

580
WIBW
NEWS · WEATHER · SPORTS · TALK
104.9 NEWS

WIBW 580

2022 BEEF PRODUCERS INFORMATION SEMINAR

IN COOPERATION WITH FLINT HILLS BEEF FEST

FRIDAY
AUGUST 19TH

Bowyer Community Building
Lyon County Fairgrounds
Emporia, KS

6:00AM-7:00AM

Live Broadcast of Morning Agriculture Roundup
Including Ag Issues Program On 580 WIBW Radio
(From Emporia Livestock Sales Co)

11:30AM

Doors Open

NOON

Ranchers Lunch

12:45PM

Seminar Begins

BEEF-CATTLE MARKET OUTLOOK SYNTHESIS & BEEF DEMAND INSIGHTS

Dr. GLYNN T. TONSOR

EMAIL: gtonsor@ksu.edu

Twitter: @TonsorGlynn



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

Jargon-Free Summaries Help!

- Supplies Shrinking

+

- Robust Export Beef Demand

- Surprising/Stable Domestic Beef Demand

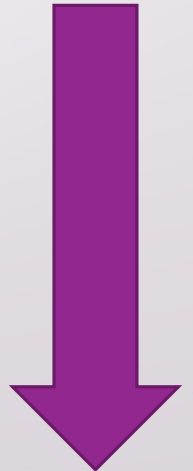
= Higher Prices on Fewer Head

All Sources of Uncertainty Remain Elevated

Quarterly Forecasts (LMIC: 7/26/22)

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	8,280	-1.5	833.3	1.0	6,900	-0.5
II	8,510	15.0	818.2	-0.1	6,963	14.9
III	8,527	-0.2	818.5	-1.7	6,979	-1.9
IV	8,534	1.1	832.7	-0.5	7,106	0.5
Year	33,850	3.2	825.6	-0.4	27,948	2.9
2022						
I	8,405	1.5	835.6	0.3	7,022	1.8
II	8,668	1.9	815.4	-0.3	7,068	1.5
III	8,407	-1.4	813.5	-0.6	6,839	-2.0
IV	8,219	-3.7	831.9	-0.1	6,838	-3.8
Year	33,699	-0.4	824.0	-0.2	27,768	-0.6
2023						
I	7,962	-5.3	839.6	0.5	6,684	-4.8
II	8,347	-3.7	822.7	0.9	6,867	-2.8
III	7,995	-4.9	818.2	0.6	6,541	-4.4
IV	7,986	-2.8	836.3	0.5	6,679	-2.3
Year	32,289	-4.2	829.1	0.6	26,771	-3.6

Data Source: Livestock Marketing Information Center



Quarterly Forecasts: Cattle (LMIC: 7/26/22)

Year Quarter	Live Sltr.	% Chg.	Feeder Steer Price	
	Steer Price 5-Mkt Avg	from Year Ago	Southern Plains 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	139.25	23.0	160.00	193.66
II	141.93	17.2	160.49	188.43
III	137	9.3	168-170	186-191
IV	139-142	6.1	163-166	180-183
Year	139-140	14.0	163-164	188-189
2023				
I	145-150	5.9	165-170	188-193
II	147-153	5.7	169-174	185-190
III	143-153	7.8	175-185	190-200
IV	145-155	6.8	178-188	195-205
Year	148-150	6.8	174-176	192-194

LMIC's projections (& 2024 #s) to be updated soon -- likely higher prices & lower volumes...

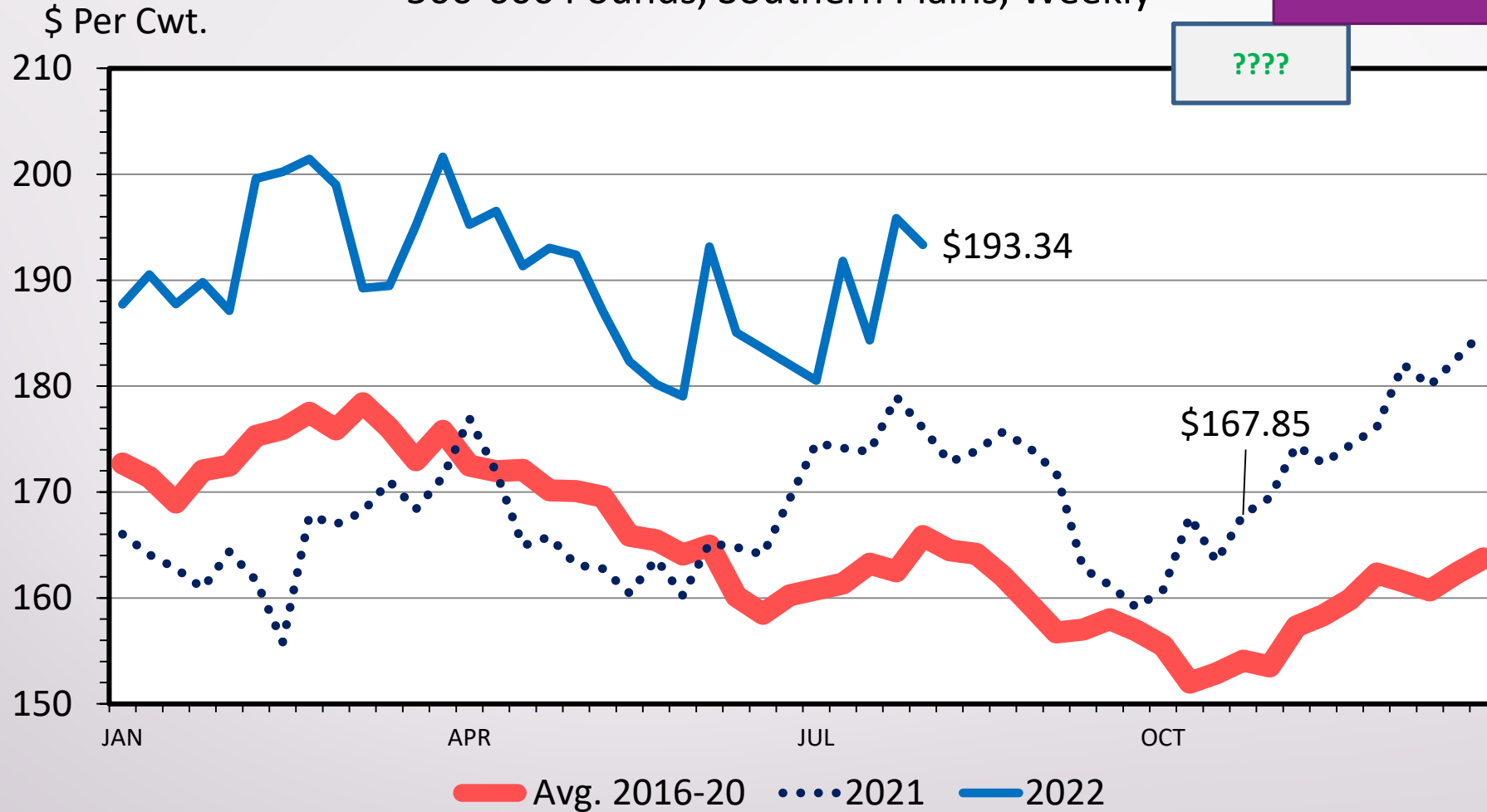


Data Source: Livestock Marketing Information Center

Salina, KS 5.5 cwt Steer on
Oct 13th: \$215/cwt

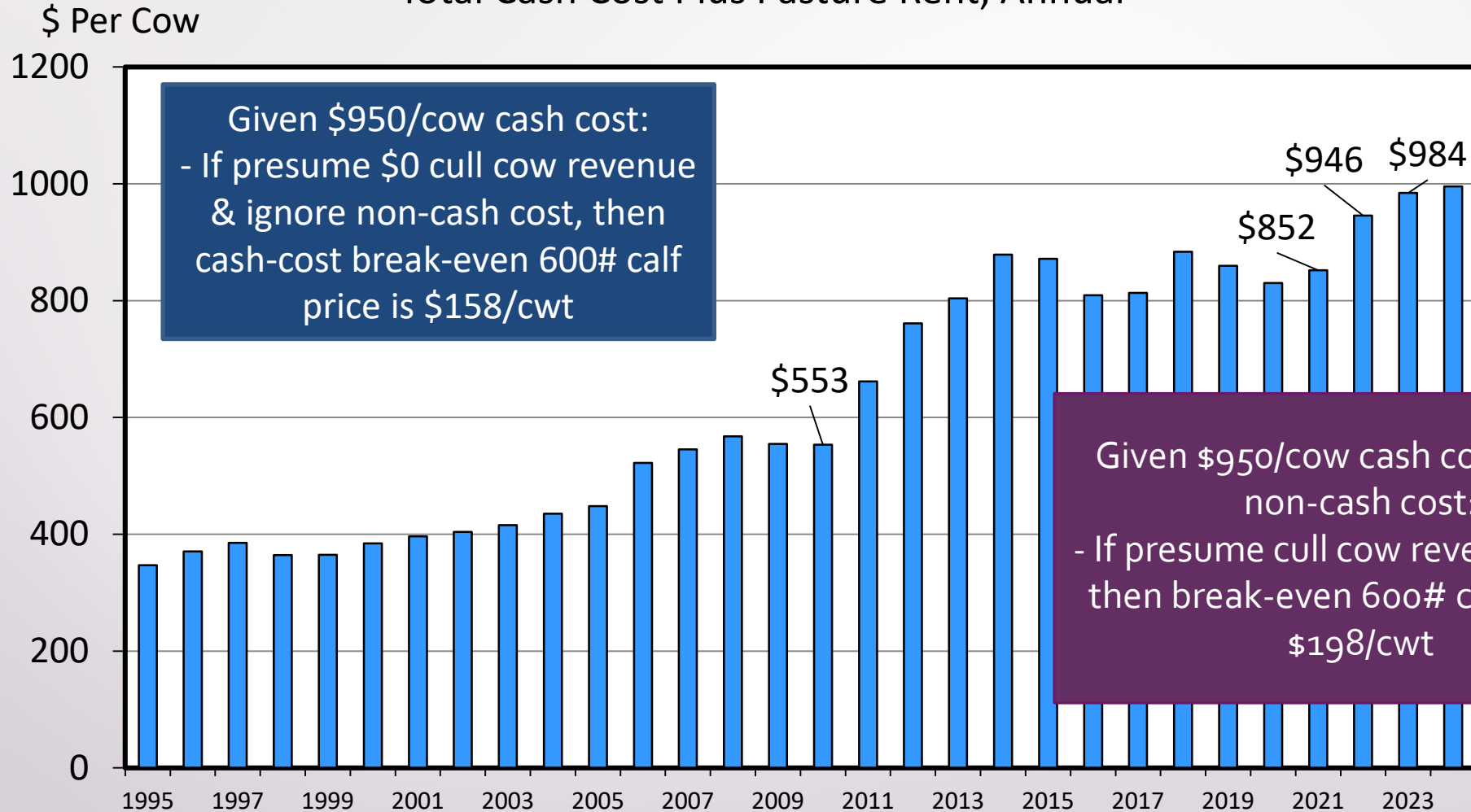
MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly



ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual

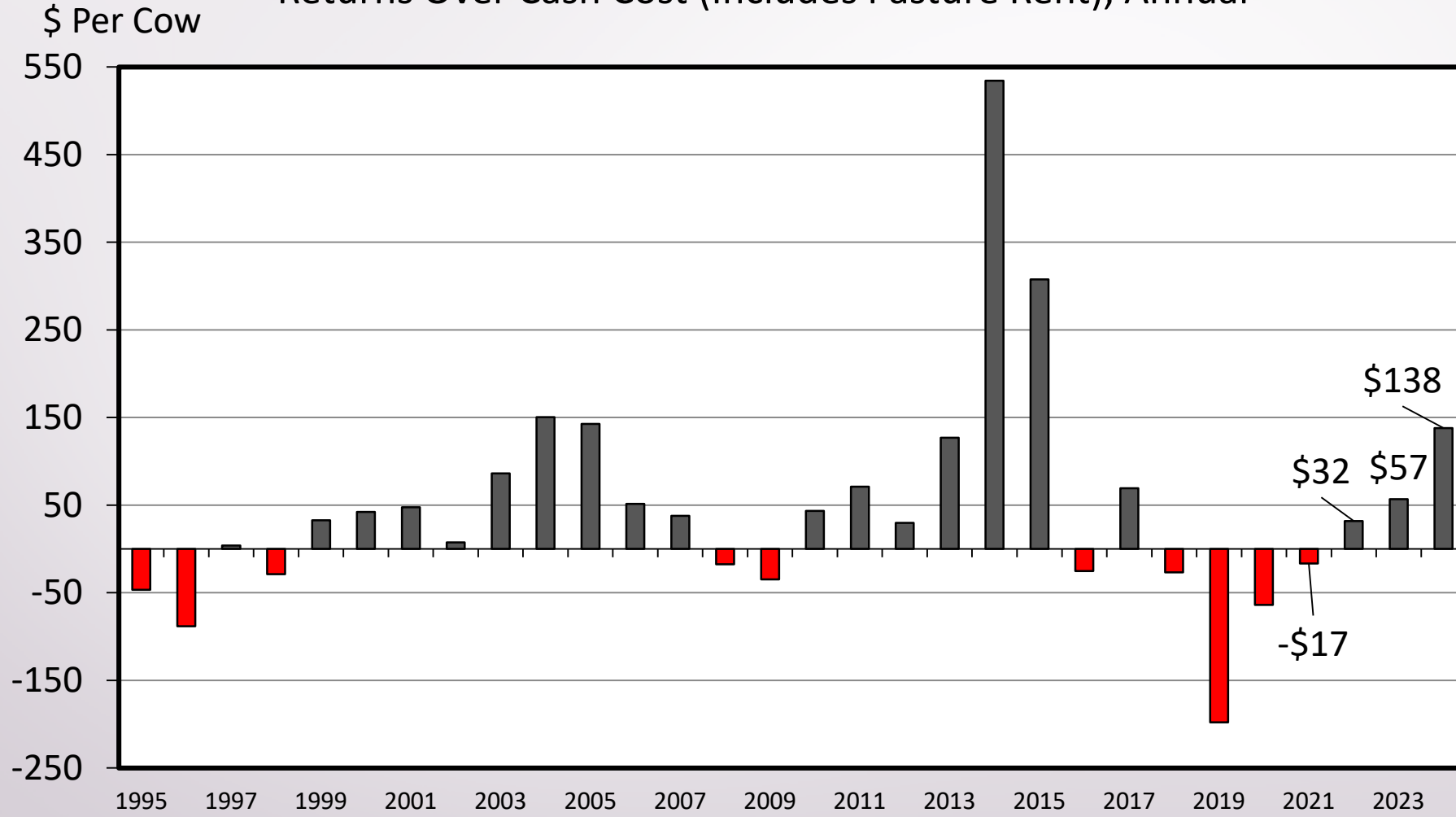


Given \$950/cow cash cost:
- If presume \$0 cull cow revenue
& ignore non-cash cost, then
cash-cost break-even 600# calf
price is \$158/cwt

Given \$950/cow cash cost & \$450
non-cash cost:
- If presume cull cow revenue is 15%
then break-even 600# calf price is
\$198/cwt

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
07/26/22

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:
Glynn T. Tonsor, Ph.D.
Agricultural Economist
Department of Agricultural Economics
Kansas State University
gtonsor@k-state.edu
785-532-1518

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...

Historical and Projected Kansas Feedlot Net Returns (as of 8/5/22')

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

June 21': **-\$70/steer**

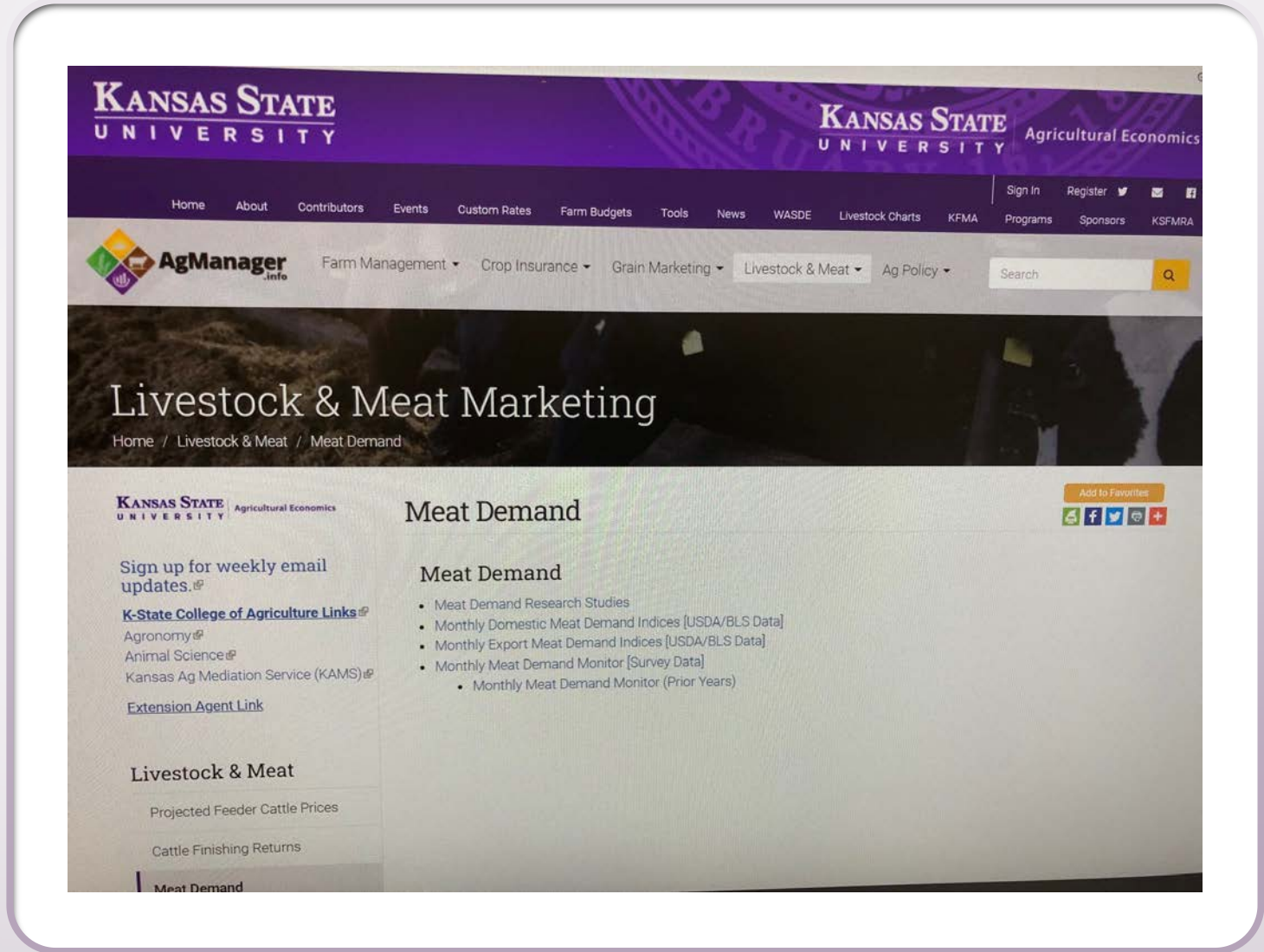
Table 1. Projected Values for Finishing Steers in Kansas Feedyards*

Closeout Mo-Yr	Net Return	FCOG**	Fed Price	Fed Futures	Fed Basis	Feeder Price	Breakeven FCOG**	Breakeven Fed Price	Breakeven Feeder Price
Jul-22	-109.54	123.37	136.92	135.74	1.18	158.75	106.50	144.49	145.03
Aug-22	-14.63	126.07	144.47	143.88	0.59	157.36	123.68	145.50	155.53
Sep-22	-27.60	126.59	144.56	143.88	0.68	156.90	121.66	146.53	153.61
Oct-22	71.34	126.23	150.74	149.98	0.76	156.80	137.83	145.86	165.20
Nov-22	116.39	122.37	150.60	149.98	0.62	154.32	141.03	142.65	168.19
Dec-22	209.70	118.73	155.92	154.60	1.32	155.91	151.42	141.64	181.26
Jan-23	158.32	116.40	155.10	154.60	0.50	163.63	140.28	144.22	183.61
Feb-23	46.55	115.13	158.06	157.80	0.26	181.18	122.54	154.84	186.87
Mar-23	83.05	116.69	160.88	157.80	3.08	181.21	129.89	154.99	191.82
Apr-23	31.12	115.17	157.16	152.40	4.76	183.15	120.14	154.91	187.27

Representative Barometer for Trends in Profitability

Beef Demand Update & Resources

<https://www.agmanager.info/livestock-meat/meat-demand>



Macroeconomic Decline = Meat Demand Decline ?

Table 2.1. Aggregate Meat Demand Elasticities Summary

Period	Beef Price Used	Beef Demand				Pork Demand		Chicken Demand	
		Own-Price	Pork Cross-Price	Chicken Cross-Price	Exp.	Own-Price	Exp.	Own-Price	Exp.
1988-2017	All-Fresh	-0.479	0.087	0.023	0.803	-0.307	0.141	-0.339	0.425
1988-2007	All-Fresh	-0.645	0.145	0.026	0.790	-0.229	-0.262	-0.345	0.371
2008-2017	All-Fresh	-0.450	-0.032	0.083	0.959	-0.089	1.231	-0.378	0.856
1970-2017	Choice	-0.593	0.120	0.041	0.118	-0.973	-0.170	-0.133	0.218
1988-2017	Choice	-0.490	0.085	0.021	0.781	-0.313	0.146	-0.345	0.430
1970-1994	Choice	-0.594	0.138	0.039	0.118	-0.924	-0.004	-0.159	0.003
1995-2017	Choice	-0.468	0.049	-0.044	0.867	-0.287	0.634	-0.469	0.960

Note: "Exp." is Expenditure abbreviated. All Rotterdam models were estimated using iterative three-stage least squares.

Assessing Beef Demand Determinants

Prepared for the Cattlemen's Beef Board

Glynn T. Tonsor, Kansas State University (gtonsor@ksu.edu)

Jayson L. Lusk, Purdue University (jayson.lusk@gmail.com)

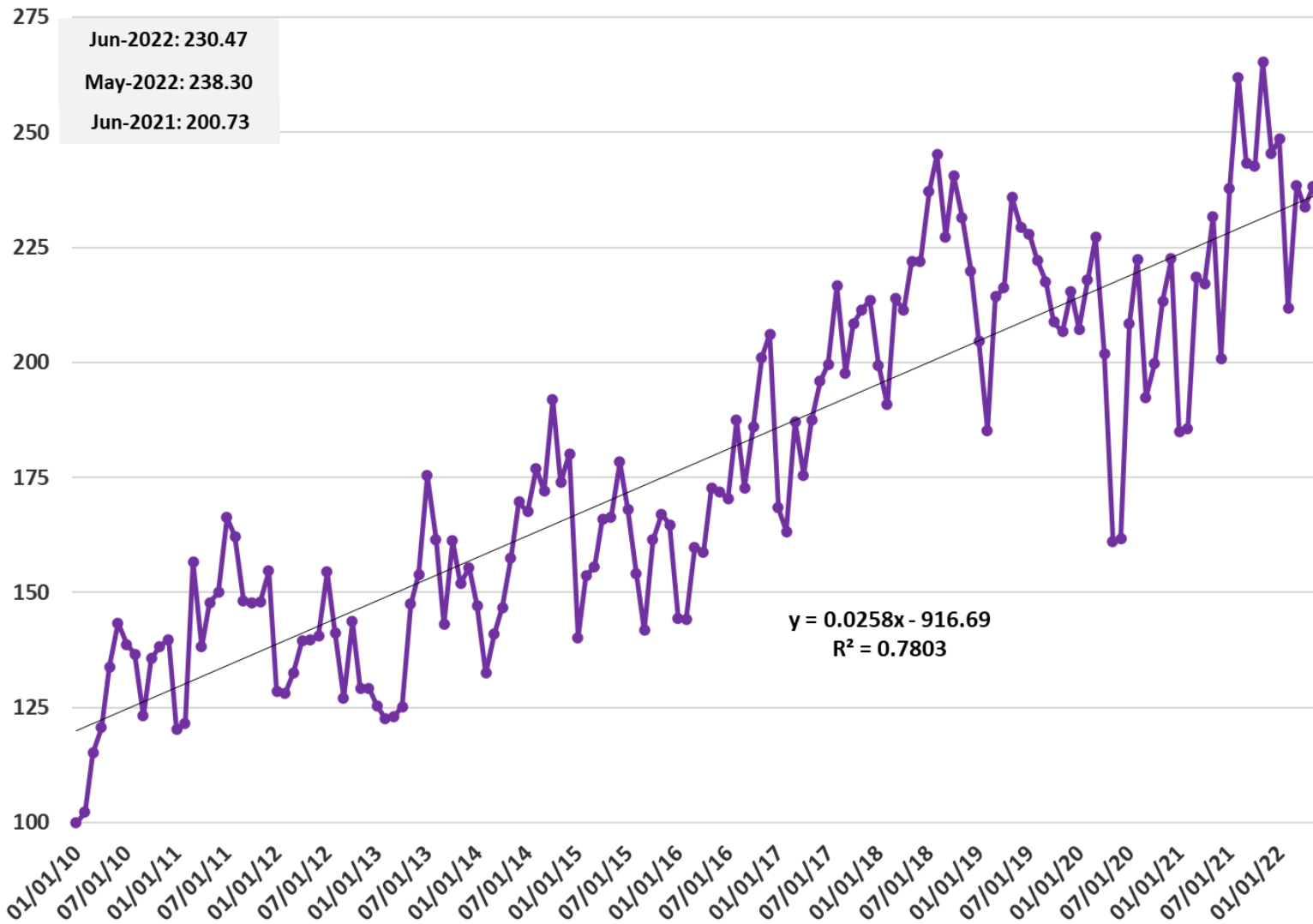
and Ted C. Schroeder, Kansas State University (tcs@ksu.edu)

January 18, 2018

<https://www.beefboard.org/wp-content/uploads/2018/01/Assessing-Beef-Demand-Determinants.pdf>



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



- Foreign purchases of U.S. beef in June 2022 were 130% higher than would have been if demand was at Jan. 2010 levels

- June 2022 export beef demand was below May 2022 & WELL above June 2021 levels

Monthly Meat Demand Monitor (MDM)

[Survey Data / Beef & Pork Checkoff Supported]

- Launched Feb. 2020
- Domestic insights specific to retail/grocery and food service/restaurant
- Monthly reports, often posted within 5 business days of month-end

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

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Monthly Meat Demand Monitor, Methods, and Supporting Information

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

KANSAS STATE UNIVERSITY Agricultural Economics

Monthly Meat Demand Monitor [Survey Data]

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.

BEEF Funded in part by the Beef Checkoff.

K-STATE Research and Extension

pork checkoff

Livestock & Meat

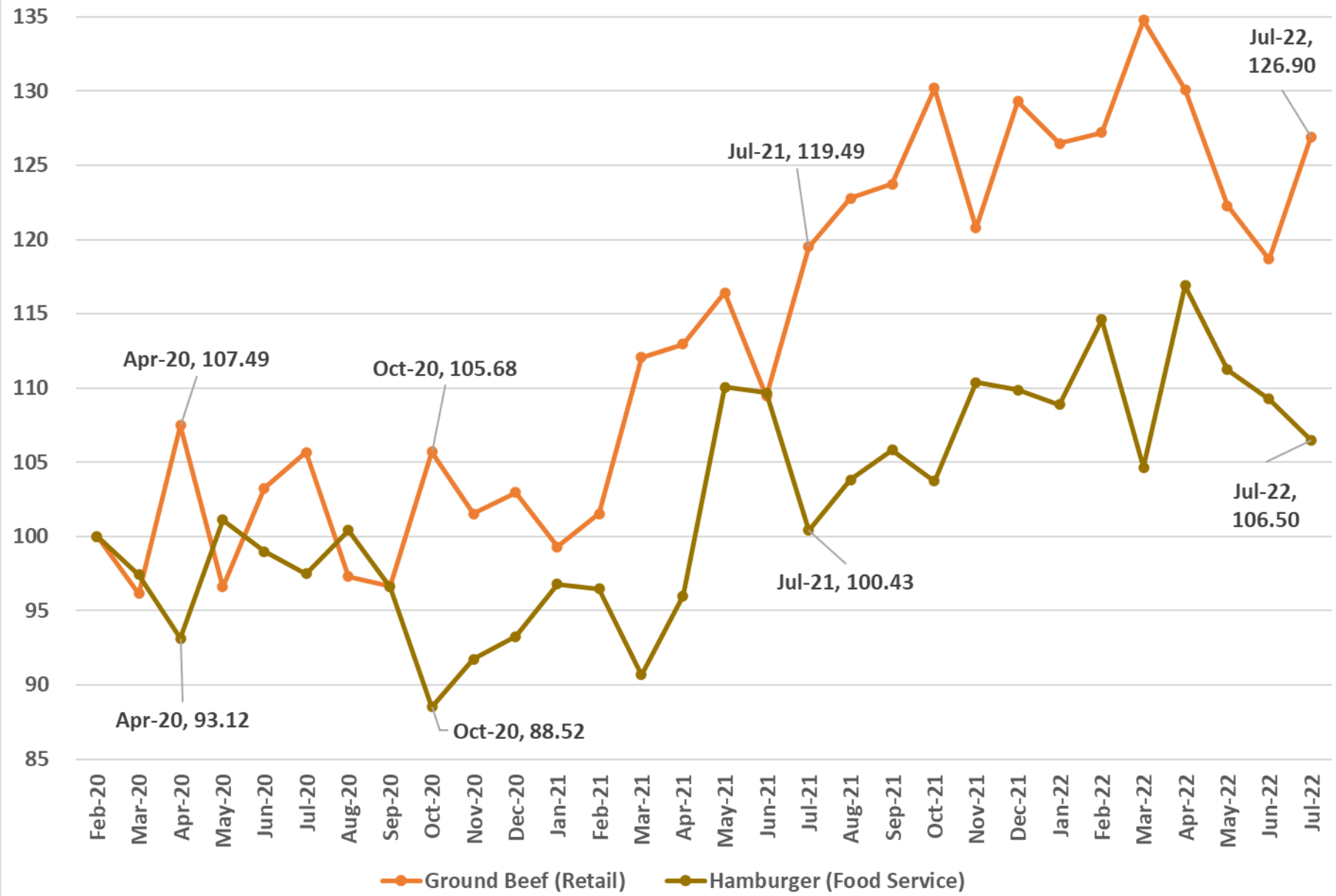
- Projected Feeder Cattle Prices
- Cattle Finishing Returns
- Meat Demand

Title	Author	Date	Downloads
Meat Demand Monitor - July 2022	Tonsor	August 5, 2022	Downloads

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

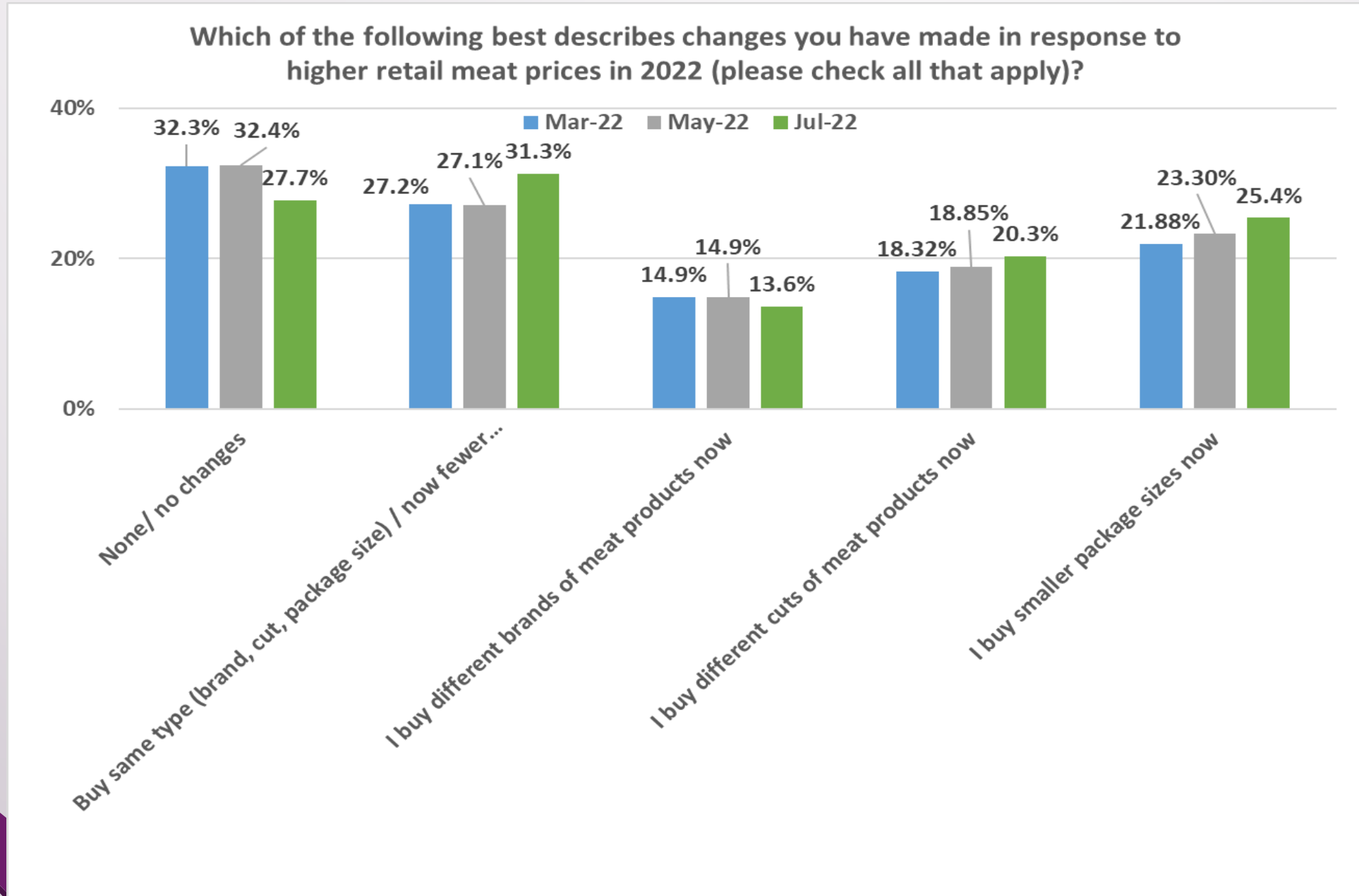
- ✓ Monthly Summary Reports
- ✓ Data, Methods, & Procedures
- ✓ Academic Papers using MDM Data
- ✓ Use in Gov't Testimony
- ✓ Examples of Media Coverage

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



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

Inflation Adjustments Underway



MDM & Related Efforts Continue to Generate Research-Based Demand Insights...

Meat Science 190 (2022) 108843



ELSEVIER

Contents lists available at [ScienceDirect](#)

Meat Science

journal homepage: www.elsevier.com/locate/meatsci



U.S. perspective: Meat demand outdoes meat avoidance

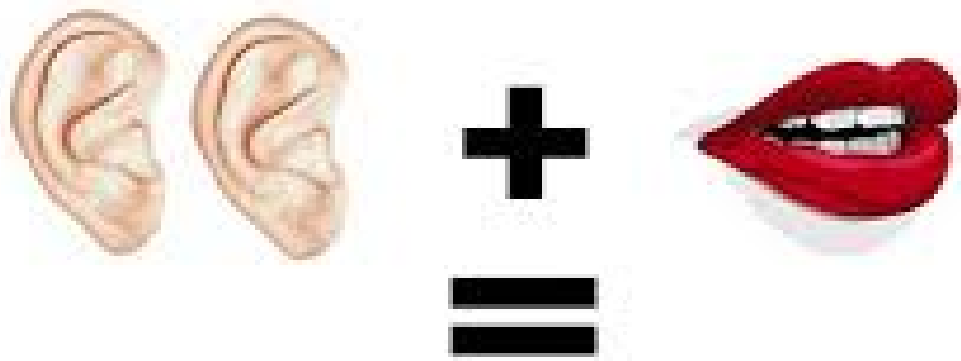
Glynn T. Tonsor^a, Jayson L. Lusk^{b,*}

^a Department of Agricultural Economics, Kansas State University, United States of America

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

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





LISTEN

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

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

also note recent remarks of industry leaders

- 1) Don Schiefelbein (NCBA Prez) comments: <https://www.drovers.com/opinion/schiefelbein-enemy-within-our-industry> &
- 2) Kevin Escobar (USCA Regional Director) comments: <https://www.drovers.com/opinion/escobar-we-must-unite-protect-industry-we-love>



More information available at:



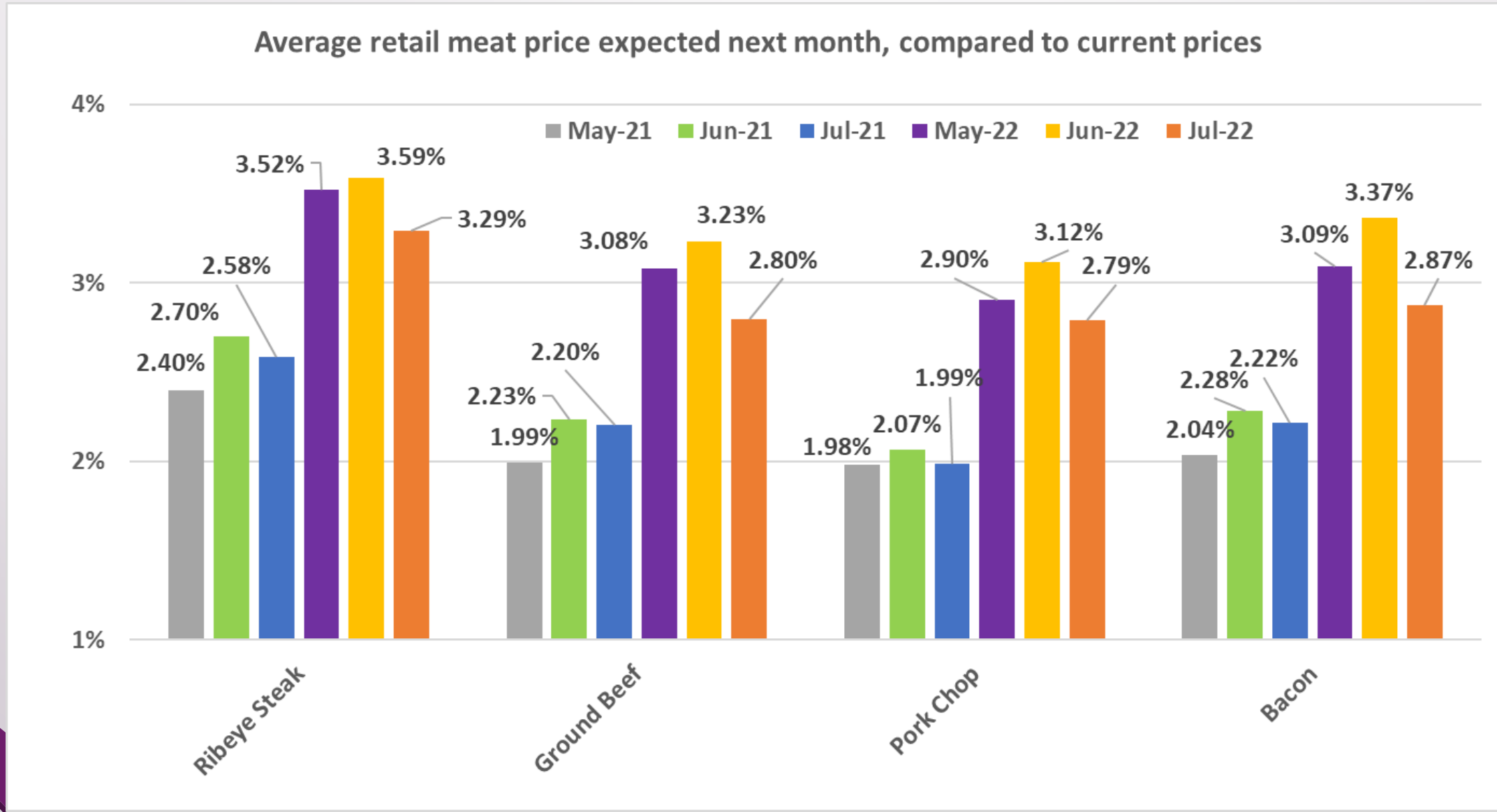
This presentation will be available in PDF format at:

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

Host of additional industry resources are cross-linked as well

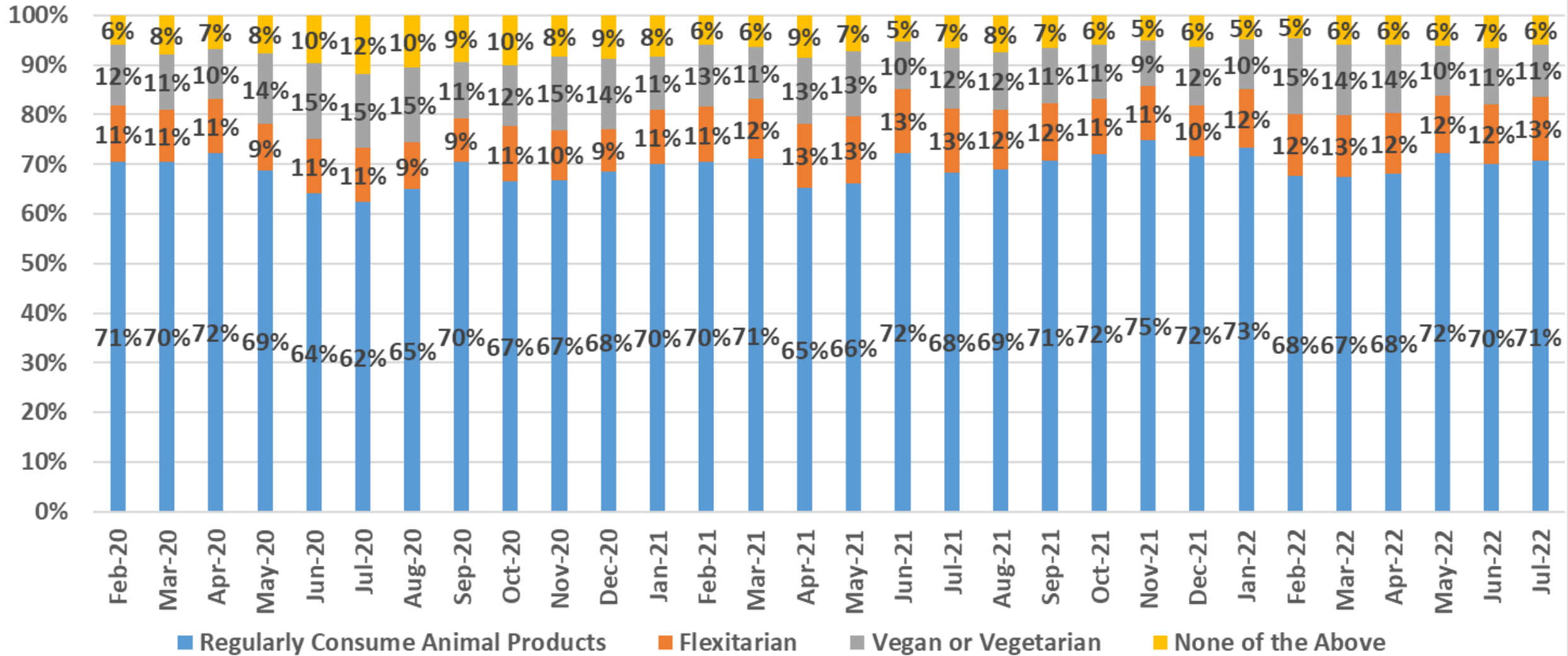
Inflation Adjustments

Peaking Price Expectations?

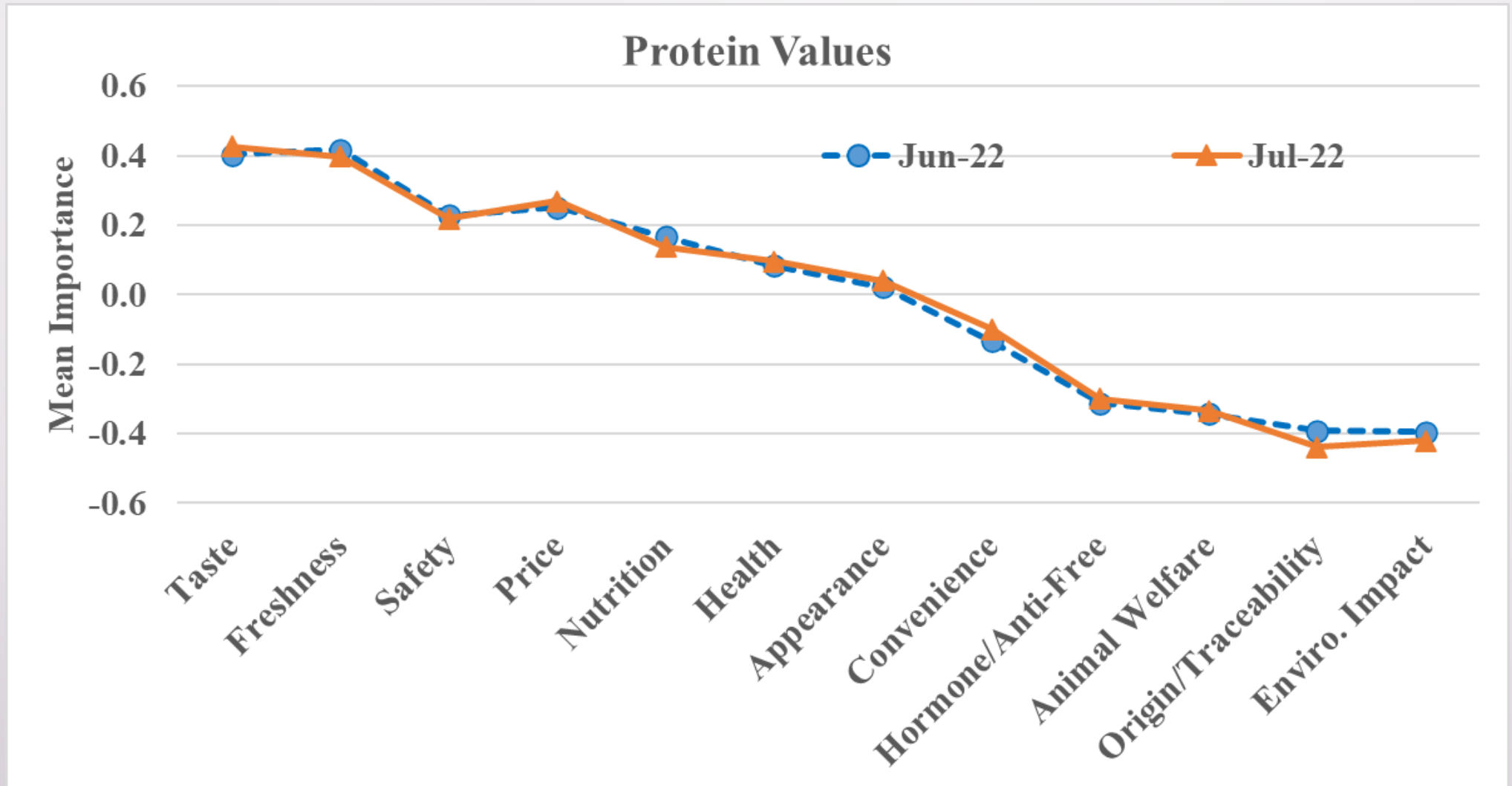


Self-Declared Diet Tracking

Self-Declared Diet, Feb. 2020 - July 2022 (Source: MDM Project)



Protein Values – What Drives Purchasing?



Taste is ~1.6x importance of Price
Convenience is >4x importance of Env. Impact or Origin/Traceability