

Cattle Situation and Outlook

Tim Petry, Livestock Economist

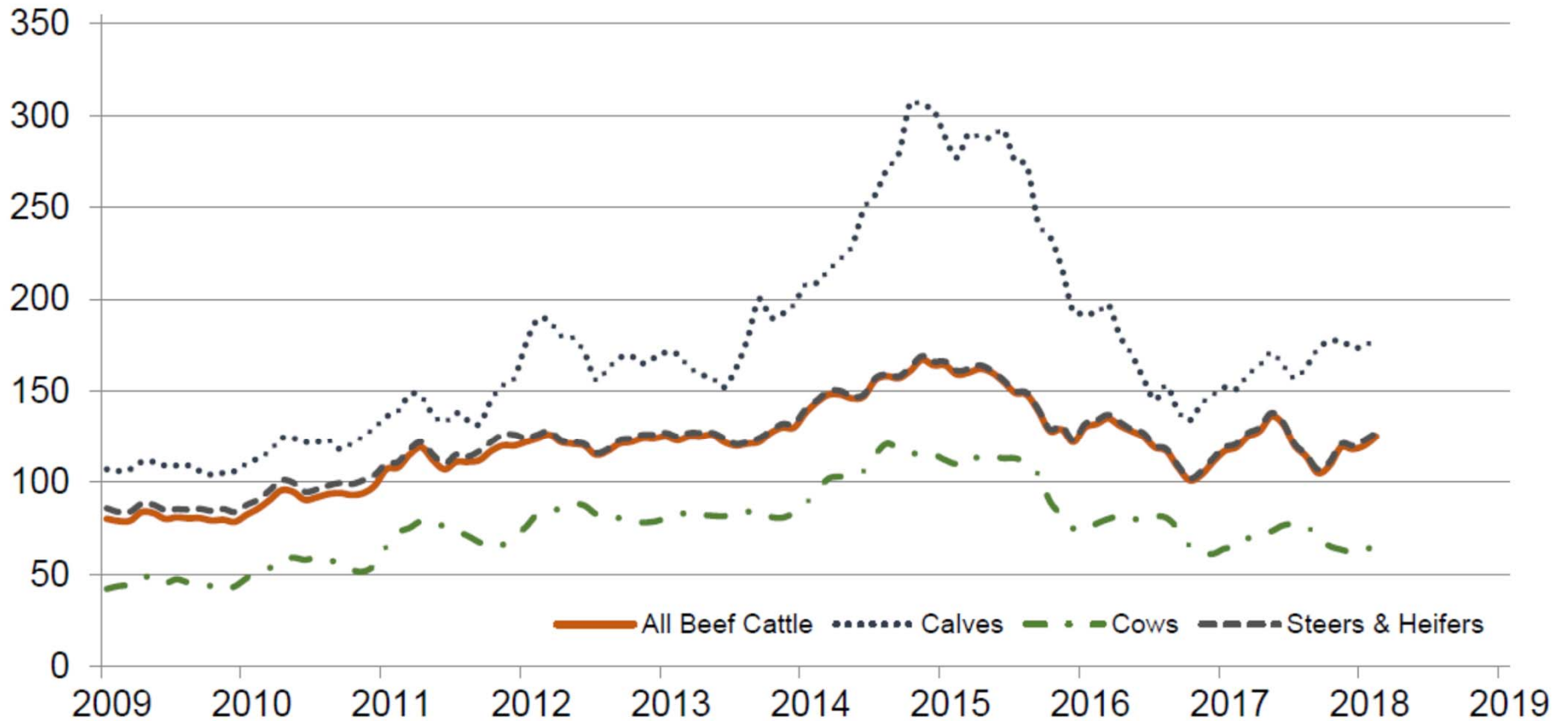
www.ndsu.edu/livestockeconomics

AUG 2018



Prices Received for Cattle by Month – United States

Dollars per cwt



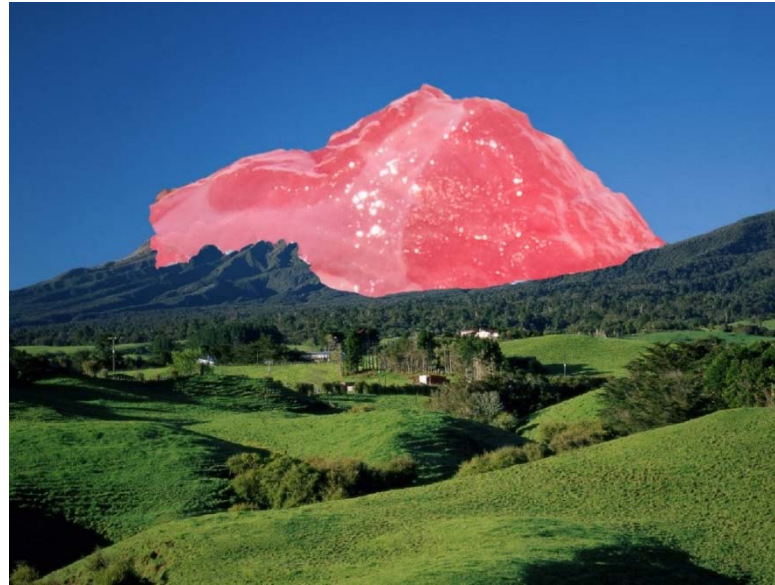
WASDE

U.S. Meat Production and Prices

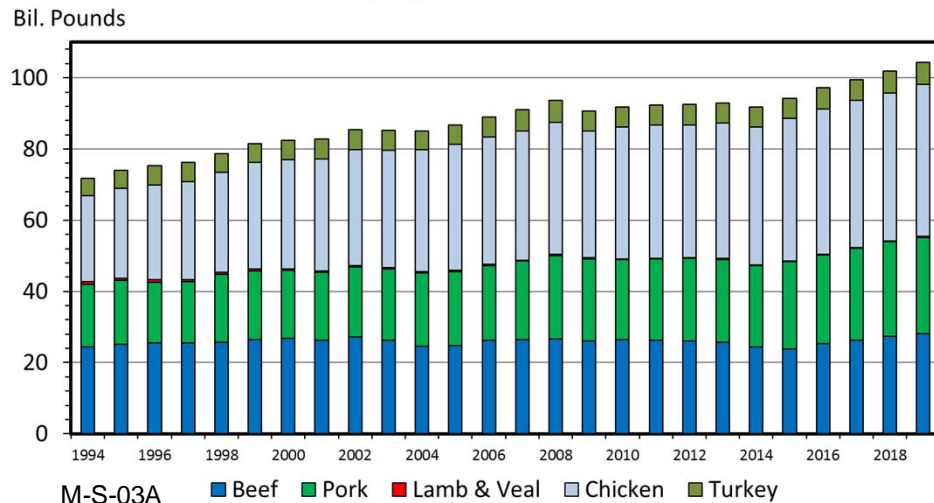
	2014	2015	2016	2017	2018 Forecast	Change from 2017	2019 Forecast	Change From 2018
Production	<i>Billion Pounds</i>		<i>Pounds</i>		<i>Pounds</i>	<i>Percent</i>	<i>Pounds</i>	<i>Percent</i>
Beef	24.25	23.70	25.22	26.19	27.09	3.5	27.72	2.3
Pork	22.84	24.50	24.94	25.58	26.71	4.4	27.88	4.4
Broilers	38.55	40.05	40.7	41.66	42.62	2.3	43.42	1.9
Turkey	5.76	5.63	5.98	5.98	5.94	0	5.97	.5
Total meat	92.17	94.63	97.6	100.17	103.12	2.9	105.75	2.6
Prices	<i>Dollars/cwt</i>		<i>Dollars/cwt.</i>					
Steers	154.56	148.12	120.85	121.52	116	-4.5	117.75	1.5
Hogs	76.03	50.23	46.16	50.48	44.5	-11.9	40.5	-8.9
	<i>Cents/lb</i>		<i>Cents/lb.</i>					
Broilers	104.9	90.5	84.3	93.5	100	7	100	0
Turkey	107.6	116.2	117.1	96.1	82	-14.7	87.5	6.7

Aug 10, 2018

Mountains of Meat

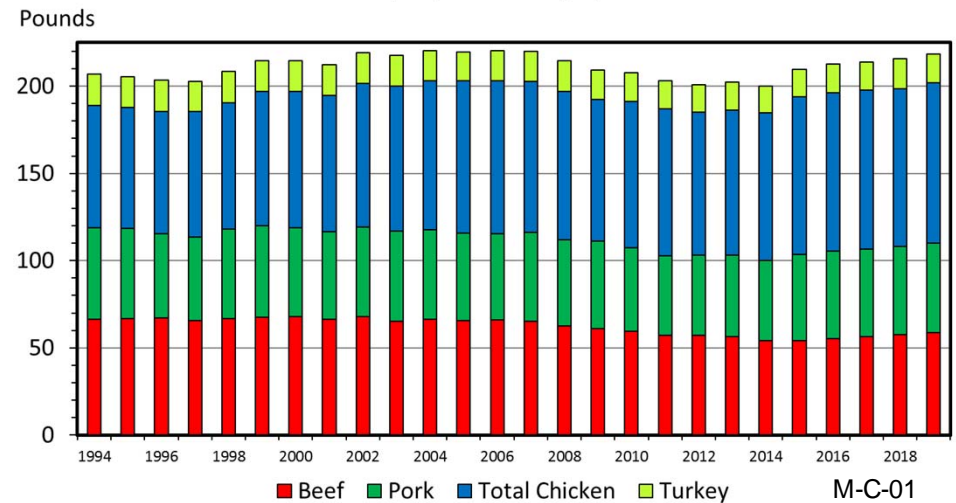


COMMERCIAL MEAT & POULTRY PRODUCTION
By Type of Meat, Annual



M-S-03A
10/01/17

US RED MEAT & POULTRY CONSUMPTION
Per Capita, Retail Weight, Annual



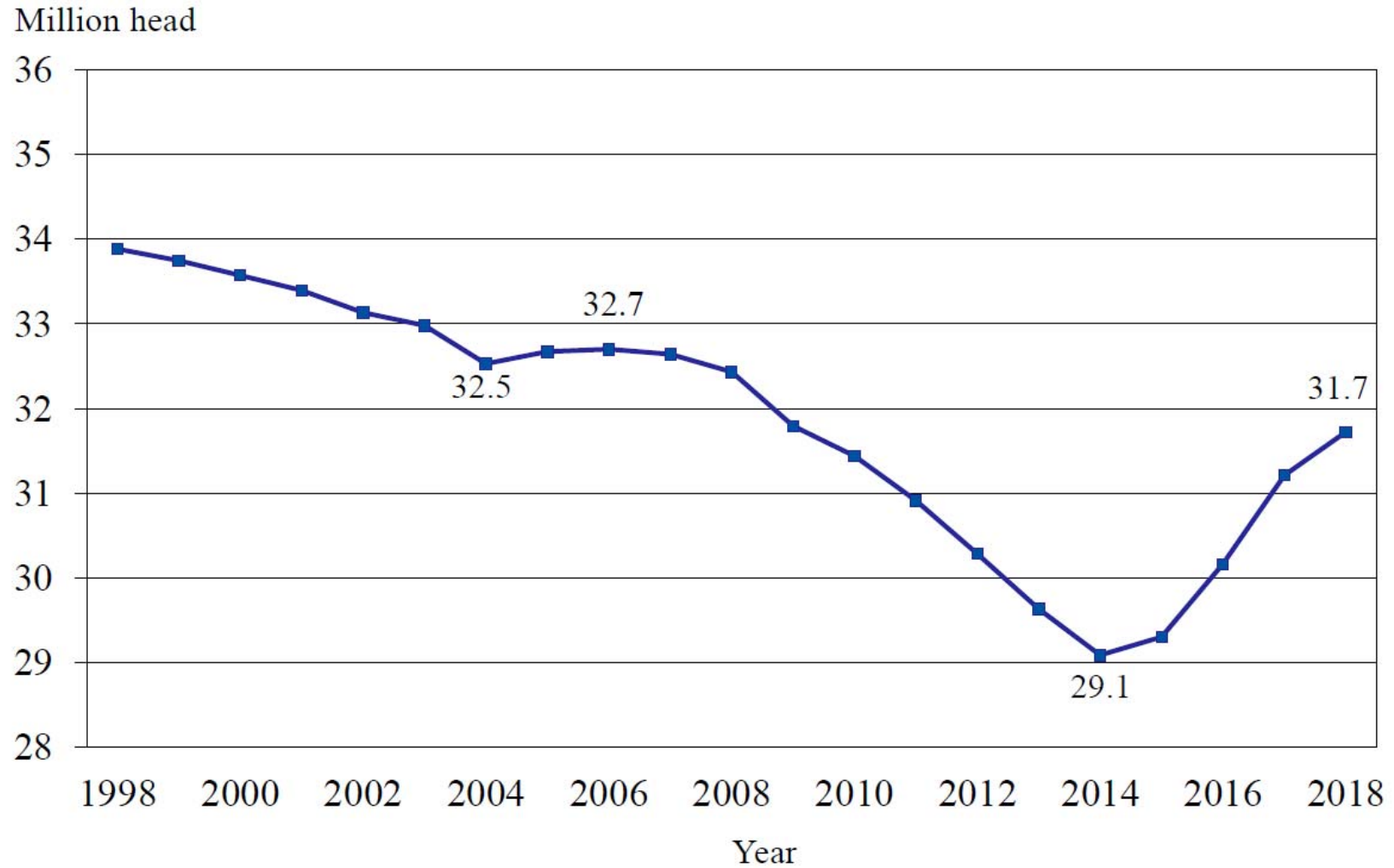
M-C-01
09/03/17

Data Source: USDA/NASS, Livestock Marketing Information Center



U.S. Beef Cows

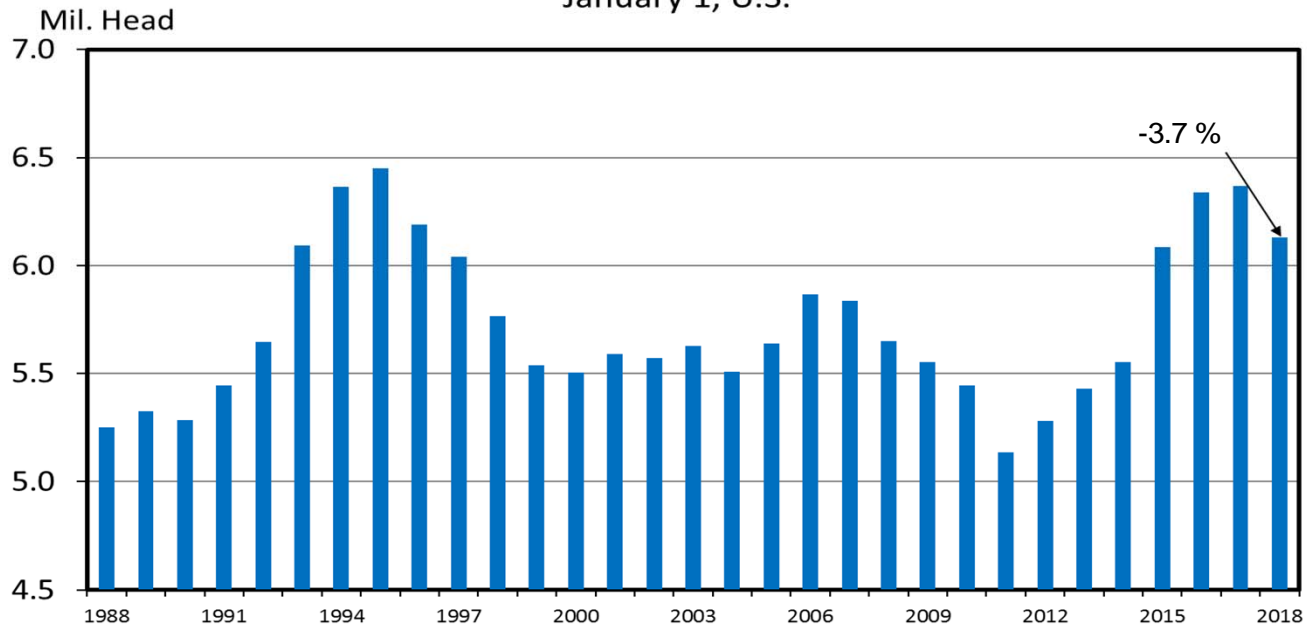
January 1, 1998 - 2018



January 31, 2018

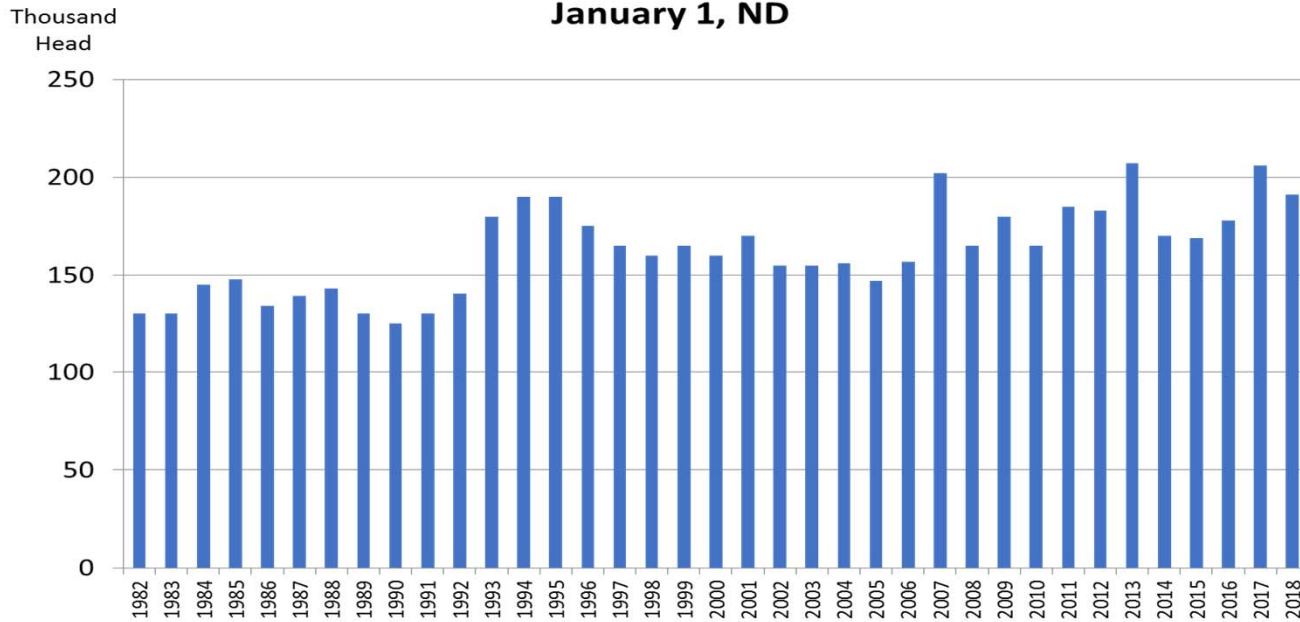
HEIFERS HELD AS BEEF COW REPLACEMENTS

January 1, U.S.



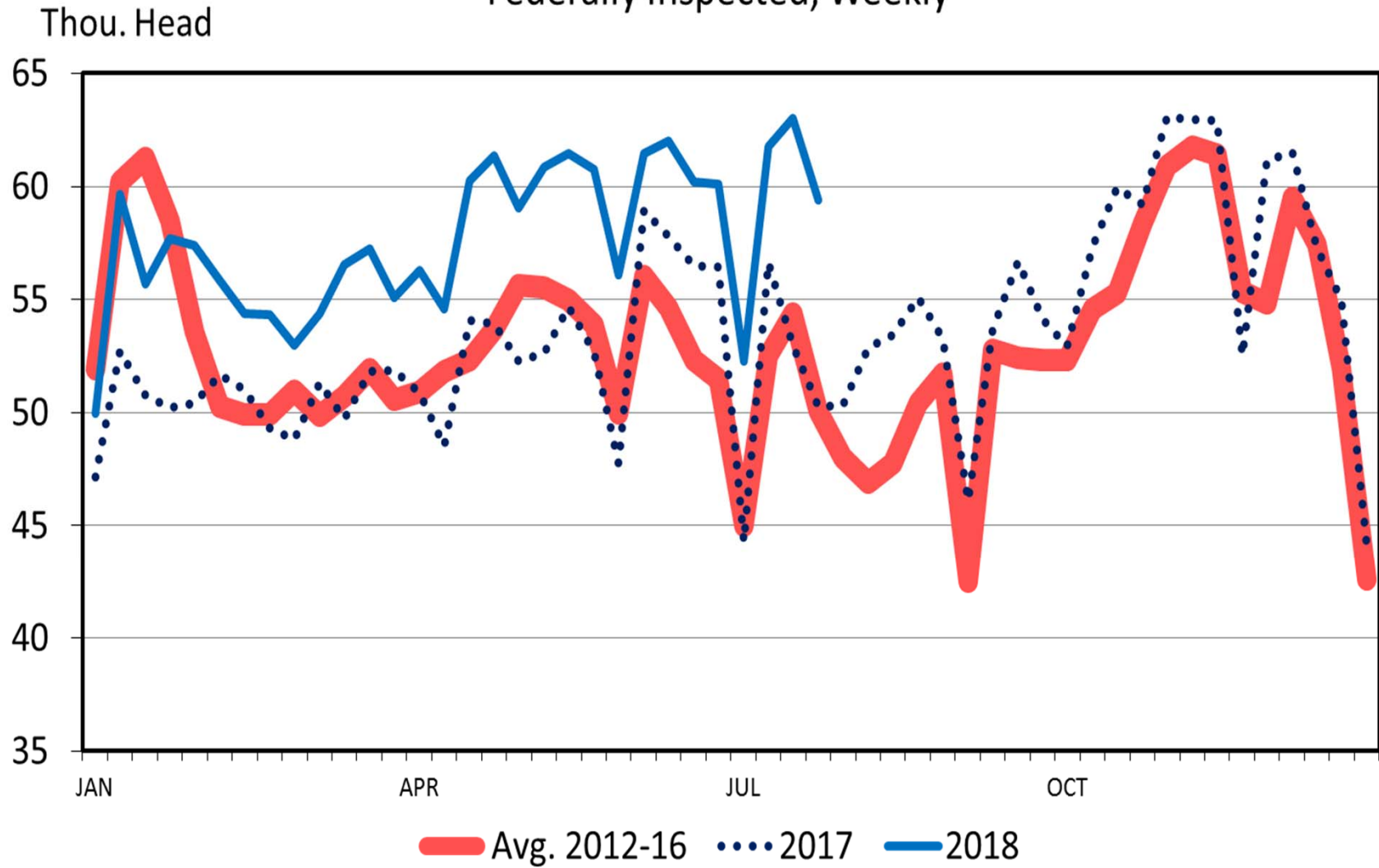
HEIFERS HELD AS BEEF COW REPLACEMENTS

January 1, ND



BEEF COW SLAUGHTER

Federally Inspected, Weekly



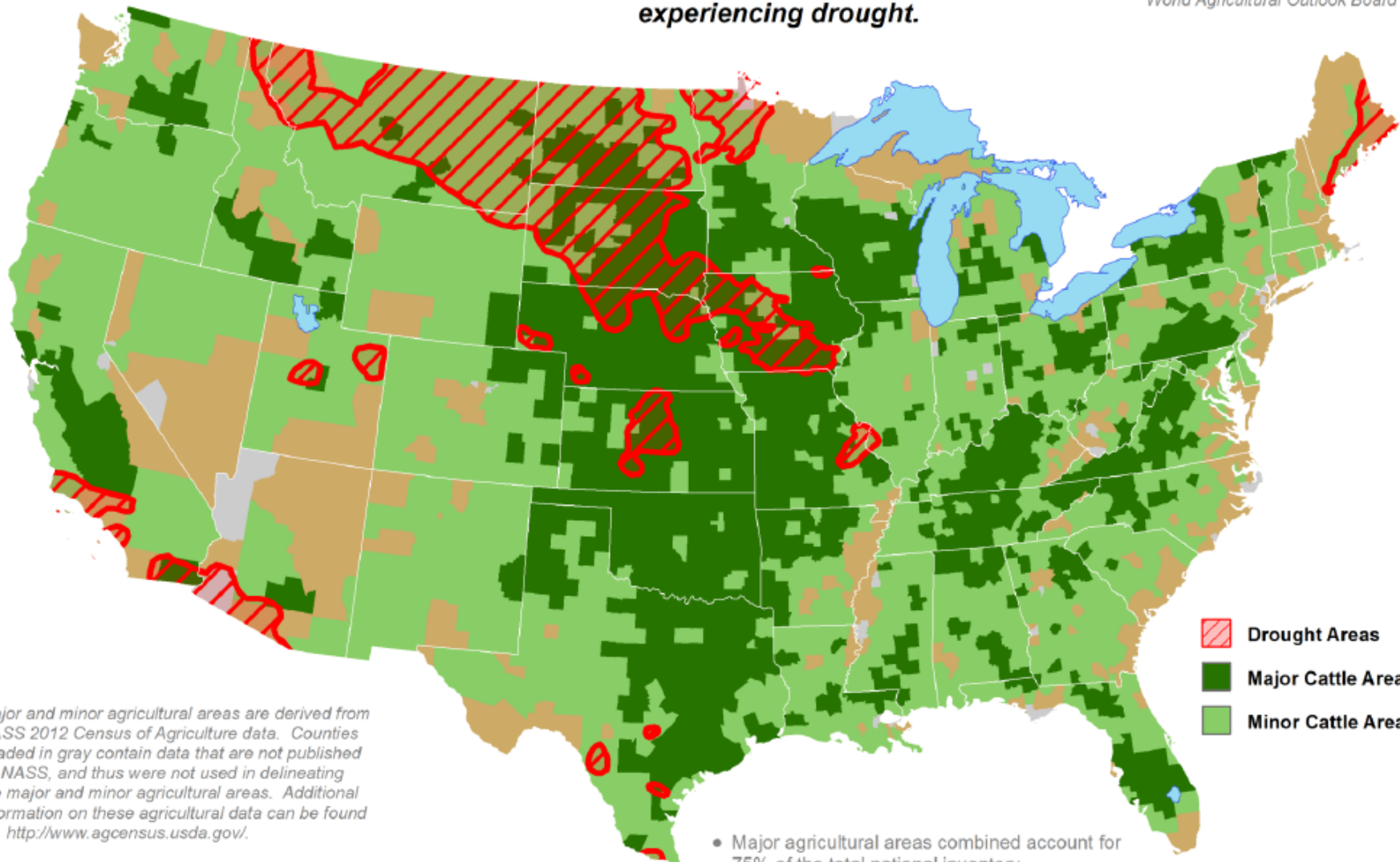
U.S. Cattle Areas Experiencing Drought



Reflects **August 15, 2017**
U.S. Drought Monitor data

Approximately **13%** of cattle
inventory is within an area
experiencing drought.

*This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board*



Major and minor agricultural areas are derived from NASS 2012 Census of Agriculture data. Counties shaded in gray contain data that are not published by NASS, and thus were not used in delineating the major and minor agricultural areas. Additional information on these agricultural data can be found at: <http://www.agcensus.usda.gov/>.

Mapped drought areas are derived from the U.S. Drought Monitor product and do not depict the intensity of drought in any particular location. More information on the Drought Monitor can be found at: <http://droughtmonitor.unl.edu/>.

- Major agricultural areas combined account for 75% of the total national inventory.
- Major and minor agricultural areas combined account for 99% of the total national inventory.

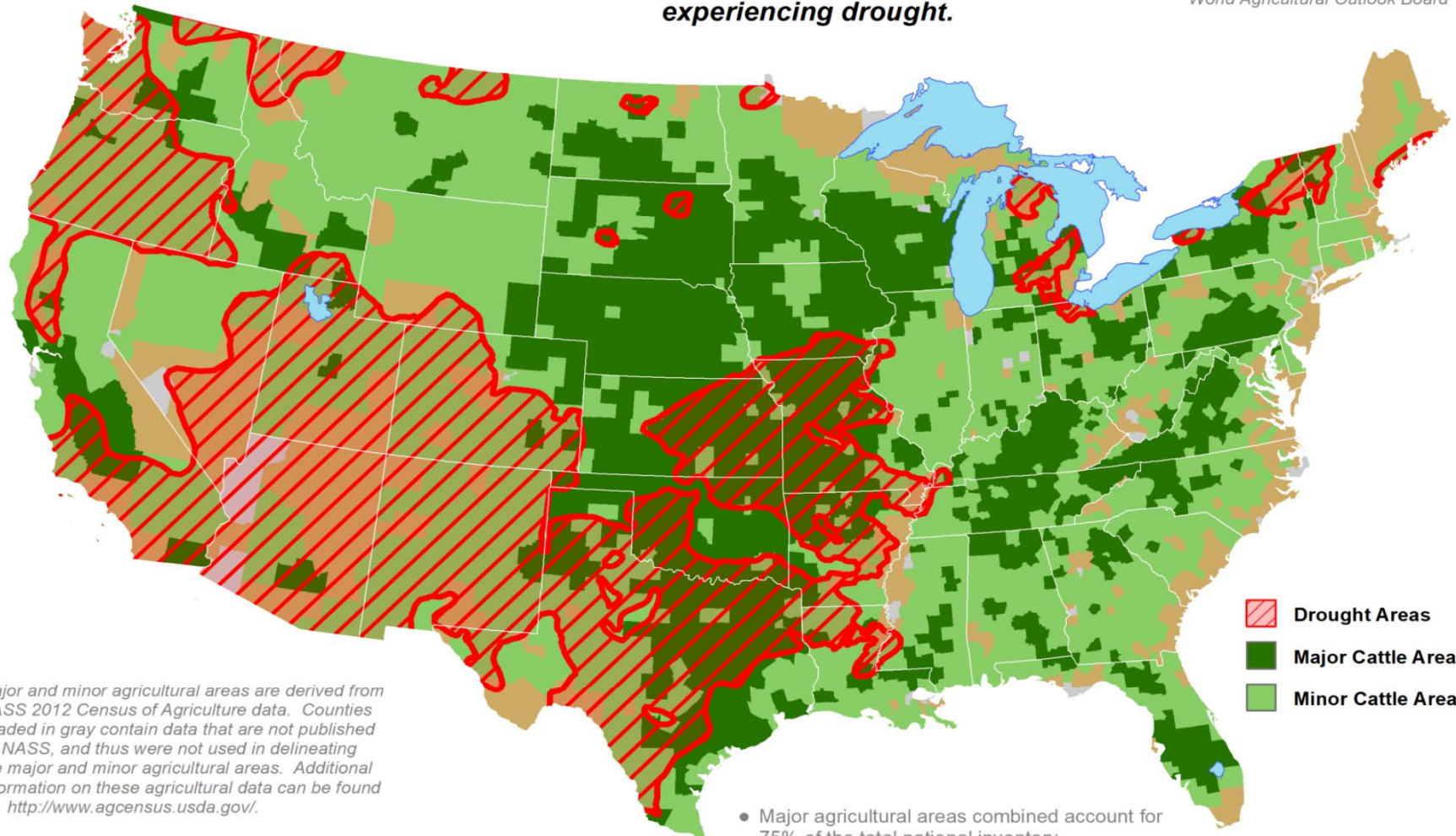
U.S. Cattle Areas Experiencing Drought



Reflects **August 7, 2018**
U.S. Drought Monitor data

Approximately **30%** of cattle
inventory is within an area
experiencing drought.

*This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board*



Major and minor agricultural areas are derived from NASS 2012 Census of Agriculture data. Counties shaded in gray contain data that are not published by NASS, and thus were not used in delineating the major and minor agricultural areas. Additional information on these agricultural data can be found at: <http://www.agcensus.usda.gov/>.

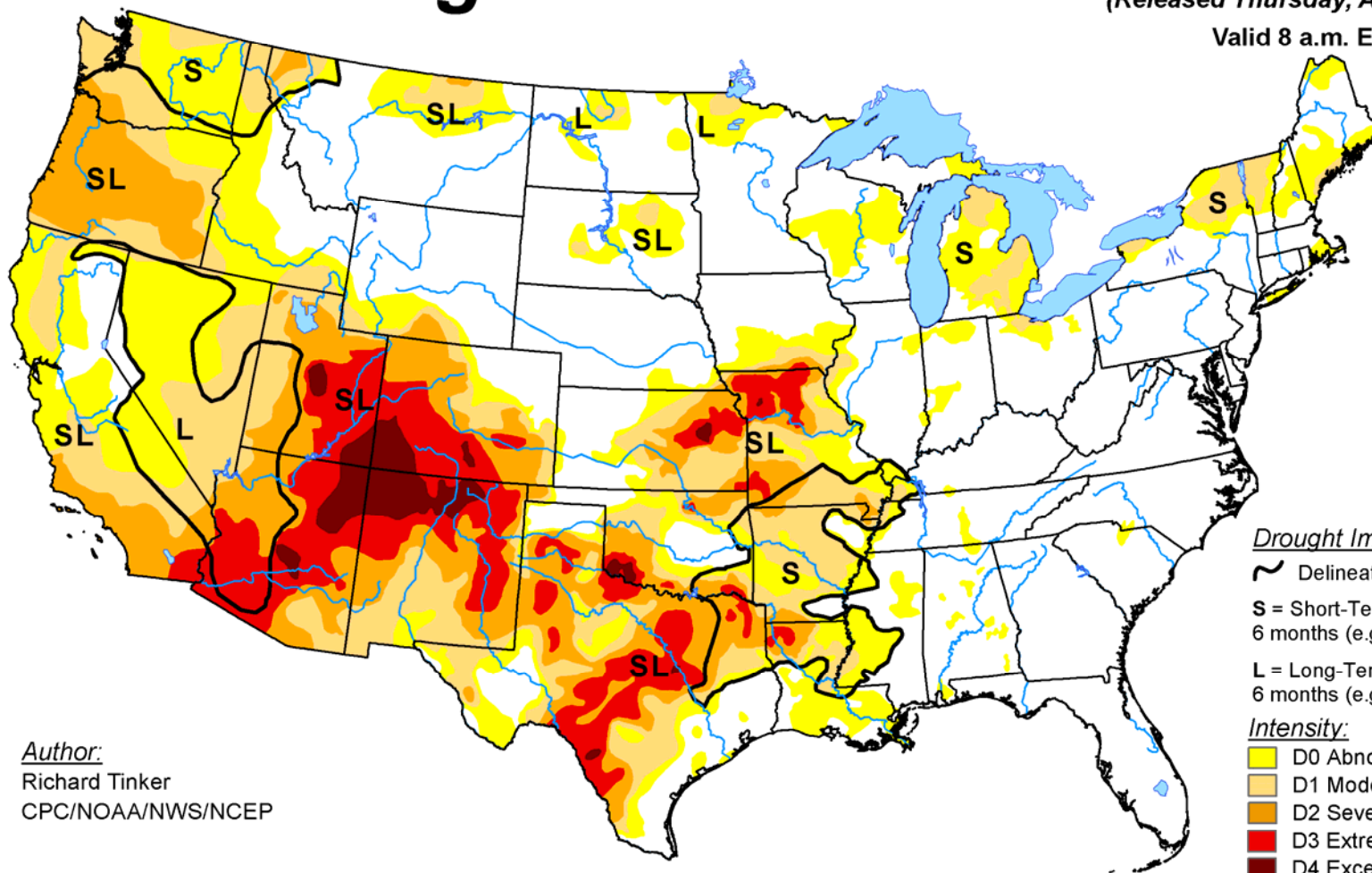
Mapped drought areas are derived from the U.S. Drought Monitor product and do not depict the intensity of drought in any particular location. More information on the Drought Monitor can be found at: <http://droughtmonitor.unl.edu/>.

- Major agricultural areas combined account for 75% of the total national inventory.
- Major and minor agricultural areas combined account for 99% of the total national inventory.

U.S. Drought Monitor

August 7, 2018
 (Released Thursday, Aug. 9, 2018)

Valid 8 a.m. EDT



Author:
 Richard Tinker
 CPC/NOAA/NWS/NCEP

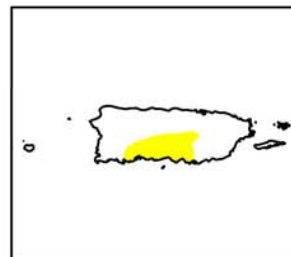
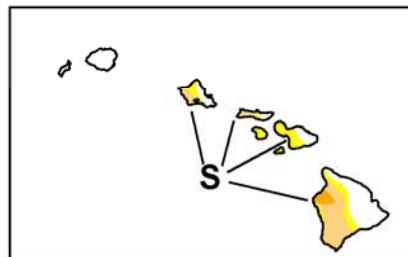
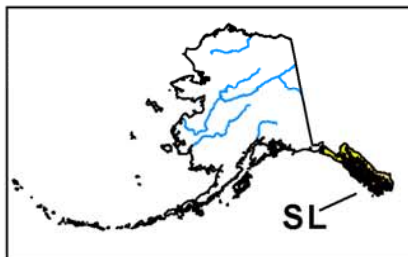
Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

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

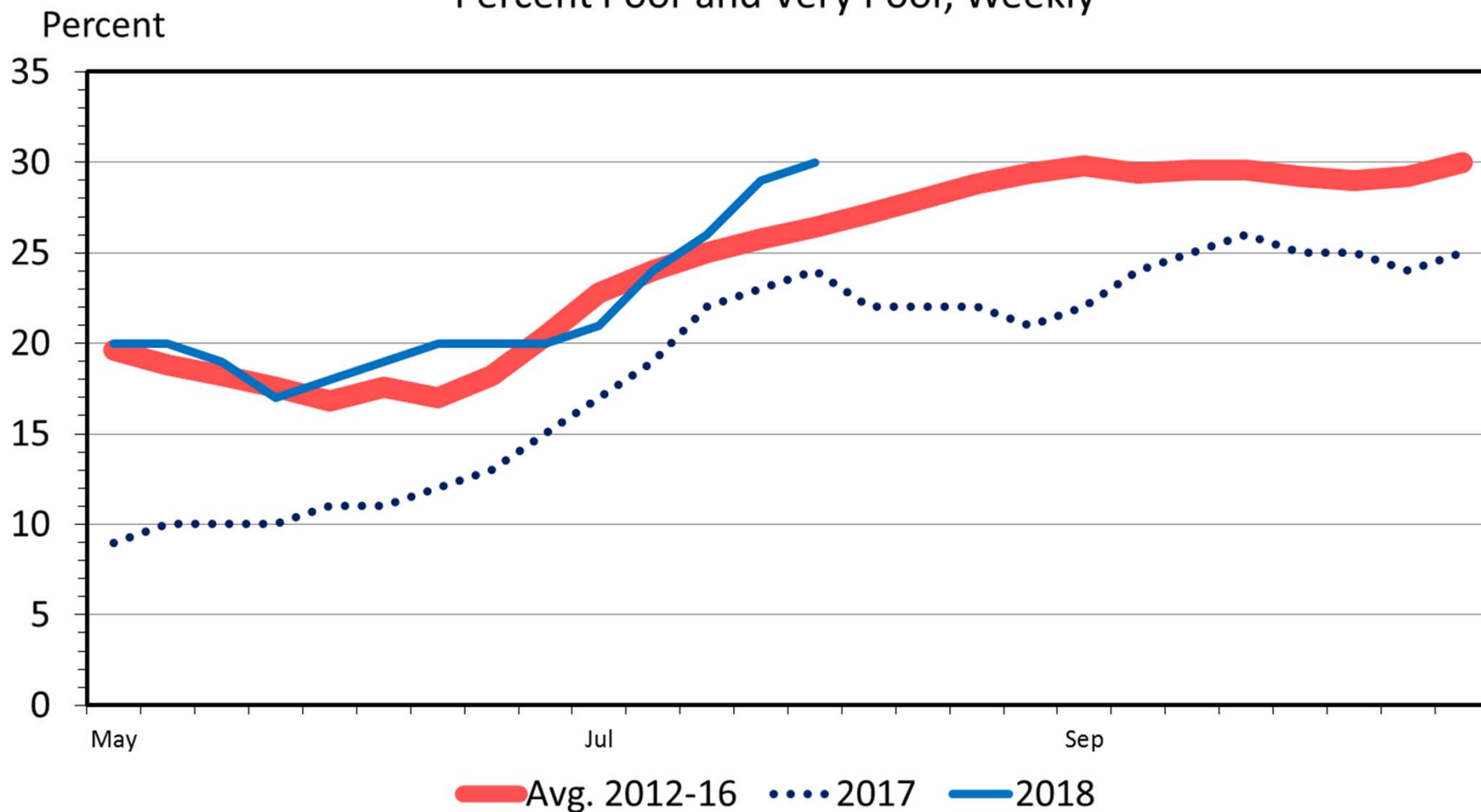
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



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

US RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly



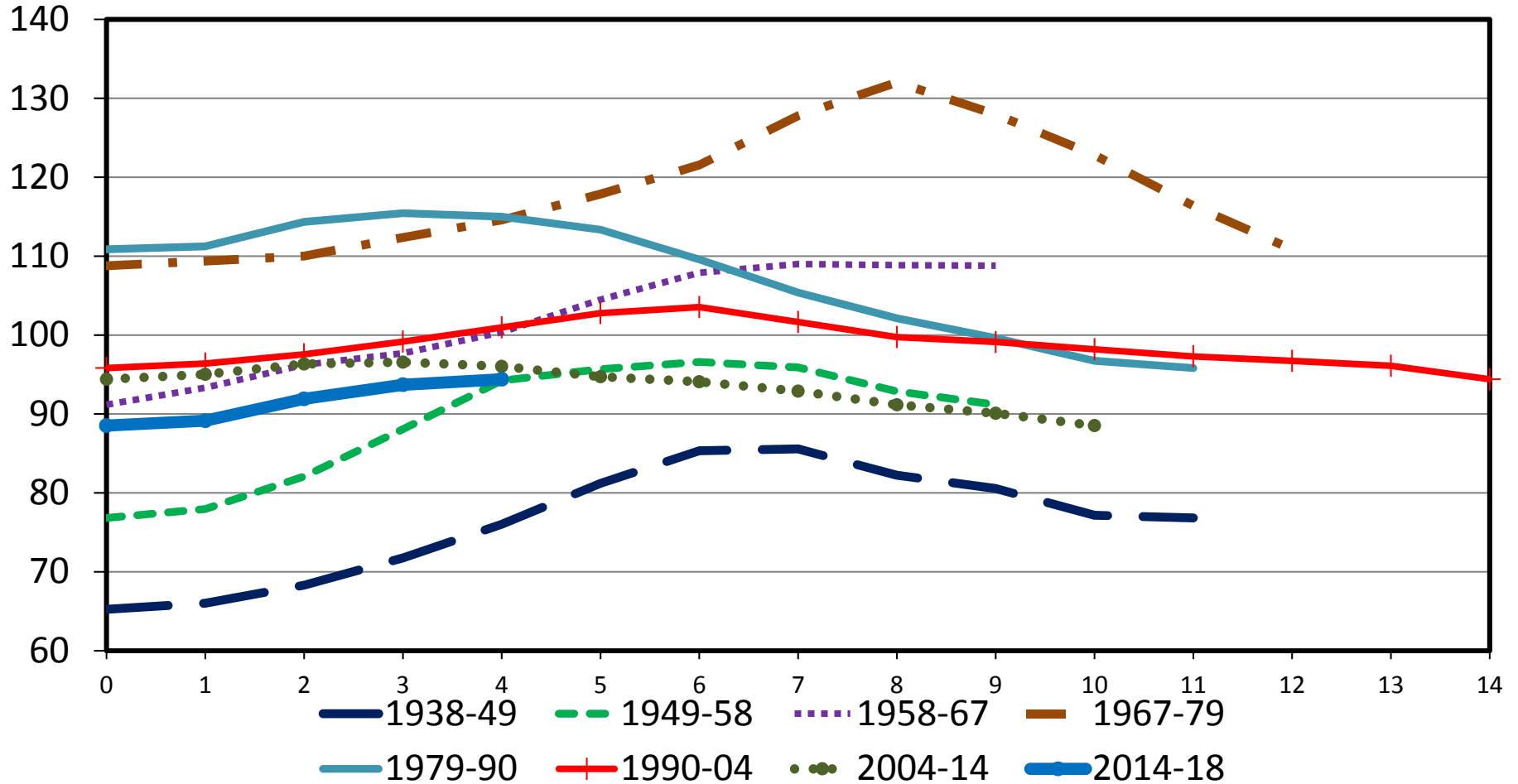
Data Source: USDA-ERS & USDA-FAS

Livestock Marketing Information Center

TOTAL CATTLE INVENTORY BY CYCLE

U.S., January 1

Mil. Head

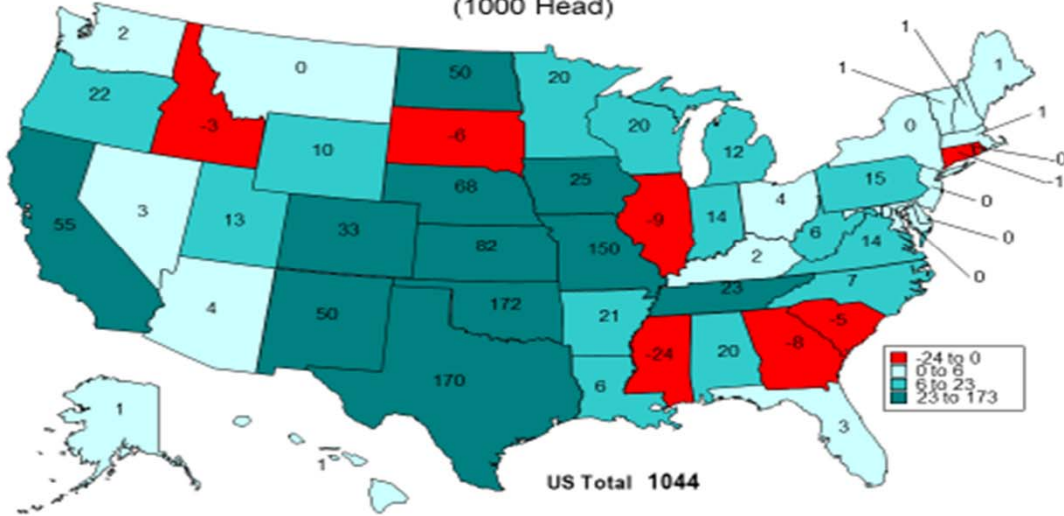


Data Source: USDA-NASS

Livestock Marketing Information Center

C-N-40
01/31/18

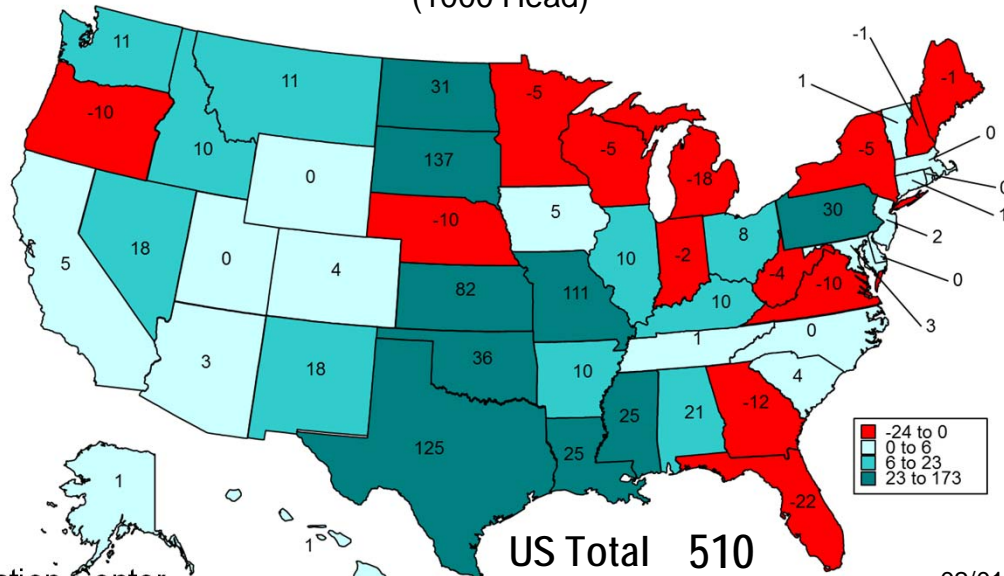
CHANGE IN BEEF COWS NUMBERS 2016 TO 2017
(1000 Head)



Livestock Marketing Information Center
Data Source: USDA-NASS

03/20/17

CHANGE IN BEEF COWS 2017 TO 2018
(1000 Head)

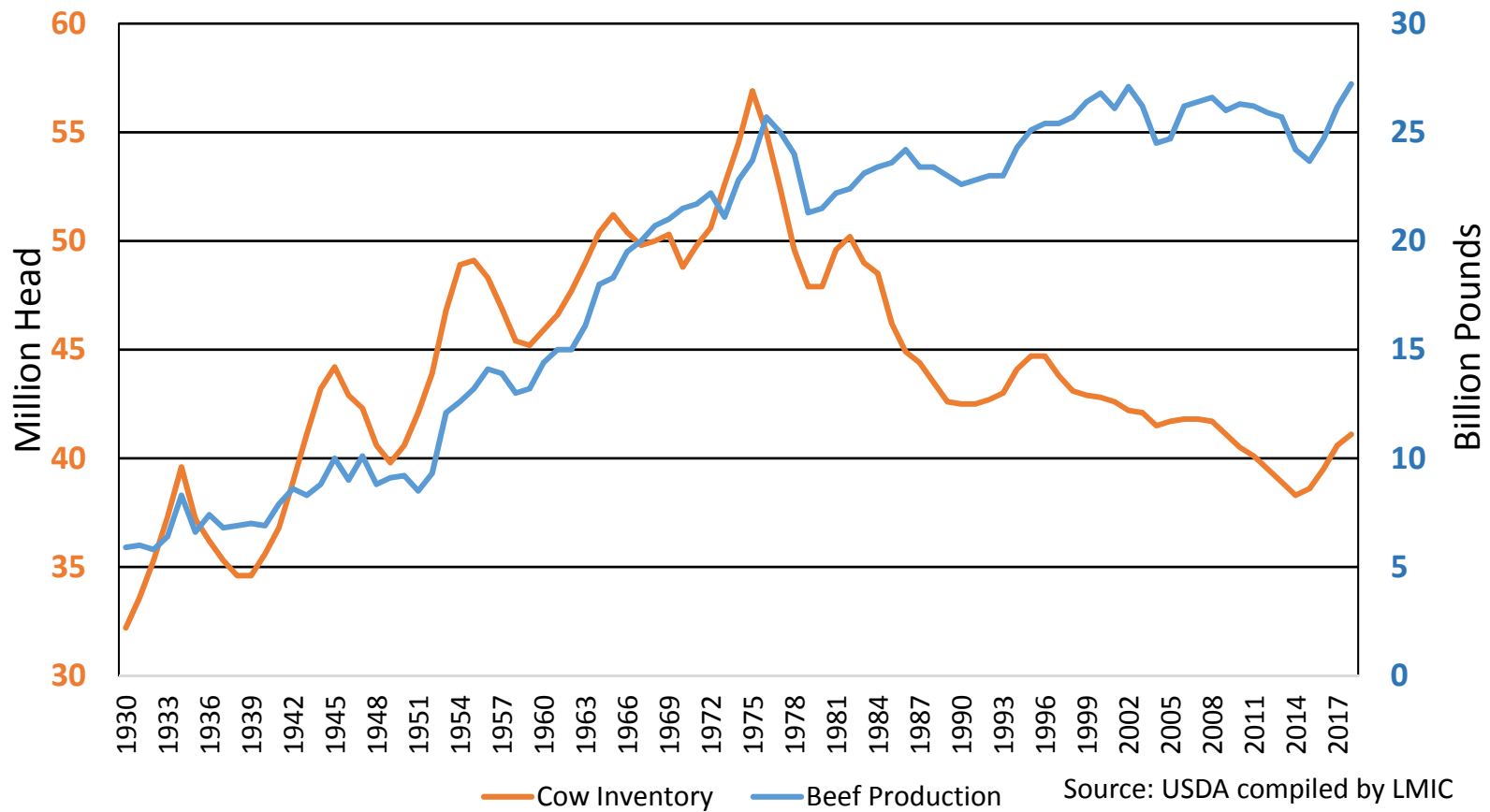


Livestock Marketing Information Center
Data Source: USDA-NASS

02/01/18

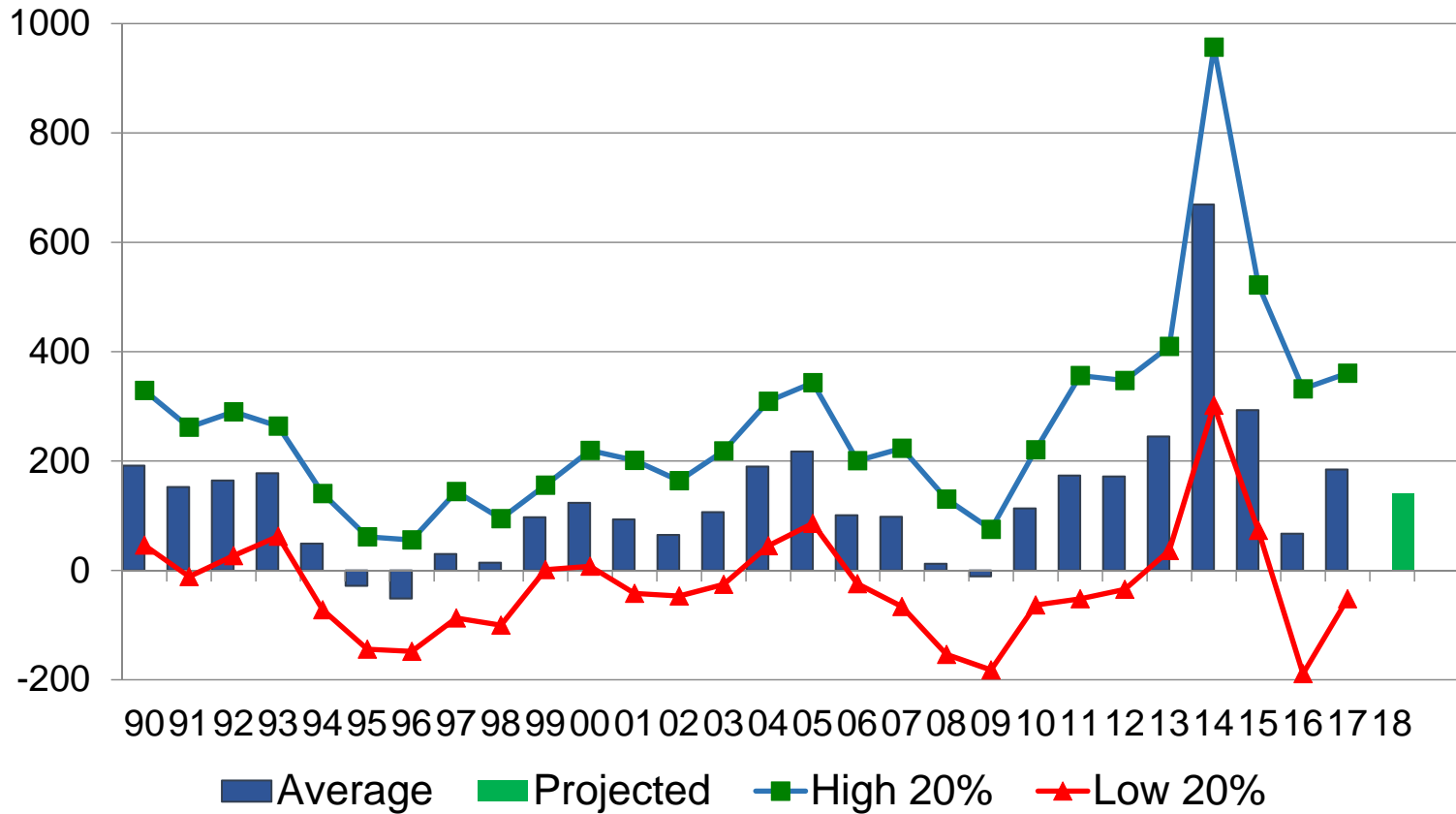
How much expansion is needed?

Cow Inventory and Beef Production



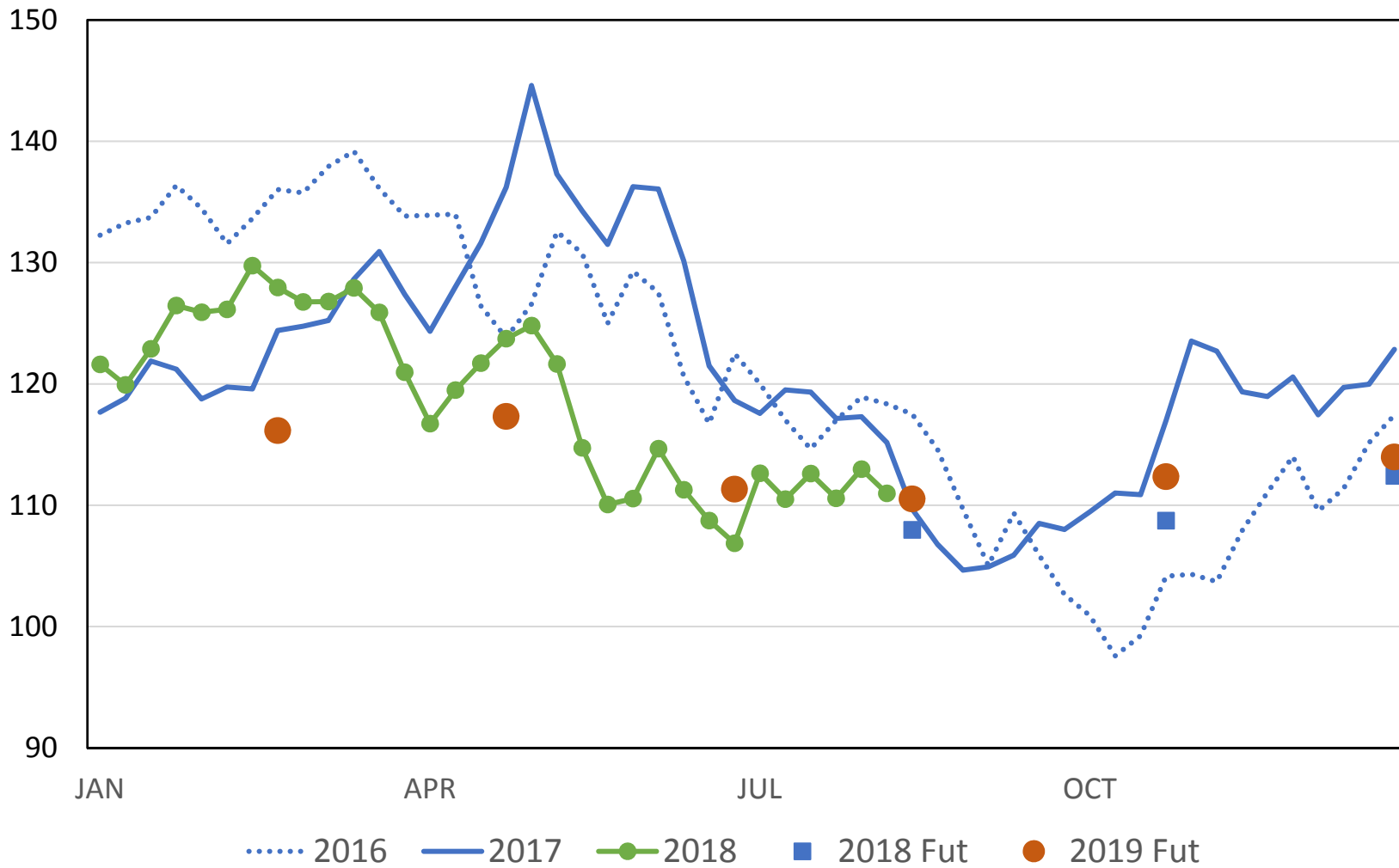
Average Net Return to Labor and Management Per Beef Cow

N.D. Farm Business Mgmt., Excluding Red River Valley



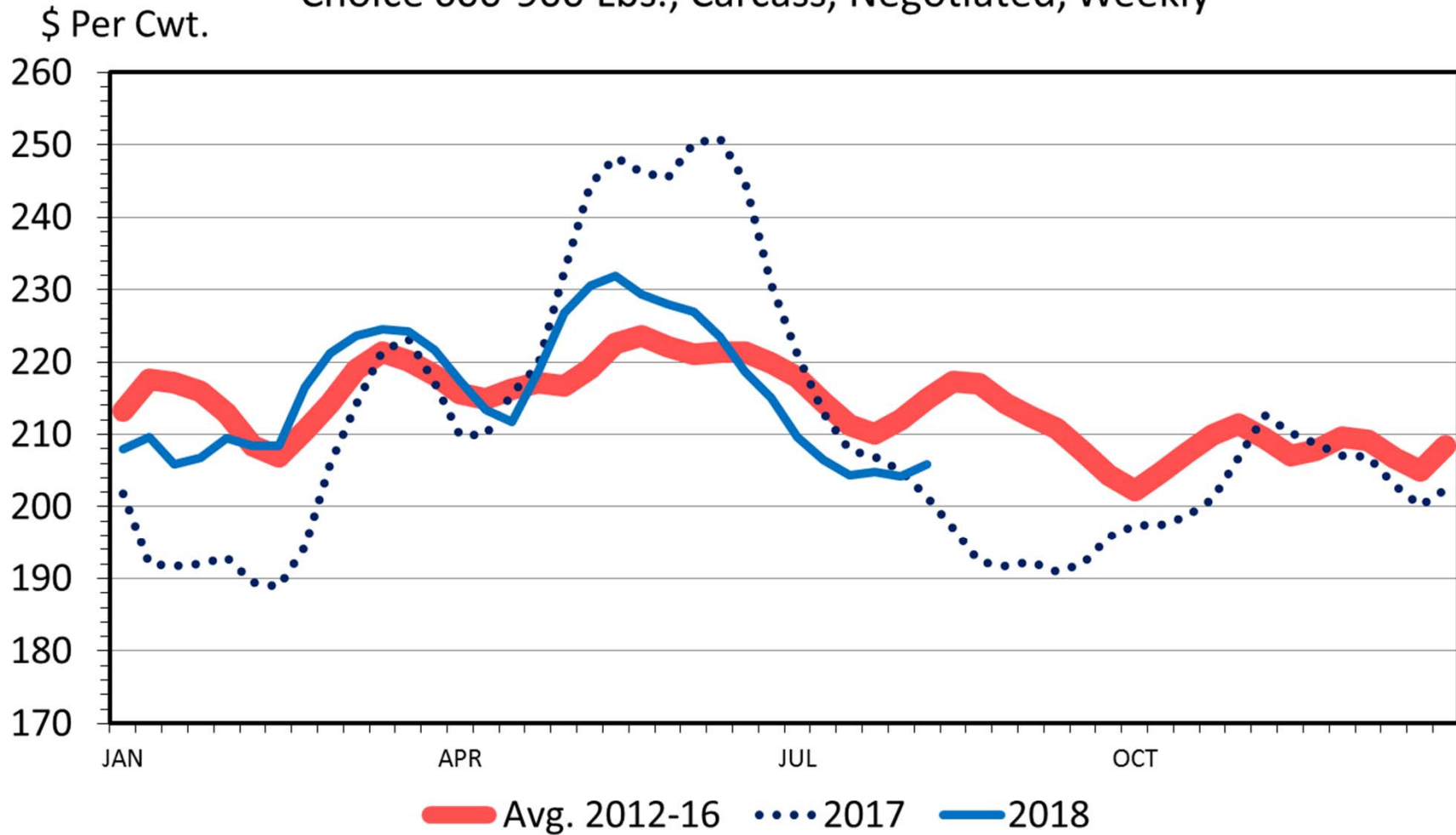
SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly



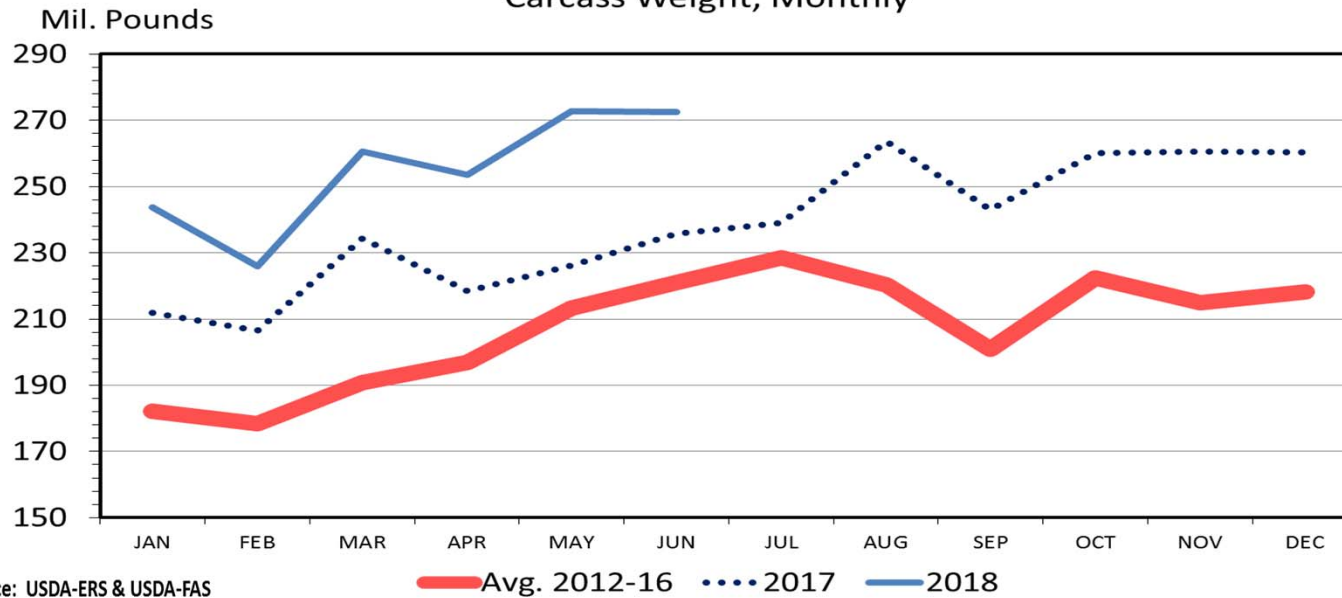
BOXED BEEF CUTOUT VALUE

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



USDA-AMS, Compiled & Analysis by LMIC

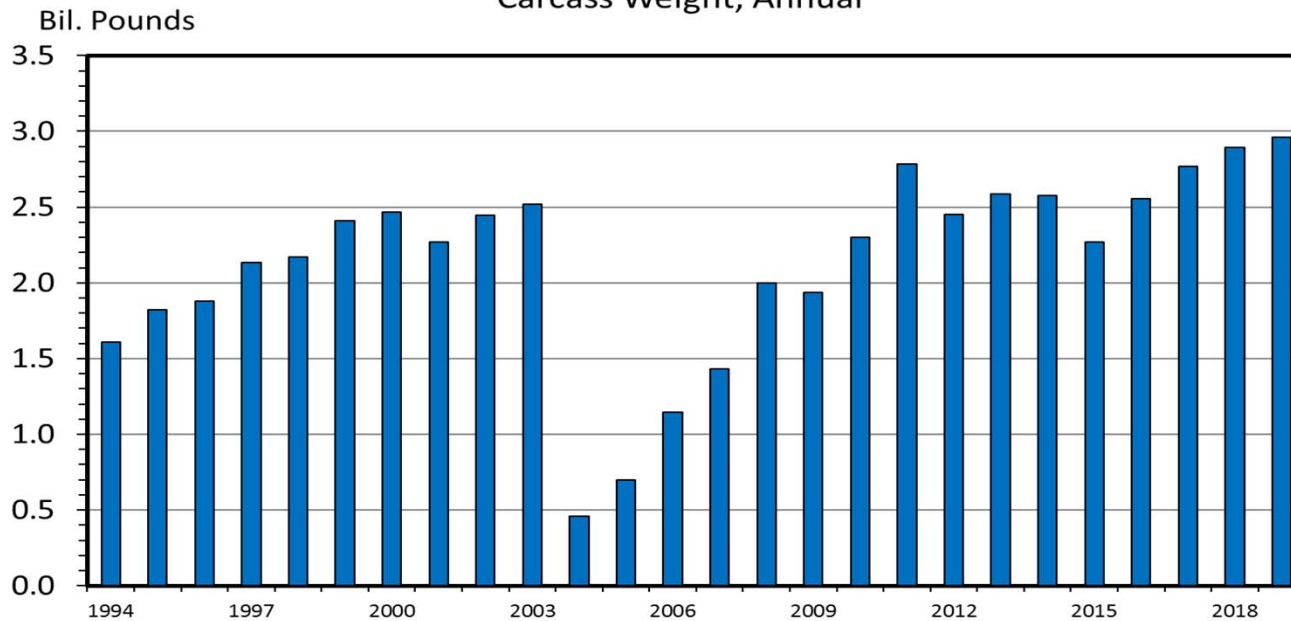
US BEEF AND VEAL EXPORTS Carcass Weight, Monthly



Data Source: USDA-ERS & USDA-FAS

Livestock Marketing Information Center

US BEEF AND VEAL EXPORTS Carcass Weight, Annual



U.S. Ranking in World



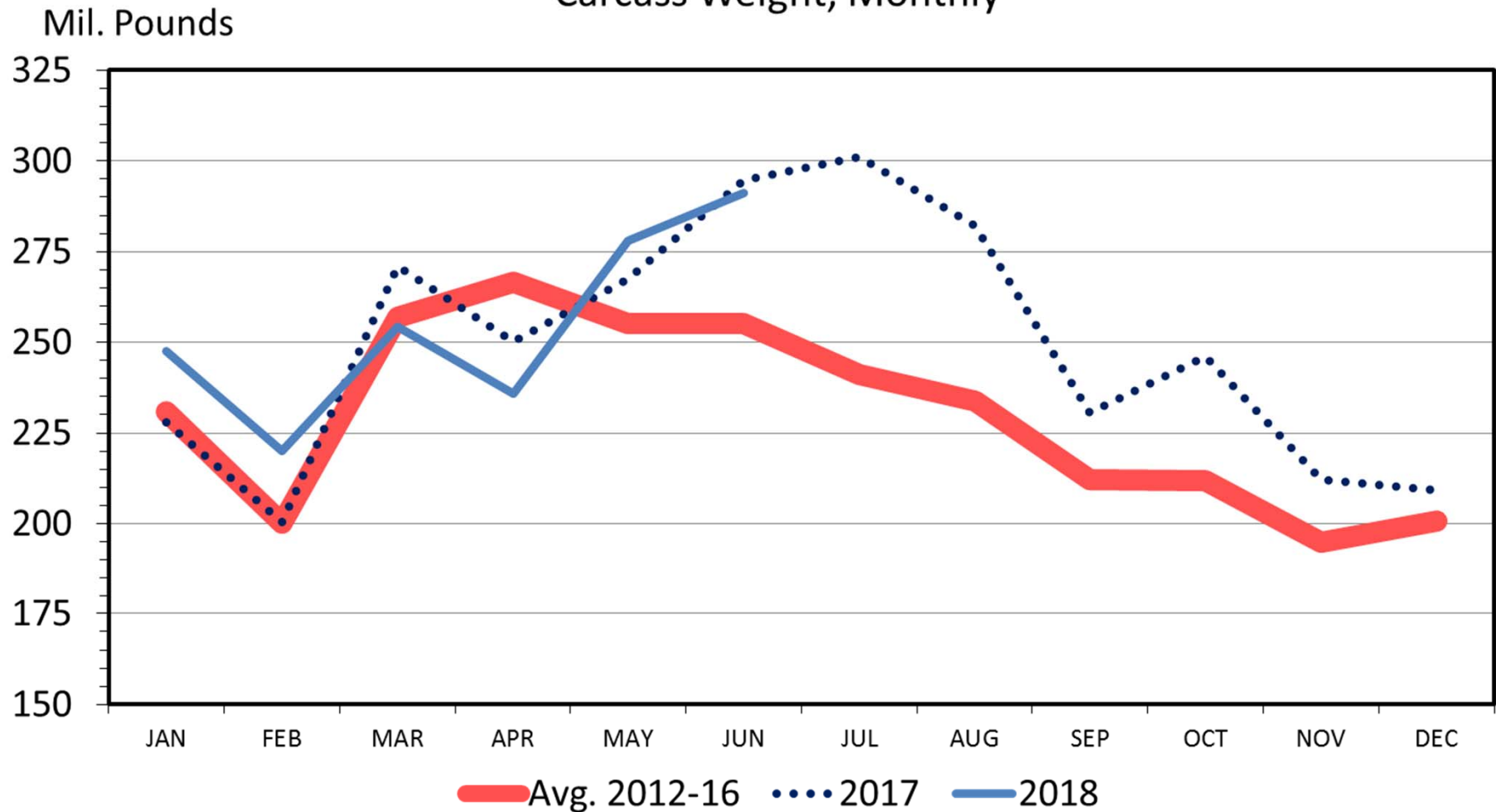
Major U.S. Meat Export Customers

BEEF	PORK	CHICKEN
Japan	Mexico	Mexico
Korea	Japan	Canada
Mexico	Canada	Cuba
Canada	China	Hong Kong
Hong Kong	Korea	Taiwan
China?	Australia	China



US BEEF AND VEAL IMPORTS

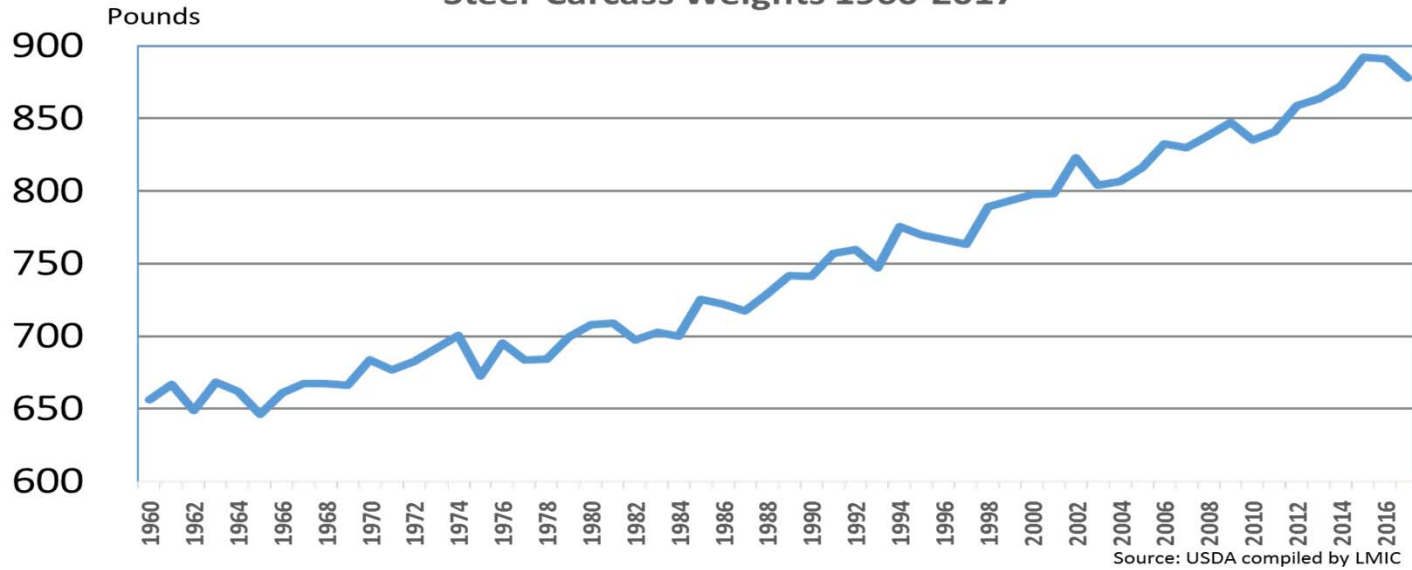
Carcass Weight, Monthly



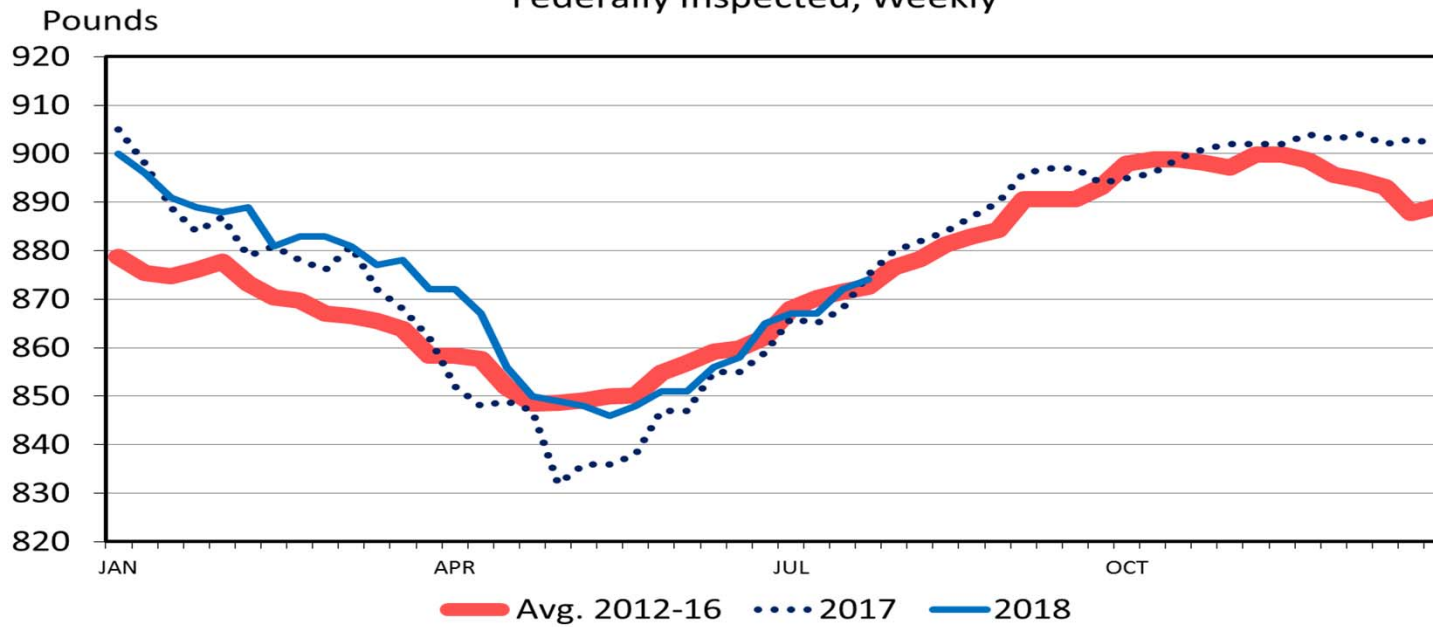
Data Source: USDA-ERS & USDA-FAS

Livestock Marketing Information Center

Steer Carcass Weights 1960-2017



STEER DRESSED WEIGHT Federally Inspected, Weekly

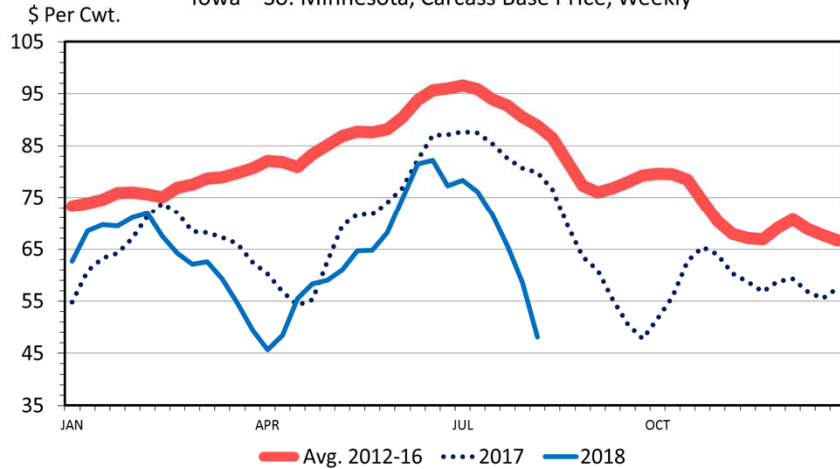


Data Source: USDA-AMS & USDA-NASS - Livestock Marketing Information Center

Competing Meats

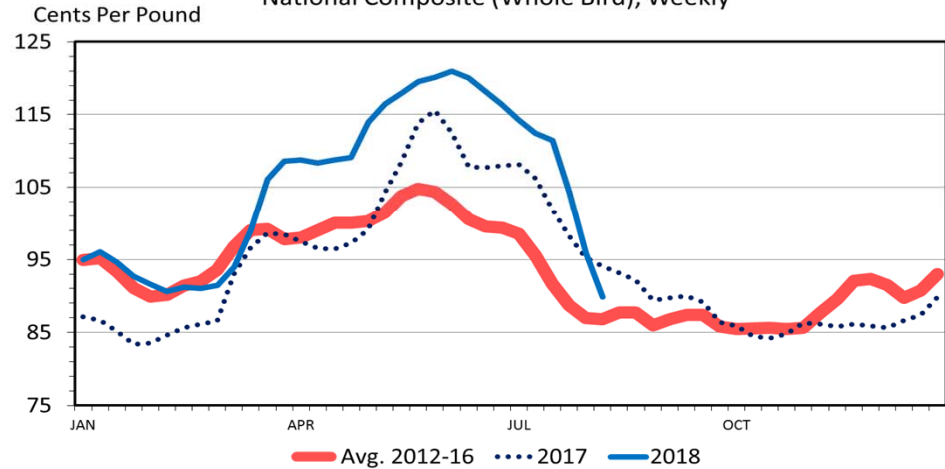
BARROW AND GILT PRICES

Iowa – So. Minnesota, Carcass Base Price, Weekly



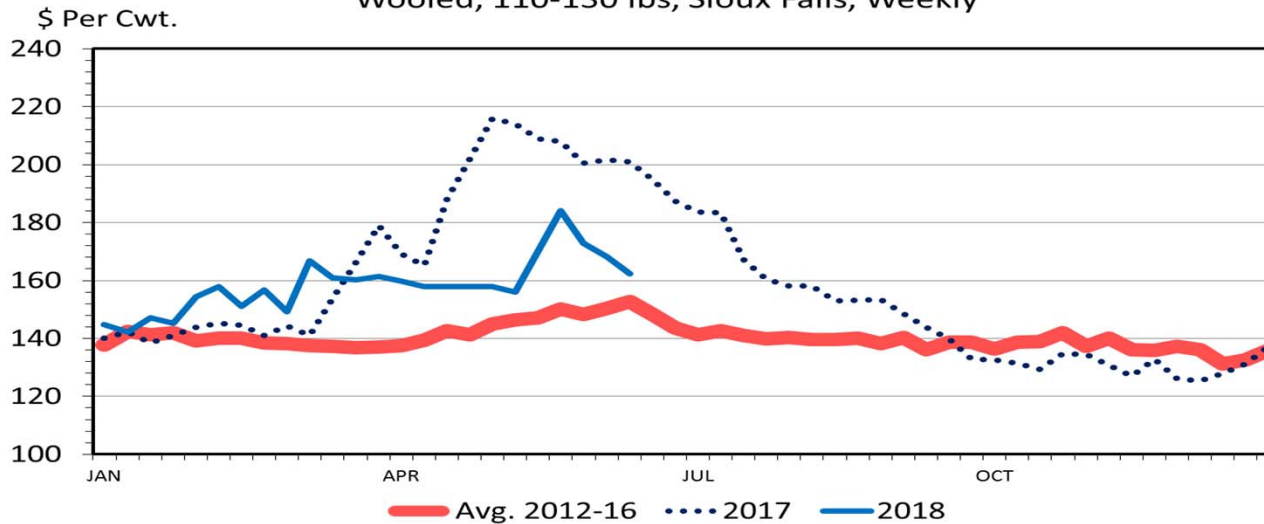
BROILER PRICES

National Composite (Whole Bird), Weekly



SLAUGHTER LAMB PRICES

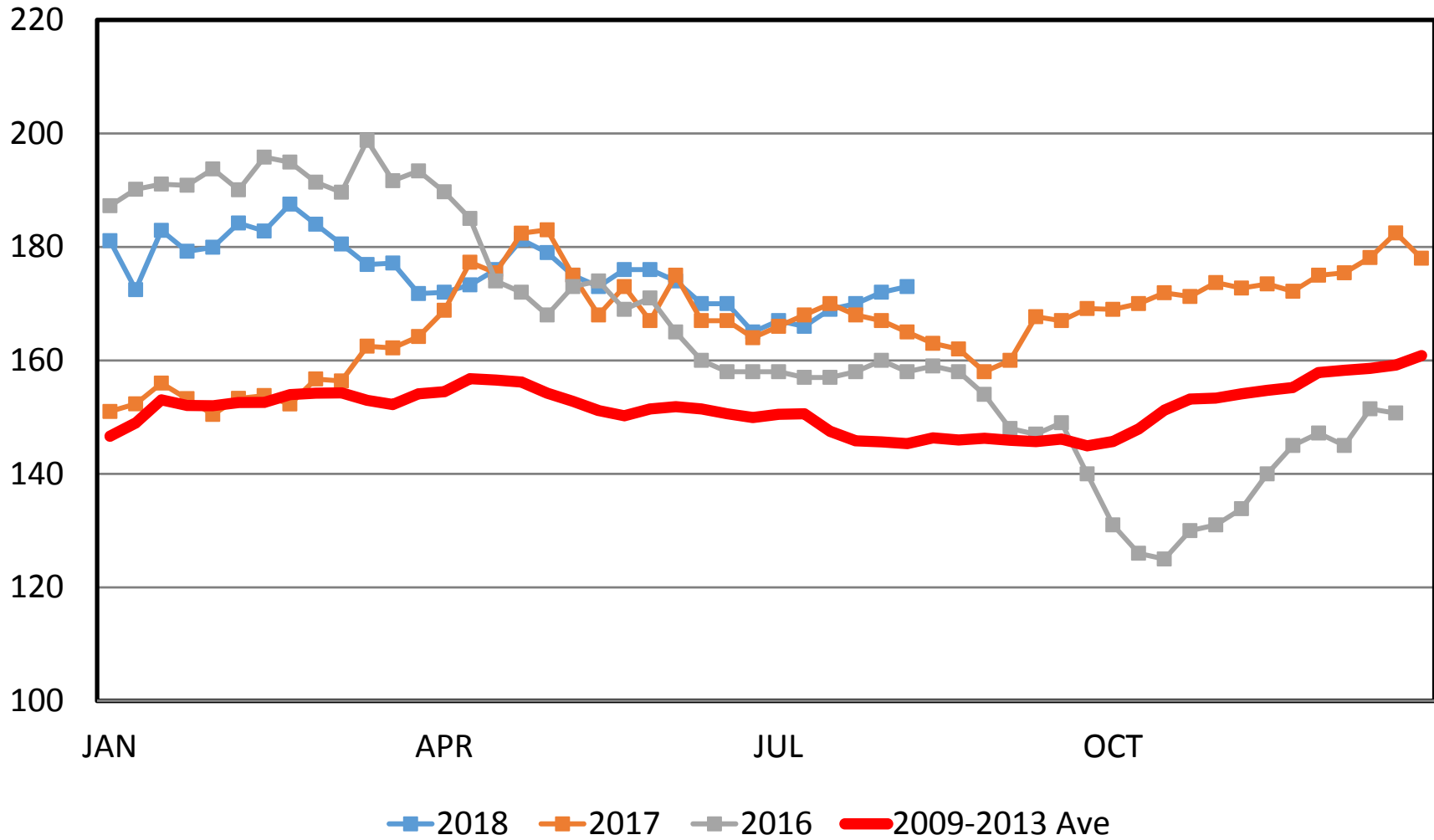
Wooled, 110-130 lbs, Sioux Falls, Weekly



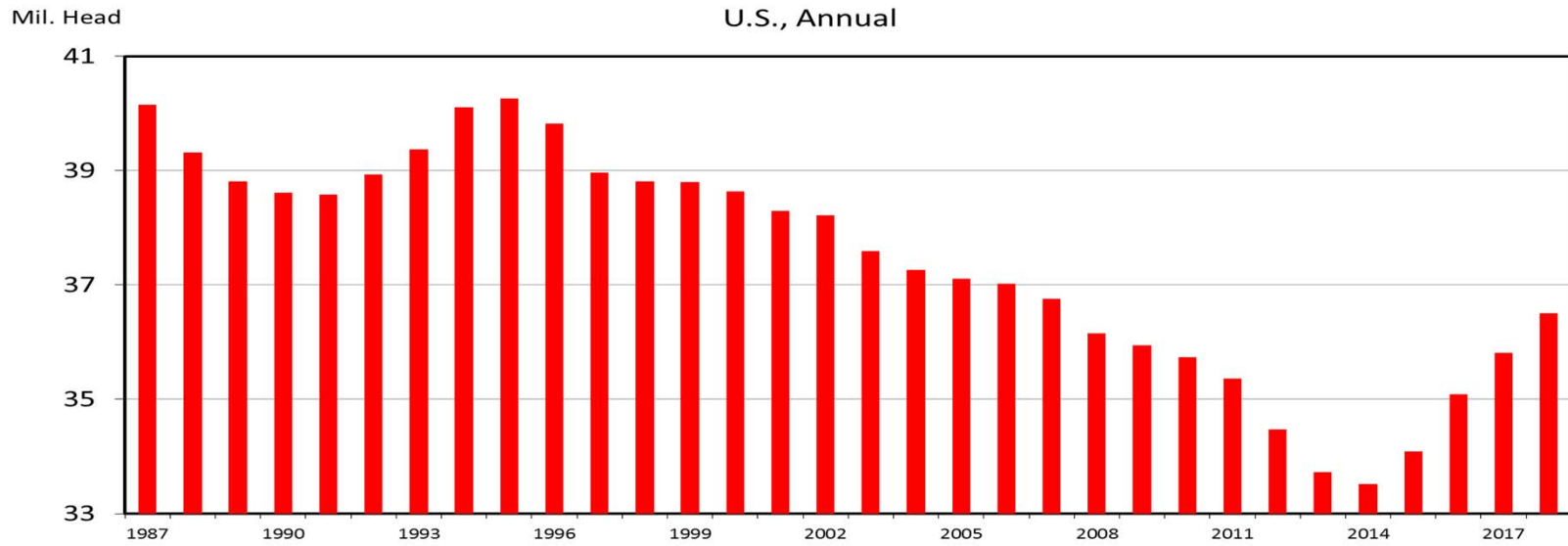
Data Source: USDA-AMS; Livestock Marketing Information Center

MED. FRAME #1 STEER CALF PRICES

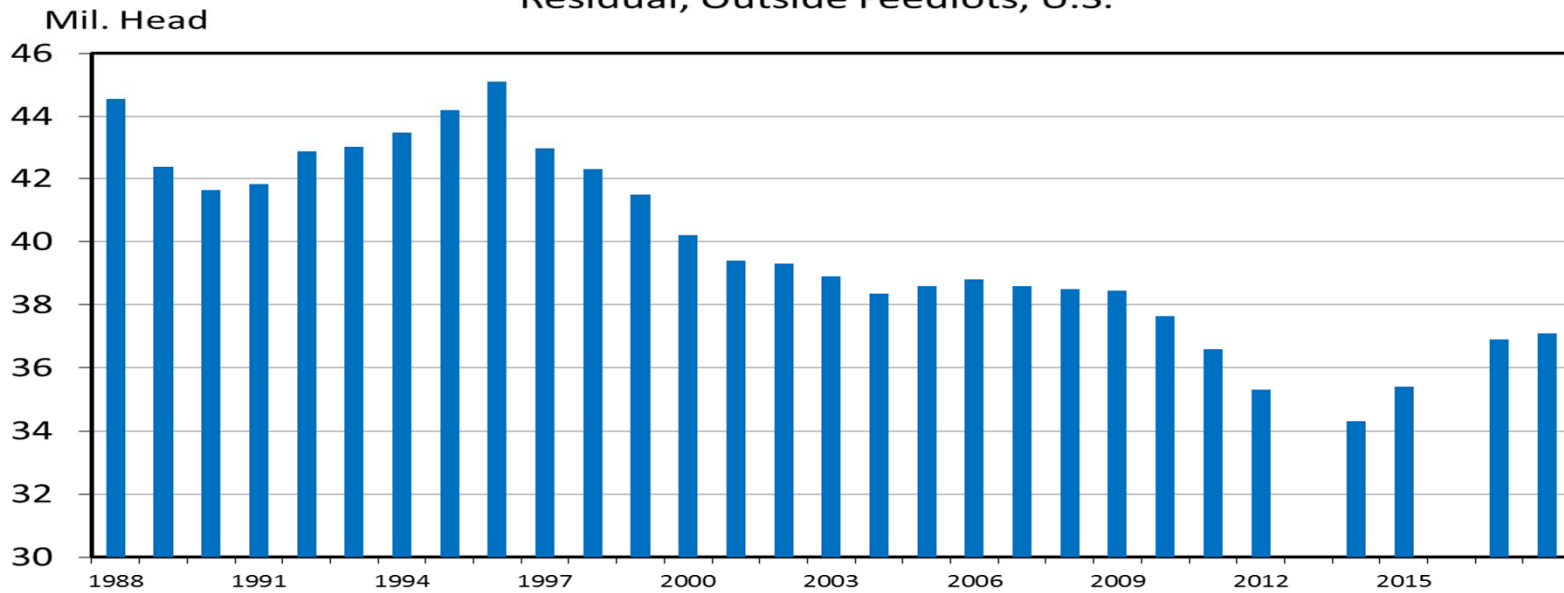
550-600 Pounds, N.D., Weekly



CALF CROP U.S., Annual

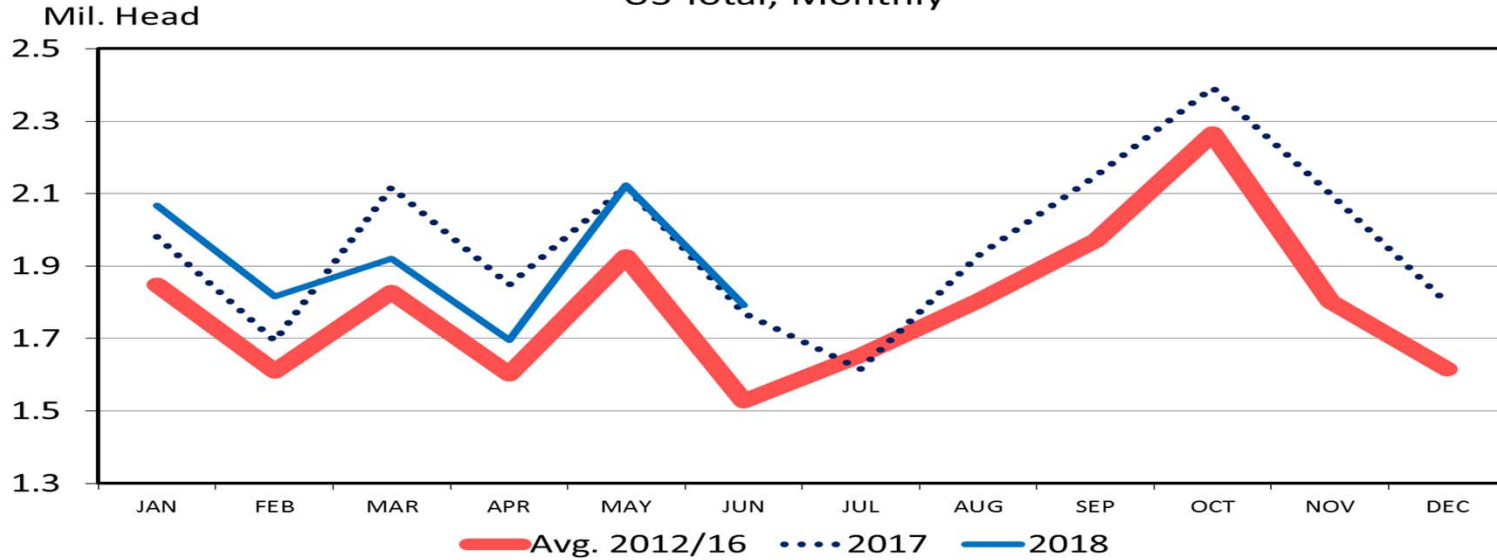


JULY 1 FEEDER CATTLE SUPPLIES Residual, Outside Feedlots, U.S.

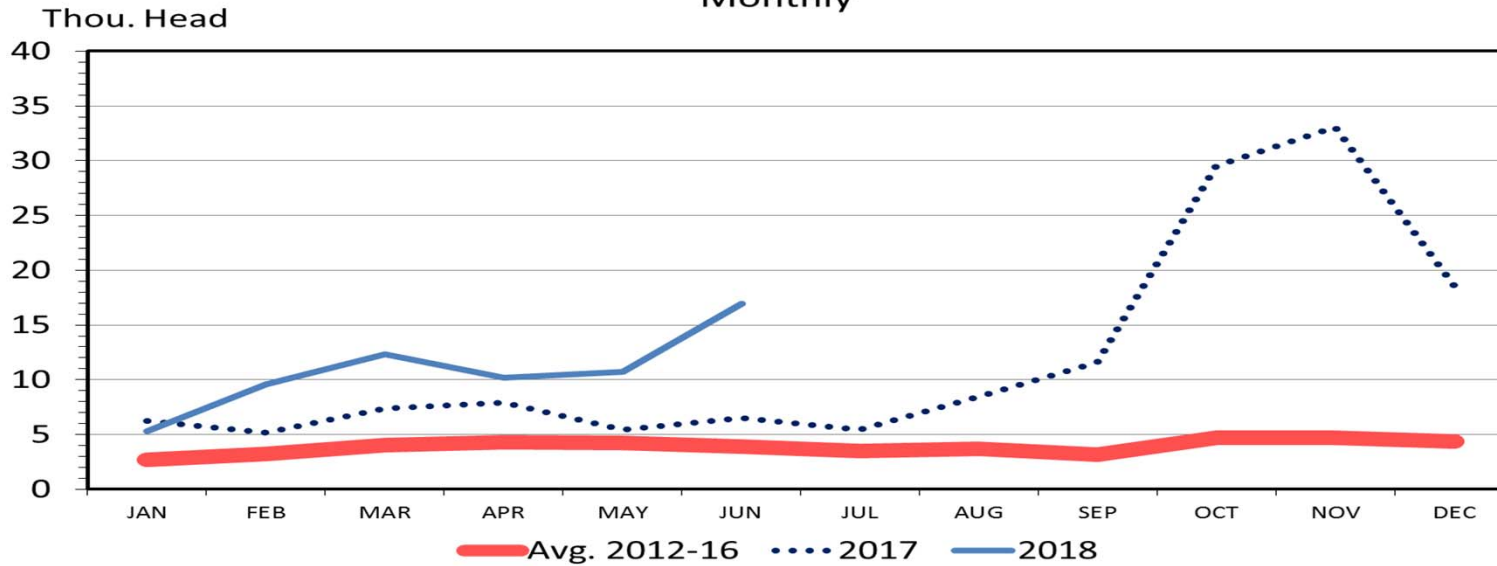


Data Source: USDA-NASS Livestock Marketing Information Center

FEEDLOT PLACEMENTS US Total, Monthly



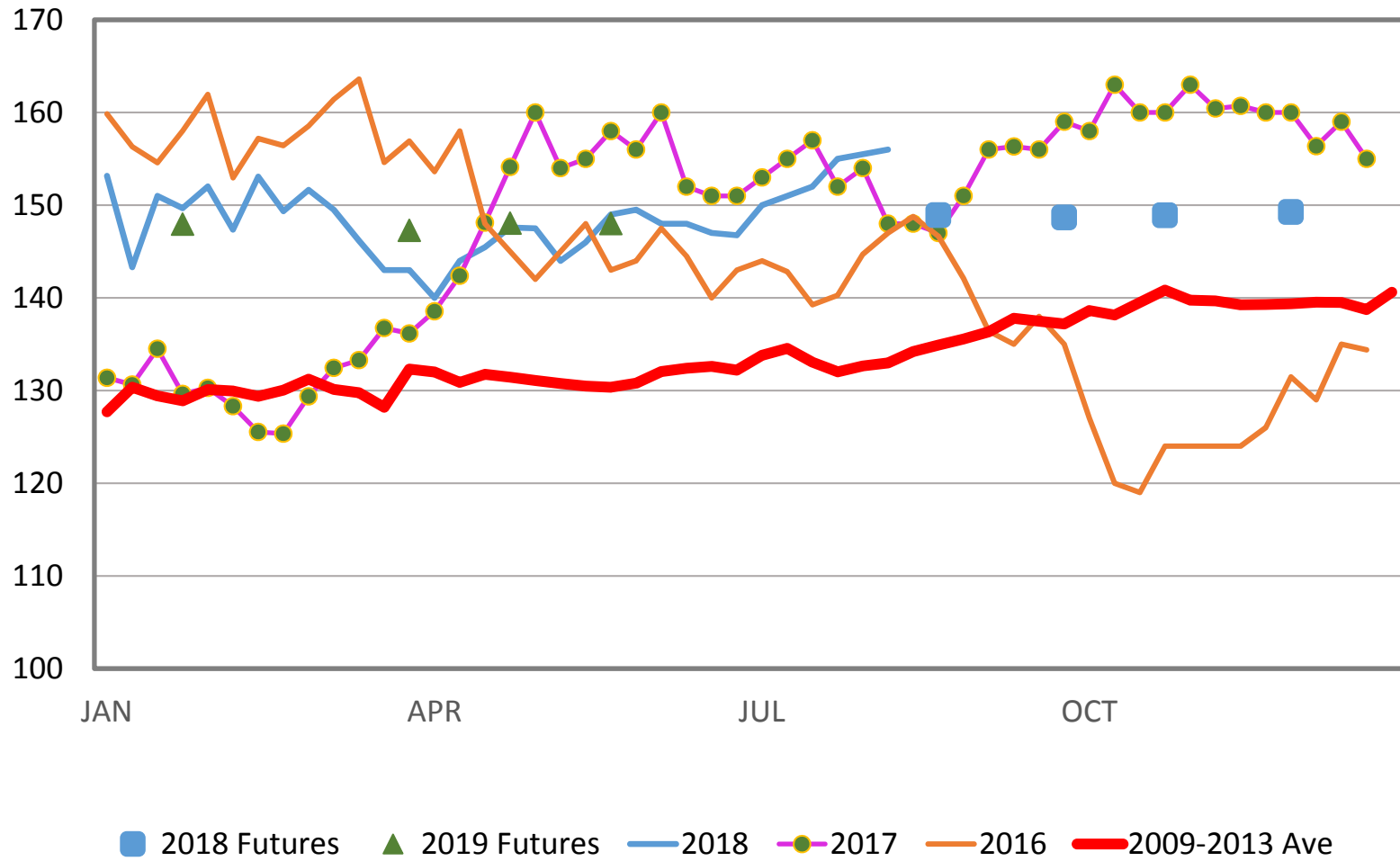
US CATTLE EXPORTS TO CANADA Monthly



Data Source: USDA-ERS & USDA-FAS - Livestock Marketing Information Center

MED. & LRG. #1 FEEDER STEER PRICES

750-800 Pounds, N.D., Weekly



SF_LS796

Sioux Falls, SD

Fri Apr 27, 2018

USDA-ND Dept of Ag Market News

North Dakota Weekly Auction Summary - For the week ending Apr 28, 2018

Receipts: 8,841

Last Week 3,399

Last Year 3,870

Feeder Steers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price	
19	444	444	196.50	196.50	
28	459-469	462	196.00-198.00	197.49	
37	504-528	515	181.50-192.50	188.64	
233	558-597	582	170.50-189.00	181.27	
8	598	598	155.50	155.50	Calves
78	600-623	614	153.00-181.50	171.79	
365	652-697	676	153.50-176.50	163.44	
237	705-748	716	152.00-166.50	161.01	
5	740	740	144.00	144.00	Calves
410	751-796	770	141.00-154.50	147.59	
376	801-844	824	127.00-150.75	141.49	
553	851-896	876	127.50-138.50	136.23	
376	927-943	934	124.50-134.00	128.08	
268	960-998	968	121.00-128.80	127.46	

SF_LS796

Sioux Falls, SD Fri Apr 27, 2018 USDA-ND Dept of Ag Market News
North Dakota Weekly Auction Summary - For the week ending Apr 28, 2018
Receipts: 8,841 Last Week 3,399 Last Year 3,870

Feeder Heifers Medium and Large 1					
Head	Wt Range	Avg Wt	Price Range	Avg Price	
5	345	345	170.00	170.00	
10	363	363	169.00	169.00	
22	419-436	425	173.00-182.00	178.64	
43	456-499	485	158.00-171.00	166.29	
105	500-540	525	151.00-170.00	162.57	
323	550-598	576	149.00-169.75	163.18	
306	603-644	626	143.00-166.50	156.96	
427	650-697	682	130.00-146.00	140.43	
44	650	650	161.50	161.50	Fancy
489	702-746	727	133.00-146.25	140.68	
21	740	740	142.00	142.00	Replacement
564	753-796	778	124.50-144.50	134.25	
124	773-774	773	128.75-143.75	138.91	Replacement
167	800-842	825	119.50-129.00	124.97	
74	811	811	127.50	127.50	Replacement
292	853-897	883	116.00-139.25	126.32	
30	858-888	878	119.50-132.00	127.93	Replacement
139	902-935	915	115.00-120.75	117.71	
31	910	910	141.00	141.00	Replacement
34	961-997	977	108.50-122.50	114.43	

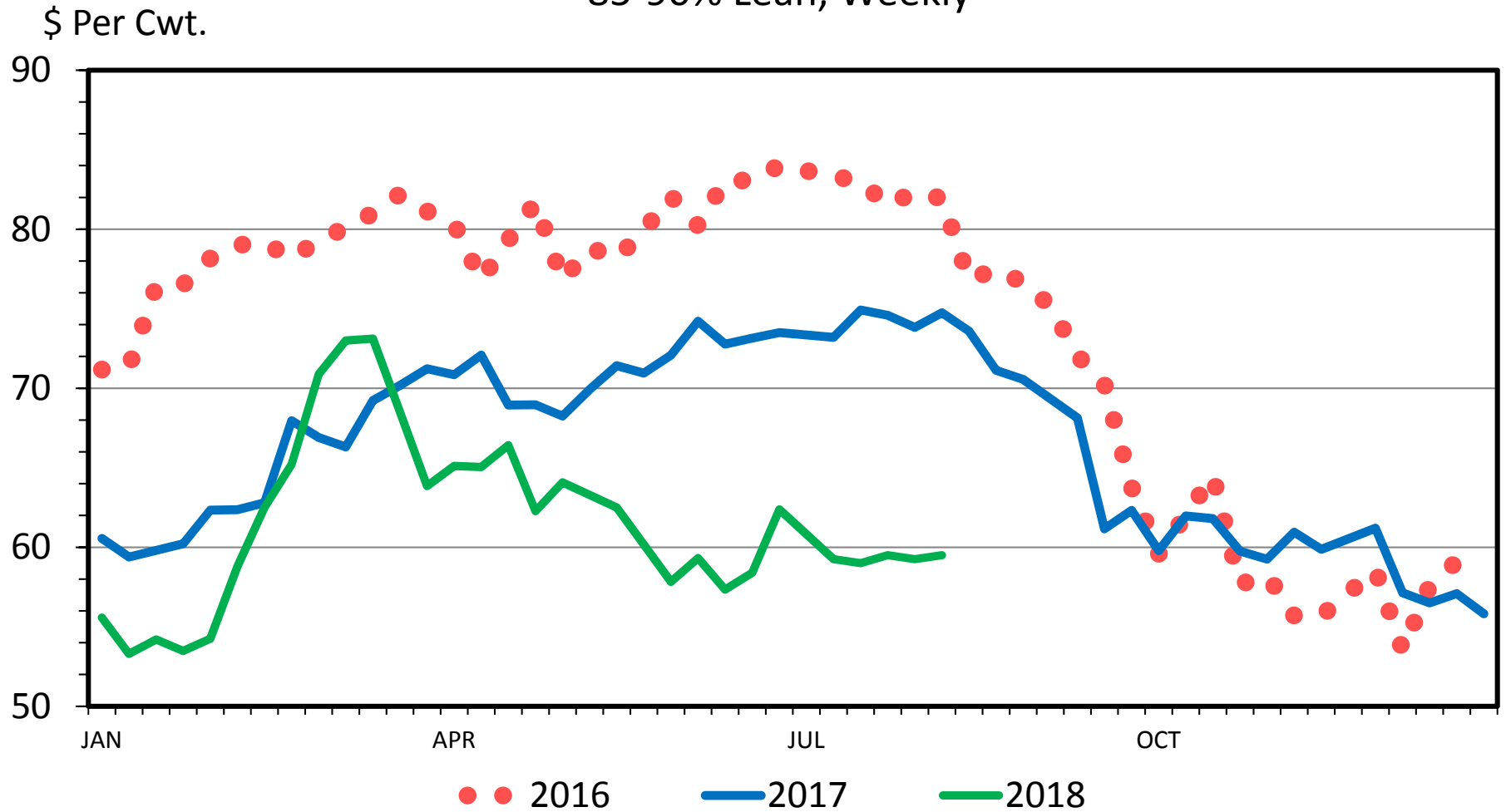
Premiums likely (but not consistent) for:

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

* *Check with your market before selling*

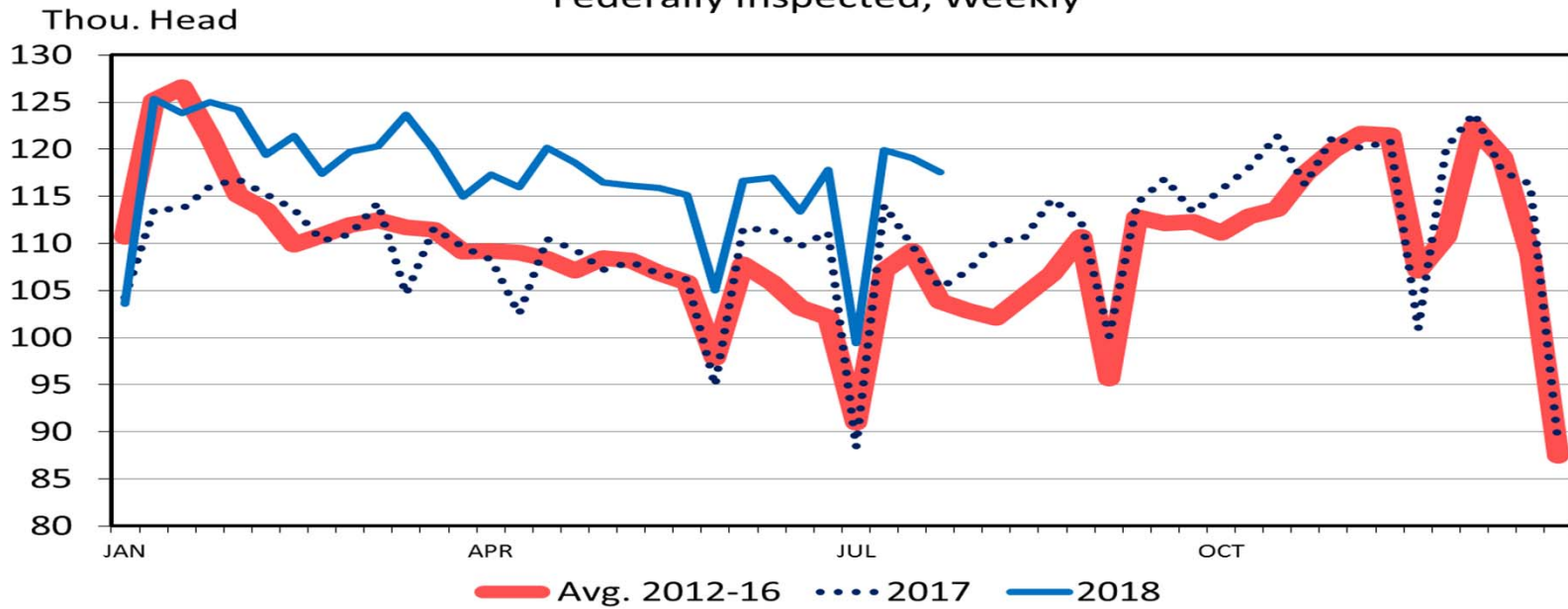
SLAUGHTER COW PRICES

85-90% Lean, Weekly

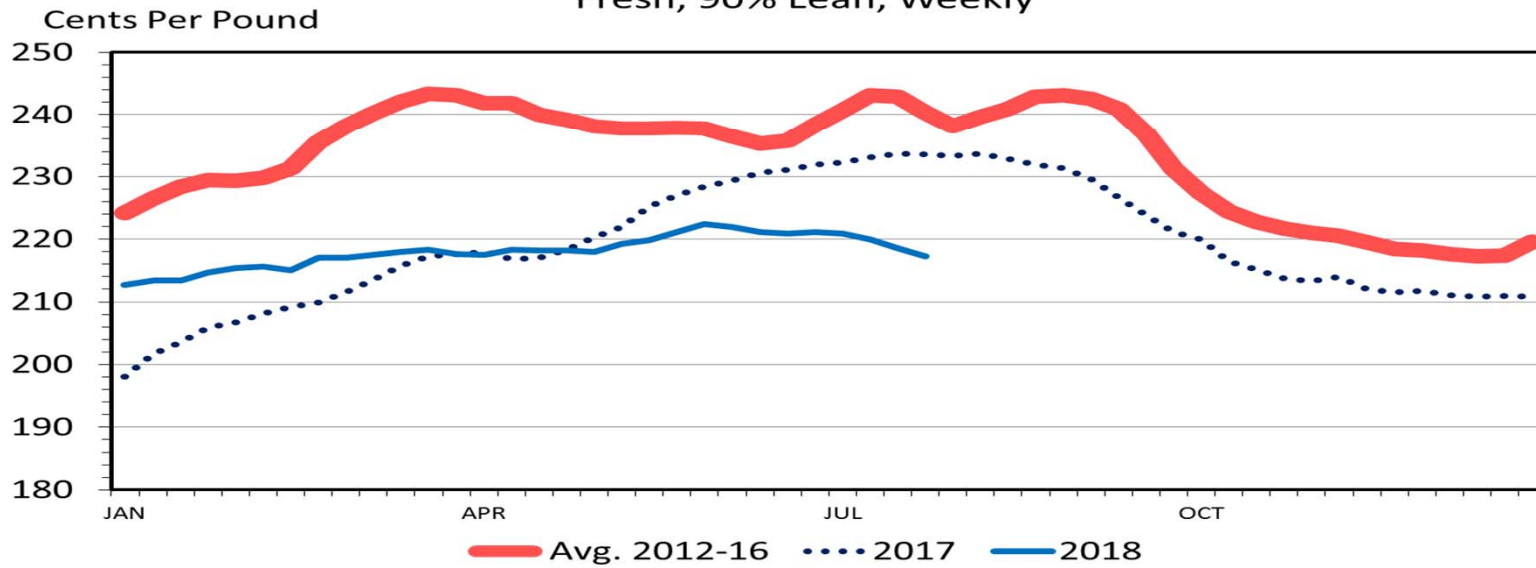


USDA-AMS, Compiled & Analysis by LMIC

TOTAL COW SLAUGHTER Federally Inspected, Weekly



WHOLESALE BONELESS BEEF PRICES Fresh, 90% Lean, Weekly



Data Source: USDA-AMS - Livestock Marketing Information Center

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?

Risk Management? SEP FDR CAT

CME:GFU2018 O:148.525 H:149.025 L:147.550 C:148.675



Fall Steer Calf LRP Results

July 15 to Nov 15 (17 wk)

Year	Coverage Price	Premium	Actual Price	LRP Payment	LRP Profit
2005	105.78	1.67	127.75	--	-1.67
2006	114.42	1.49	107.55	6.87	5.38
2007	123.20	2.58	119.27	3.93	1.35
2008	127.38	5.46	107.37	20.01	14.55
2009	112.18	3.73	102.94	9.24	5.51
2010	121.02	2.88	122.61	--	-2.88
2011	149.57	5.00	156.92	--	-5.00
2012	155.75	4.00	158.33	--	-4.00
2013	171.29	3.13	181.97	--	-3.13
2014	231.16	7.25	264.95	--	-7.25
2015	229	7.17	199.41	29.59	22.42
2016	145.46	4.97	137.92	7.54	2.57
2017	165.04	8.20	175.42		-8.20
2018	165.03	6.21			

SF_LS764

Sioux Falls, SD

Thu Nov 16, 2017

USDA-ND Dept of Ag Market News

Napoleon Livestock Auction Inc.-Napoleon, ND

Feeder Cattle Weighted Average Report for 11/16/2017

Receipts: 5297

Last Week: 6255

Year Ago: 5298

Feeder Steers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price	
5	315	315	225.00	225.00	
30	381-397	388	209.00-213.00	211.23	
75	407-449	433	192.00-207.75	197.20	
16	420	420	216.00	216.00	Fancy
69	451-483	466	186.50-195.00	191.23	
421	515-549	533	171.50-189.00	178.72	
418	550-599	581	167.00-180.00	173.53	
363	600-644	620	159.50-174.00	168.21	Calves
419	652-697	676	154.00-164.75	161.54	Calves
396	703-745	717	151.00-165.75	160.02	Calves
52	786-794	793	155.00-164.25	163.19	Calves
28	811-824	818	157.00	157.00	Calves
8	883	883	151.50	151.50	
18	871-874	872	147.50-148.50	147.83	Calves

SF_LS766

Sioux Falls, SD
Market News

Thu Nov 17, 2016

USDA-ND Dept of Ag

Stockmans Livestock Exchange

Feeder Cattle Weighted Average Report for 11/17/2016

Receipts: 4879 Last Week: 4922 Year Ago: 3841

Feeder Steers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price	
9	388	388	181.00	181.00	
27	405-416	415	182.00-191.25	190.25	
197	462-492	476	150.50-166.25	158.65	
313	502-548	524	142.50-156.75	150.11	
405	551-591	577	132.75-143.50	137.20	
412	602-646	623	127.25-134.75	132.04	Calves
505	650-695	671	125.00-136.75	130.28	Calves
163	700-730	714	119.00-128.75	125.14	Calves
48	752-767	764	115.00-118.25	117.91	Calves

SF_LS766

Sioux Falls, SD Thu Nov 12, 2015 USDA-ND Dept of Ag Market News

Stockmans Livestock Exchange

Feeder Cattle Weighted Average Report for 11/12/2015

Receipts: 4101 Last Week: 4762 Year Ago: 4553

Feeder Steers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price	
7	308-334	323	286.00-287.00	286.41	
18	364-375	368	259.00-283.00	268.43	
114	406-449	424	226.00-257.00	247.26	
185	455-494	485	211.00-228.00	221.86	
291	501-549	528	205.00-228.00	214.01	
350	551-586	575	190.00-208.00	199.41	
431	613-647	628	183.00-202.25	194.37	Calves
309	652-697	674	180.00-194.50	186.53	Calves
30	727	727	181.50	181.50	Calves

2018: Corn Prices and Beef Exports? Questions!

