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## USDA Crop and Livestock Reports: What, When, Where?



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### Women Managing the Farm Conference

February 9-11, 2022/Manhattan, Kansas

**Rich Llewelyn**

Email: [rwl@ksu.edu](mailto:rwl@ksu.edu)/Phone: 785.532.1504



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## Price Analysis and Forecasting

- *"Prediction is very difficult, especially if it's about the future".*

Neils Bohr, Physicist

- *"I have seen the future and it is very much like the present, only longer."*

Kehlog Albran, Author

- *"The future, predict we cannot."*

Yoda



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## *Moneyball: The Art of Winning an Unfair Game*

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- By Michael Lewis (2003)
- Sabermetrics (Bill James: 1980s)
- Billy Beane – Oakland A's general manager
- Determined “prices” for things not generally considered “priceable”
  - Fielding skills, on-base percentage, pitches not in the strike zone that are swung at.



## *Moneyball: Valuing Hitters*

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- For hitters, the most important statistic:
  - OBP: on-base percentage (3x more important than slugging percentage). Most important predictor of run production.
  - Also: strikeout percentage and ERV (expected run value). These are all more important than HR, RBI or batting percentage.
  - A few others: pitches per plate appearance, walk:strikeout ration, pitches not in strike zone that are swung at.



## Moneyball: Valuing Pitchers

- For pitchers, the most important stat:
  - Ground ball:fly ball ratio. By far the most important. 2.5x more important in predicting low runs scored than ERA (earned run average).
  - Others: walk:strikeout ratio, pitches per batter.



## Market Efficiency

- In “Moneyball”, market inefficiencies existed: high-priced players did not have some of the most important statistics; those with some of the most important stats were low-priced.
- Much economic analysis assumes that markets operate efficiently (perfectly competitive market)
  - Perfect information
  - Homogeneous good
  - No participant with market power to set prices
  - No barriers to entry or exit
  - Equal access to production technology



# Market Efficiency

- For the most part, commodity markets are efficient. (You cannot/will not consistently beat the market over a long time).
- BUT: you may well be behind the market if you don't know what is going on.
- If inefficiencies exist, opportunities exist.
  - Land markets?
  - Valuing used equipment and machinery?
  - Commodities?
  - Others?



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# Fundamental Analysis vs. Technical Analysis

- Fundamental Analysis: uses supply and demand data (and other economic data such as income, costs, currency rates, inflation, etc) to understand prices. USDA reports provide data about fundamentals (supply/demand).
- Technical analysis: primarily uses the patterns of price data itself. Looks for trends in prices, as well as highs and lows which provide “natural” limits to price movement.



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# Fundamental Analysis

- Advantages of fundamental analysis
  - Provides extra information not available using technical analysis.
  - May predict a price movement well in advance of it actually happening
  - Gives incentive to hold a winning position in the longer term
  - Fundamental news provides information to the entire market, but is best utilized by someone who knows what it means.



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# Fundamental Analysis

- Disadvantages of fundamental analysis
  - Difficult to determine timing
  - May be missing variable(s)
  - Does not account for unexpected developments
    - 1973: Russian wheat sales and OPEC embargo
    - 1979: Russian invasion of Afghanistan; Iran revolution
    - 1991: Iraq invades Kuwait
    - 2001: 9/11
    - 2006: Ethanol subsidy/mandate/tariff
    - 2014: Oil glut caused by shale oil (fracking)
    - 2018-2020: Tariff war with China
    - 2020-2021: COVID-19



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# Fundamental Analysis

- In today's world, the factors affecting the market fundamentals (supply and demand) are more numerous and more interconnected than ever.
  - Argentina's export ban on grains (2008) and export taxes (2010)
  - Russia's drought and fires (2010)
  - Greek debt drama (2011-2015)
  - China's economic slowdown (2015)
  - Brexit (2016-2020)
  - U.S. rejects TPP and renegotiates NAFTA (2017)
  - U.S./China engage in escalating tariff war (2018-2020)
  - COVID-19 pandemic disrupts supply chains and demand.



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# USDA Reports

- USDA provides a variety of reports on agricultural commodities at daily, weekly, monthly, quarterly, and annual intervals.
  - Crop reports, including supply-demand info, planting intentions, stocks and inventory, and crop condition reports, among others.
  - Livestock reports, including animal inventories, slaughter, cold storage, on-feed, among others.
- In addition to reports, the annual **USDA Outlook Conference** at the end of February is something to pay attention to. Presentations released online after the conference.



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# Crop Reports

- The USDA publishes monthly crop supply and demand estimates for the USA and the world
  - These benchmark estimates provide grain markets with objective, timely and comprehensive supply-demand info
    - World Agricultural Supply-Demand Estimates (**WASDE**)
    - Crop Production Reports
- USDA crop and WASDE reports have broad impact as they define fundamental supply-demand conditions in commodity markets



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## USDA World Agricultural Outlook Board and WASDE Reports

- Interagency process, with monthly forecasts of U.S. and world supply and demand for major crops
- **A balance-sheet approach**
  - **Supply**: Beginning stocks, Production & Imports
  - **Use**: Food, seed and industrial use, Exports, Feed+Residual
  - **Ending Stocks** or carryout stocks
  - **Prices**: U.S. average cash price projections (by marketing year)



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# Monthly Crop Production & WASDE Reports

- USDA Crop Production (NASS) & WASDE (WAOB) reports are prepared simultaneously in a secured area & released at 12:00 noon ET (11 am CT) between the 8th & 12th day of each month
  - NASS production forecasts are incorporated into U.S. crop supply-demand estimates



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## www.usda.gov/oc/commodity/wasde

The World Agricultural Supply and Demand Estimates (WASDE) is prepared and released by the World Agricultural Outlook Board (WAOB). The report is released monthly, and provides annual forecasts for supply and use of U.S. and world wheat, rice, coarse grains, oilseeds, and cotton. The report also covers U.S. supply and use of sugar, meat, poultry, eggs and milk, as well as Mexico's supply and use of sugar. The WAOB chairs the Interagency Commodity Estimates Committees (ICECs), which include analysts from key USDA agencies who compile and interpret information from USDA and other domestic and foreign sources to produce the report. For more information about the WASDE process and data, visit the [WASDE250L9998](#).

**NOTES TO USERS:**  
**UK and EU Trade Data in WASDE:** The United Kingdom officially left the European Union on January 31, 2020; the trade bloc now has 27 member states instead of 28. Beginning with the January 2021 WASDE report, the heading for the EU-28 region will change from "European Union" to "EU-27+UK". Starting May 2021, (when projections for the new Marketing Year are released), the UK data will be disaggregated from the regional total and presented separately in the report, where applicable.

**Process for correcting an error in WASDE text or tables:** If the WASDE report is reposted to correct an error in the tables or text, the file name (for all four file formats) will be changed to reflect that there is a new revision, and an errata statement will be included in the file and posted on the OCE website to describe the change. For example, the name of the December 2019 WASDE is "wasde1219v2.xlsx" if a revision were necessary, the corrected file would be posted as "wasde1219v3.xlsx", etc.

**January 2021 WASDE Report (current)**  
[PDF](#) [HTML](#) [Excel](#) [Text](#)



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# World Agricultural Supply and Demand Estimates

Office of the  
Chief Economist

Agricultural Marketing Service  
Farm Service Agency

Economic Research Service  
Foreign Agricultural Service

WASDE - 620

Approved by the World Agricultural Outlook Board

January 12, 2022

**WHEAT:** The outlook for 2021/22 U.S. wheat this month is for smaller supplies, reduced domestic use, lower exports, and higher ending stocks. Imports are lowered 10 million bushels to 100 million on a slower than expected pace for Durum and Hard Red Spring. Feed and residual use is lowered 25 million bushels to 110 million on lower implied feed and residual use in the second quarter, based on December 1 stocks reported in today's NASS *Grain Stocks* report. Seed use is unchanged at 66 million bushels, reflecting the latest estimated seed use for winter wheat plantings in the fall of 2021 reported in today's NASS *Winter Wheat and Canola Seedings* report. Exports are reduced 15 million bushels to 825 million bushels with all the reduction in Hard Red Winter. U.S. wheat sales and shipments continue to be sluggish as U.S. wheat remains uncompetitive in several markets. Projected 2021/22 ending stocks are raised 30 million bushels to 628 million but still down 26 percent from last year and the lowest level since 2013/14. The season-average farm price is raised \$0.10 per bushel to \$7.15 based on NASS prices reported to date and expectations for prices in the remainder of the marketing year.

The 2021/22 global wheat outlook is for stable supplies, decreased consumption, reduced exports, and increased stocks. Production increases in Argentina and the EU are offset by decreased production in Brazil and Paraguay and lower beginning stocks for Russia. Argentina's production is increased 0.5 million tons to a record 20.5 million on updated harvest results. Russian beginning stocks are lowered 0.6 million tons on larger end-of-season exports in 2020/21. World 2021/22 consumption is lowered 1.9 million tons to 787.5 million, primarily due to lower feed and residual use for the United States, the EU, and Ukraine. Relatively higher wheat prices compared to feed grains are expected to reduce global feed use. Projected 2021/22 global trade is lowered 1.1 million tons to 204.4 million as reductions in exports from the EU and the U.S. are offset by increases in imports from the EU. U.S. exports from mid-February to the latter half of the month are expected to be lower while EU exports are expected to be higher. U.S. ending stocks are raised 30 million bushels to 628 million but still down 26 percent from last year and the lowest level since 2013/14. The season-average farm price is raised \$0.10 per bushel to \$7.15 based on NASS prices reported to date and expectations for prices in the remainder of the marketing year.

**WASDE report includes summary information and highlights for each commodity, world supply and use tables, U.S. supply and use tables, and prices.**

January 2022

WASDE - 620 - 15

## U.S. Soybeans and Products Supply and Use (Domestic Measure) 1/

Past years

Current year

SOYBEANS	2019/20	2020/21 Est.	2021/22 Proj. Dec	2021/22 Proj. Jan
	<i>Million Acres</i>			
<b>SUPPLY</b>				
Area Planted	76.1	83.4	87.2	87.2
Area Harvested	74.9	82.6	86.4	86.3
<i>Bushels</i>				
Yield per Harvested Acre	47.4	51.0	51.2	51.4
<i>Million Bushels</i>				
Beginning Stocks	909	525	256	257
Production	3,552	4,216	4,425	4,435
Imports	15	20	15	15
Supply, Total	4,476	4,761	4,696	4,707
<b>USE</b>				
Crushings	2,165	2,141	2,190	2,190
Exports	1,679	2,265	2,050	2,050
Seed	97	101	102	102
Residual	11	-4	15	16
Use, Total	3,952	4,504	4,356	4,357
Ending Stocks	525	257	340	350
Avg. Farm Price (\$/bu) 2/	8.57	10.80	12.10	12.60

## Marketing Year

- The marketing year for wheat:
  - June 1 – May 31
- The marketing year for summer crops (corn, soybeans, milo)
  - September 1 – August 31.
- USDA begins estimating yields/production, usage, and prices in May each year for the following marketing year (projections for 2021-2022 MY began in May, 2021).



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## Marketing Year Average Prices

- Marketing Year Average (MYA) prices are determined by a weighted average of NATIONAL cash prices.
- Prices are weighted by sales each month.
- A relatively large proportion of sales take place in the three months following harvest for most crops (grain sorghum is an exception).
- MYA prices are used for government program payments (ARC, PLC), as well as crop insurance.
- USDA estimates MYA prices each month based on historical weights and expected prices and provides a range of expected prices.



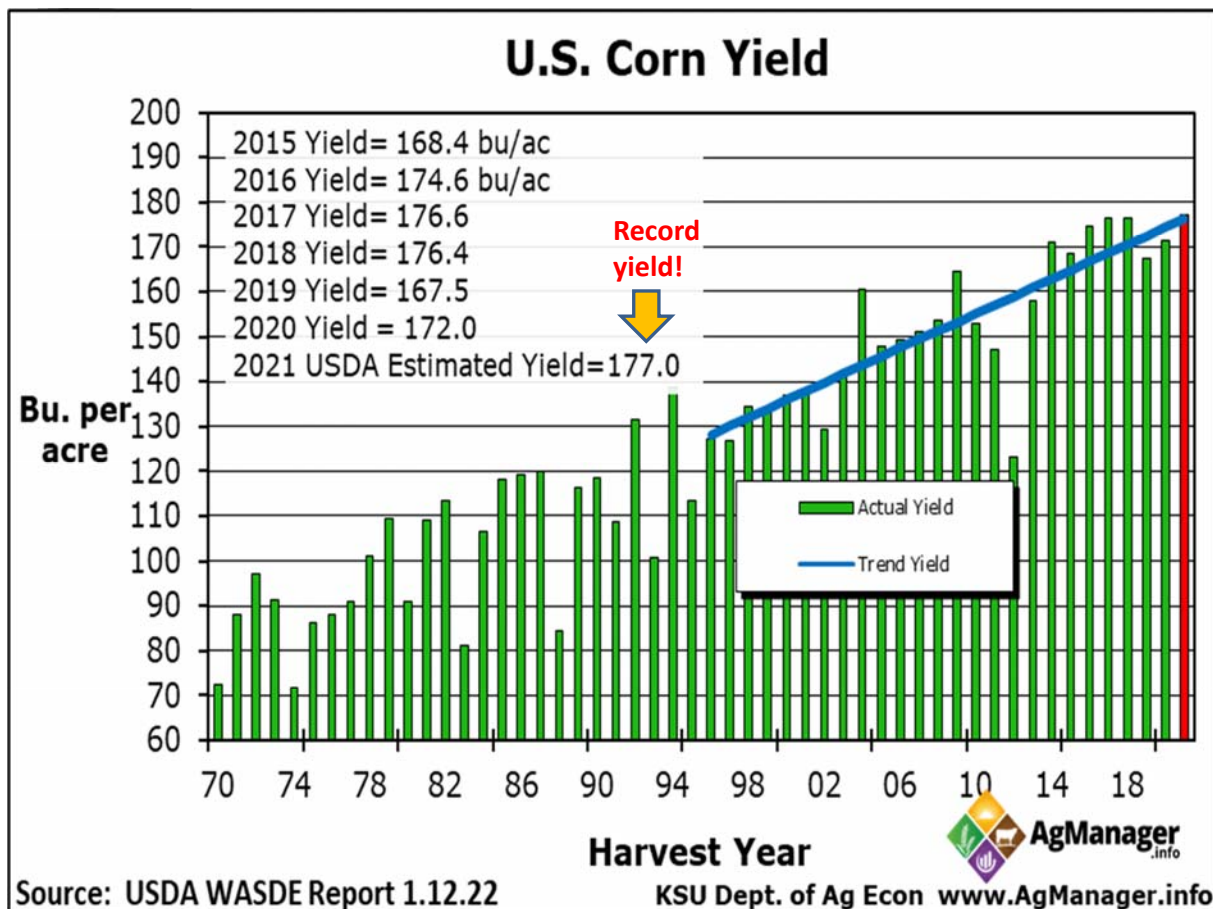
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## Using WASDE Data and Information

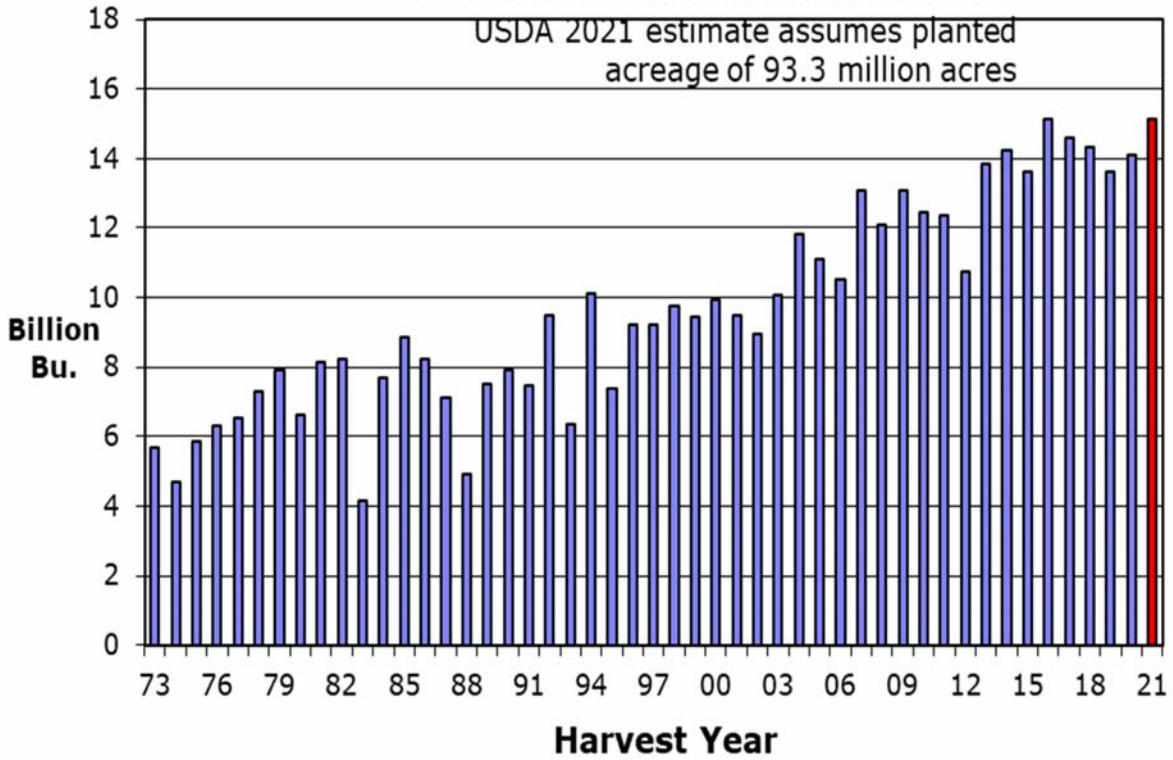
- Understanding supply and demand situation by comparing with historical values. Includes exports, production, imports, domestic use (ethanol), etc.
- Evaluating the size of ending stocks of a commodity and expected effects on prices (stocks-to-use ratio).
- Obtaining an idea of what USDA expects for MYA prices.



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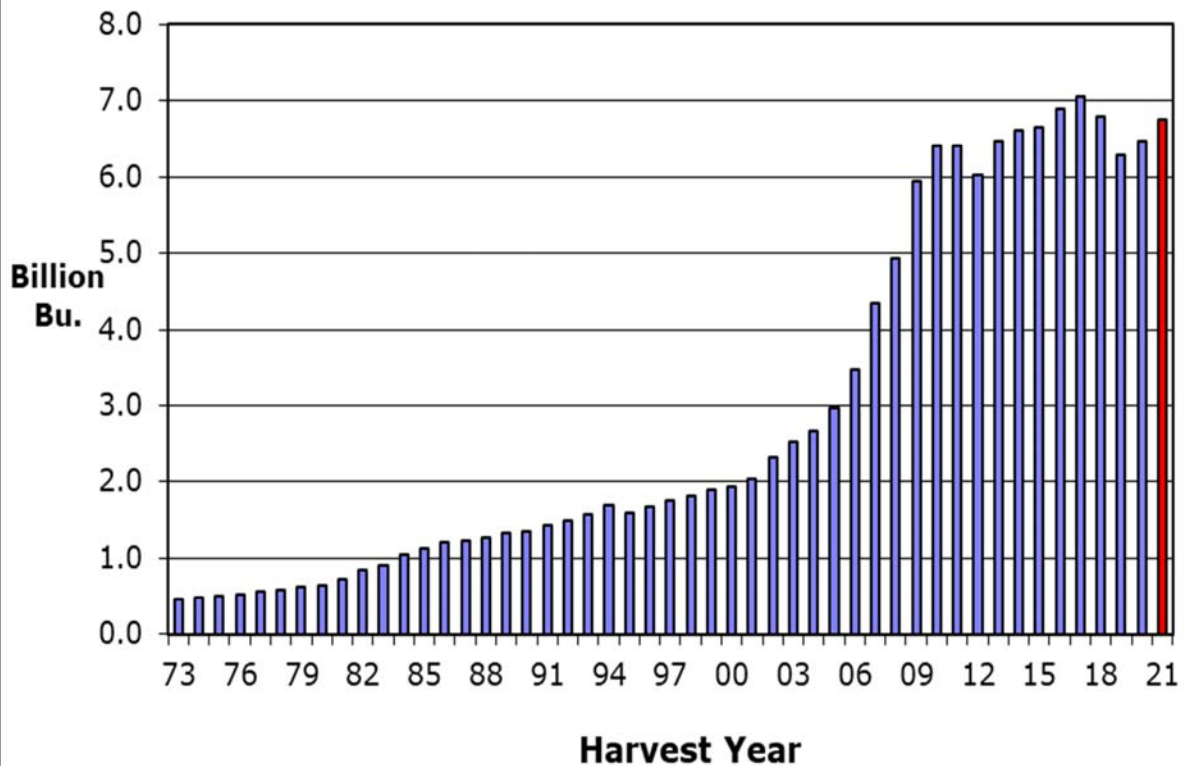
## Total U.S. Corn Production



Source: USDA WASDE Report 1.12.22

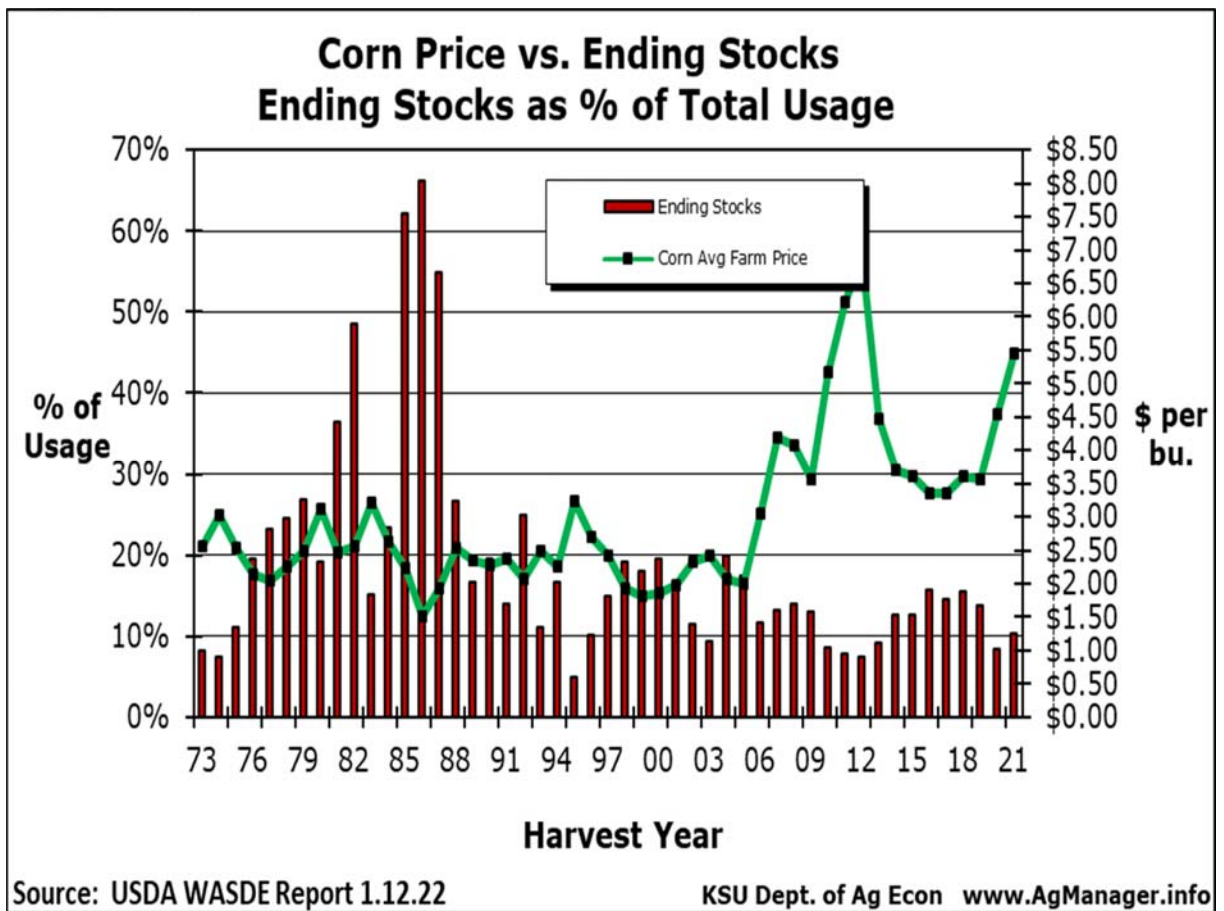
KSU Dept. of Ag Econ [www.AgManager.info](http://www.AgManager.info)

## Food, Alcohol, & Industrial Corn Usage



Source: USDA WASDE Report 1.12.22

KSU Dept. of Ag Econ [www.agmanager.info](http://www.agmanager.info)



## Other Crop Reports: National Agricultural Statistics Service (NASS)

- Winter wheat and rye seedings report - early January
  - Reports actual planted acres from survey data
- Planting Intentions Report – end of March
  - For summer crops, based on farmer survey in early March
- Acreage Report - late June
  - Planted acres, based on early June survey. First report of actual planted acres.







## Other Crop Reports: National Agricultural Statistics Service (NASS)

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- Monthly yield and production forecasts
  - Winter wheat – starting in May
  - Spring wheat and other small grains – starting in July
  - Other spring-planted crops – starting in August
  - Final crop estimates - end of the harvesting season
- Quarterly Stocks Reports
  - Grain and soybeans stored on and off farms (January, March, July, September)
  - These inventory reports have become large market-changers in an era of relatively low stocks.



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## Other Crop Reports: National Agricultural Statistics Service (NASS)

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- Weekly crop progress and condition report
  - Beginning in March, for each state.
  - Released each Monday morning, reporting on the previous Monday-Sunday period.
  - Also includes days suitable for fieldwork as well as topsoil and subsoil conditions for the state.
- Expected yield reports
  - Monthly, August to November, for corn and soybeans.
  - Reflect conditions as of the first of the month.



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## Other Crop Reports: National Agricultural Statistics Service (NASS)

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- Agricultural Prices publication
  - Monthly, at the end of each month.
  - Prices paid for inputs and prices received by producers for most commodities, as well as marketing year average prices and monthly sales weights.
- Export Reports (weekly)
  - Export Inspection reports (Monday, 8 am)
  - Export Sales Report (Thursday, 8 am)



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## Annual USDA June Ag Survey

*Largest USDA Survey Each Year*

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- Survey done in 1<sup>st</sup> two weeks in June:
  - ≈ 2,400 interviewers contact > 125,000 farmers. Results released the end of June.
- U.S. crop & livestock producers report:
  - Acreage of each crop either planted or intend to plant
  - Acreage they expect to harvest as grain
  - Stocks of grain in on farm storage
  - Livestock inventories



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## Importance of January Crop Reports

- January is the biggest report period of the year for crops.
  - Crop Production Annual Summary
  - Quarterly Grain Stocks
    - First quarter estimated usage is documented in the stocks report.
  - Winter Wheat Seedings
  - January WASDE reports.
    - First “final” yield for the corn and soybeans



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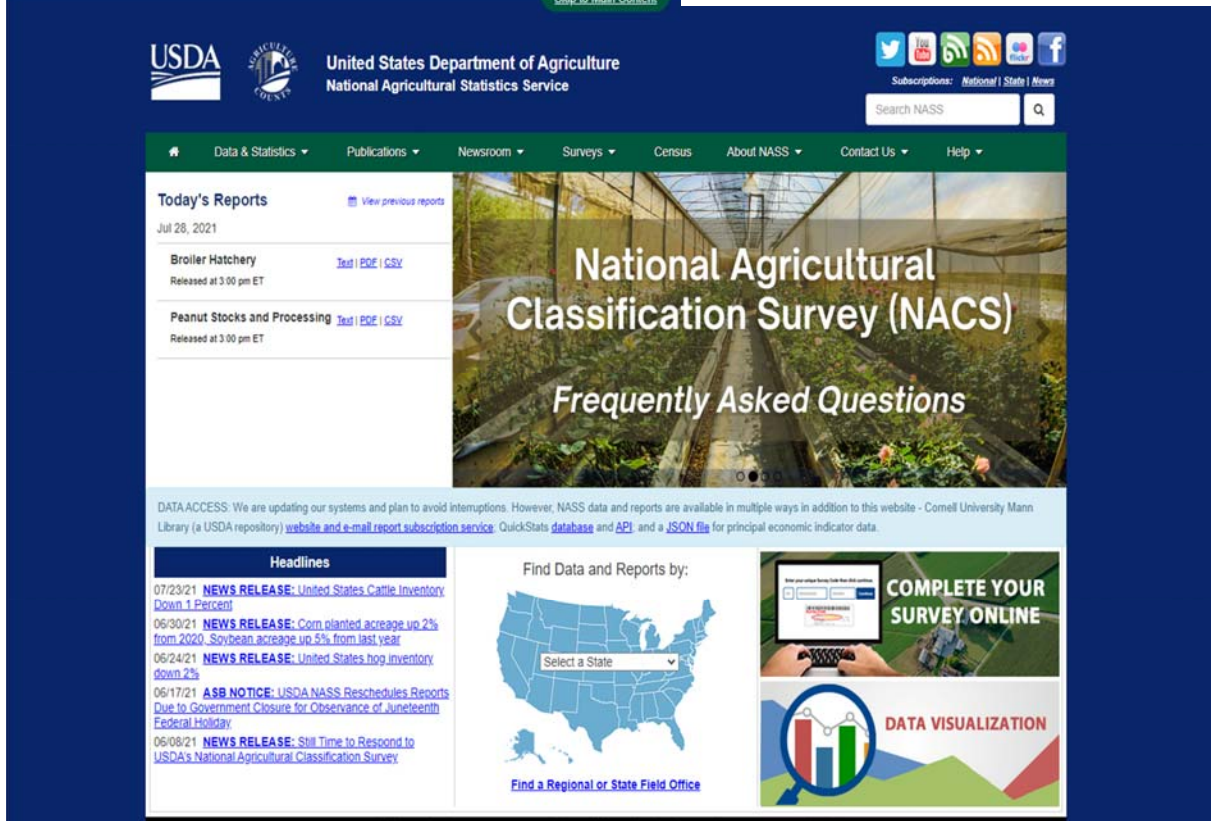
## Other “Big” Reporting Times

- End of March: Planting Intentions report and Quarterly Stocks reports.
- End of June: acreage report (reporting actual plantings, based on early June survey)
- Mid-August: first expected yield report for summer crops, based on field surveys.
- End of September: small grains summaries (including wheat) and quarterly stocks report, with ending MY inventories for summer crops.



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The screenshot shows the NASS website homepage. At the top, there are social media icons for Twitter, YouTube, RSS, and Facebook, along with a search bar for NASS. The main navigation menu includes Data & Statistics, Publications, Newsroom, Surveys, Census, About NASS, Contact Us, and Help. The featured content includes 'Today's Reports' for July 28, 2021, with links for 'Broiler Hatchery' and 'Peanut Stocks and Processing'. A large banner for the 'National Agricultural Classification Survey (NACS)' features a 'Frequently Asked Questions' link. Below the banner, there is a 'DATA ACCESS' section and a 'Headlines' section with several news releases. A 'Find Data and Reports by:' section includes a map of the United States with a 'Select a State' dropdown and a link to 'Find a Regional or State Field Office'. A 'COMPLETE YOUR SURVEY ONLINE' section and a 'DATA VISUALIZATION' section are also visible.

## Useful Websites for Crop Reports

- **Crop Progress and Conditions (Mondays)**
  - [http://www.nass.usda.gov/Publications/State\\_Crop\\_Progress\\_and\\_Condition/](http://www.nass.usda.gov/Publications/State_Crop_Progress_and_Condition/)
- **Prospective Plantings (end of March):**
  - <https://usda.library.cornell.edu/concern/publications/x633f100h?locale=en>
- **Winter Wheat and Canola Seedings (January):**
  - <https://usda.library.cornell.edu/concern/publications/z890rt24s?locale=en>
- **Small Grain Summaries:**
  - <https://usda.library.cornell.edu/concern/publications/5t34sj573?locale=en>



## Useful Websites for Crop Reports

- **Quarterly Grain Stocks Reports:**
  - <https://usda.library.cornell.edu/concern/publications/xg94hp534?locale=en>
- **Agricultural Prices (monthly):**
  - <https://usda.library.cornell.edu/concern/publications/c821gj76b?locale=en&page=2#release-items>
- **June Acreage Report:**
  - <https://usda.library.cornell.edu/concern/publications/j098zb09z?locale=en>



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## A Few Additional Sites

- **Weekly Export Inspection Report:**
  - Monday morning at 8 am.
  - [http://www.ams.usda.gov/mnreports/wa\\_gr101.txt](http://www.ams.usda.gov/mnreports/wa_gr101.txt)
- **Weekly Export Sales Report:**
  - Thursday morning at 8 am.
  - <http://www.fas.usda.gov/export-sales/esrd1.html>
- **Weekly Petroleum Status Report:**
  - Wednesday morning at 10:30 am.
  - <http://www.eia.gov/petroleum/supply/weekly/>
- **NOAA 6-10 day forecasts (Daily)**
  - <http://www.cpc.ncep.noaa.gov/products/predictions/610day/index.php/>



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## USDA Quick Stats and Quick Stats Lite

- **USDA data**
  - Census and survey data, by sector and commodity
  - County, district, state, national, by year.
- **Quick Stats:**
  - <https://quickstats.nass.usda.gov/>
  - More difficult to use, but more data
- **Quick Stats Lite:**
  - [https://www.nass.usda.gov/Quick\\_Stats/Lite/index.php](https://www.nass.usda.gov/Quick_Stats/Lite/index.php)
  - Easier to use, but less data
- **Ag Census database:**
  - [https://www.nass.usda.gov/Quick\\_Stats/CDQT/chapter/1/table/1](https://www.nass.usda.gov/Quick_Stats/CDQT/chapter/1/table/1)



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## Macroeconomic Data: FRED

- **FRED: Federal Reserve Economic data**  
<https://fred.stlouisfed.org/>
  - Maintained by the St. Louis Federal Reserve Bank.

Interest rates

GDP

CPI, PPI

Unemployment rate

Money supply

Inflation rates

Housing starts

Savings rates

Bond yields

Oil prices

Consumption expenditures

Public debt

Exchange rates

Consumer sentiment

Vehicle sales

MUCH more.



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## One Other Helpful Site: FarmDoc

- **University of Illinois**

- FarmDoc: extension website for ag econ department at University of Illinois. Lots of good information on markets, production, finance and other topics.

<http://farmdoc.illinois.edu/>

- FarmDoc Daily: a very useful daily blog with articles related to grain markets primarily. Can be very helpful in understanding grain markets and also for varying types of analysis.

<http://farmdocdaily.illinois.edu/>



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## Livestock and Meat Market Information USDA Reports

- Many USDA livestock reports available
- The bigger ones:
  - Livestock, Dairy, & Poultry Outlook – middle of each month, with a quarterly forecast for next 4-6 quarters
  - Cattle-on-Feed – third or fourth Friday of each month.
  - Livestock Slaughter – Thursday, often the day before cattle-on-feed, each month.
  - Cattle Inventory – semi-annually, end of January and end of July.
  - Hog and Pig Inventory – quarterly, March, June, September, December.



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## Livestock and Meat Market Information USDA Reports

- Some other reports:
  - Quarterly Hogs and Pigs – End of March, June, September, December.
  - US and Canadian Cattle / US and Canadian Hogs – latter parts of February and August.
  - Cold Storage – generally around the 22<sup>nd</sup> of each month
  - Milk Production – between the 19<sup>th</sup>-24<sup>th</sup> of each month



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## Livestock and Meat Market Information USDA Reports

- Livestock, Dairy, & Poultry Outlook
  - <https://usda.library.cornell.edu/concern/publications/g445cd121?locale=en>
  - Monthly, in the middle of the month
    - Quarterly forecast for next 4-6 quarters
- US & Canadian Cattle
  - <https://usda.library.cornell.edu/concern/publications/474299142?locale=en>
  - Released 2x per year (March and August)
- US & Canadian Hogs
  - <https://usda.library.cornell.edu/concern/publications/7h149p85x?locale=en>
  - Released 2x per year (March and August)



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## Livestock and Meat Market Information USDA Reports

- Cold Storage
  - <https://usda.library.cornell.edu/concern/publications/pg15bd892?locale=en>
    - Released monthly, about the 22<sup>nd</sup>
- Livestock Slaughter
  - <https://usda.library.cornell.edu/concern/publications/rx913p88g?locale=en>
    - Released monthly, about the 20<sup>th</sup>
- Cattle on Feed
  - <https://usda.library.cornell.edu/concern/publications/m326m174z?locale=en>
    - Released monthly, 3<sup>rd</sup> or 4<sup>th</sup> Friday



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## Livestock and Meat Market Information USDA Reports

- Cattle Inventory Reports
  - <https://usda.library.cornell.edu/concern/publications/h702q636h?locale=en>
    - Released in January & July; end of the month
- Hogs and Pigs Inventory Reports
  - <https://usda.library.cornell.edu/concern/publications/rj430453j?locale=en>
    - Released quarterly (Mar, Jun, Sep, Dec); end of the month
- Milk Production
  - <https://usda.library.cornell.edu/concern/publications/h989r321c?locale=en>
    - Released monthly, around the 20<sup>th</sup> of the month



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## Livestock and Meat Market Information Other Reports and Information

- Daily Livestock Report
  - <http://www.dailylivestockreport.com/>
    - 1 page synopsis on livestock/meat market drivers
    - Lists schedule of releases, and links to, current month's USDA reports
- CME Group Livestock Fundamentals
  - <http://www.cmegroup.com/trading/commodities/cme-group-livestock-fundamentals.html>
    - Overview of cattle & hog industries; outlines stages of production, etc.
- Interest Rates Forecasts
  - <http://www.cmegroup.com/trading/interest-rates/fed-funds.html>
- Outlook for US Ag Trade
  - <https://www.ers.usda.gov/publications/pub-details/?pubid=99889>



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## Livestock and Meat Market Information Newsletters and Commentary from K-State

- KSU Radio Interview
  - <http://www.agmanager.info/news/weekly-cattle-market-report-glynn-tonsor-and-lmic>
- “In the Cattle Markets” from LMIC
  - <http://www.agmanager.info/news/cattle-markets-lmic>
- Recent Cattle Finishing Returns
  - <http://www.agmanager.info/livestock-meat/cattle-finishing-historical-and-projected-returns/cattle-feeding-returns-1>



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# Cattle Inventory Reports

Shows cattle inventory on January 1 and July 1. Released the end of January and end of July.

Some years did not have a July report (2013 or 2016).

<https://usda.library.cornell.edu/concern/publications/h702q636h?locale=en>



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ISSN: 1948-9099

## Cattle

Released January 31, 2022, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

### January 1 Cattle Inventory Down 2 Percent

All cattle and calves in the United States as of January 1, 2022 totaled 91.9 million head, 2 percent below the 93.8 million head on January 1, 2021.

All cows and heifers that have calved, at 39.5 million head, were 2 percent below the 40.3 million head on January 1, 2021. Beef cows, at 30.1 million head, were down 2 percent from a year ago. Milk cows, at 9.38 million head, were down 1 percent from the previous year.

All heifers 500 pounds and over as of January 1, 2022 totaled 19.8 million head, 2 percent below the 20.2 million head on January 1, 2021. Beef replacement heifers, at 5.61 million head, were down 3 percent from a year ago. Milk replacement heifers, at 4.45 million head, were down 3 percent from the previous year. Other heifers, at 9.71 million head, were 1 percent below a year earlier.

Steers weighing 500 pounds and over as of January 1, 2022 totaled 16.6 million head, down 1 percent from January 1, 2021.

Bulls weighing 500 pounds and over as of January 1, 2022 totaled 2.11 million head, down 5 percent from January 1, 2021.

Calves under 500 pounds as of January 1, 2022 totaled 13.9 million head, down 3 percent from January 1, 2021.

Cattle and calves on feed for the slaughter market in the United States for all feedlots totaled 14.7 million head on January 1, 2022. The inventory is up slightly from the January 1, 2021 total of 14.7 million head. Cattle on feed in feedlots with capacity of 1,000 or more head accounted for 81.9 percent of the total cattle on feed on January 1, 2022, up slightly from the previous year. The combined total of calves under 500 pounds and other heifers and steers over 500 pounds (outside of feedlots) at 25.5 million head, was 3 percent below January 1, 2021.

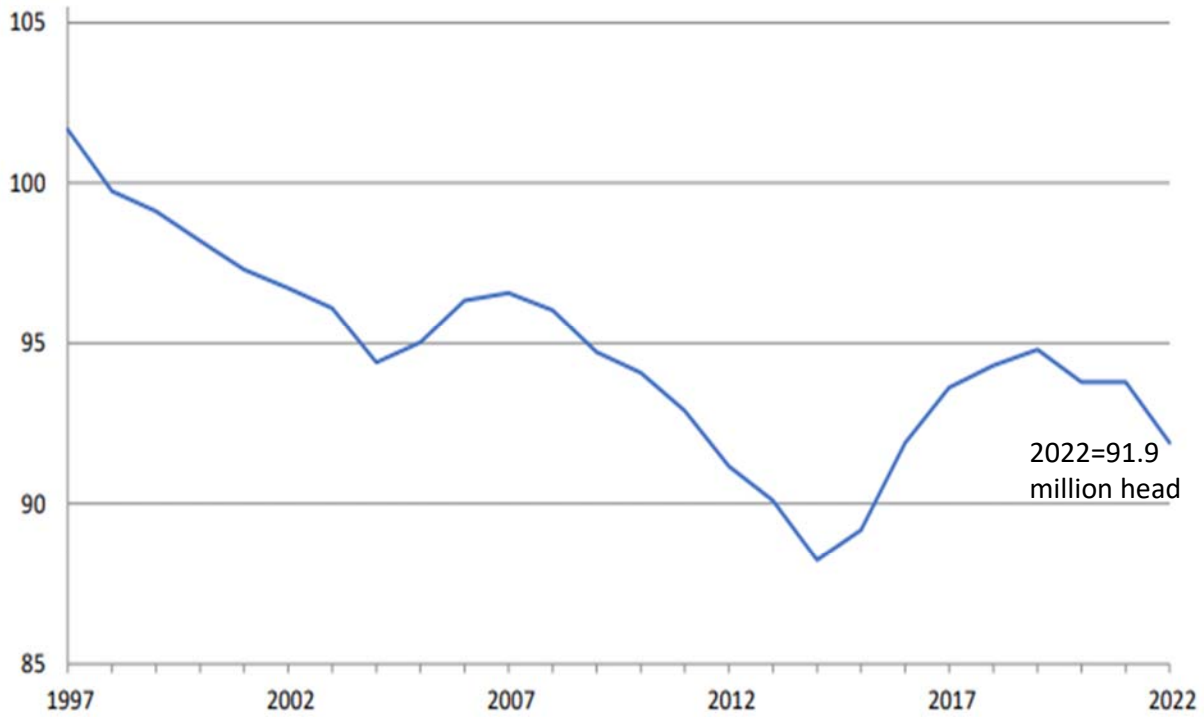
### Calf Crop Down 1 Percent

The 2021 calf crop in the United States was estimated at 35.1 million head, down 1 percent from the previous year's calf crop. Calves born during the first half of 2021 were estimated at 25.6 million head, down 1 percent from the first half of 2020. Calves born during the second half of 2021 were estimated at 9.46 million head, 27 percent of the total 2021 calf crop.



# All Cattle and Calves Inventory – United States: January 1

Million head

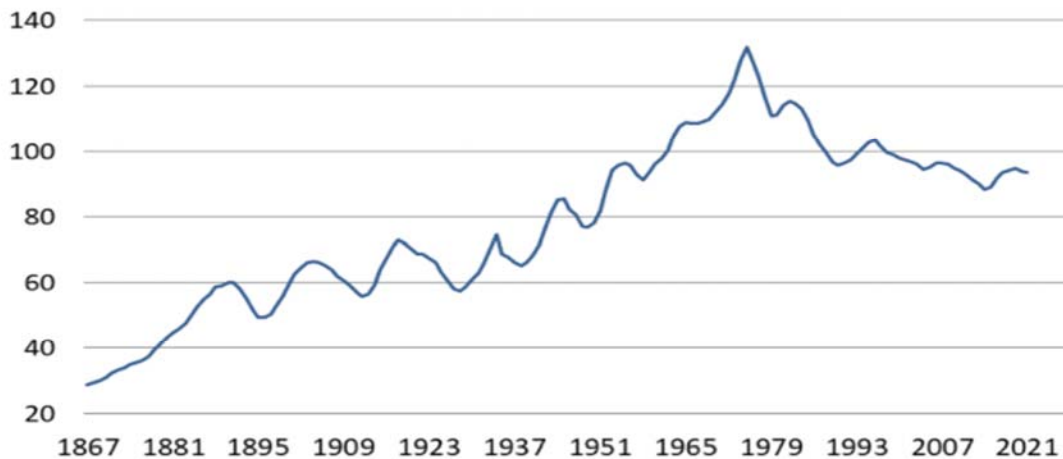


## Cattle: Inventory on January 1 by Year, US

### All Cattle and Calves Inventory – United States: January 1

2021 Inventory: 93,594,500

Million head



USDA-NASS  
1-29-2021



Source: [https://www.nass.usda.gov/Charts\\_and\\_Maps/Cattle/inv.php](https://www.nass.usda.gov/Charts_and_Maps/Cattle/inv.php)  
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## CFTC Commitment of Traders Report

- To help market participants understand market dynamics, the Commitment of Traders report is released every Friday by the CFTC (Commodity Futures Trading Commission).
- Main page:  
<https://cftc.gov/MarketReports/CommitmentsofTraders/index.htm>
- Annual data:  
<https://cftc.gov/MarketReports/CommitmentsofTraders/HistoricalCompressed/index.htm>



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## CFTC Commitment of Traders Report

- Provides a breakdown of each Tuesday's open interest for futures markets. Report is released on Friday.
- Open interest broken down into four trader classifications:
  - Producer/Merchant/Processor/User
  - Swap dealers
  - **Managed Money**
  - Other
- Pay attention to **“Managed Money”** class



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# CFTC Commitment of Traders Report: Corn, as of January 11, 2022

Disaggregated Commitments of Traders-All Futures Combined Positions as of January 11, 2022

Reportable Positions

---

: Producer/Merchant : : : :  
 : Processor/User : Swap Dealers : Managed Money : Other Reportables :  
 : Long : Short : Long : Short :Spreading: Long : Short :Spreading: Long : Short :Spreading :

---

**CORN** - CHICAGO BOARD OF TRADE (CONTRACTS OF 5,000 BUSHEL)  
 CFTC Code #002602 Open Interest is 1,504,234  
 : Positions :

355,637	1,018,920	319,128	22,678	11,351	365,679	30,903	123,110	125,649	52,933	64,981
: Changes from: January 4, 2022										
-2,101	5,455	21,462	-2,061	1,345	-16,443	4,136	557	-19,226	-1,816	-2,267
: Percent of Open Interest Represented by Each Category of Trader										
23.6	67.7	21.2	1.5	0.8	24.3	2.1	8.2	8.4	3.5	4.3
: Number of Traders in Each Category										
245	369	26	10	18	116	27	62	75	67	73

Total Traders: 777



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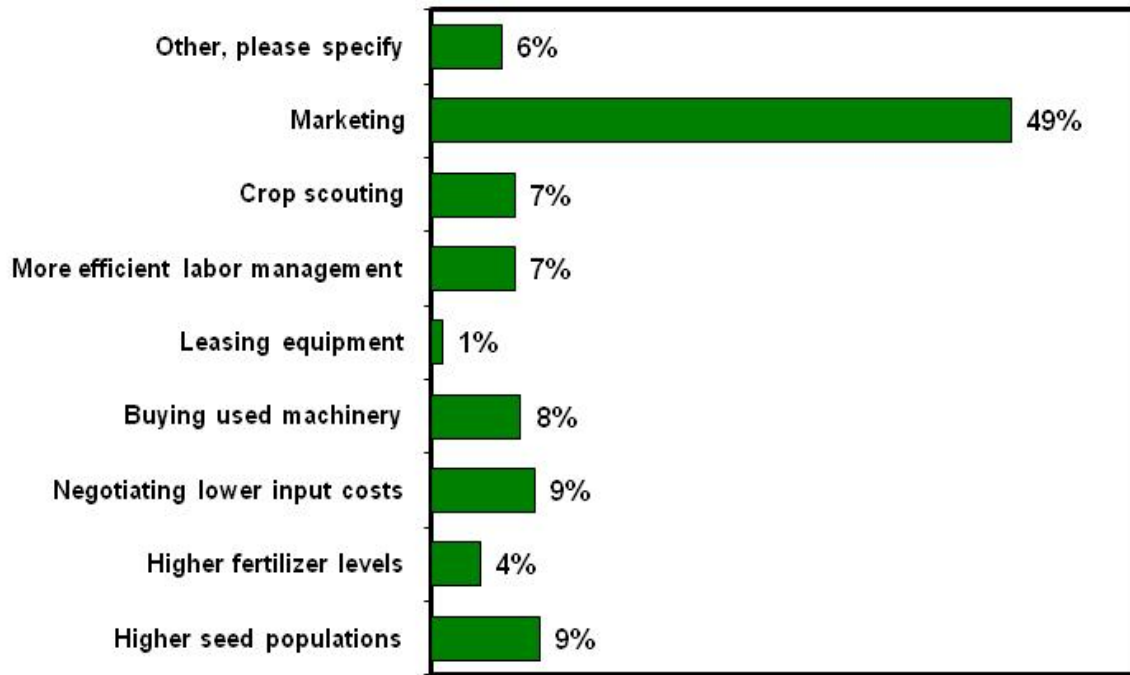
## A Comment on Marketing and Profitability

- Many producers believe that marketing is the key to higher profits.
- This is somewhat true, but more important factors are managing costs and production over which you have more control.
  - Production is important – higher production helps when prices are low (wheat in 2016).
  - Cost management is also important.
    - Machinery costs are very important. But also other costs, including seed, fertilizer, chemicals, labor. You have some control over these costs.



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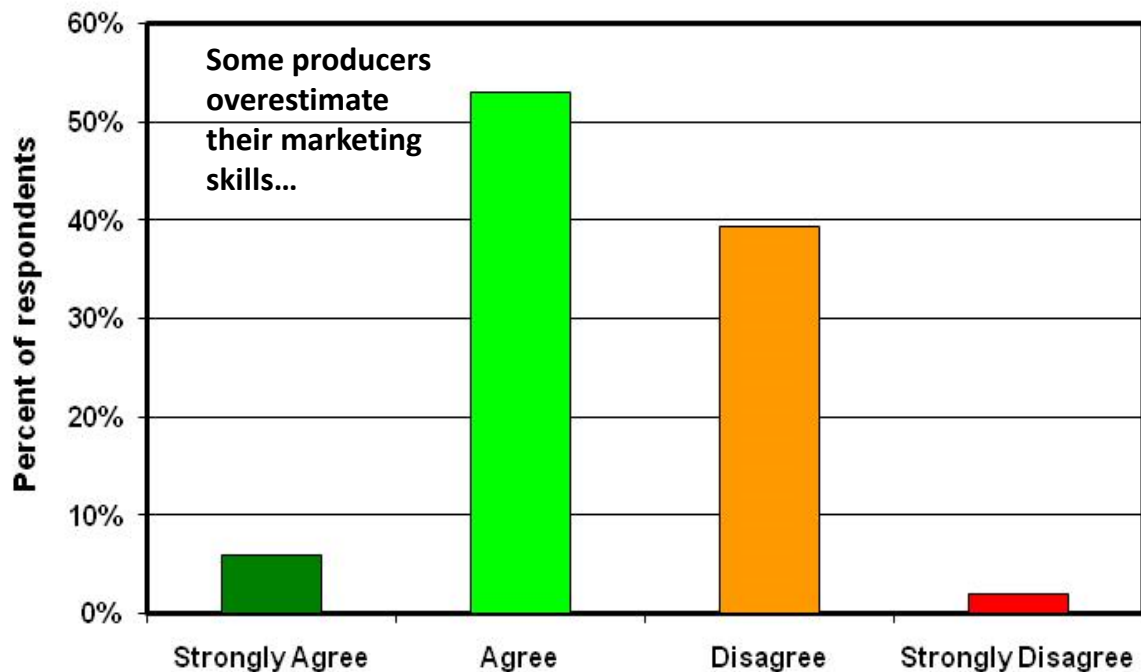
**STATEMENT: Which of the following practices makes you the most money?**



Source: *Farm Futures Survey* (Summer 2010)

Percent of respondents

**STATEMENT: I generally do a better job marketing my crops than my neighbors**



## Managing production and costs matters!

Somewhat higher yields and prices for higher profitability farms. Prices received not a lot different

Lower variable costs (seed, fertilizer, chemicals, repairs) pretty much across the board for higher profitability farms.

Also lower fixed costs, except for maybe land charge for these farms.

Generally lower total machinery costs and lower total costs. These lower costs are what provide a lot of the profitability.

CORN KFMA	High 1/3 \$/acre	Mid 1/3 \$/acre	Low 1/3 \$/acre
<b>RETURNS</b>			
Yield	119.13	100.39	96.00
Price	\$3.76	\$3.58	\$3.62
<b>Gross Returns from Crop</b>	<b>\$447.93</b>	<b>\$359.40</b>	<b>\$347.52</b>
<b>VARIABLE COSTS</b>			
Fertilizer	\$59.07	\$75.92	\$81.17
Seed	\$53.85	\$56.57	\$60.51
Chemicals	\$36.24	\$48.68	\$45.14
Machinery Repairs	\$22.63	\$22.33	\$28.44
Gas/Fuel/Oil	\$12.57	\$11.14	\$13.45
<b>Total Variable Costs</b>	<b>\$278.72</b>	<b>\$296.02</b>	<b>\$330.28</b>
<b>FIXED COSTS</b>			
Depreciation	\$30.81	\$30.73	\$41.44
Unpaid Operator Labor	\$30.27	\$39.94	\$54.23
Interest	\$11.19	\$12.40	\$17.04
Land Charge	\$25.48	\$19.86	\$34.85
<b>Total Fixed Costs</b>	<b>\$100.97</b>	<b>\$106.97</b>	<b>\$154.59</b>
<b>Total Machinery Cost</b>	<b>\$71.38</b>	<b>\$68.52</b>	<b>\$86.24</b>
<b>Total Costs</b>	<b>\$379.68</b>	<b>\$402.99</b>	<b>\$484.87</b>
<b>Net Return to Management</b>	<b>\$61.07</b>	<b>-\$38.80</b>	<b>-\$127.59</b>

## AgManager.info

K-State Ag Econ Extension Website



- **Grains:**
  - Grain market outlook/info
  - Weekly grain basis tool and maps
  - ARC/PLC payments and price estimates
  - WASDE charts/spreadsheets
  - Projected budgets and KFMA data
- **Livestock:**
  - Marketing charts (prices, slaughter, trade)
  - Cattle finishing returns
  - Beef, hogs, sheep budgets
  - Meat demand surveys and info



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**WOMEN**  
MANAGING THE  
**FARM**

Partners Accommodations Contact About

Agenda Presenters Registration Sponsorship & Exhibit Opportunities

# QUESTIONS?



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## Women Managing the Farm Conference

February 9-11, 2022/Manhattan, Kansas

**Rich Llewelyn**

[Email: rwl@ksu.edu](mailto:rwl@ksu.edu)/Phone: 785.532.1504

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