

**NDSU**  
Extension Service

Photo courtesy of Judy Jacobson, Watford City

# Cattle Situation and Outlook

Tim Petry – Livestock Economist

[www.ndsu.edu/livestockeconomics](http://www.ndsu.edu/livestockeconomics)

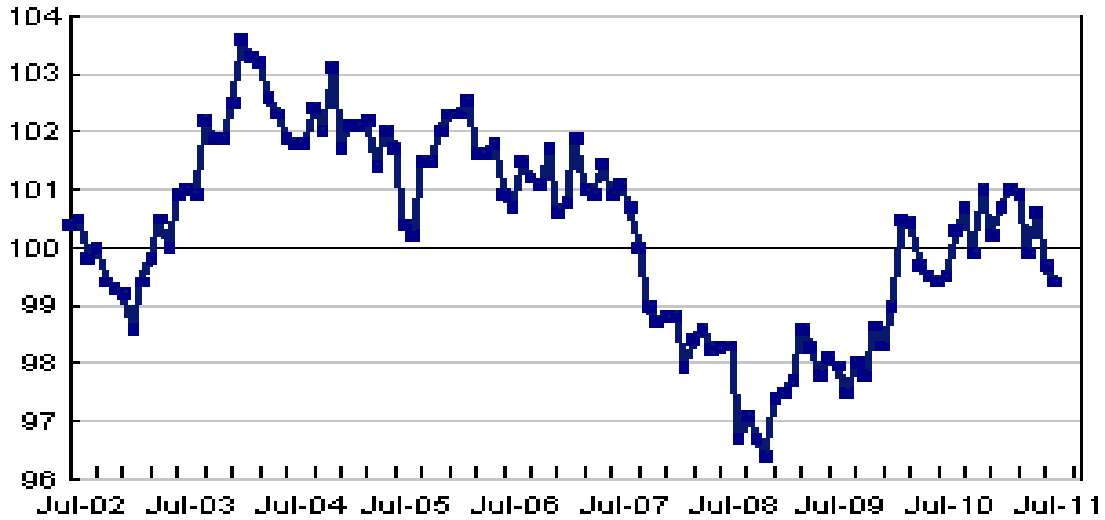
October 4, 2011



*TO ALL MARKETING CLUB IN-SERVICE ATTENDEES*

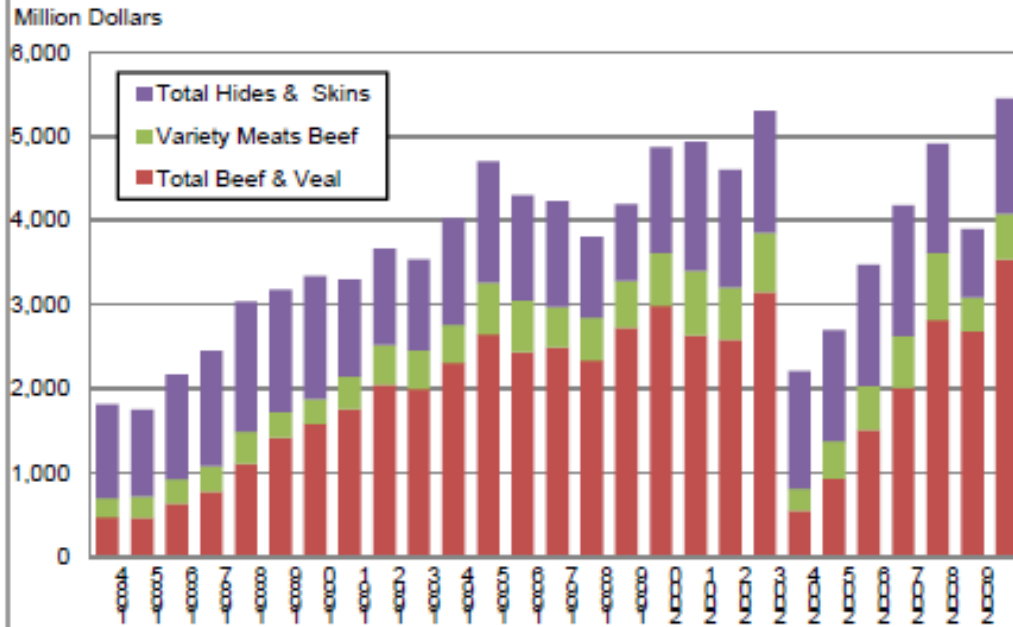
# National Restaurant Association's Restaurant Index

Values Greater than 100 = Expansion; Values Less than 100 = Contraction



Source:  
National Restau  
Association

## VALUE OF U.S. BEEF/BEEF PRODUCT EXPORTS, ANNUAL



Source: CME Group  
Daily Livestock Report

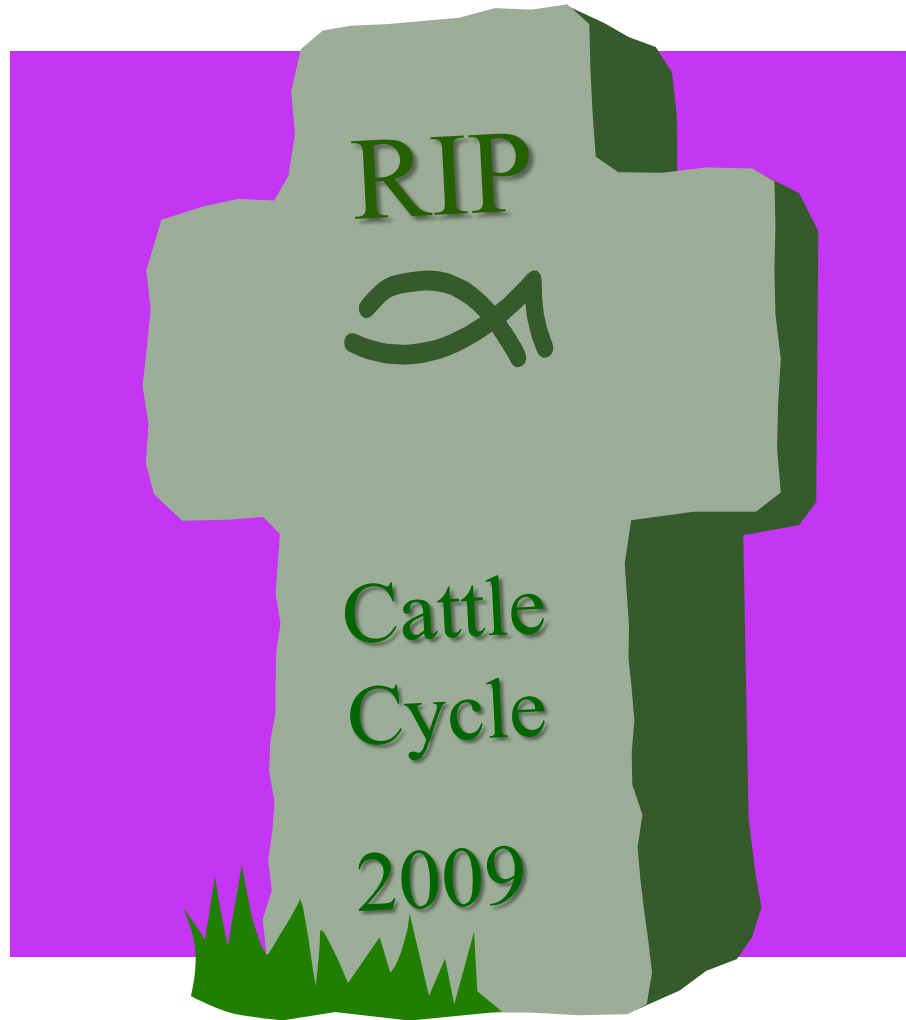
# Livestock Price and Production Patterns

1. Seasonal
2. Cycle
3. Long term
4. Unexpected



**Tsunami**  
**Economic Crisis**  
**Foot and Mouth**  
**HSUS videos**  
**DAIRY BUYOUT**  
**Avian Influenza**  
**Export Bans**  
**BSE**  
**Drought**  
**E Coli**  
**H1N1**  
**9/11**  
**Competing Meats**  
**Government Regulations**  
**Oprah**  
**Animal Rights**  
**Dock Strike**

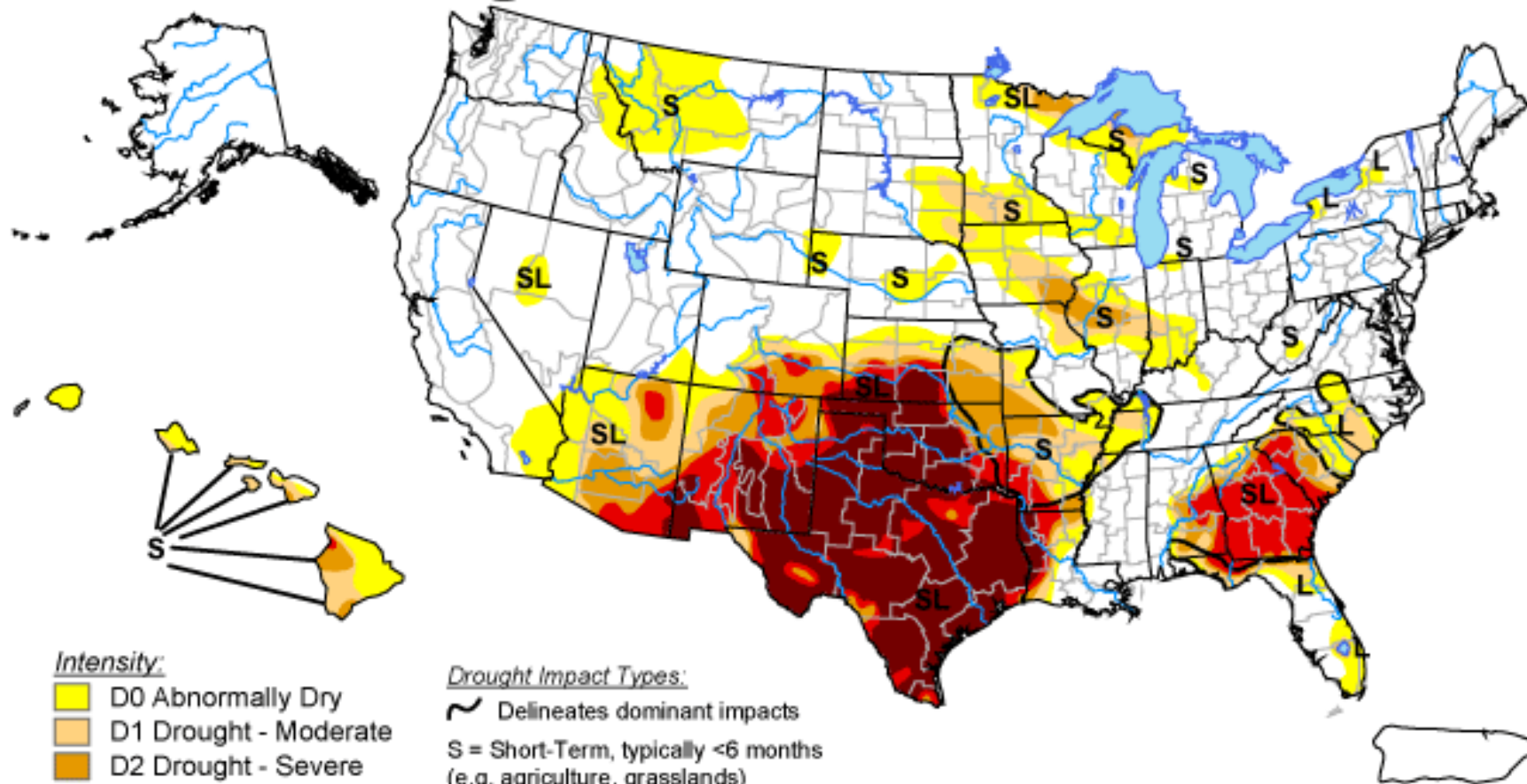
# Is the Cattle Cycle Dead?








**When will beef cow slaughter decline?  
When will beef herd rebuilding start?**

# U.S. Drought Monitor


September 27, 2011  
Valid 8 a.m. EDT



### Intensity:

-  D0 Abnormally Dry
-  D1 Drought - Moderate
-  D2 Drought - Severe
-  D3 Drought - Extreme
-  D4 Drought - Exceptional

### Drought Impact Types:

-  Delineates dominant impacts
- S = Short-Term, typically <6 months  
(e.g. agriculture, grasslands)
- L = Long-Term, typically >6 months  
(e.g. hydrology, ecology)

The Drought Monitor focuses on broad-scale conditions.  
Local conditions may vary. See accompanying text summary  
for forecast statements.

<http://droughtmonitor.unl.edu/>

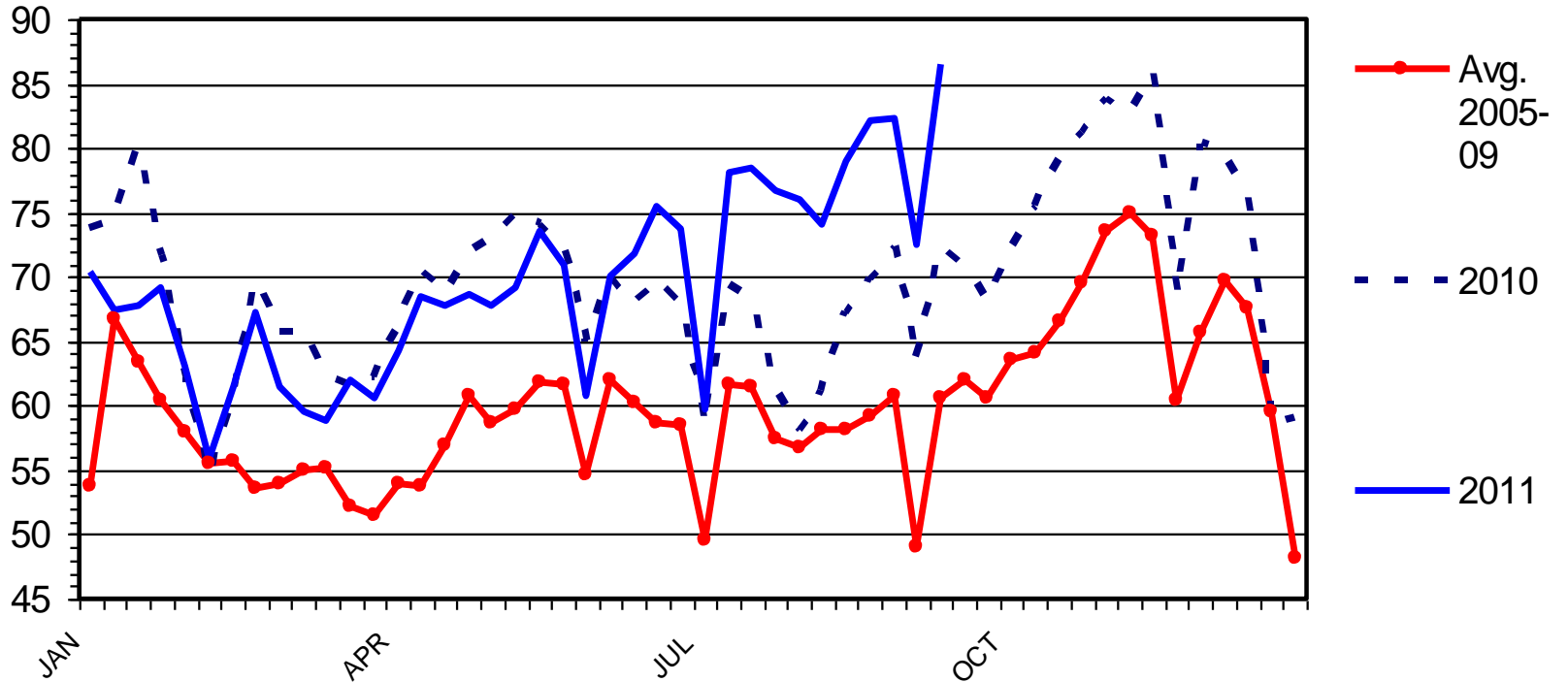
Released Thursday, September 29, 2011

Author: Michael Brewer/Liz Love-Brotak, NOAA/NESDIS/NCDC

# BEEF COW SLAUGHTER

Federally Inspected, Weekly

Thou. Head



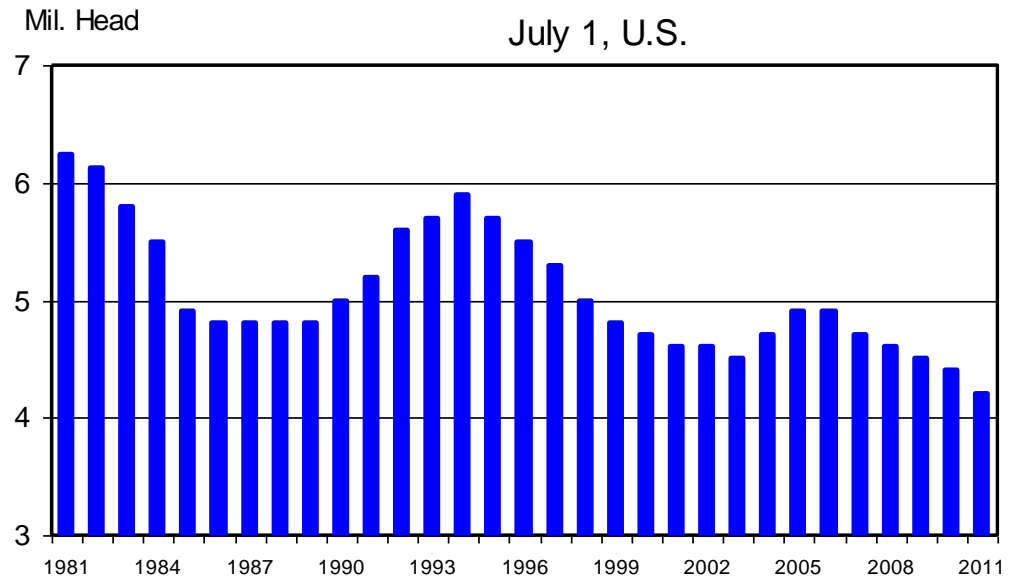
Livestock Marketing Information Center

Data Source: USDA-AMS & USDA-NASS

C-S-34  
09/30/11

# HEIFERS HELD AS BEEF COW REPLACEMENTS

July 1, U.S.

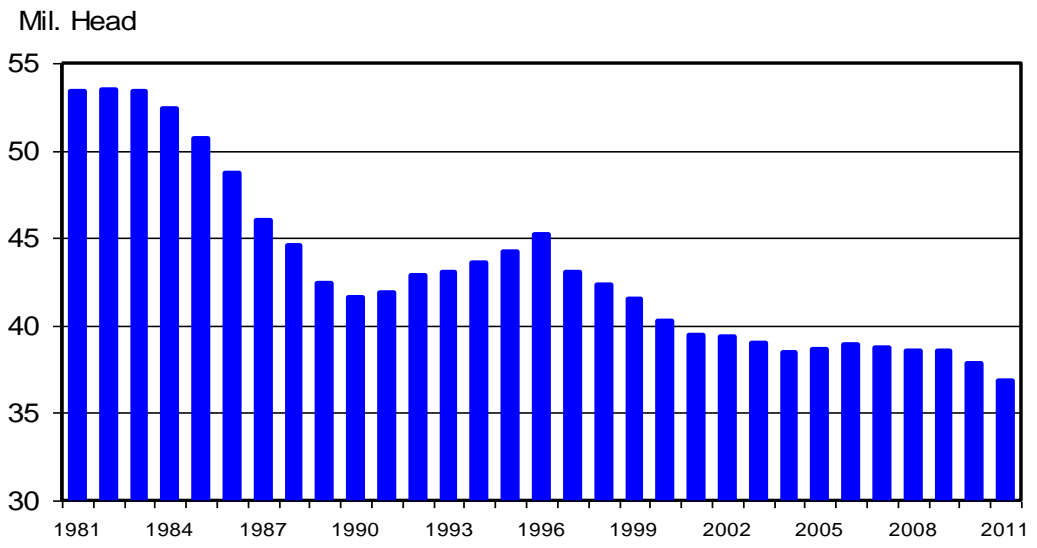


**-4.5%**  
**ND +12%**

C-N-37  
07/22/11

# JULY 1 FEEDER CATTLE SUPPLIES

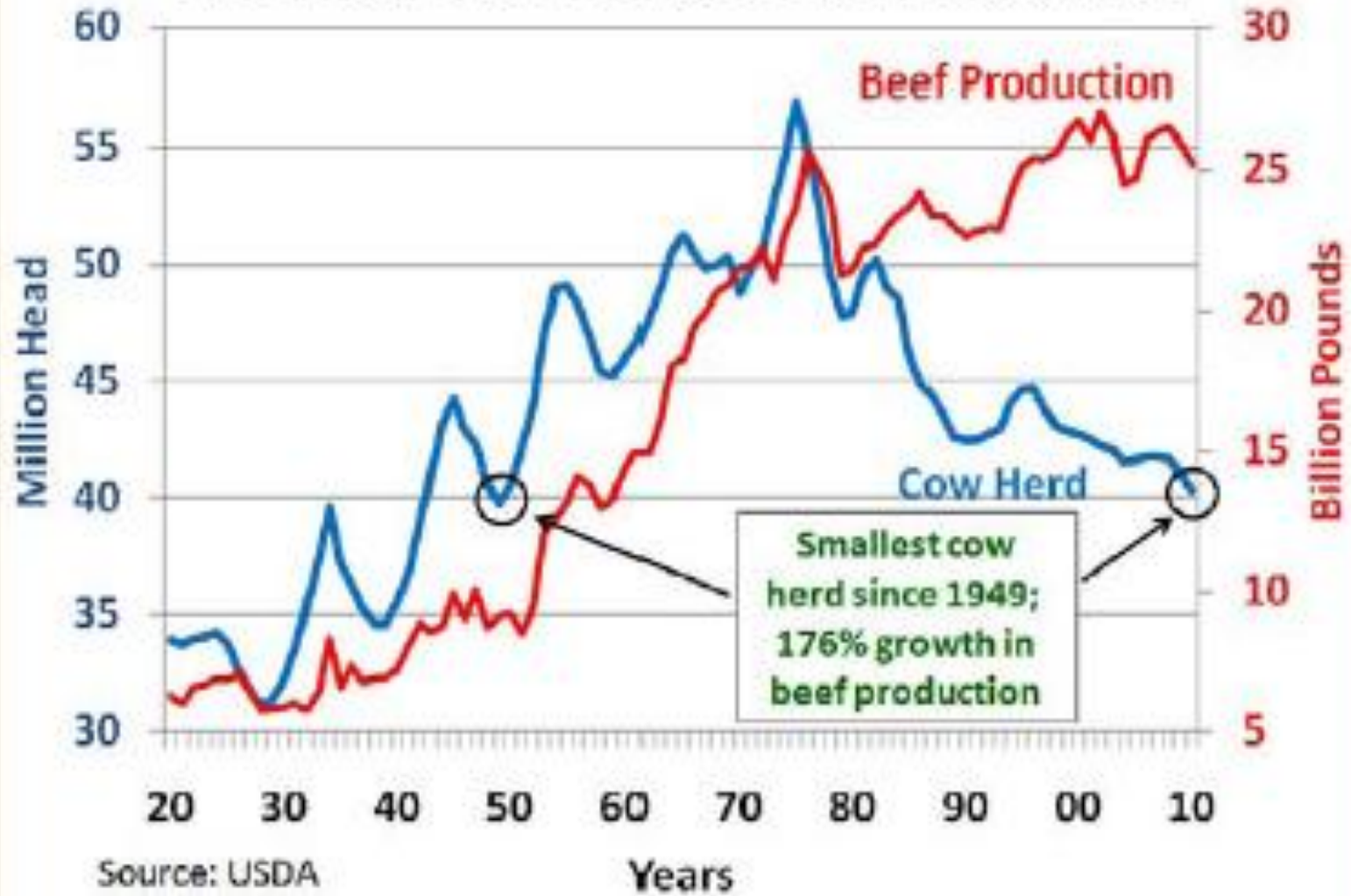
Residual, Outside Feedlots, U.S.



**-2.5%**

C-N-32  
07/22/11

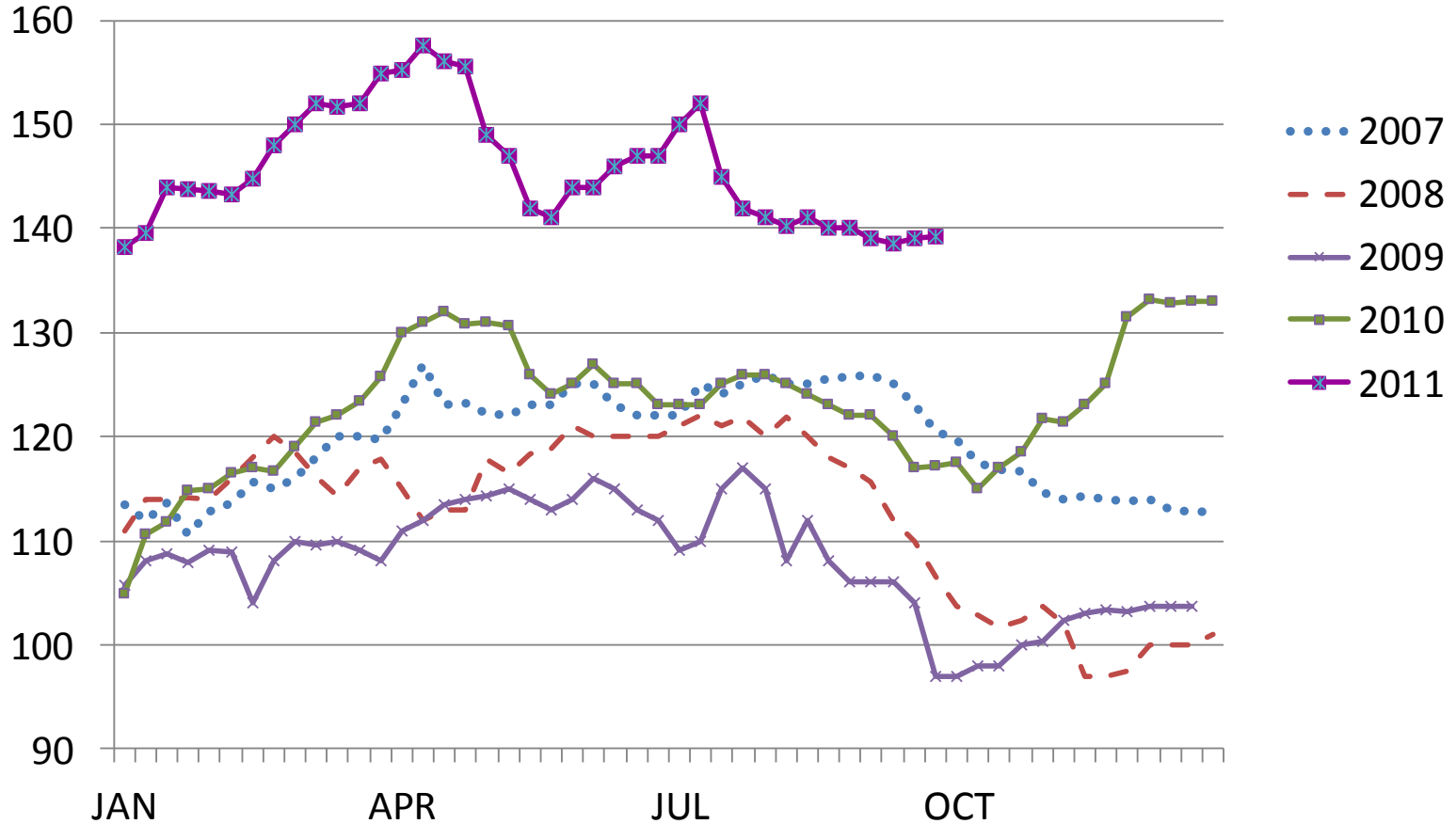
# U.S. Total Cow Herd & Beef Production





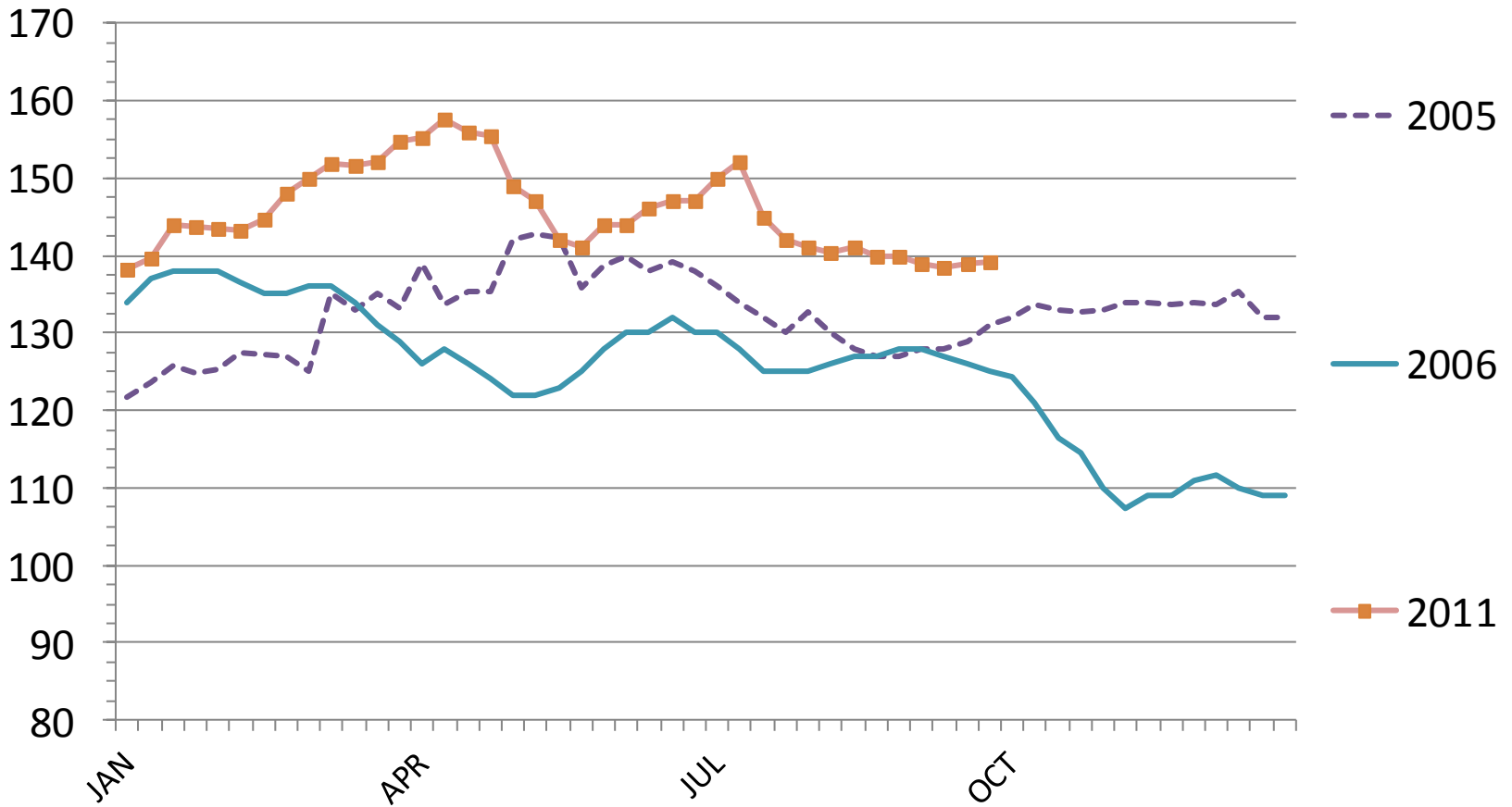
# MED. FRAME #1 STEER CALF PRICES

## 550-600 Pounds, N.D., Weekly



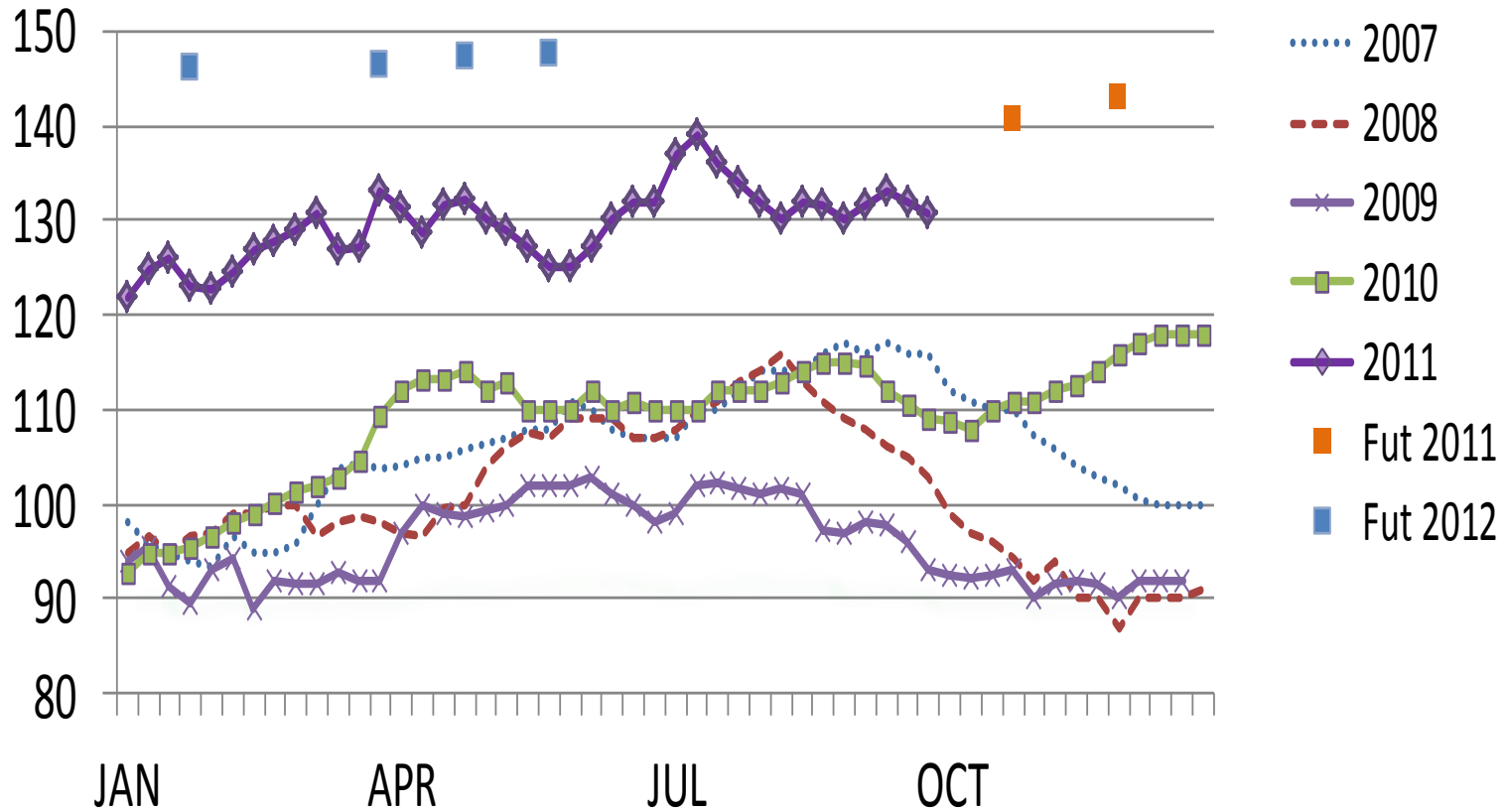
# MED. FRAME #1 STEER CALF PRICES 550-600 Pounds, N.D., Weekly

\$ Per Cwt.



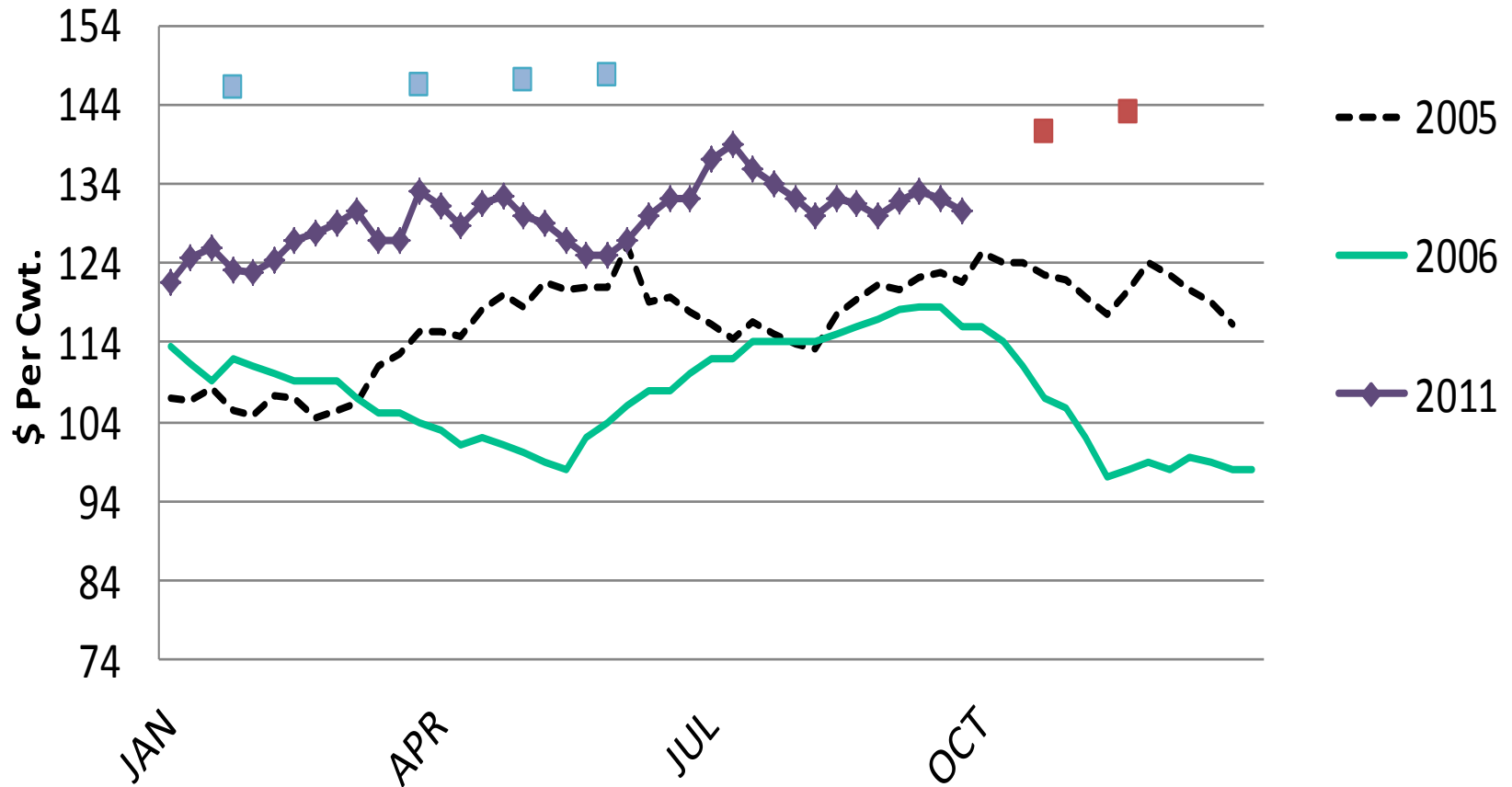
# MED. & LRG. #1 FEEDER STEER PRICES

## 750-800 Pounds, N.D., Weekly



# MED. & LRG. #1 FEEDER STEER PRICES

## 750-800 Pounds, N.D., Weekly



SF\_LS796

Sioux Falls, SD      Fri Sep 30, 2011      USDA-ND Dept of Ag Market News

North Dakota Weekly Auction Summary - For the week ending Sep 30, 2011

Receipts: 3,303              Last Week 1,223              Last Year 630

Combined results of 2 auctions this week: Kist and Napoleon.

Compared to two weeks ago feeder steers with limited comparable sales showed yearling steers 850-1000 lbs unevenly steady. Yearling heifers 750-850 lbs 3.00 to 5.00 higher. Feeder heifers 700-750 and 850-950 lbs 1.00 to 2.00 lower. Spring calves too lightly tested two weeks ago for comparisons to be made but, this week saw an increase in their numbers. Demand for calves and yearlings good.

Feeder Steers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price	
5	327	327	160.00	160.00	
43	352-398	367	160.00-169.50	167.40	
41	421	421	159.75	159.75	
66	492-499	498	146.00-156.25	155.33	
135	503-545	541	141.00-152.75	151.66	
45	560-593	574	137.00-143.50	139.24	
48	651-692	667	128.00-138.00	133.97	Calves
42	711-740	722	136.50-137.50	137.13	
29	761-790	779	129.00-131.75	130.73	
48	814-833	829	131.00-133.50	131.71	
180	851-892	870	127.00-133.00	128.46	
23	900-938	915	127.25-130.00	128.90	
121	966-998	982	120.20-121.50	120.81	
7	1084	1084	119.00	119.00	

# Premiums likely (but not consistent) for:

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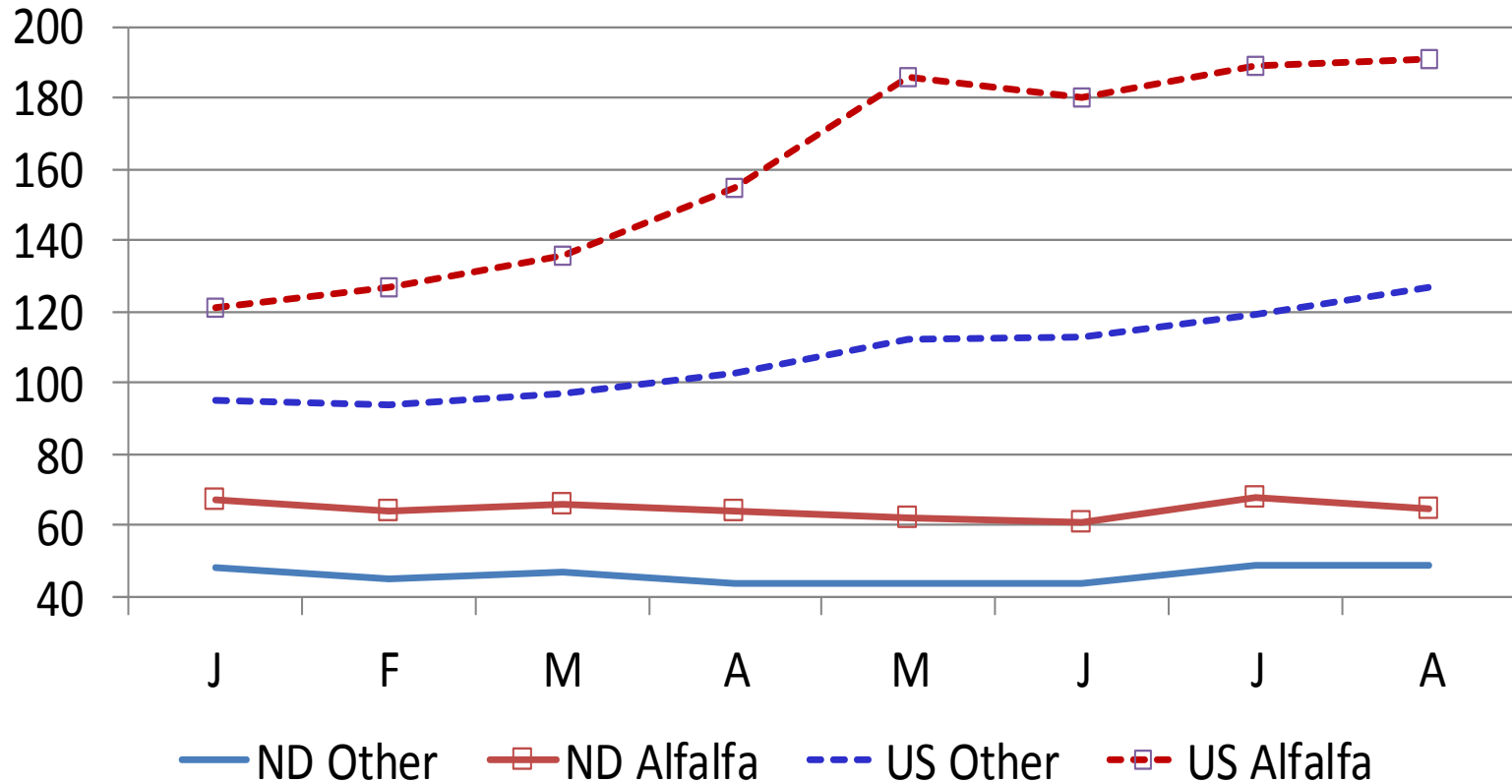
- Verified shots (ND VIP)
- Natural (no antibiotics or implants)
- Source/age verified
- Weaned
- Bovine Viral Diarrhea persistently infected (BVD-PI) tested negative
- Beef Quality Assurance (BQA)
- Replacement quality heifers

*\* Check with your market before selling*

# Backgrounding

- Market will reward backgrounding
- Especially utilizing non-high quality corn feeds (hay, sprouted grain, by-products, silage, low test weight corn, feed barley, field peas, etc.)
- Oct. 10 – “Backgrounding 2011”  
7-9 p.m.  
Carrington, Minot, Fargo

# 2011 Hay Prices



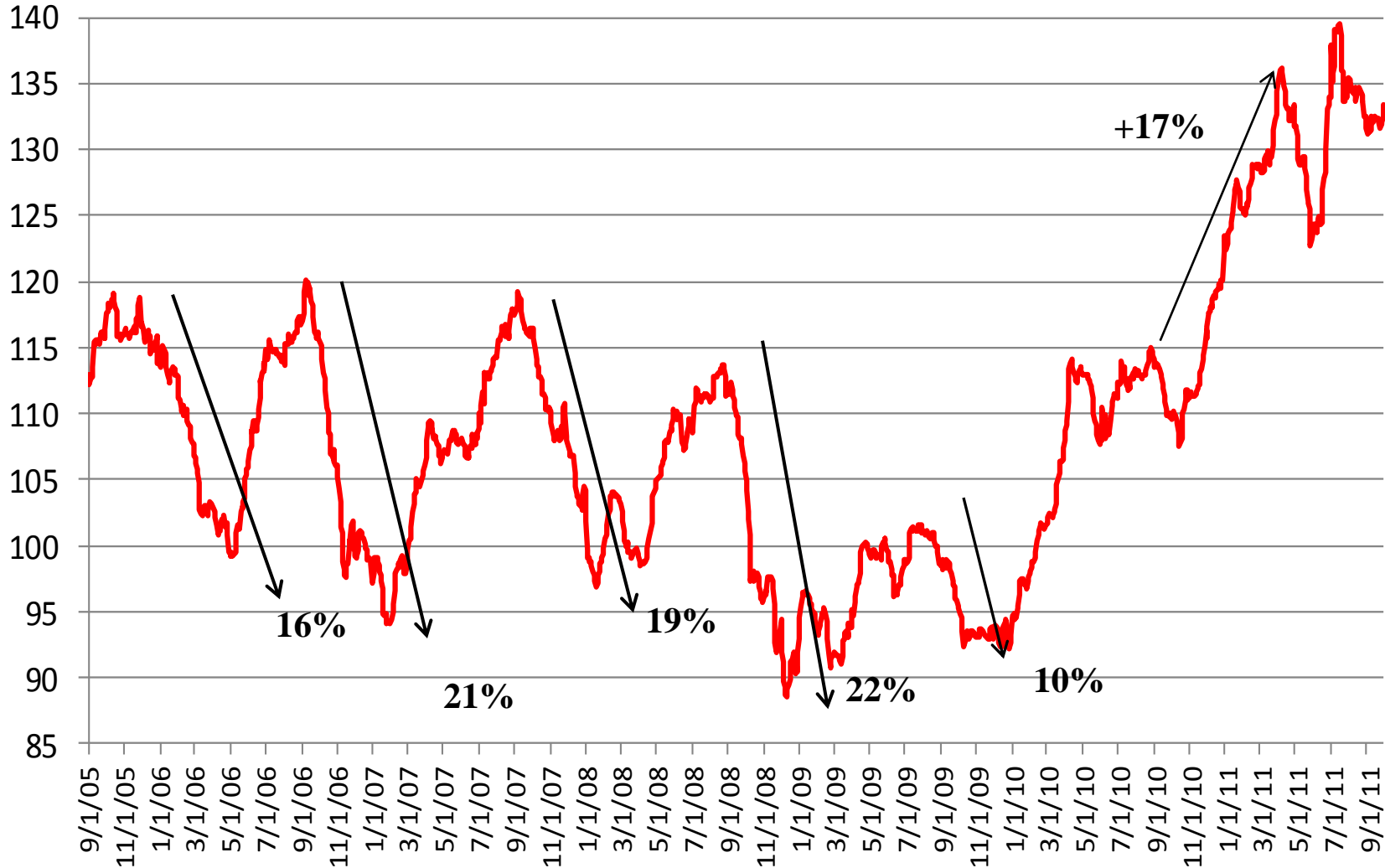
# ARE FUNDS BAD?



# Thanks NYC Doctors and Lawyers for Supporting ND AG!!

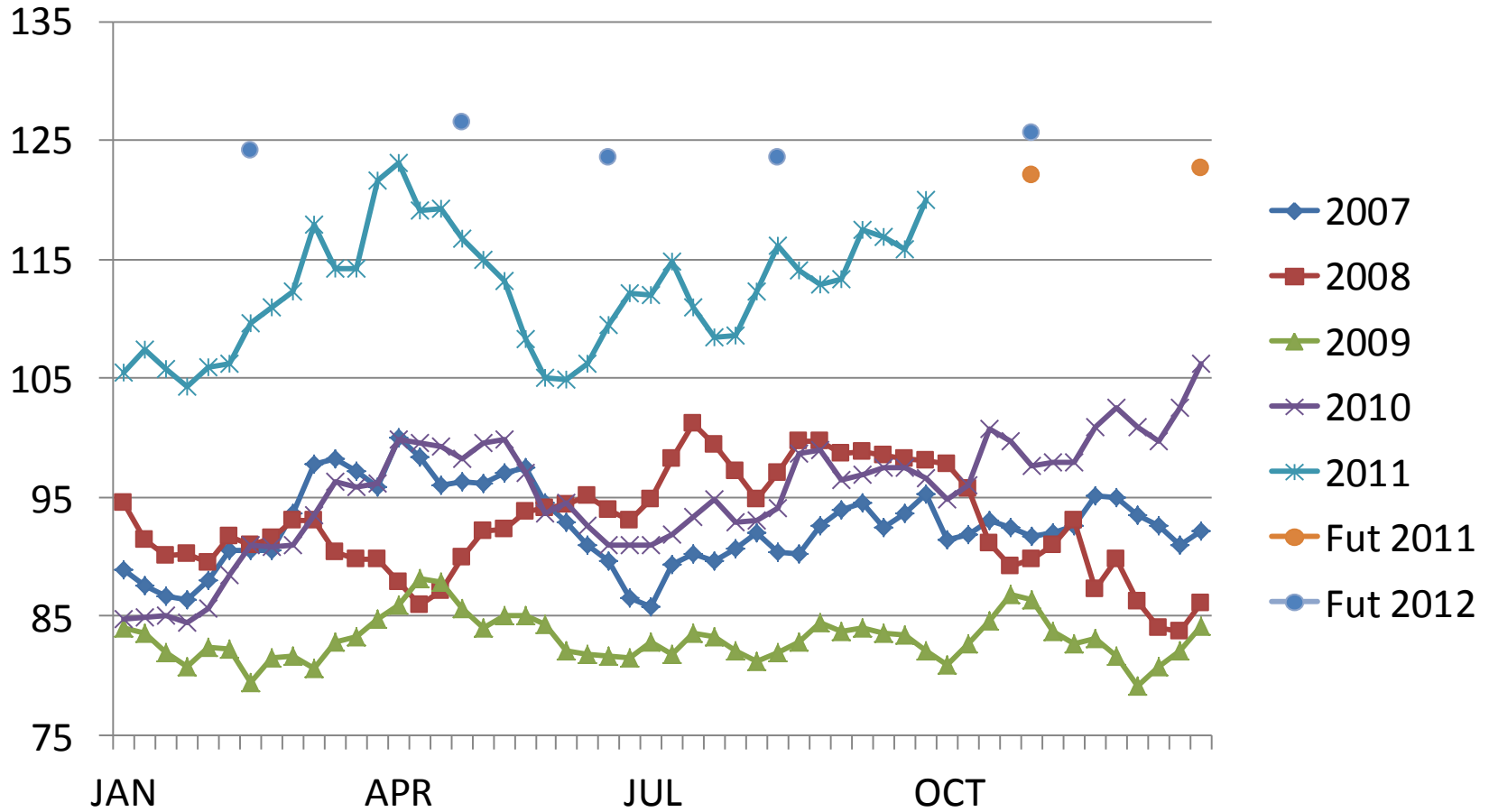


# CME Feeder Cattle Index



# CHOICE SLAUGHTER STEER PRICES

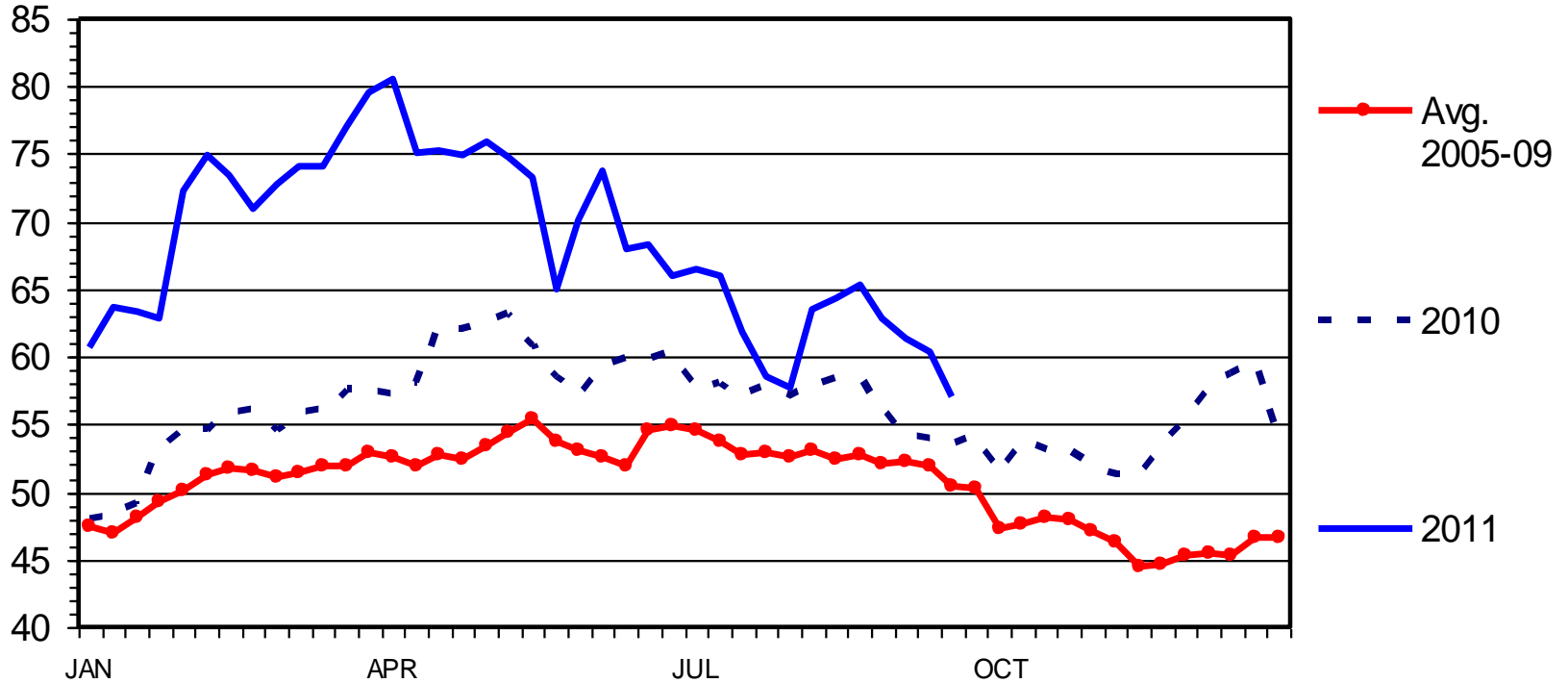
## 5 Market Weighted Average, Weekly



# SLAUGHTER COW PRICES

85-90% Lean, Weekly

\$ Per Cwt.

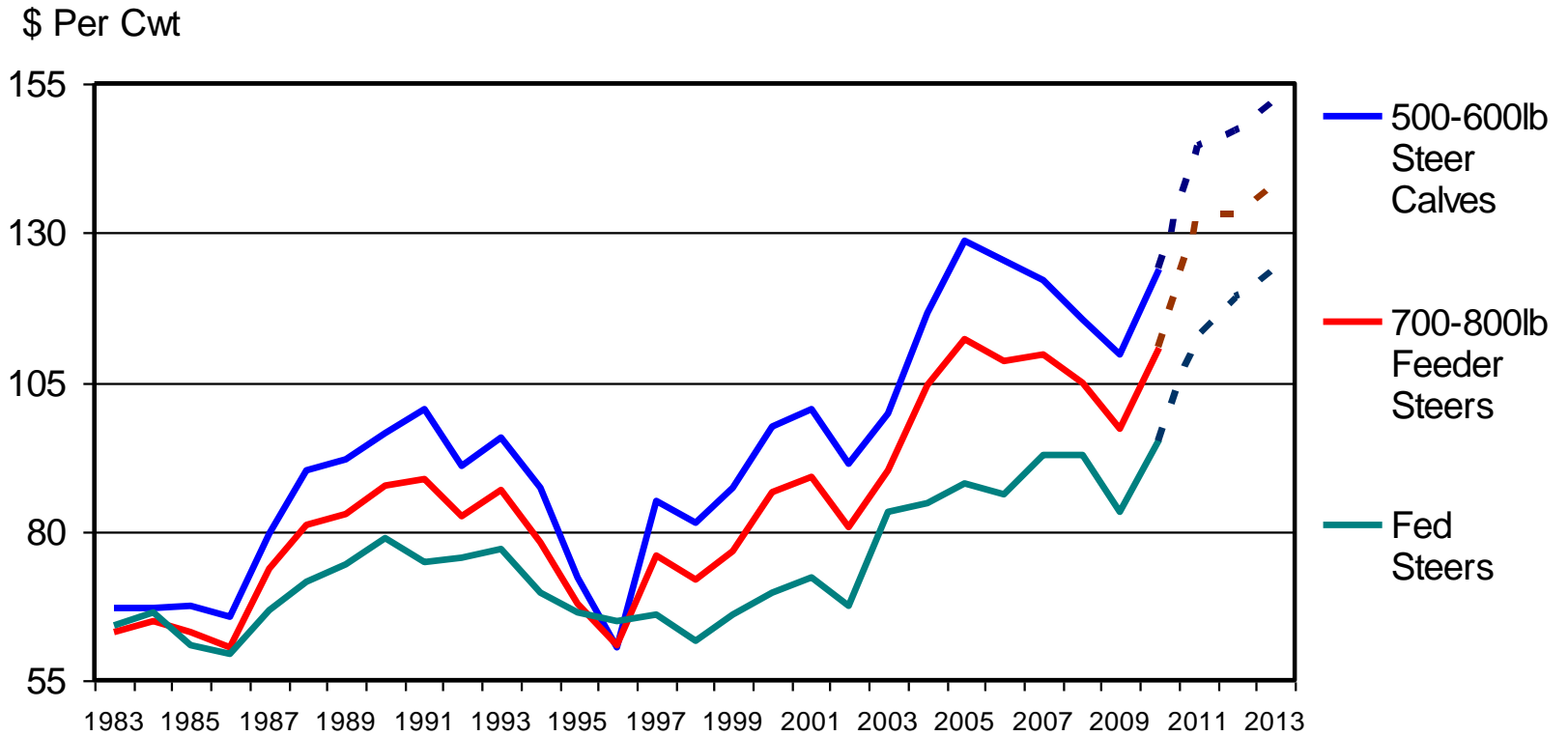


C-P-35  
09/26/11

Livestock Marketing Information Center

Data Source: USDA-AMS

# ANNUAL AVERAGE CATTLE PRICES



Livestock Marketing Information Center

Data Source: USDA-AMS, Compiled & Analysis by LMIC

C-P-06  
08/17/11

# Price Risk Management Tools

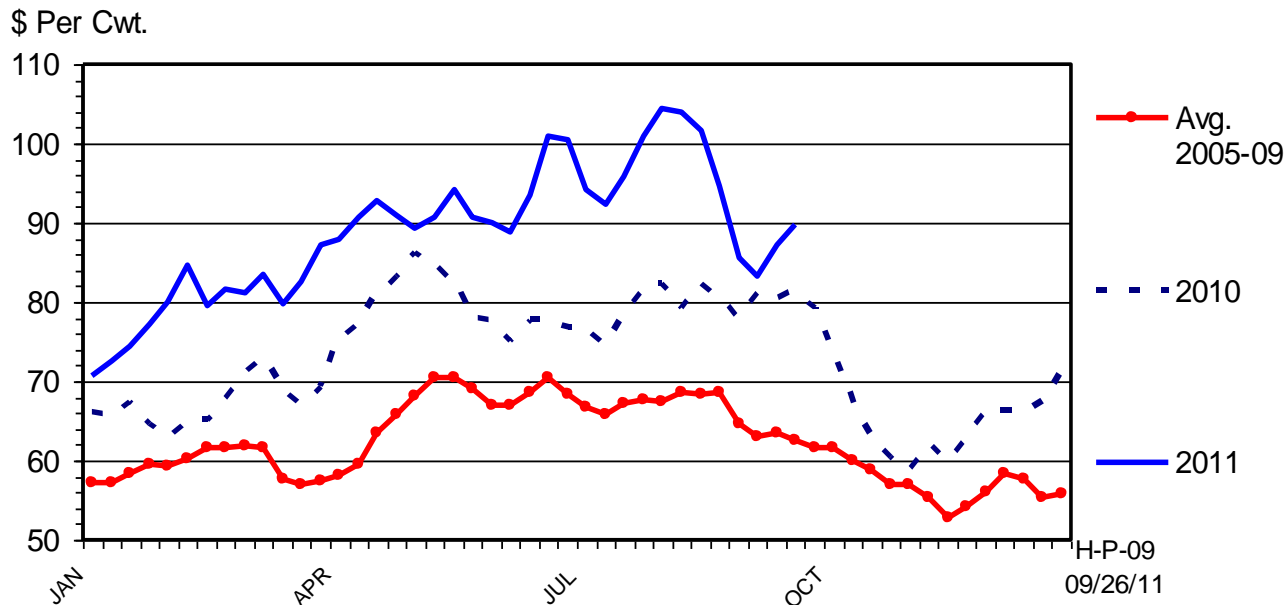
- Cash forward contract
- Video and internet auctions
- CME futures
- CME options
- Livestock Risk Protection (LRP)
- Livestock Gross Margin (LGM)
- Which one or combination fits your marketing plan?

# Livestock Least Dependent on Corn Most Profitable



# BARROW AND GILT PRICES

Iowa - So. Minnesota, Carcass Base Price, Weekly

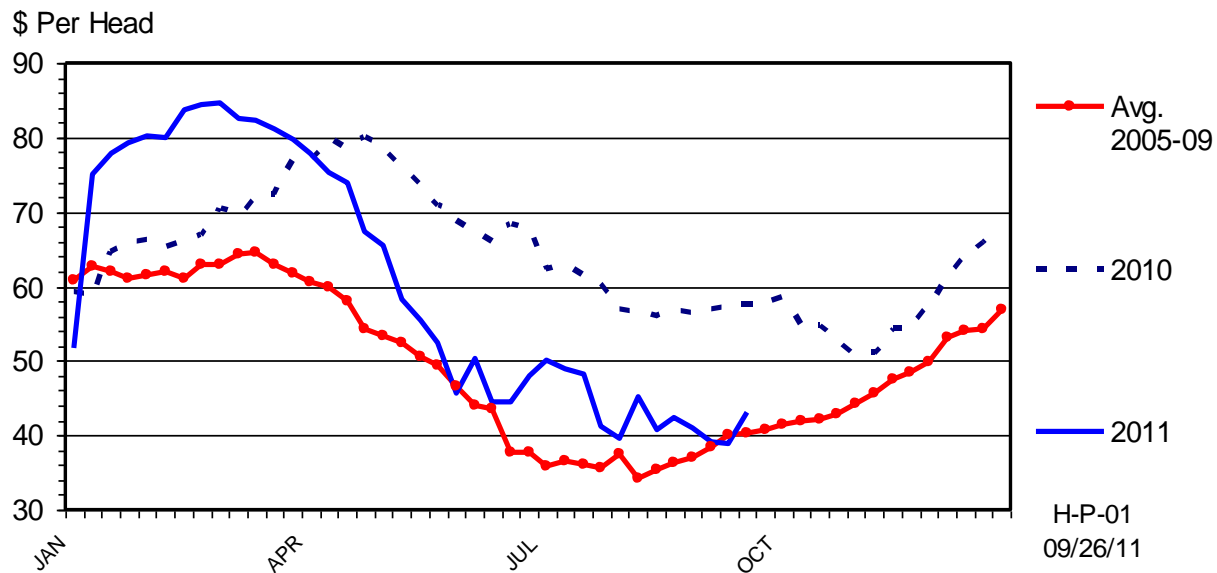


Livestock Marketing Information Center

Data Source: USDA-AMS

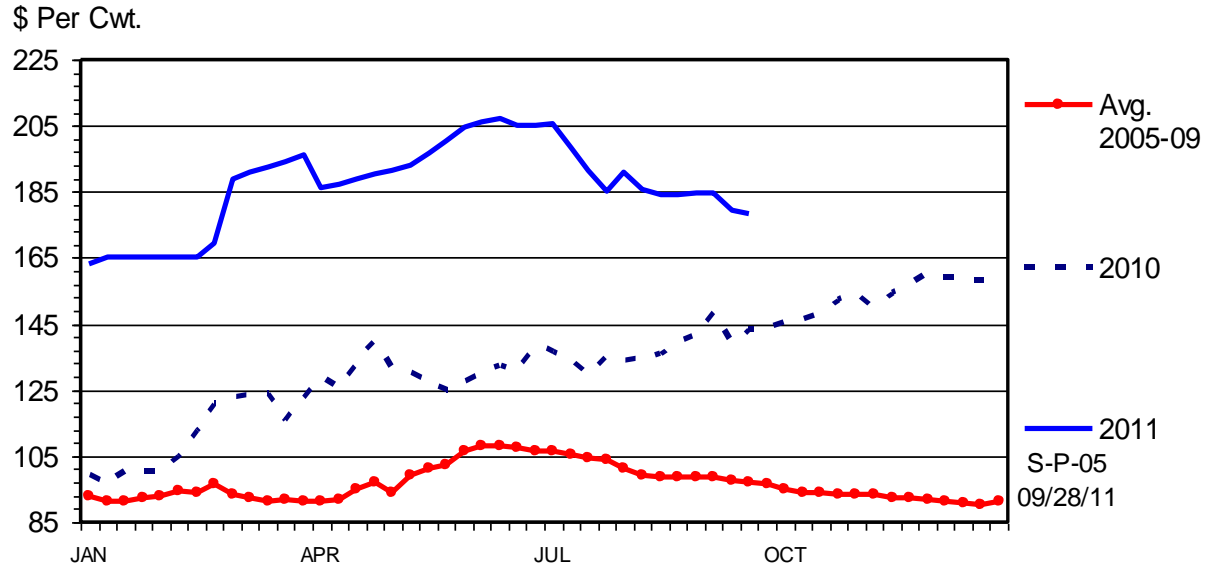
# FEEDER PIG PRICES

40 Pounds, Weekly



# SLAUGHTER LAMB PRICES

Wooled, 110-130 lbs, Sioux Falls, Weekly

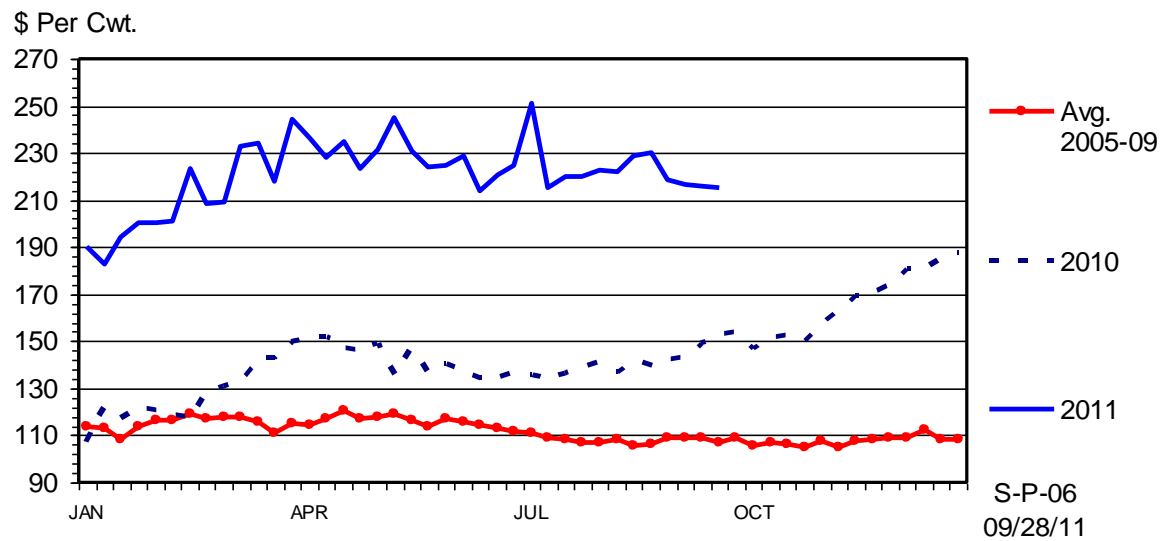


Livestock Marketing Information Center

Data Source: USDA-AMS

# FEEDER LAMB PRICES

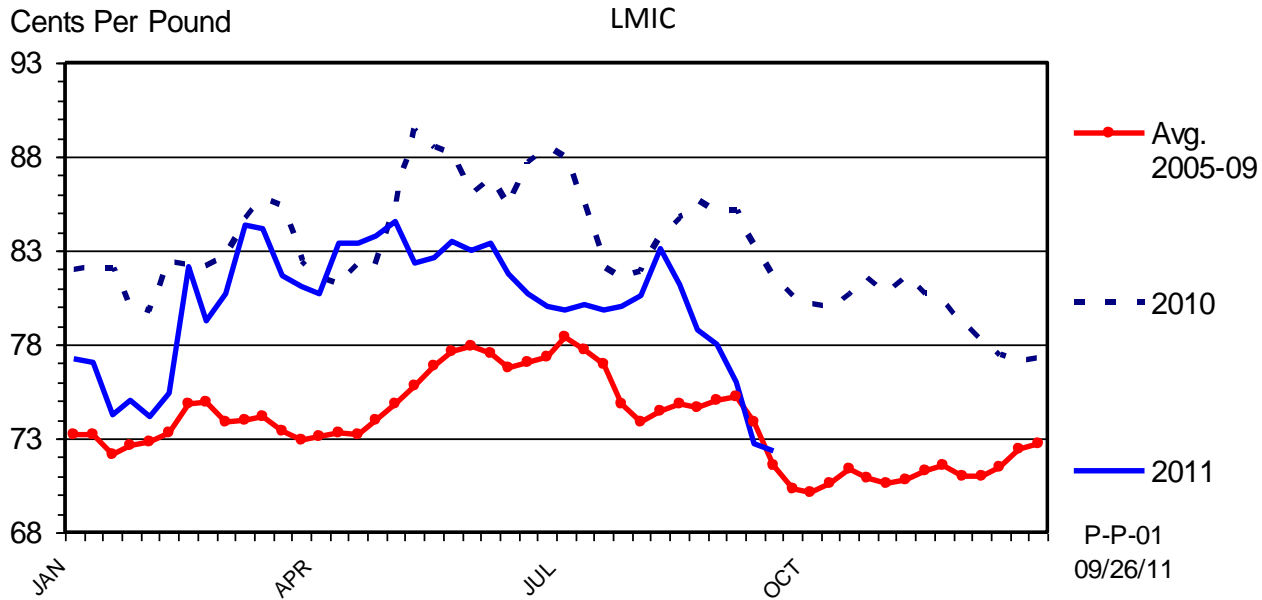
3-Market Average; CO, TX & SD; Weekly



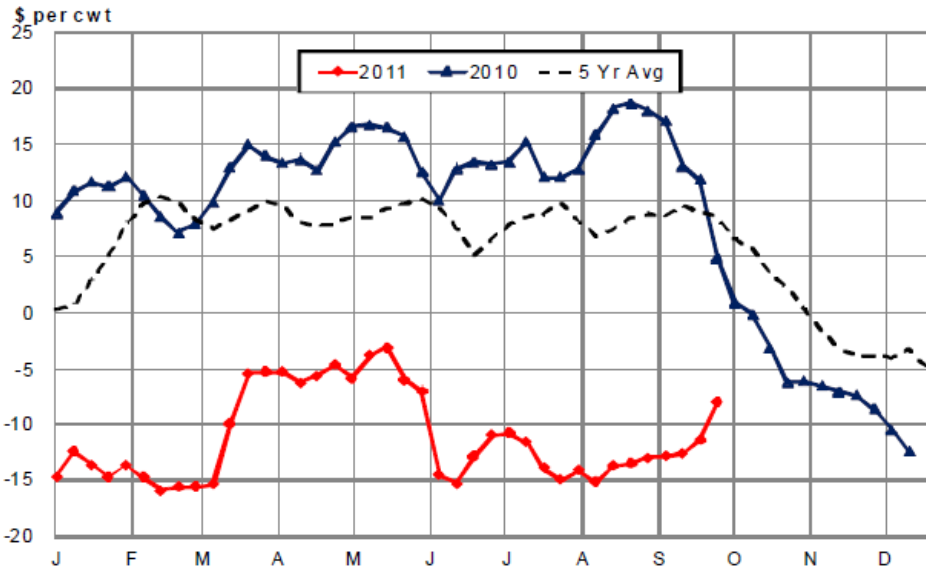
S-P-06  
09/28/11

# BROILER PRICES

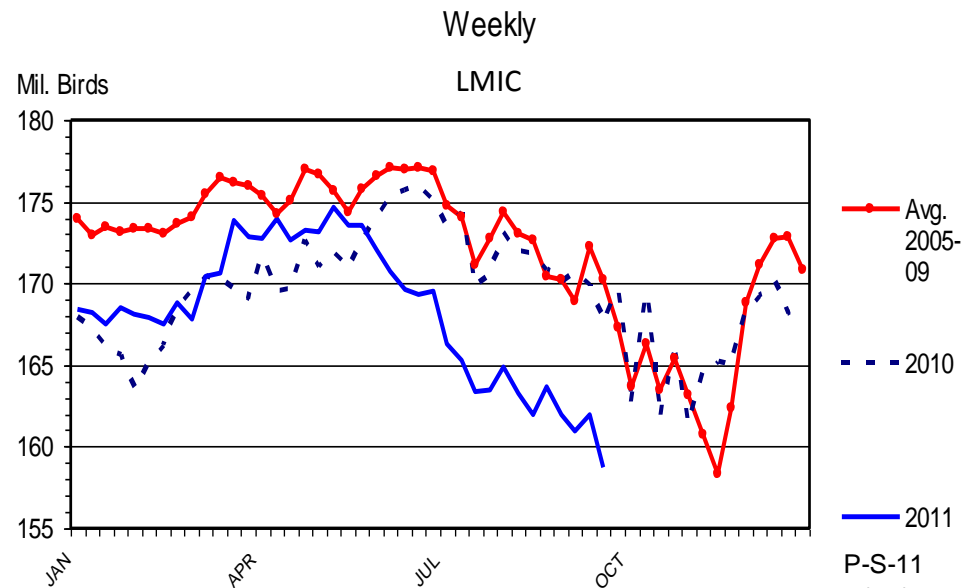
## 12-City Composite, Weekly

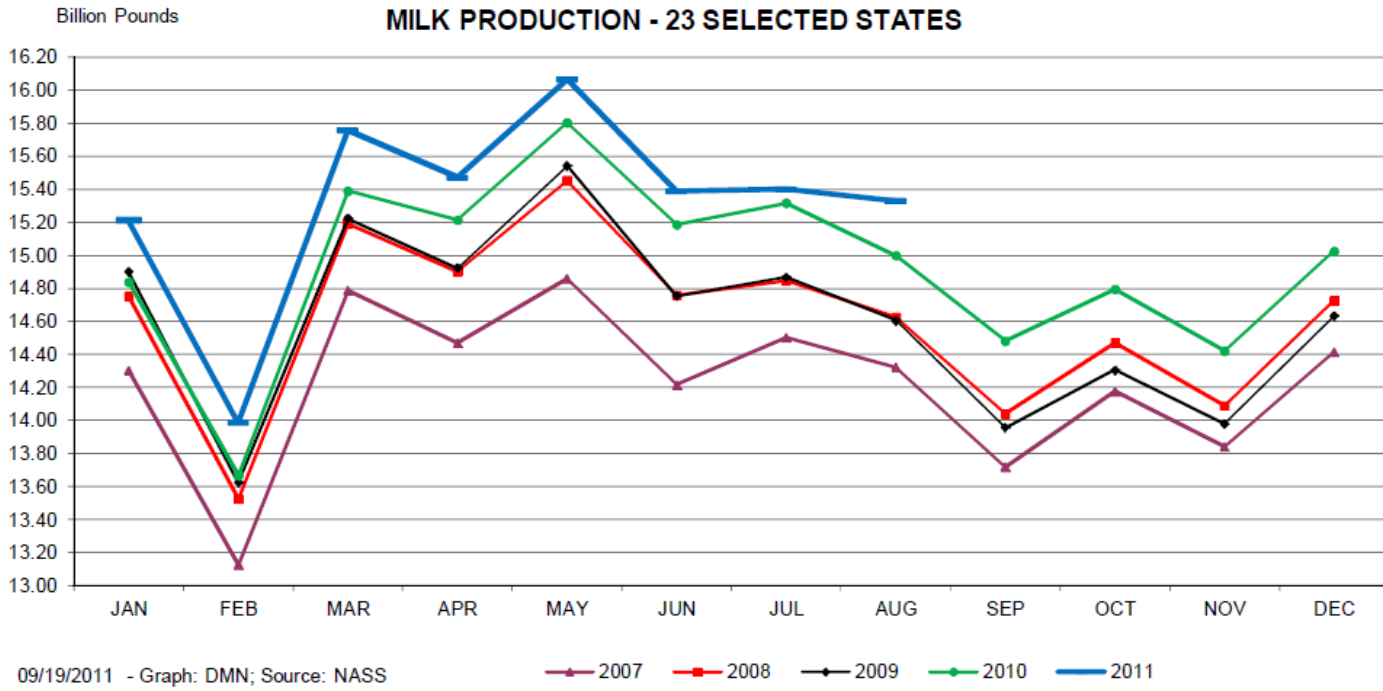
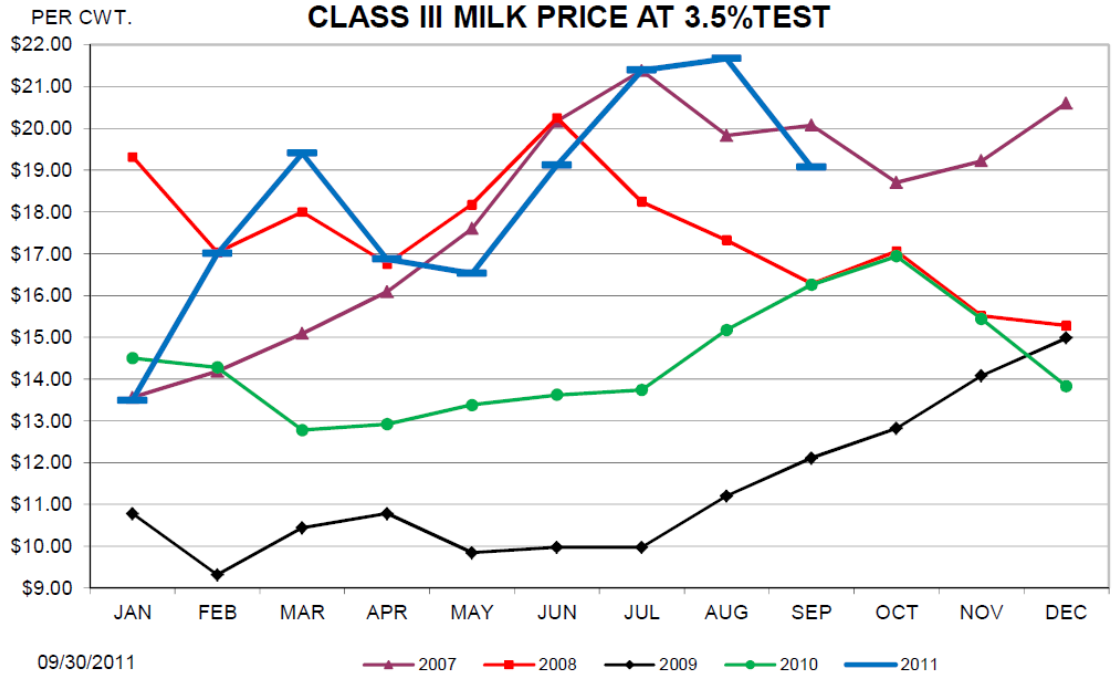


### ESTIMATED BROILER RETURNS



### BROILER CHICKS PLACED





# End of Rainbow for the Next Several Years



Questions?