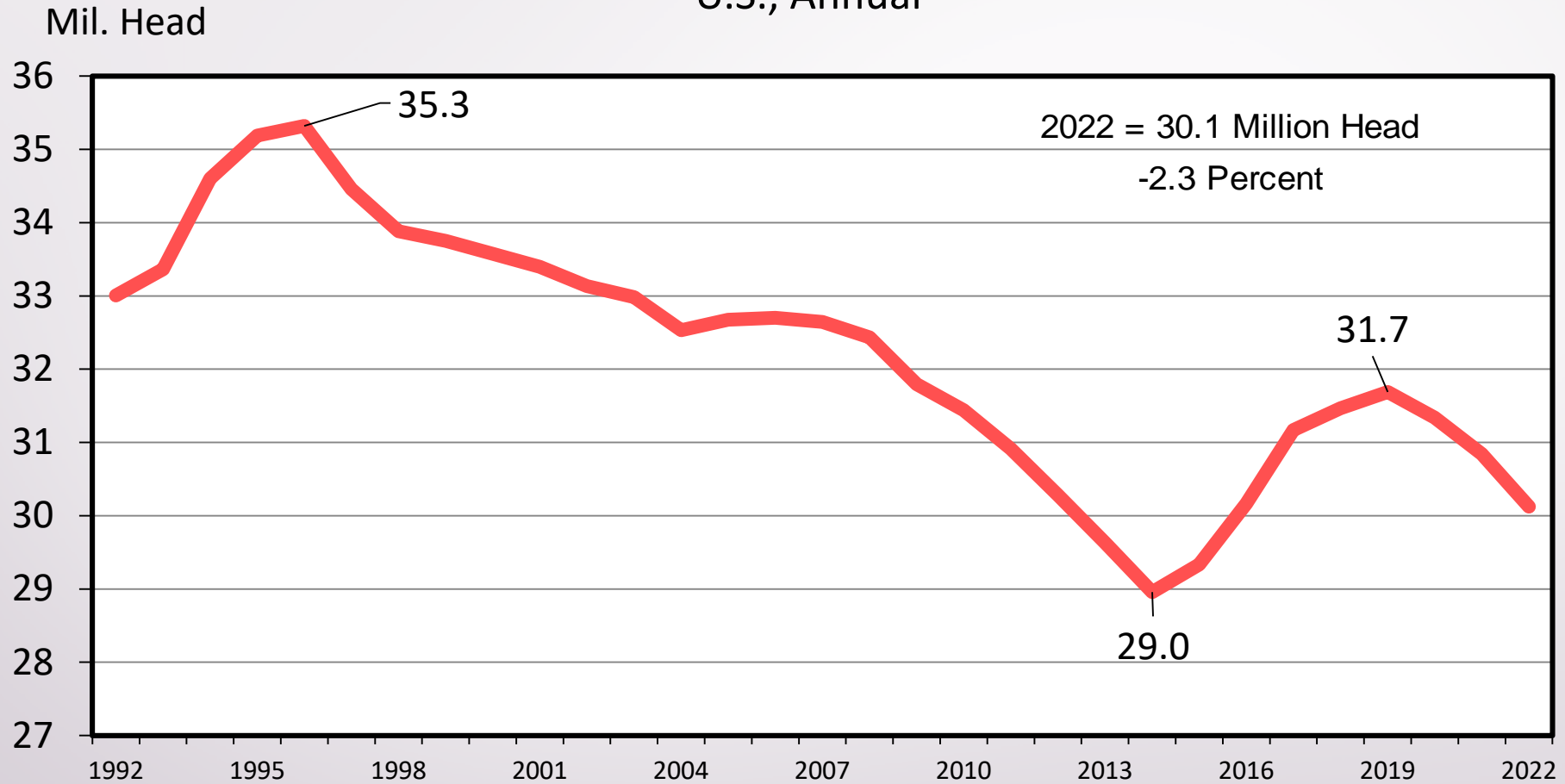
Quarterly Forecasts: Cattle (LMIC: 3/1/22)

Year Quarter	Live Sltr. Steer Price	% Chg. from	Feeder Steer Price	
	5-Mkt Avg	Year Ago	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	138-140	23.0	161-162	190-192
II	137-140	14.7	159-162	187-192
III	132-136	8.5	170-175	185-195
IV	135-139	3.5	163-168	183-193
Year	135-137	11.1	164-166	189-190
2023				
I	138-148	2.9	170-180	188-203
II	142-152	2.5	173-183	192-207
III	133-148	4.9	177-192	200-215
IV	137-152	5.5	180-195	205-220
Year	139-144	4.0	178-183	200-205

Data Source: Livestock Marketing Information Center

JANUARY 1 BEEF COW INVENTORY

U.S., Annual

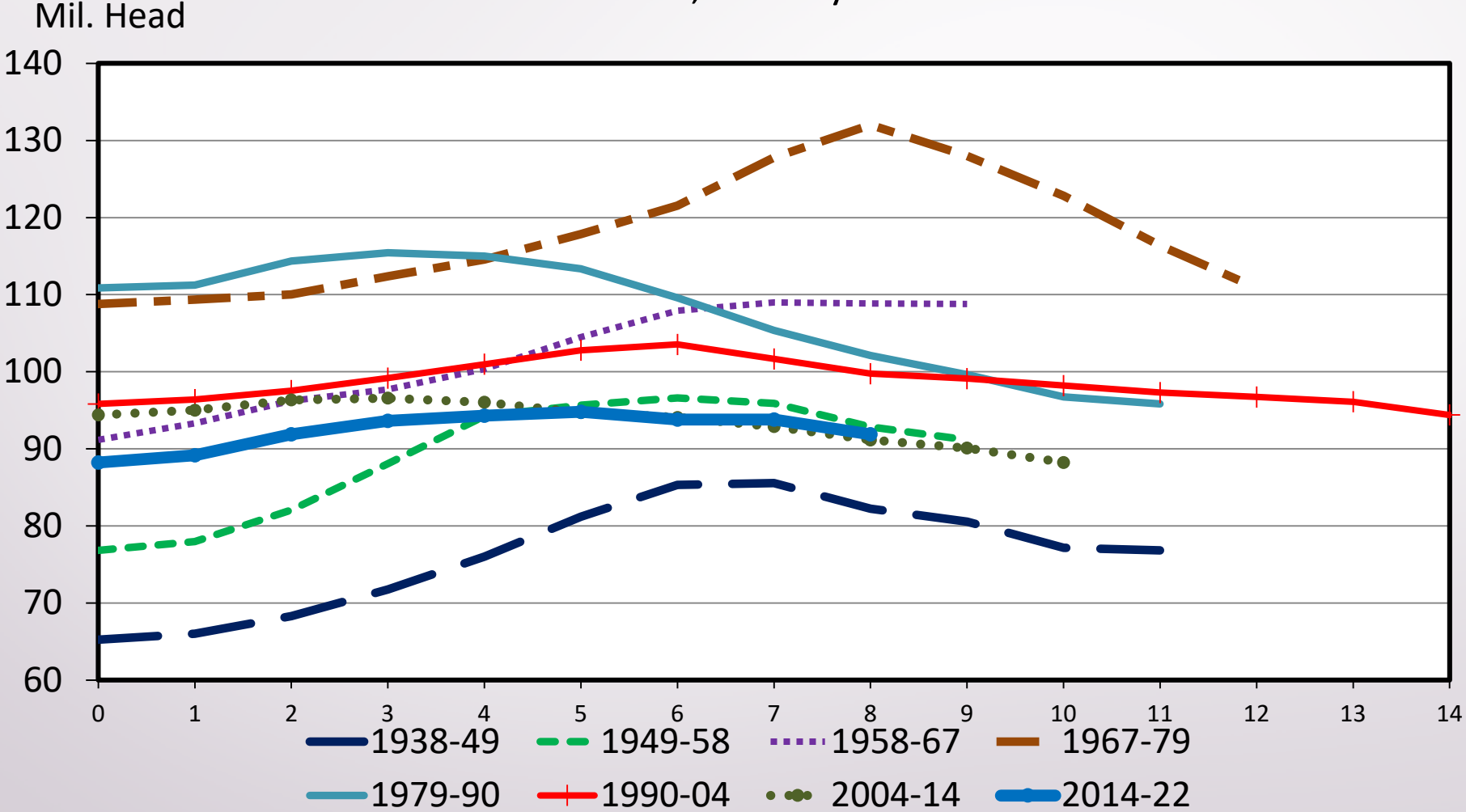


Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-02
01/31/22

TOTAL CATTLE INVENTORY BY CYCLE

U.S., January 1



Data Source: USDA-NASS
Livestock Marketing Information Center

C-N-40
01/31/22

Evaluating Cattle Cycles:

Changes Over Time and Implications

February 2017

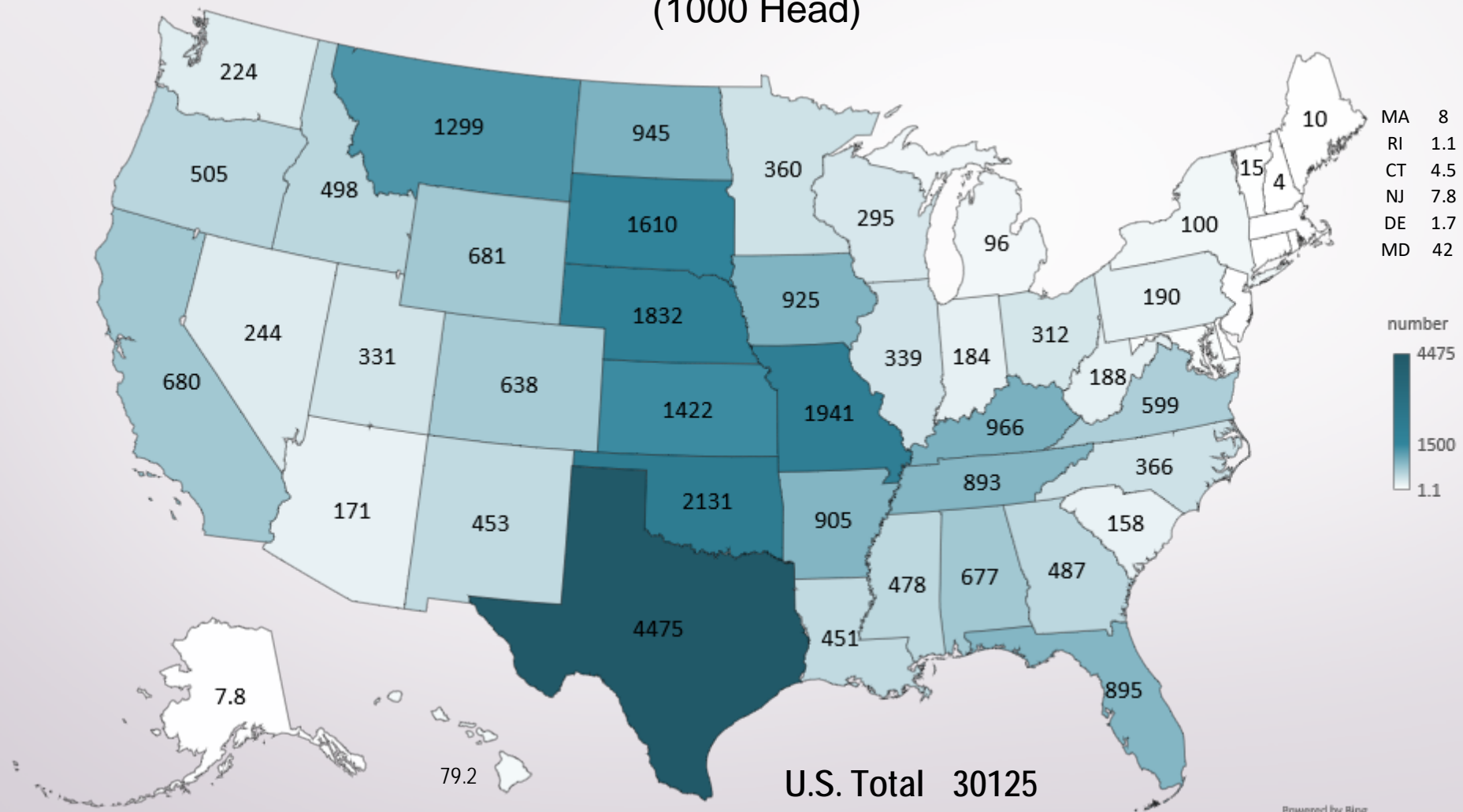
Glynn T. Tonsor (Kansas State University)

James L. Mitchell (Kansas State University)

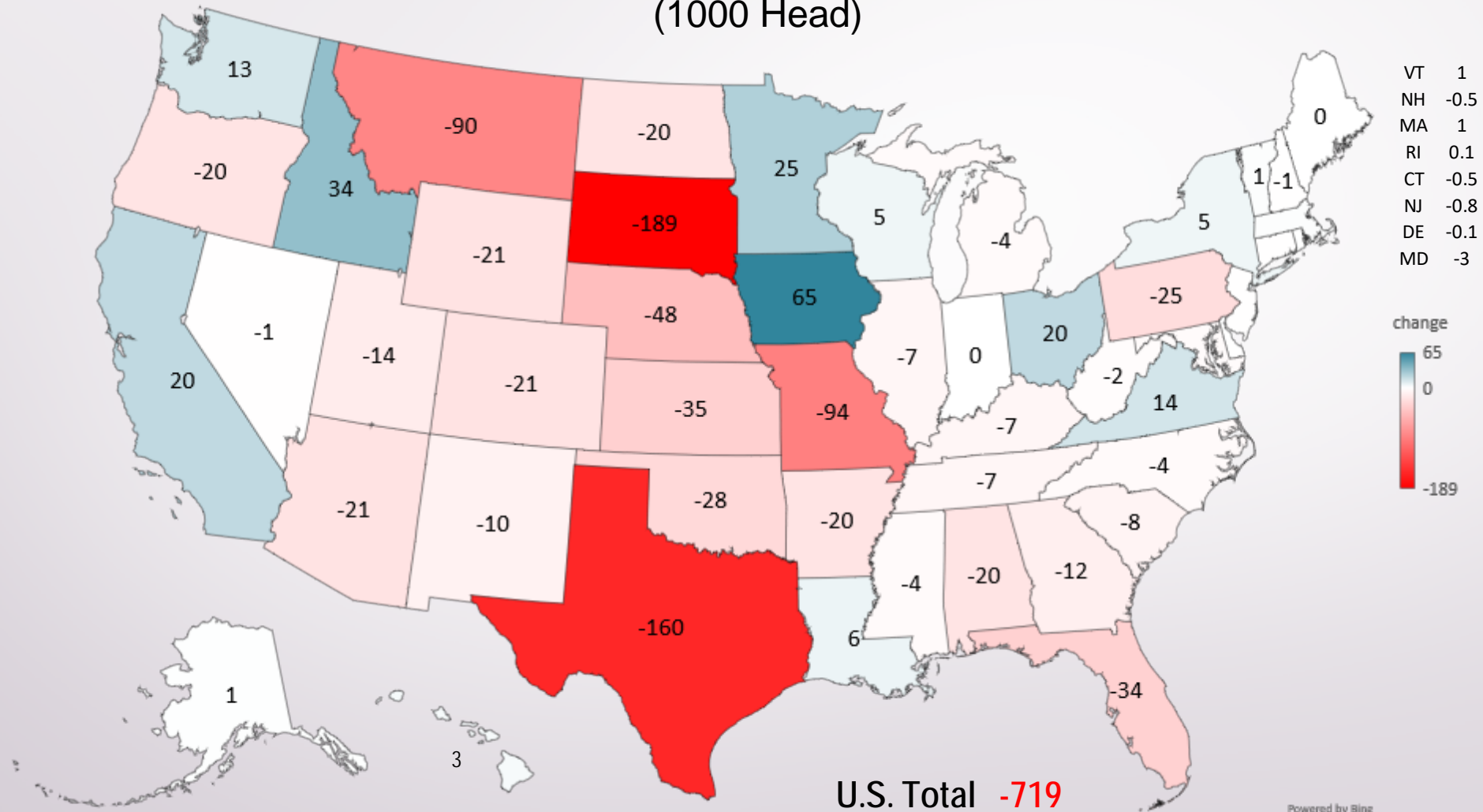
https://www.agmanager.info/sites/default/files/pdf/KSU_FactSheet_CattleCycle_01-31-17.pdf

BEEF COWS THAT CALVED JANUARY 1, 2022

(1000 Head)

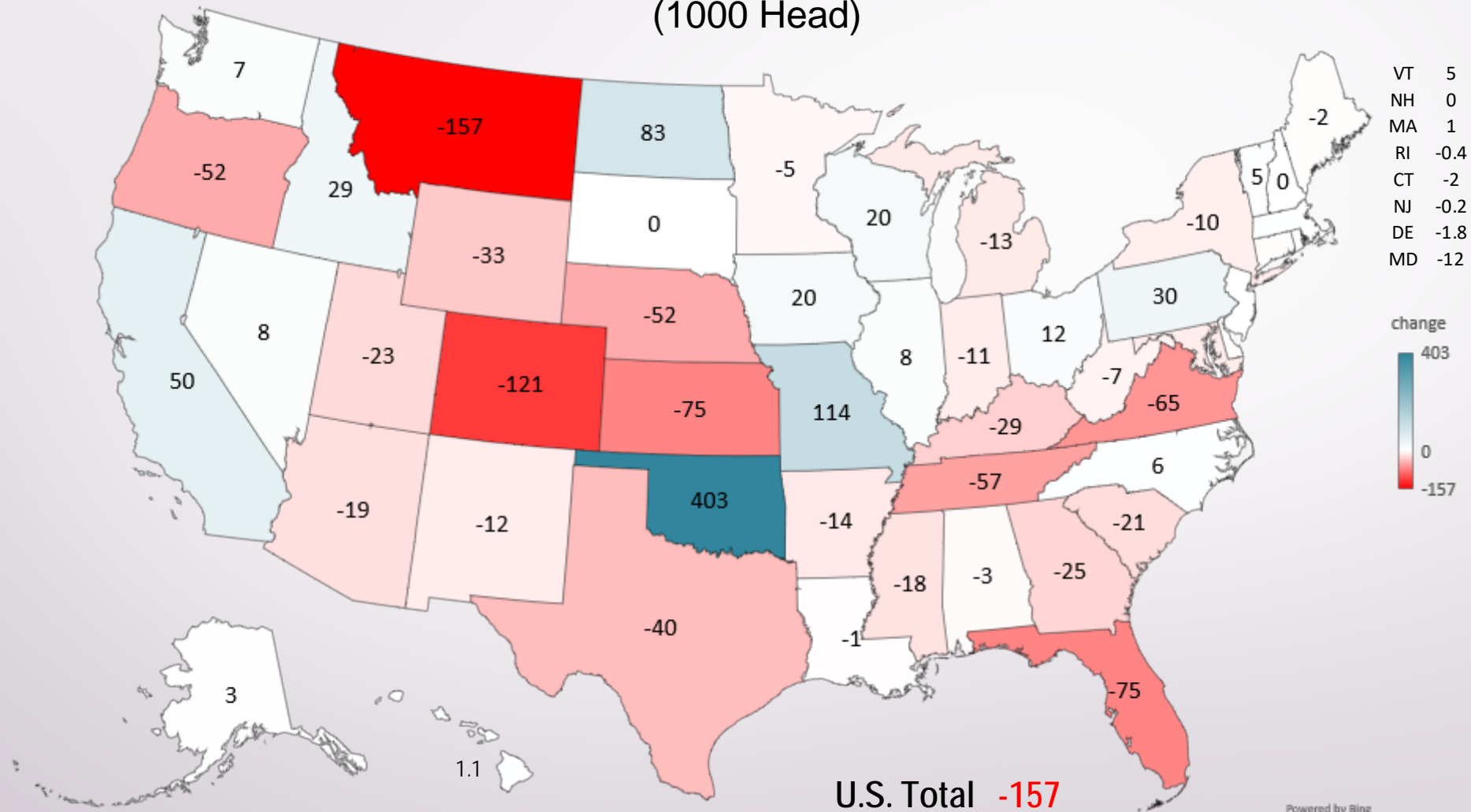


CHANGE IN BEEF COWS 2021 TO 2022 (1000 Head)



Powered by Bing
© GeoNames, HERE, MSFT

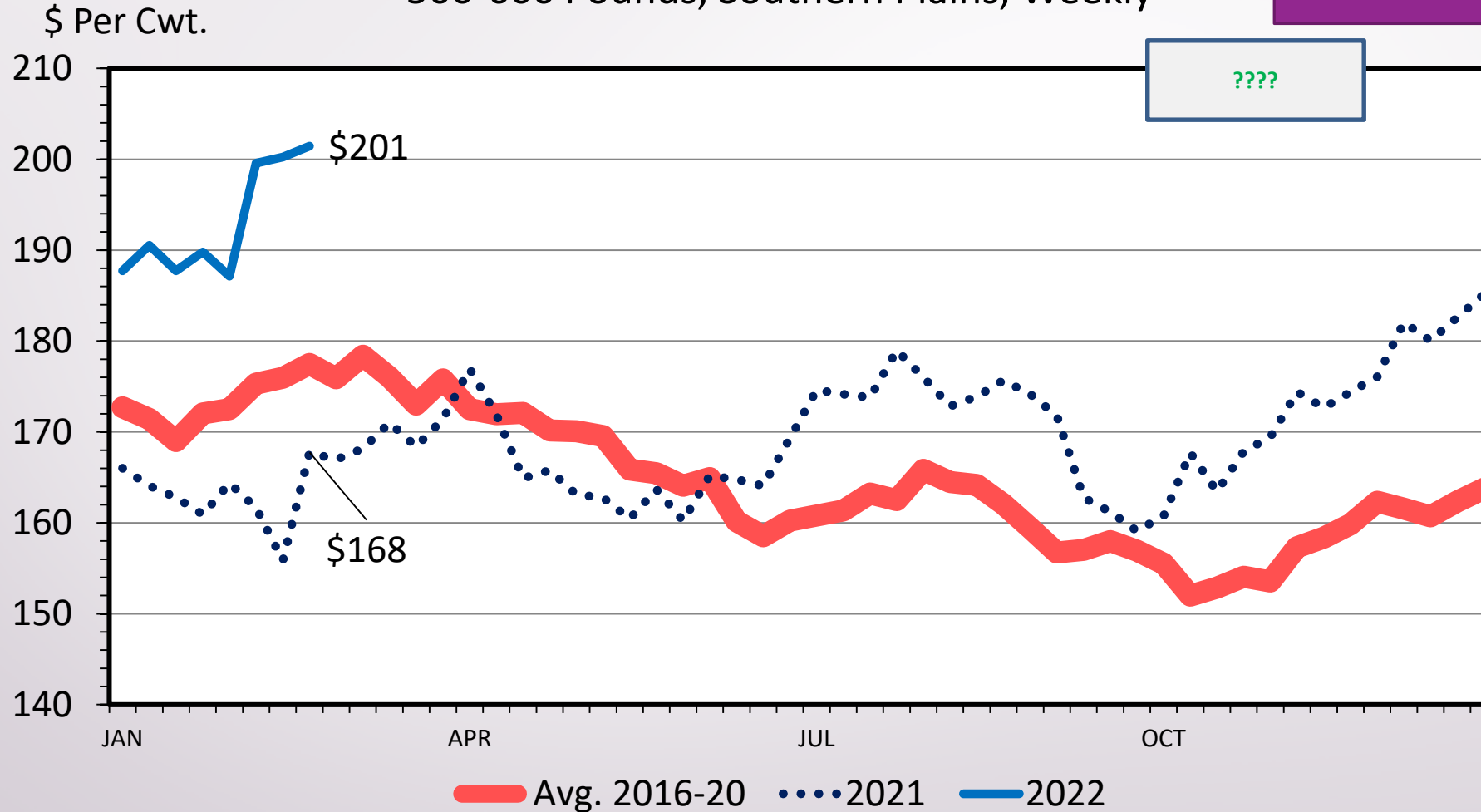
CHANGE IN BEEF COWS 2012 TO 2022 (1000 Head)



Salina, KS 5.5 cwt Steer on
Oct 13th: \$209/cwt

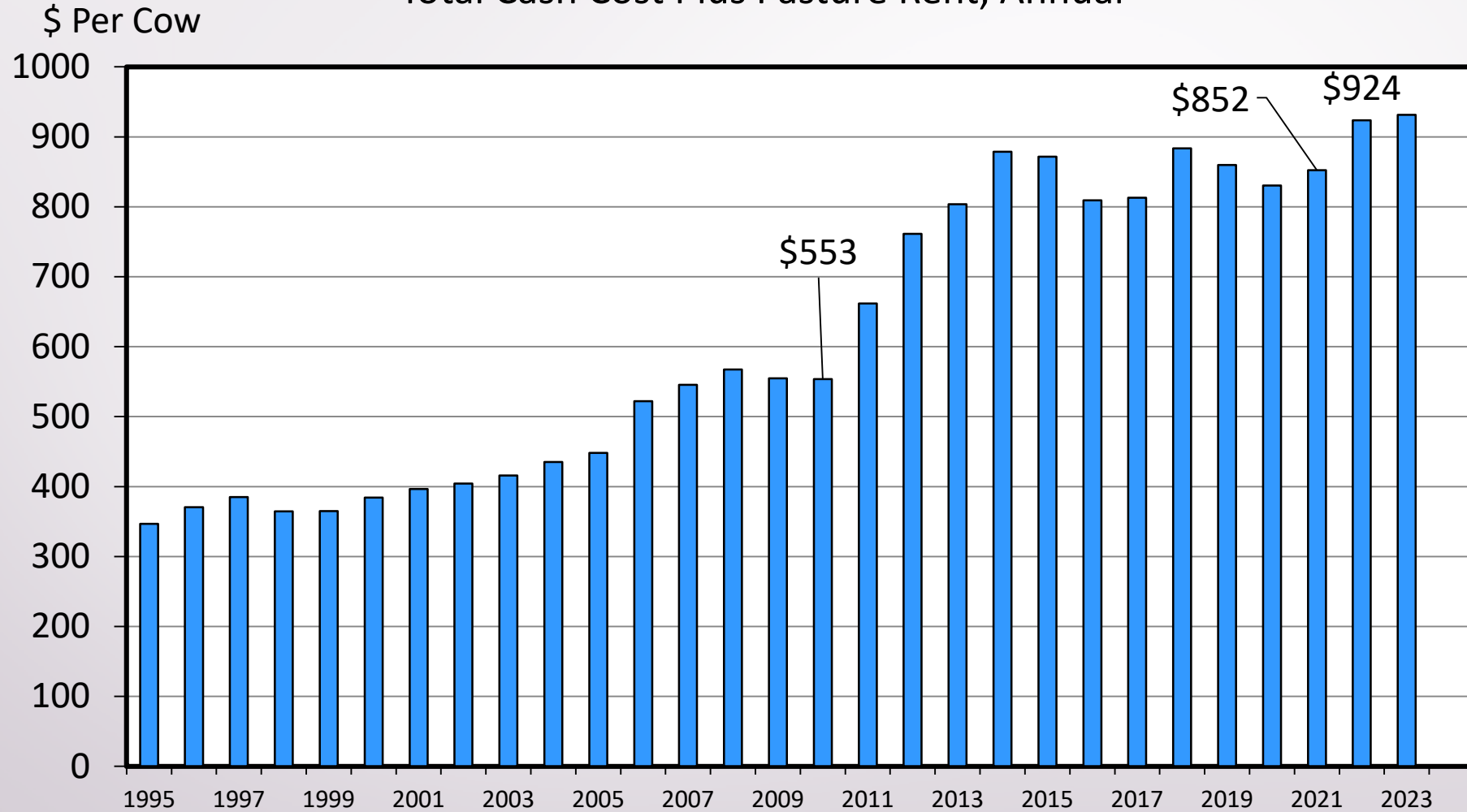
MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly



ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



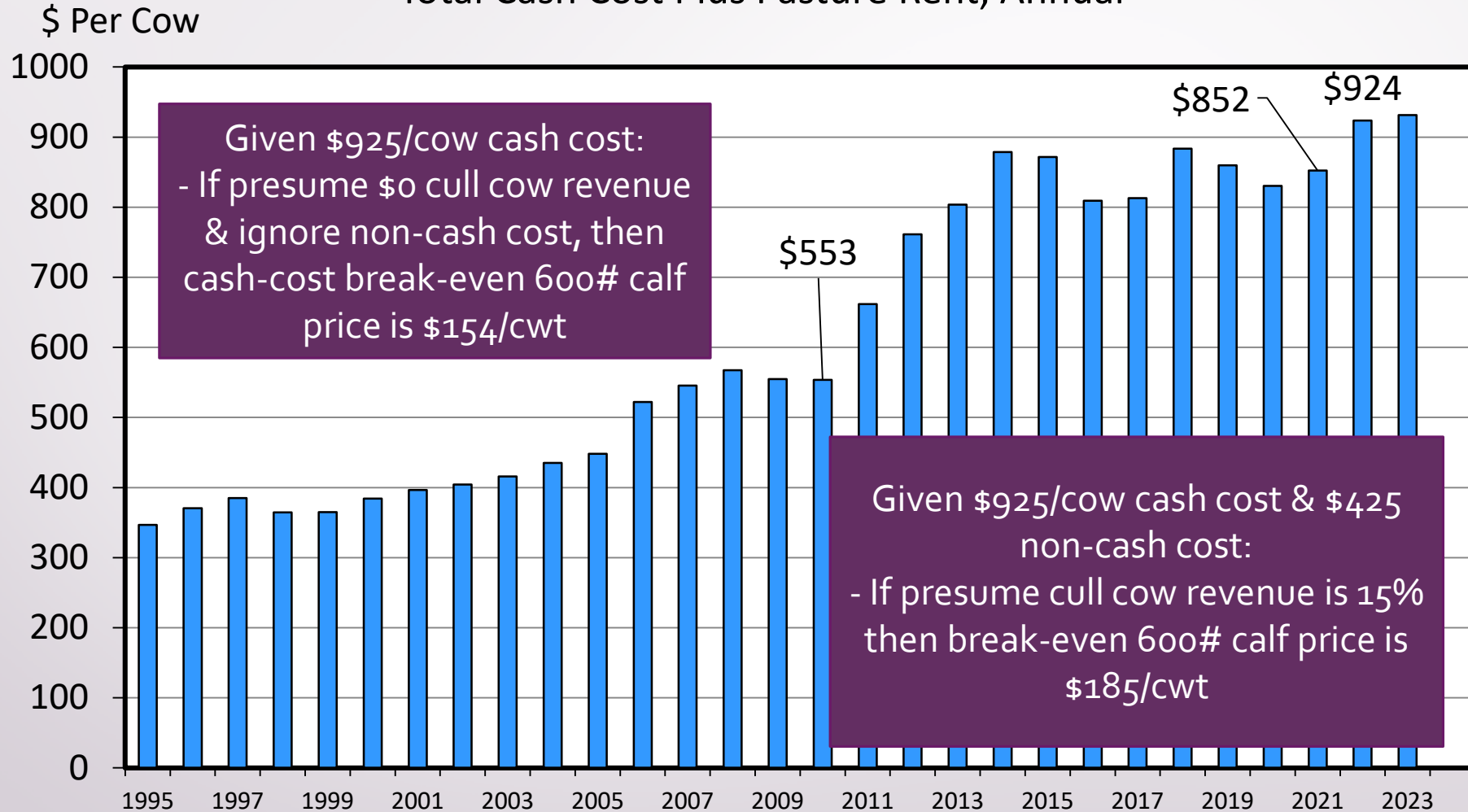
Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

02/04/22

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



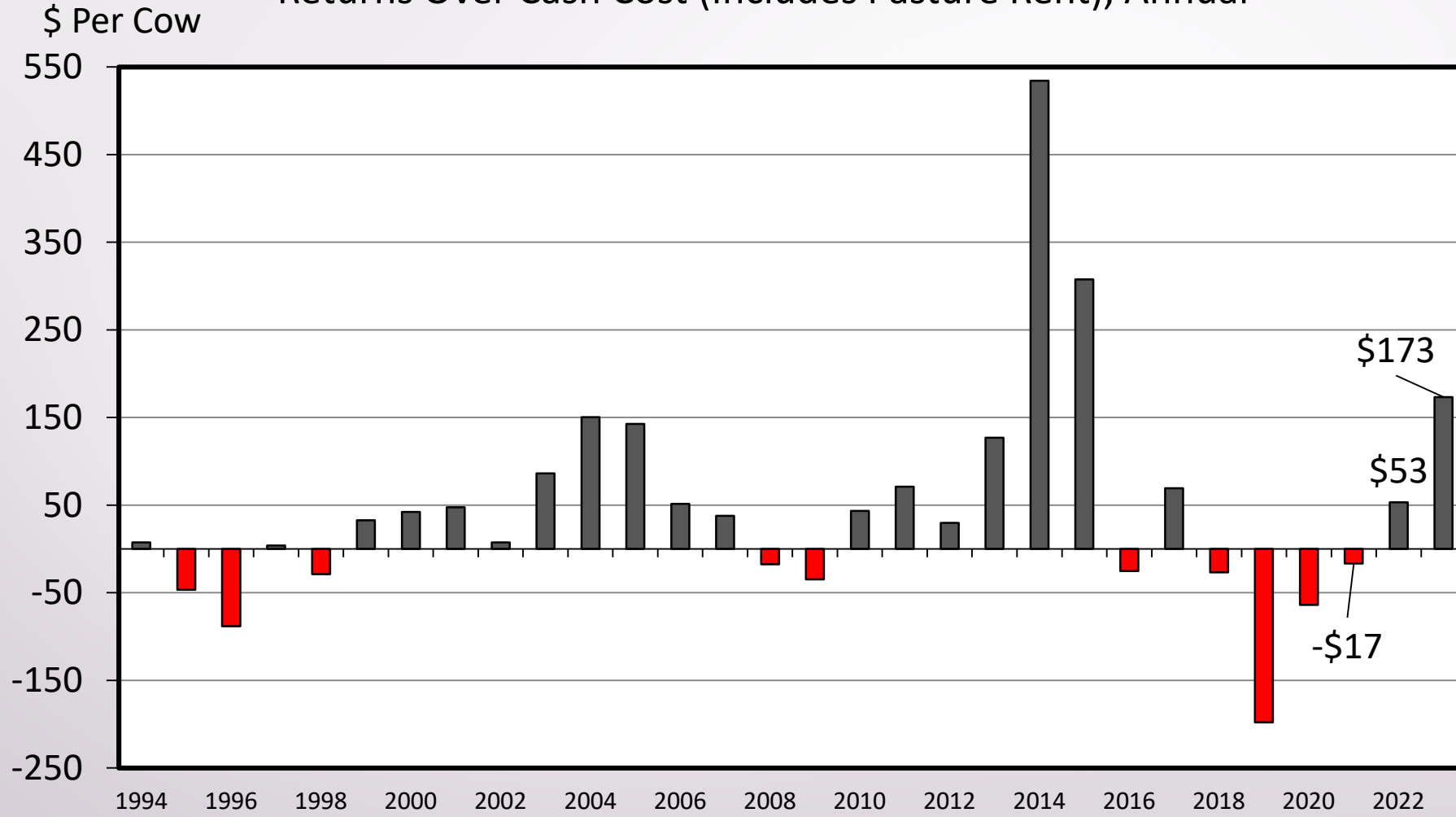
Data Source: USDA & LMIC, Compiled by LMIC

Livestock Marketing Information Center

02/04/22

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
02/04/22

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

Salina *SUMMER GRASS* Market, as of 3/3


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

- **Expected Buy Price: \$165/cwt**
- **Expected Sell Price: \$172/cwt**
- **VOG: \$399/head (\$199/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](#)

Updated by:
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ACKNOWLEDGEMENTS:
This spreadsheet was originally developed by Kevin Dhuyvetter, Ph.D., Agricultural Economist, Kansas State University. The authors gratefully acknowledge funding provided by USDA's Risk Management Agency (RMA) for initial development of this feeder cattle risk management tool.

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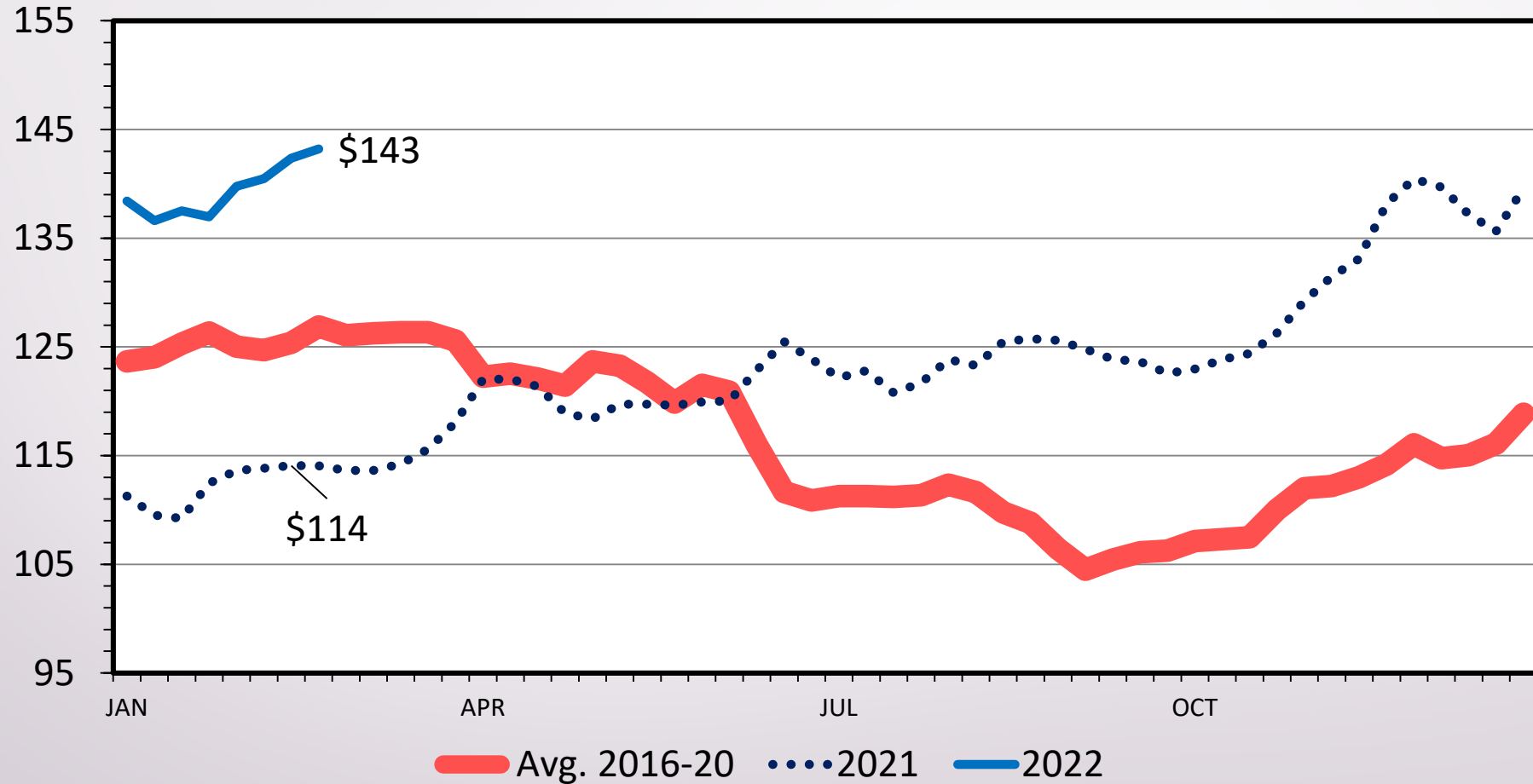
Always good to reassess
your situation

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

SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly

\$ Per Cwt.



Historical and Projected Kansas Feedlot Net Returns (as of 2/9/22')

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

-\$6/cwt CME
April since
Feb 9th

Dec. 21': **+\$151/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
Jan-22	-1.78	114.97	136.75	137.71	-0.96	150.29	114.67	136.87	150.08
Feb-22	112.00	115.80	147.24	147.25	-0.01	153.15	135.03	139.50	166.10
Mar-22	155.21	116.73	149.40	147.25	2.15	153.70	141.00	138.32	174.08
Apr-22	122.60	115.08	145.97	142.48	3.50	152.96	134.37	137.18	169.13
May-22	166.01	114.52	149.38	142.48	6.90	155.88	139.13	137.59	178.53
Jun-22	108.70	113.09	144.14	141.08	3.06	154.06	129.50	136.54	168.22
Jul-22	38.13	112.78	140.89	141.08	-0.18	155.70	118.79	138.25	160.41
Aug-22	44.06	111.40	146.13	145.78	0.35	164.23	118.68	143.00	169.72
Sep-22	-81.32	111.82	145.93	145.78	0.16	176.09	97.36	151.75	166.35
Oct-22	-60.76	112.82	150.04	149.73	0.32	181.63	102.98	154.20	174.44

Representative Barometer for Trends in Profitability



Beef Demand Patterns

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

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

Monthly Meat Demand Monitor [Survey Data]

[Monthly Meat Demand Monitor \(Prior Years\)](#)

[Production Economics](#)

[Marketing Charts](#)

[CLPER Newsletter](#)

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.



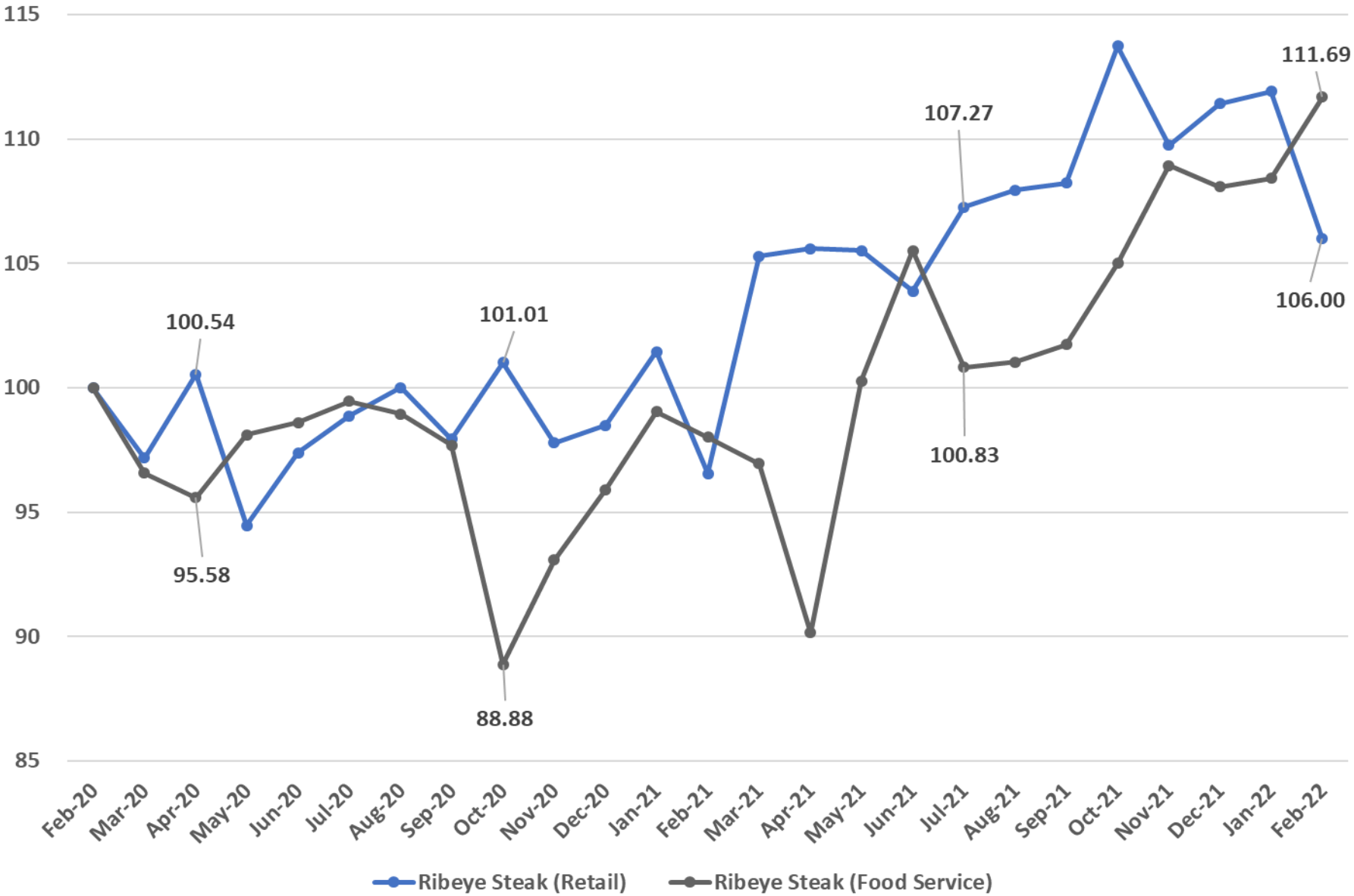
Monthly Meat Demand Monitor

Title	Author	Date	Downloads
Meat Demand Monitor - January 2022	Tonsor	January 28, 2022	Downloads
Multi-Month Summary Report: July-December 2021	Tonsor Lusk	January 13, 2022	Downloads
Meat Demand Monitor - December 2021	Tonsor	January 6, 2022	Downloads
Meat Demand Monitor - November 2021	Tonsor	December 3, 2021	Downloads

Methods and Supporting Information

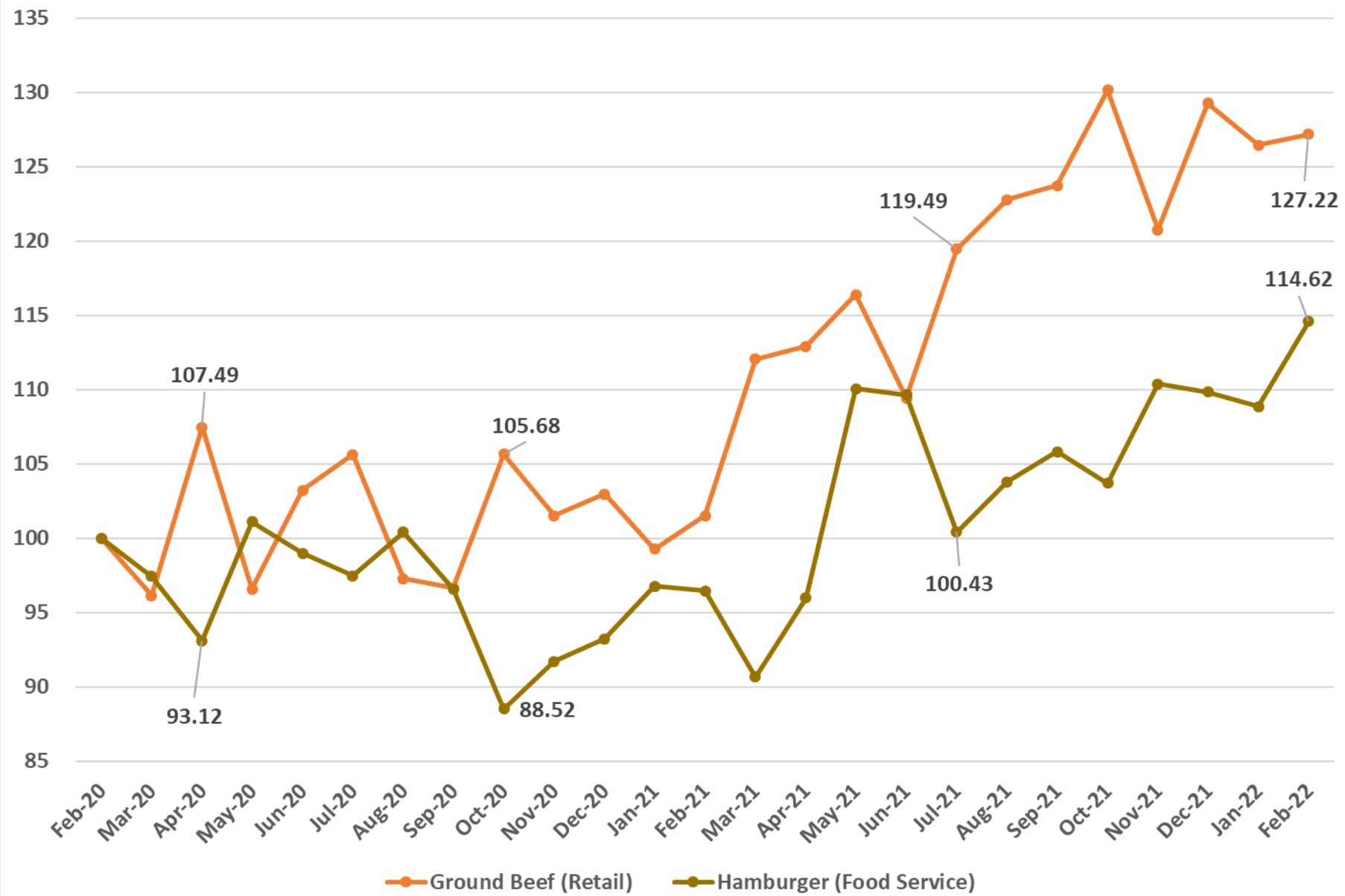
Title	Author	Date	Downloads
2022 Raw Data - MDM For 2021 data, click HERE . For 2020 data, click HERE .	Tonsor	February 2, 2022	Downloads
Monthly Survey - January 2022	Tonsor	January 31, 2022	Downloads

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



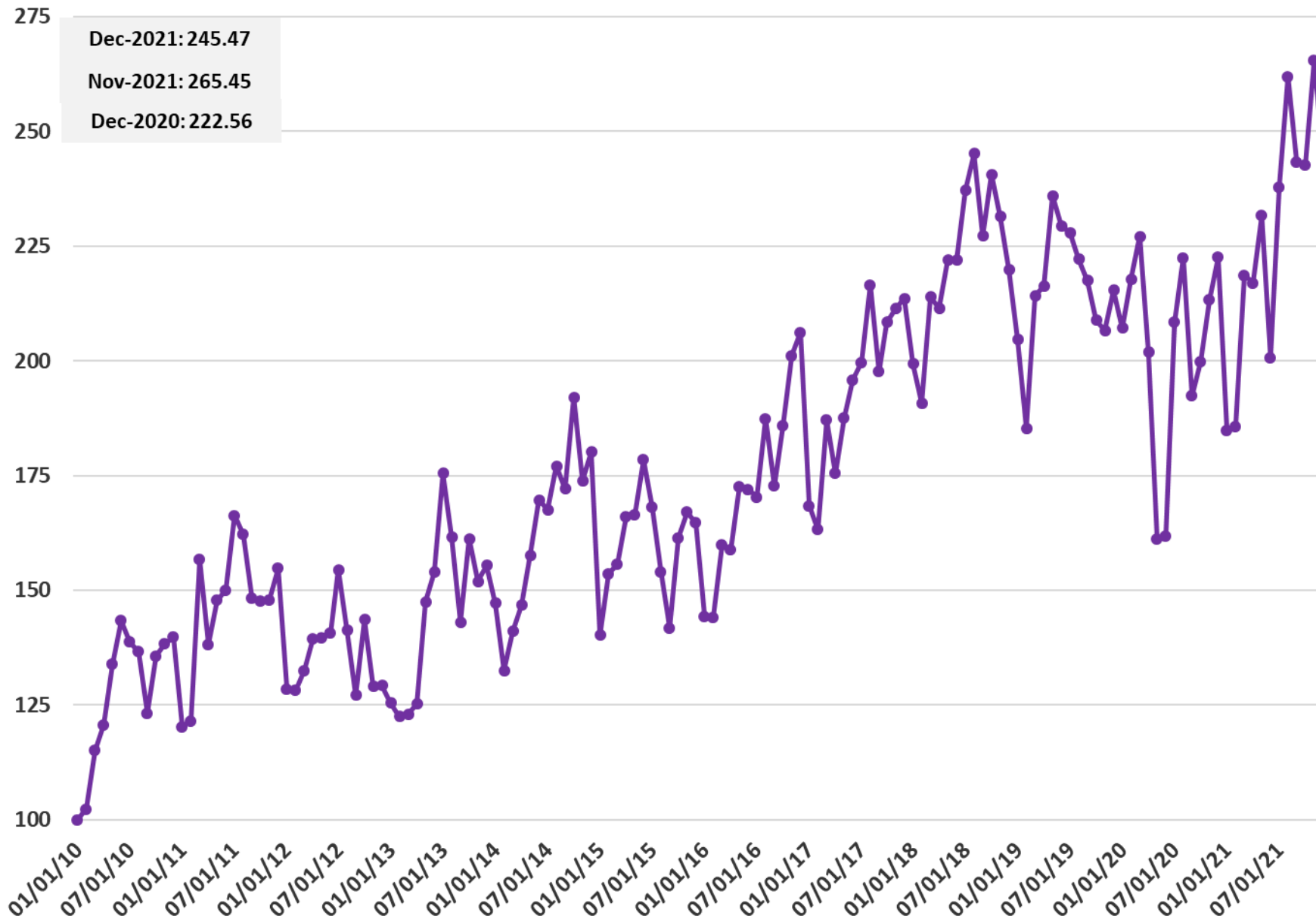
<https://www.agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data>

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



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

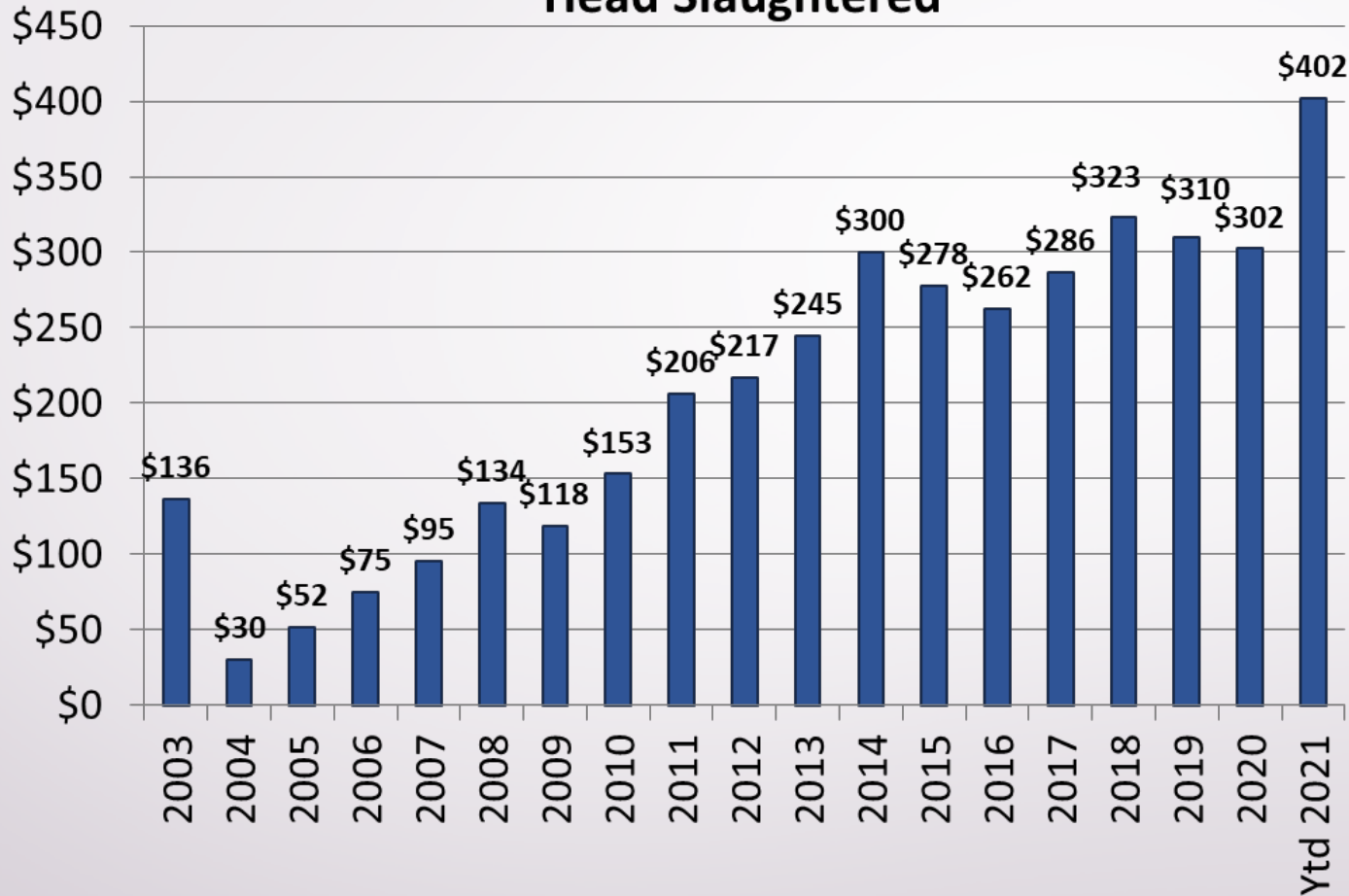
Monthly U.S. Beef, Export Demand Index, Jan. 2010 (base) - present



<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

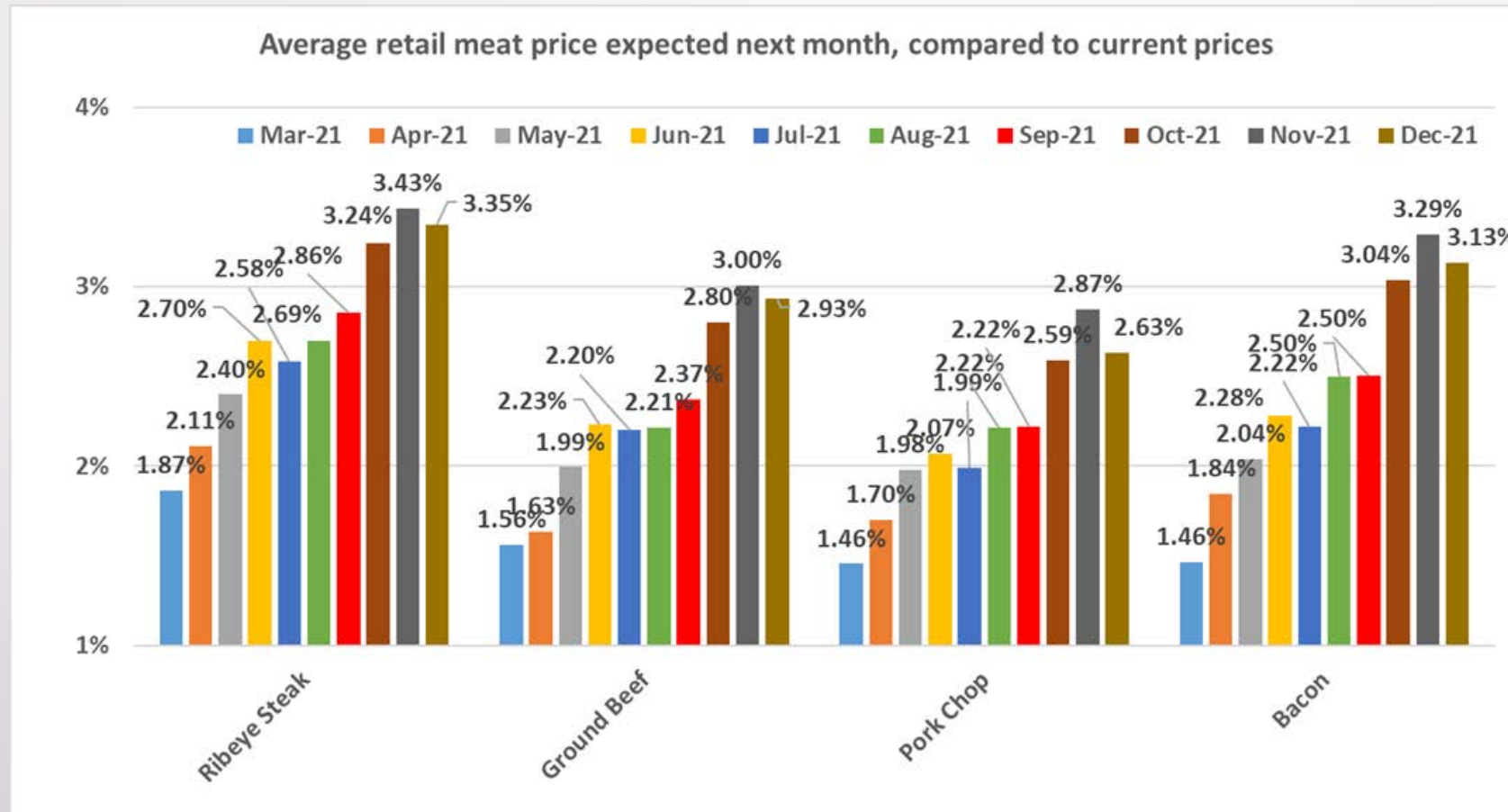


GT: \$402/hd = ~22% of Fed Cattle Value in 2021

Source: USDA/USMEF

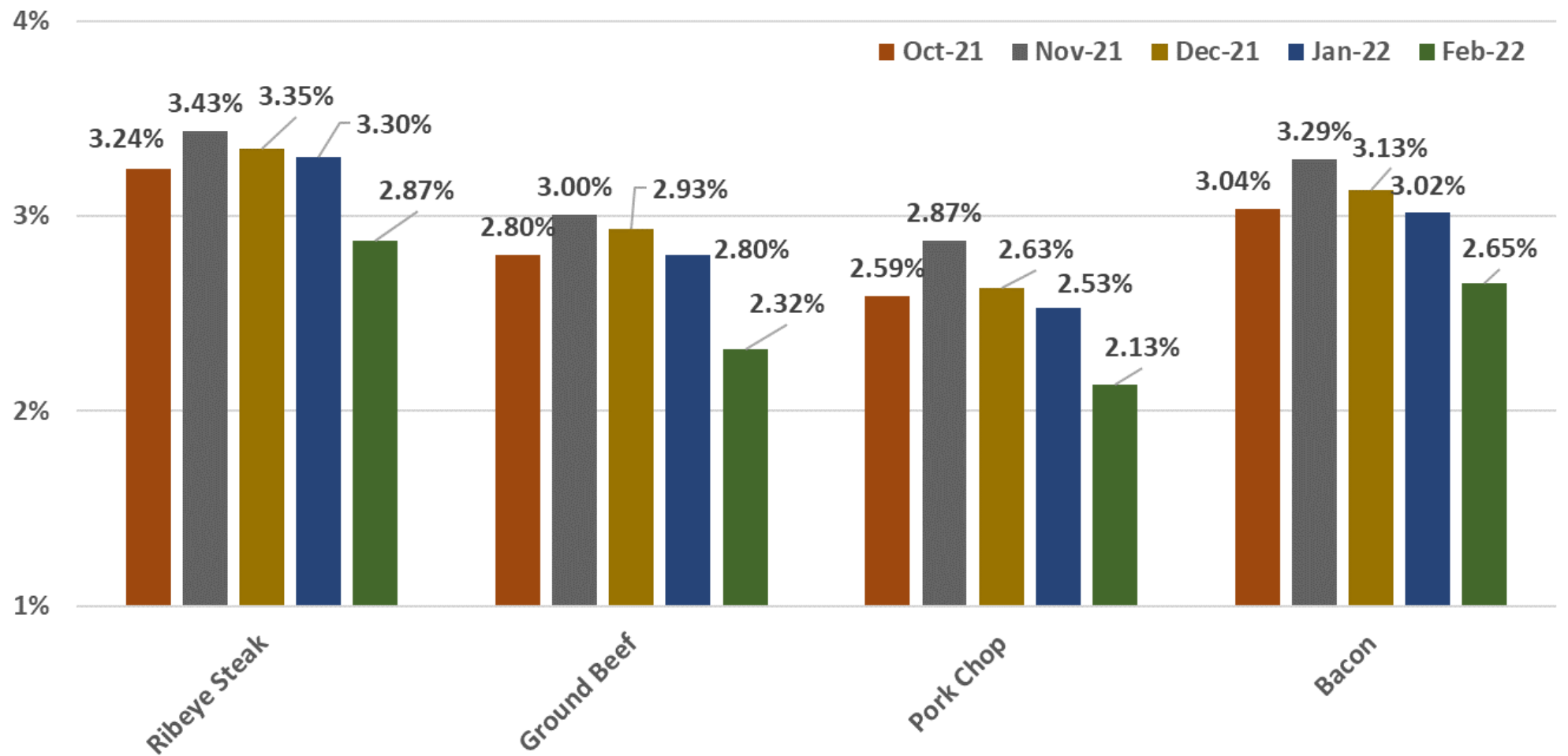
What Underlies "High Retail Meat Prices" ?

GT – Elevated Costs & Strong Demand!



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

Average retail meat price expected next month, compared to current prices



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



Russia/Ukraine Conflict

- Feed Cost Impacts
- Federal Reserve & Broader Macroeconomic Impacts
- **Pullback from Global Trade?**

Ending Summary: *We Live in Interesting Times!*

- Herd Size
- Packing Capacity
- Labor Availability
- Regulation / Gov't Involvement
- Beef Demand

Trending Downward

Increasing, Magnitude & Timing Uncertain

Challenges Persist

Increasing

Sound Currently, Clouds Developing?



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



www.studytues.com

LISTEN

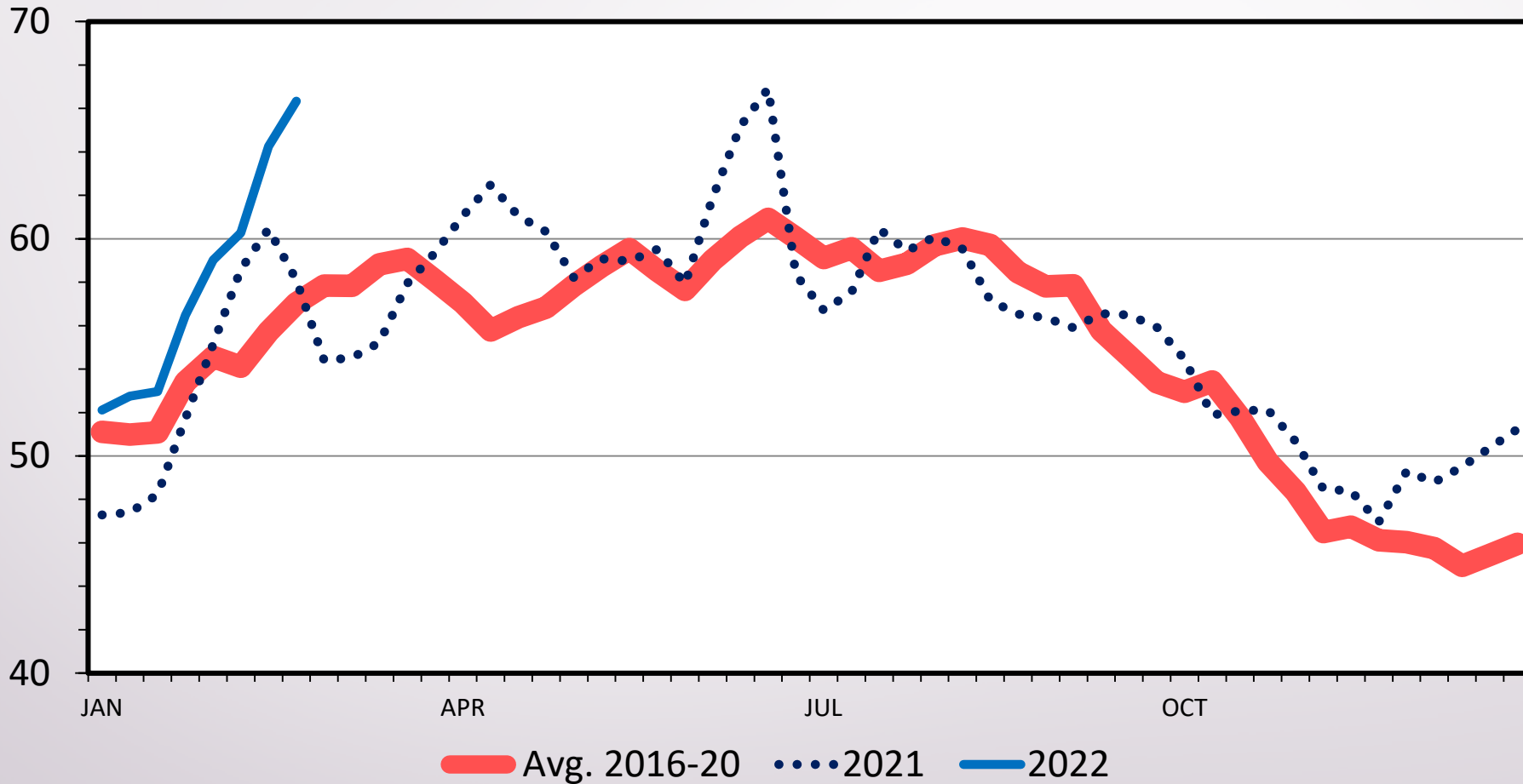
We have two ears and one mouth so that we can listen twice as much as we speak.
Epictetus

“MY DEAR BROTHERS AND SISTERS, TAKE NOTE OF THIS: EVERYONE SHOULD BE QUICK TO LISTEN, SLOW TO SPEAK ...” JAMES 1:19

CUTTER COW PRICES

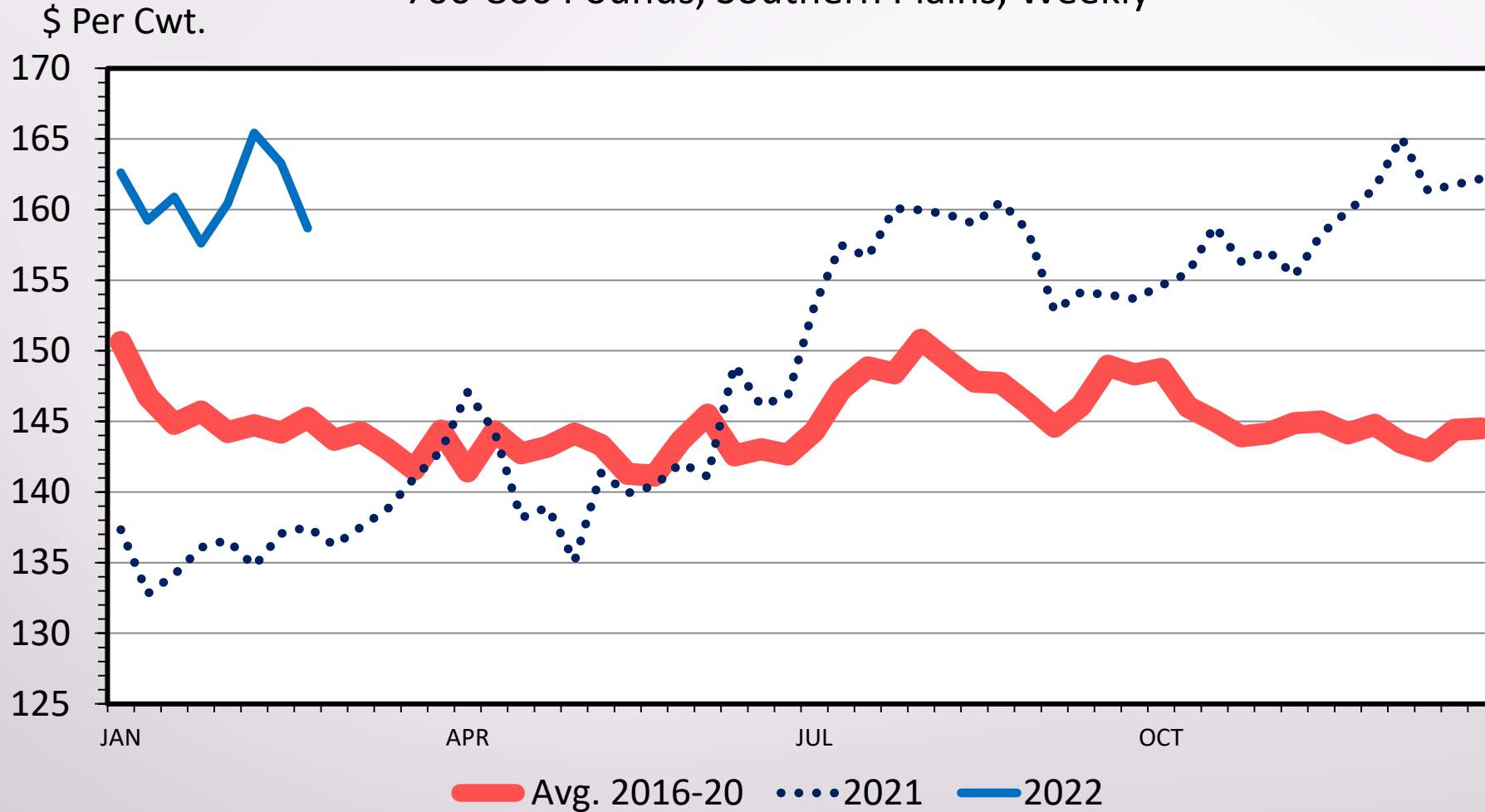
National Direct, Live, Weekly

\$ Per Cwt.



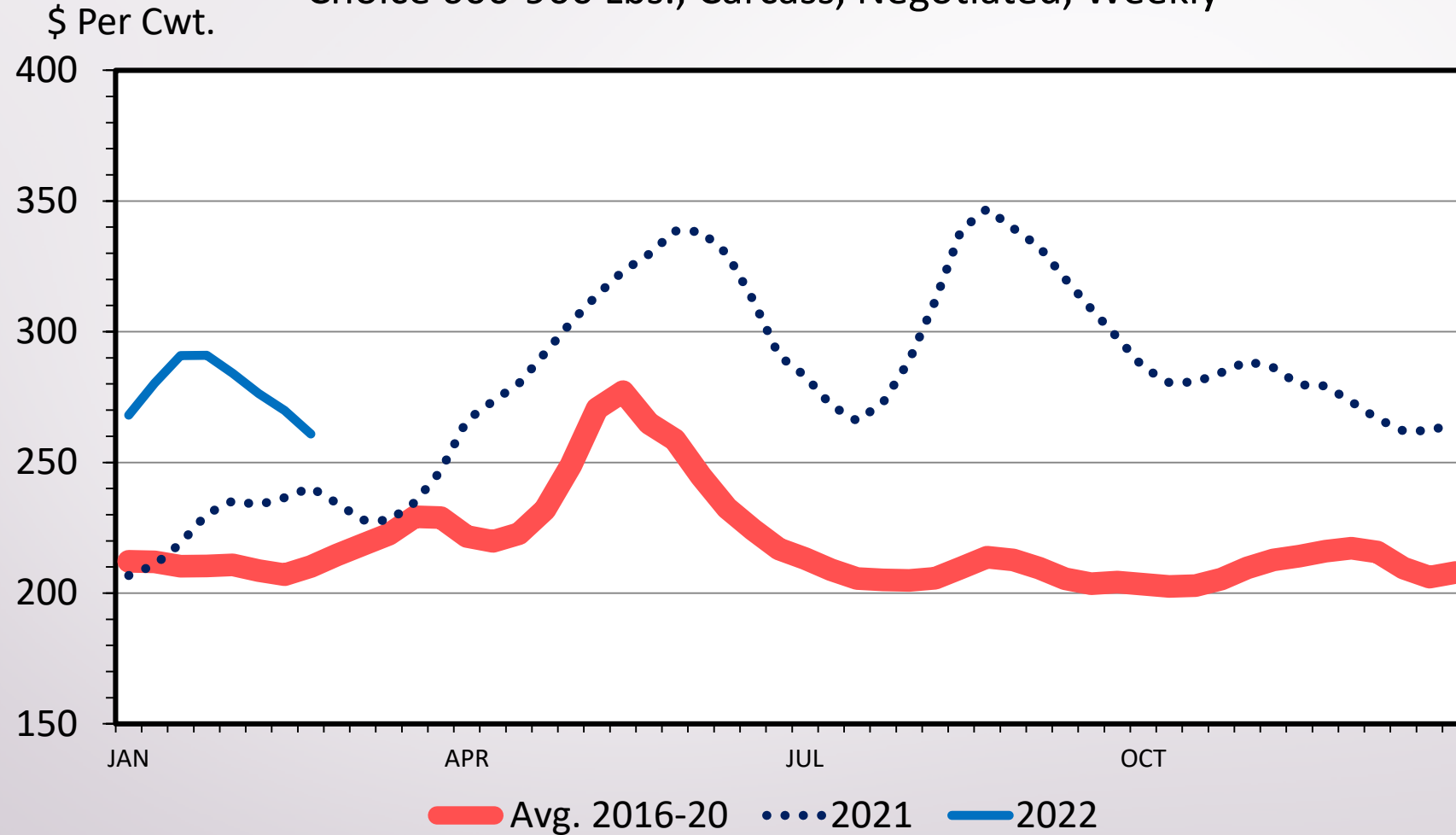
MED. & LRG. #1 FEEDER STEER PRICES

700-800 Pounds, Southern Plains, Weekly



BOXED BEEF CUTOUT VALUE

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



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.

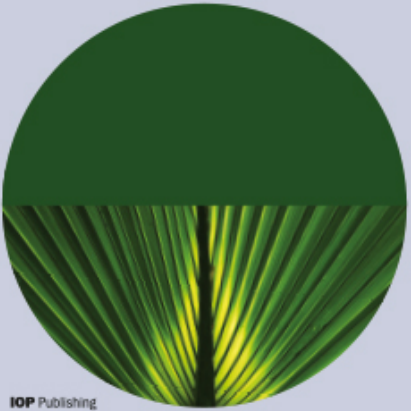
<https://www.usda.gov/media/press-releases/2021/10/26/usda-announces-early-release-select-commodity-tables-agricultural>



*Impacts of New
Plant-Based Protein
Alternatives on
U.S. Beef Demand*

Dr. Glynn Tonsor, Kansas State University
Dr. Jayson Lusk, Purdue University
Dr. Ted Schroeder, Kansas State University

<https://www.agmanager.info/livestock-meat/meat-demand/meat-demand-research-studies/impact-new-plant-based-protein-o>



<https://iopscience.iop.org/article/10.1088/1748-9326/ac4fda>

- “.. For every 10% reduction in price or increase in demand for PBM, we estimate U.S. cattle production falls approximately 0.15%, U.S. cattle producers' economic welfare falls by \$300 million per year, and U.S. consumer welfare rises by \$513 million per year. ”

<http://library.alt-meat.net/publication/frame.php?i=727246&p=&pn=&ver=html5>

- “K-State’s Glynn Tonsor for one, believes a meat tax is not the only path to a more sustainable protein industry”





<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...”