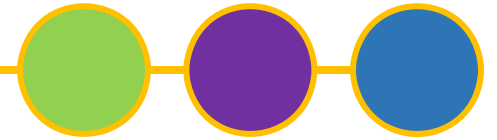


NDSU

EXTENSION



Cattle Situation and Outlook

Tim Petry, Livestock Economist

www.ndsu.edu/livestockeconomics

JAN2019

Outlook 01-07-2019.pptx

Livestock Fundamental Highlights

Record meat production in 2018 (pork, chicken & total)

Record meat including beef production in 2019

Prices for fed and feeder cattle near last year at this time

Cow prices lower

Other livestock prices near last year –hogs lower

Beef cow herd expanding – rate moderating – peak 2020?

2018 US calf crop up 692,000 (1.9%)

Beef demand robust

US economy strong

record beef exports in 2017,18, and 19

Top 4 US beef customers (Japan, S. Korea, Mexico, Canada) in trade negotiations causing price volatility

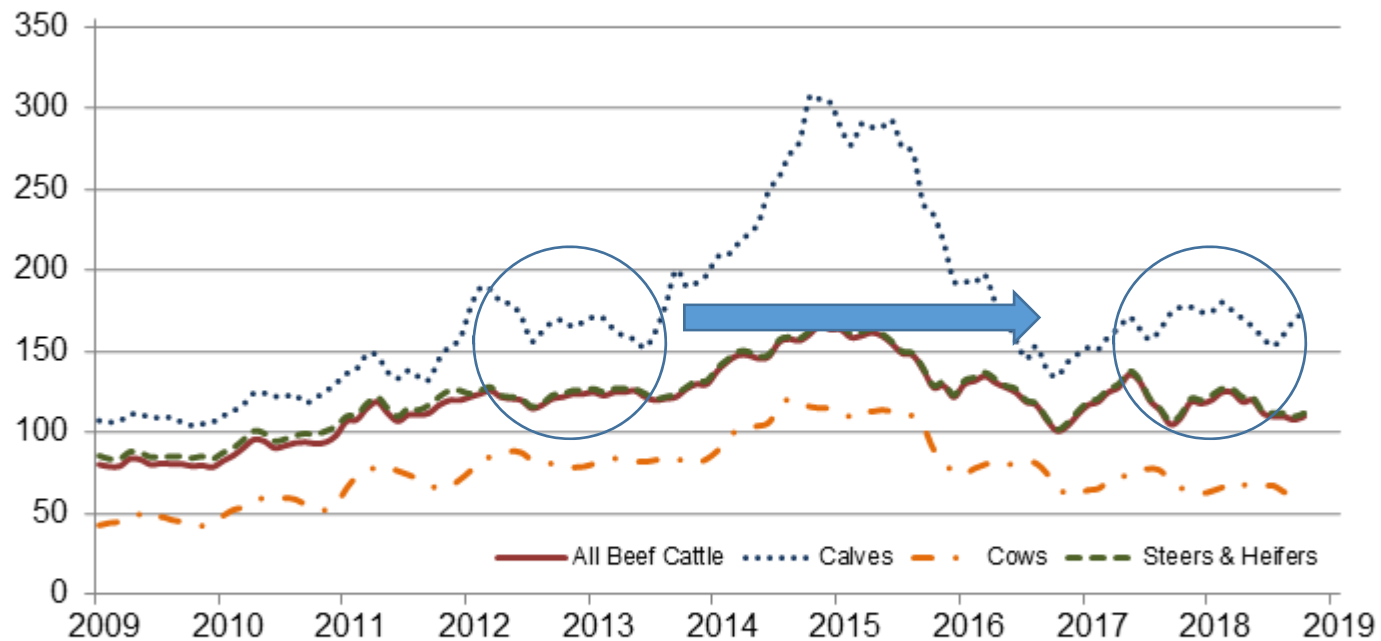


**Due to a lapse in federal funding,
this USDA website will not be
actively updated. Once funding
has been reestablished, online
operations will continue.**

Back to the Future?

Prices Received for Cattle by Month – United States

Dollars per cwt



USDA – NASS
11/29/2018

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>Pounds</i>	<i>Percent</i>	<i>Pounds</i>	<i>Percent</i>
Beef	24.25	23.70	25.22	26.19	26.94	2.9	27.79	3.2
Pork	22.84	24.50	24.94	25.58	26.31	2.9	27.72	5.4
Broilers	38.55	40.05	40.7	41.66	42.67	2.4	43.25	1.4
Turkey	5.76	5.63	5.98	5.98	5.88	-1.7	5.91	.5
Total meat	92.17	94.63	97.6	100.17	102.58	2.4	105.43	2.8
Prices	<i>Dollars/cwt</i>		<i>Dollars/cwt.</i>					
Steers	154.56	148.12	120.85	121.52	116.91	-3.8	118	1
Hogs	76.03	50.23	46.16	50.48	45.86	-9.2	42.75	-6.8
	<i>Cents/lb</i>		<i>Cents/lb.</i>					
Broilers	104.9	90.5	84.3	93.5	97.5	4.3	95.8	-1.7
Turkey	107.6	116.2	117.1	96.1	80.2	-16.6	84.5	5.4

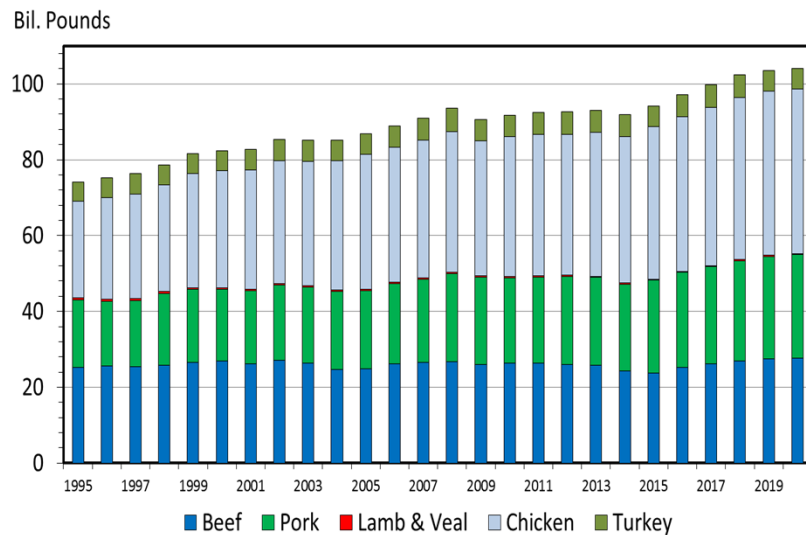
 record high

Dec 11, 2018

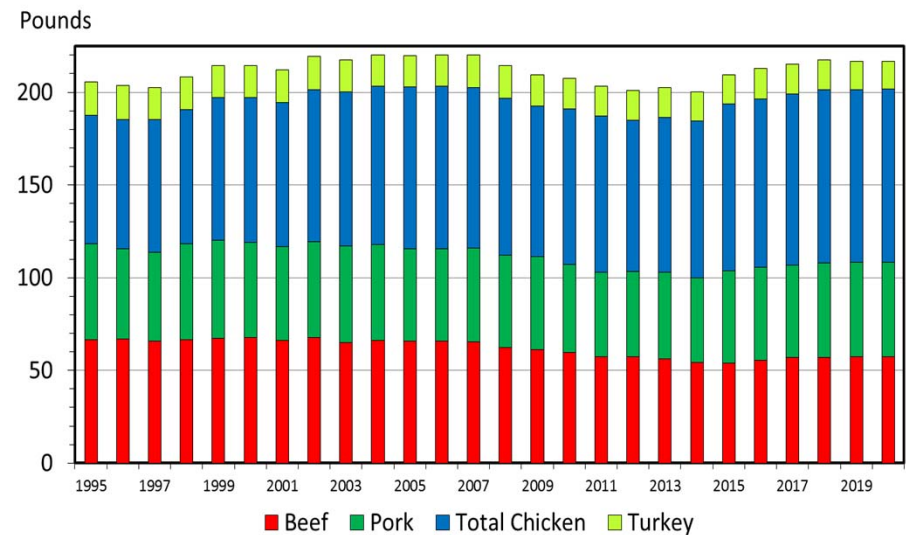
Mountains of Meat



COMMERCIAL MEAT & POULTRY PRODUCTION
By Type of Meat, Annual



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



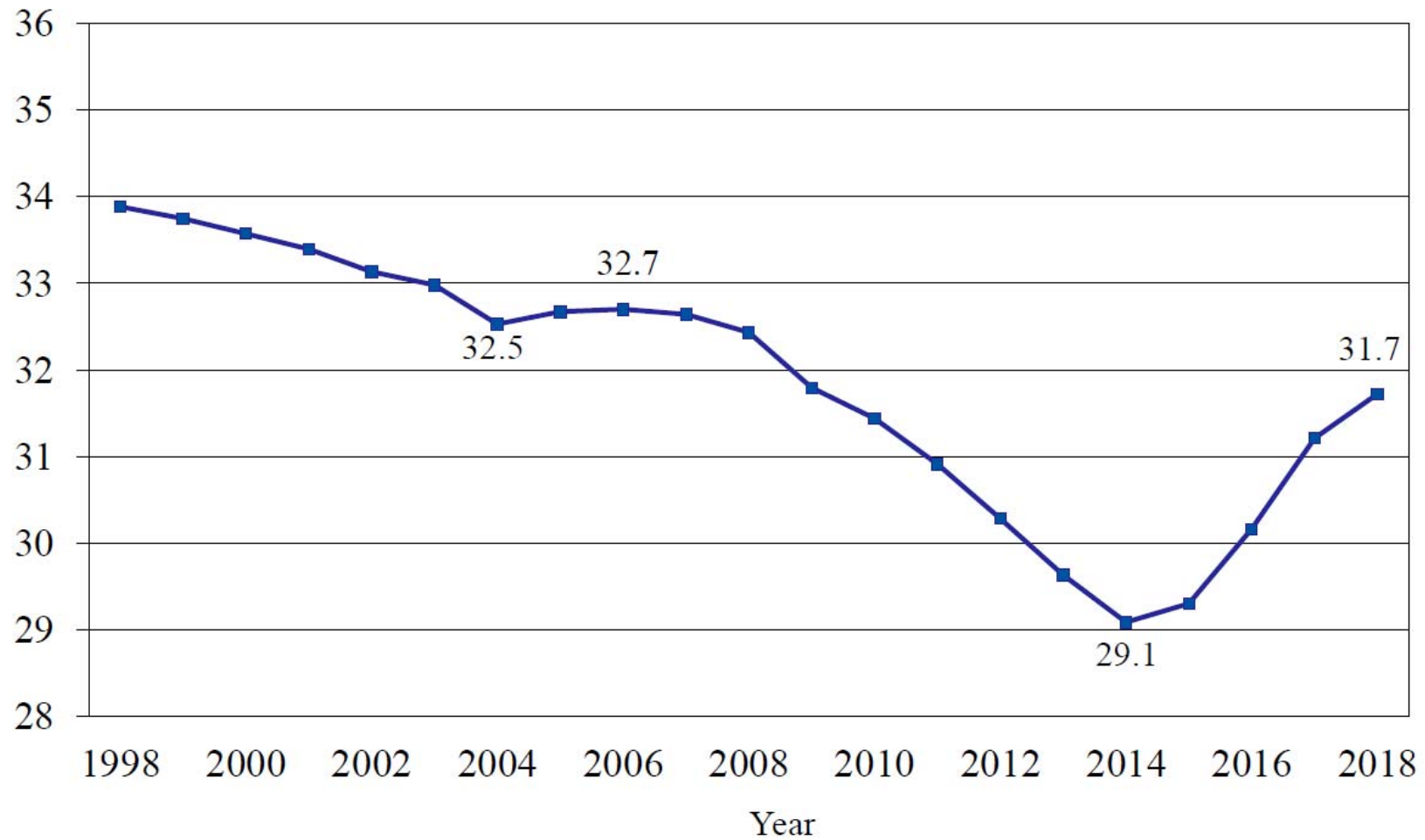
Data Source: USDA/NASS, Livestock Marketing Information Center



U.S. Beef Cows

January 1, 1998 - 2018

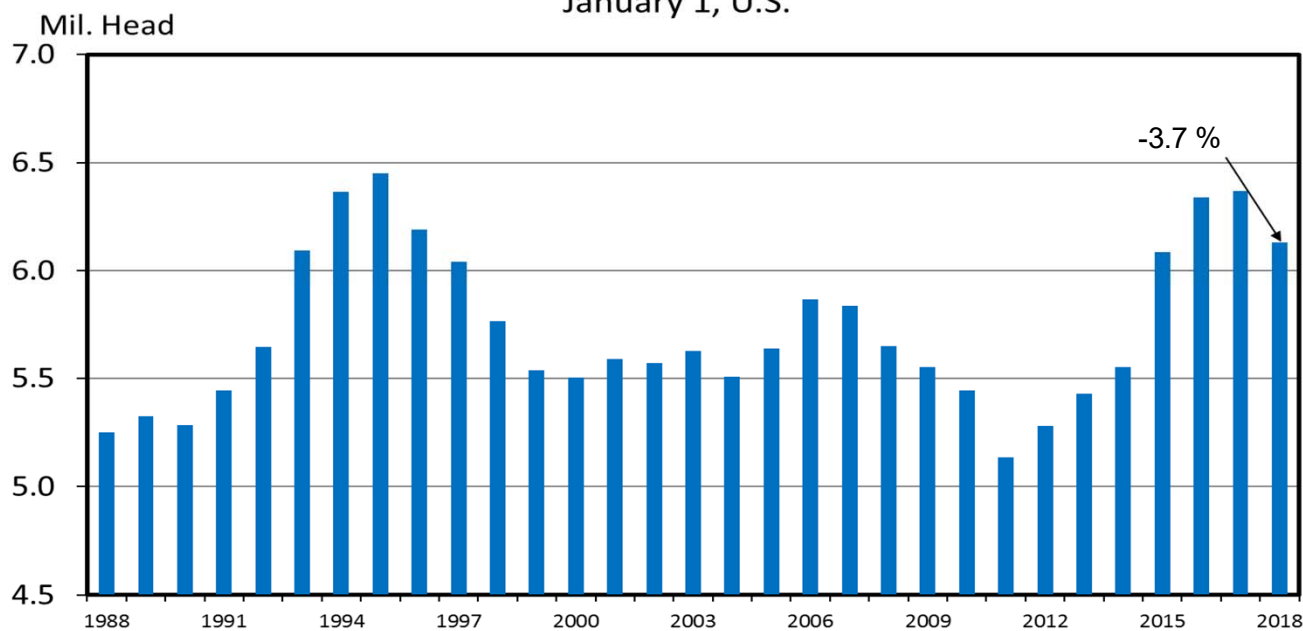
Million head



January 31, 2018

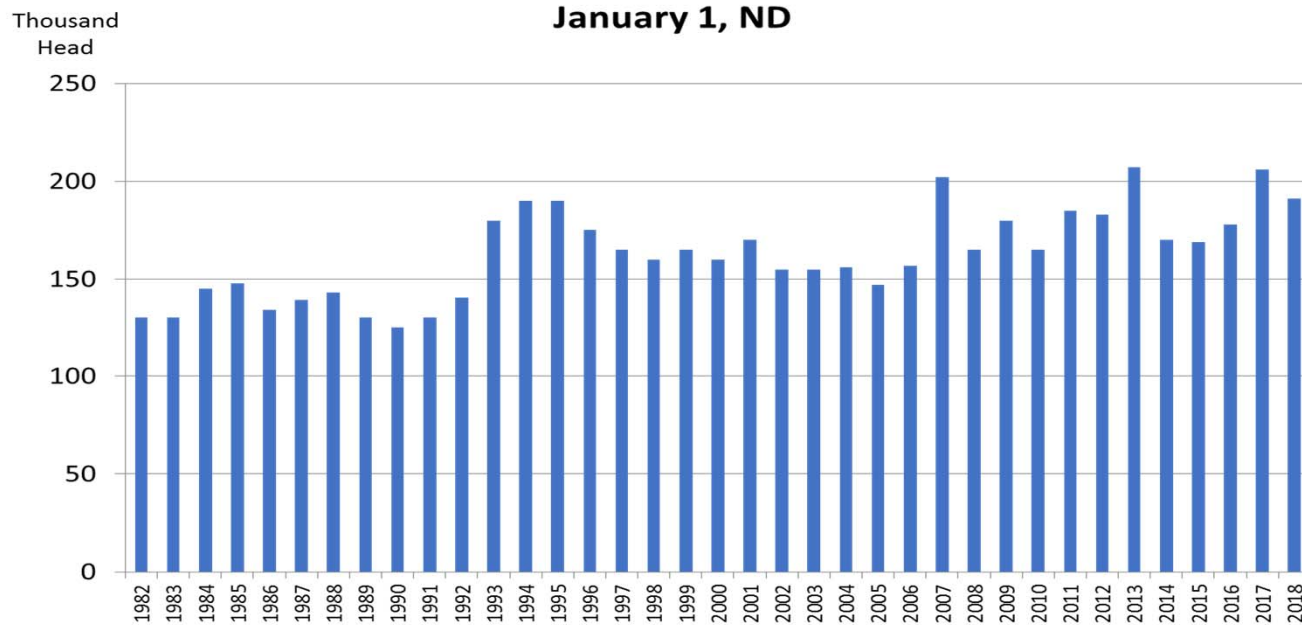
HEIFERS HELD AS BEEF COW REPLACEMENTS

January 1, U.S.



HEIFERS HELD AS BEEF COW REPLACEMENTS

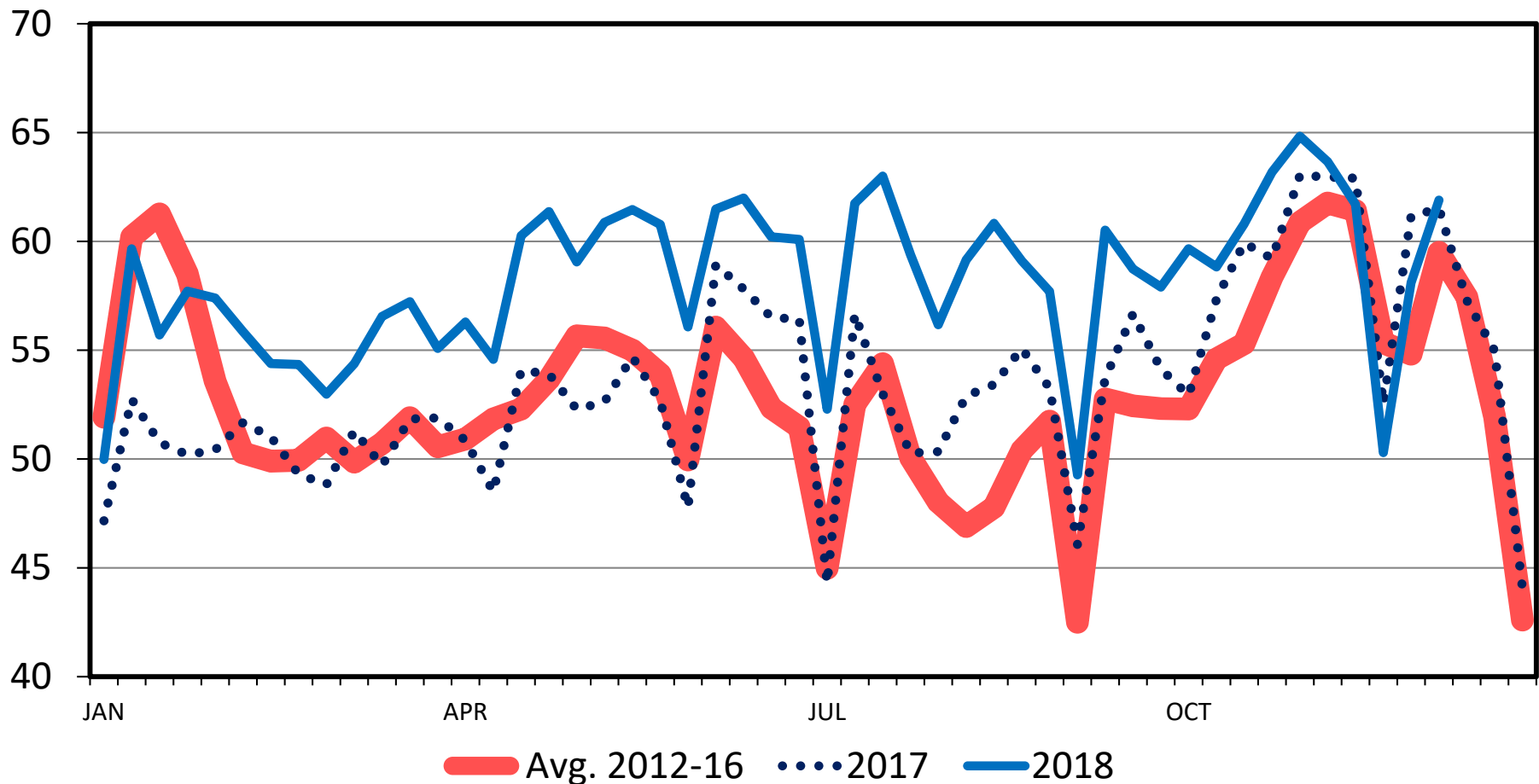
January 1, ND



BEEF COW SLAUGHTER

Federally Inspected, Weekly

Thou. Head



Data Source: USDA-AMS & USDA-NASS

Livestock Marketing Information Center

U.S. Cattle Areas Experiencing Drought

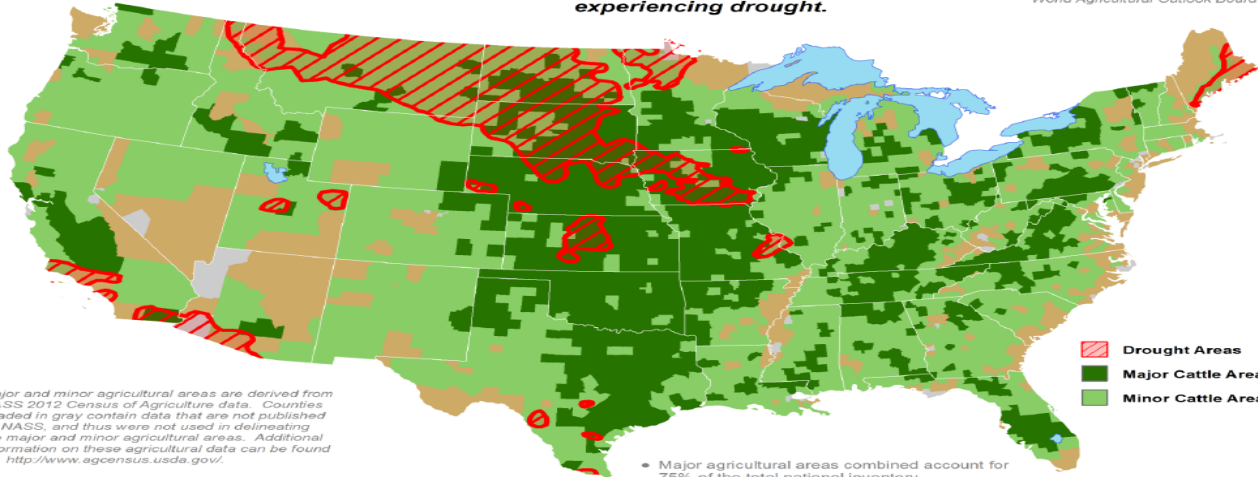
Reflects **August 15, 2017**
U.S. Drought Monitor data

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



United States
Department of
Agriculture

*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.

Drought Areas
 Major Cattle Area
 Minor Cattle Area

U.S. Cattle Areas Experiencing Drought

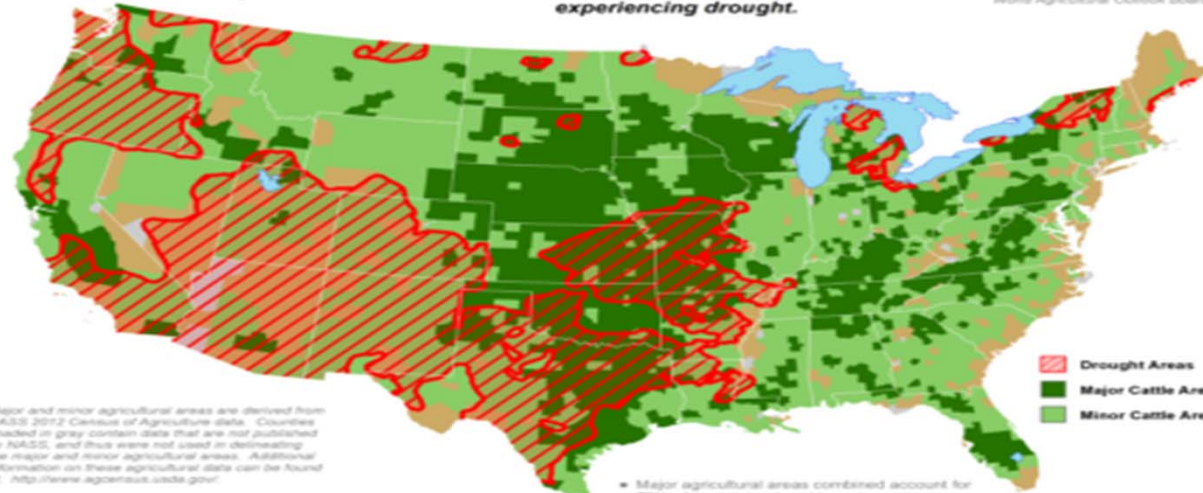
Reflects **August 7, 2018**
U.S. Drought Monitor data

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



United States
Department of
Agriculture

*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/>.

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

Drought Areas
 Major Cattle Area
 Minor Cattle Area

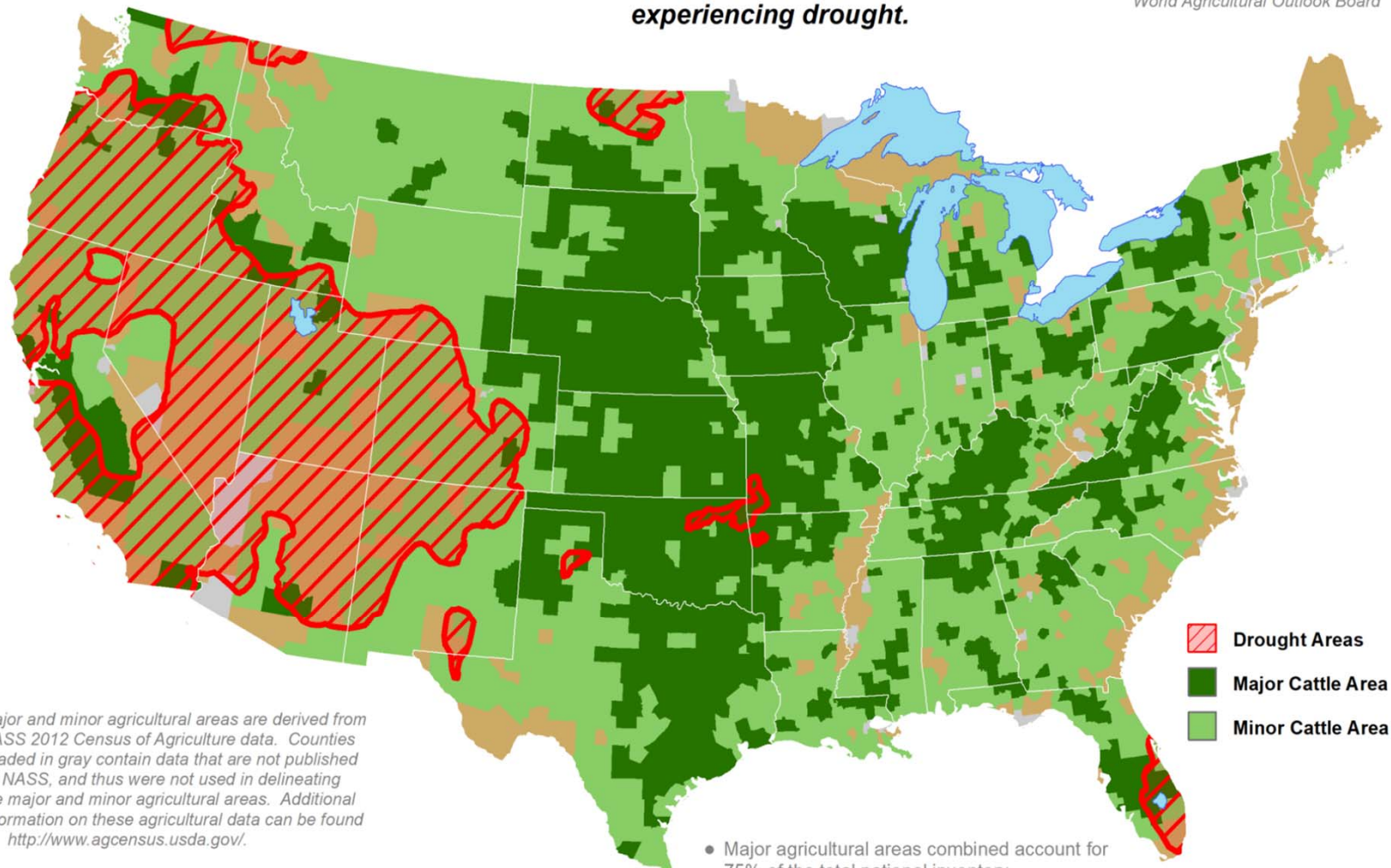
U.S. Cattle Areas Experiencing Drought

Reflects **December 18, 2018**
U.S. Drought Monitor data

Approximately **11%** 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/>.

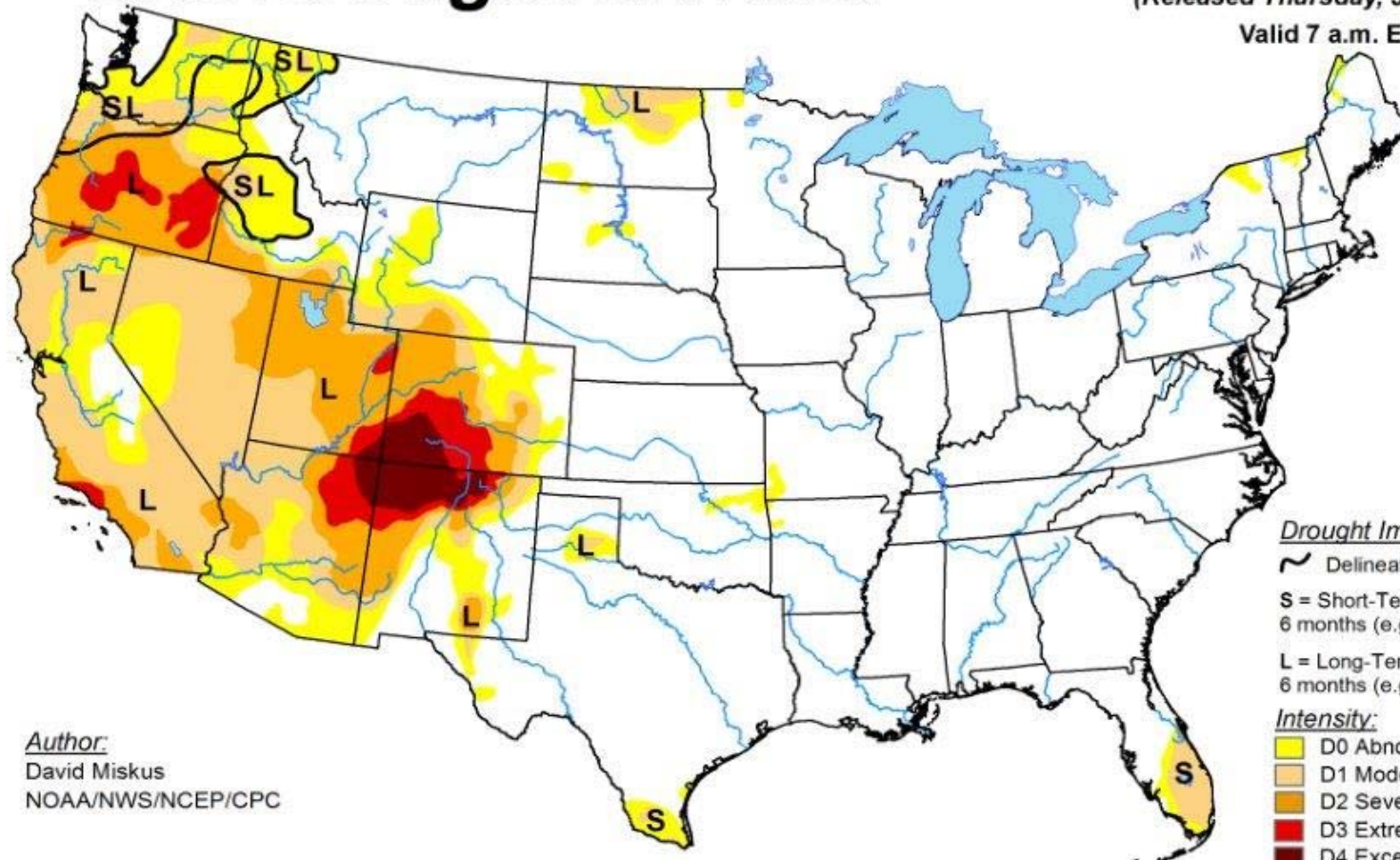
- Major agricultural areas combined account for 75% of the total national inventory.
- Major and minor agricultural areas combined account for 99% of the total national inventory.

U.S. Drought Monitor

January 1, 2019

(Released Thursday, Jan. 3, 2019)

Valid 7 a.m. EST



Author:
David Miskus
NOAA/NWS/NCEP/CPC

Drought Impact Types:

~ Delineates dominant impacts

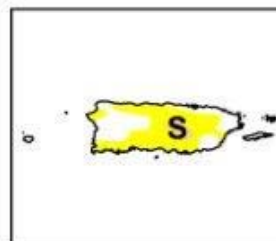
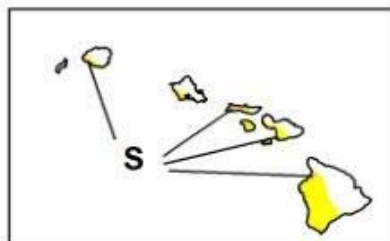
S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)

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

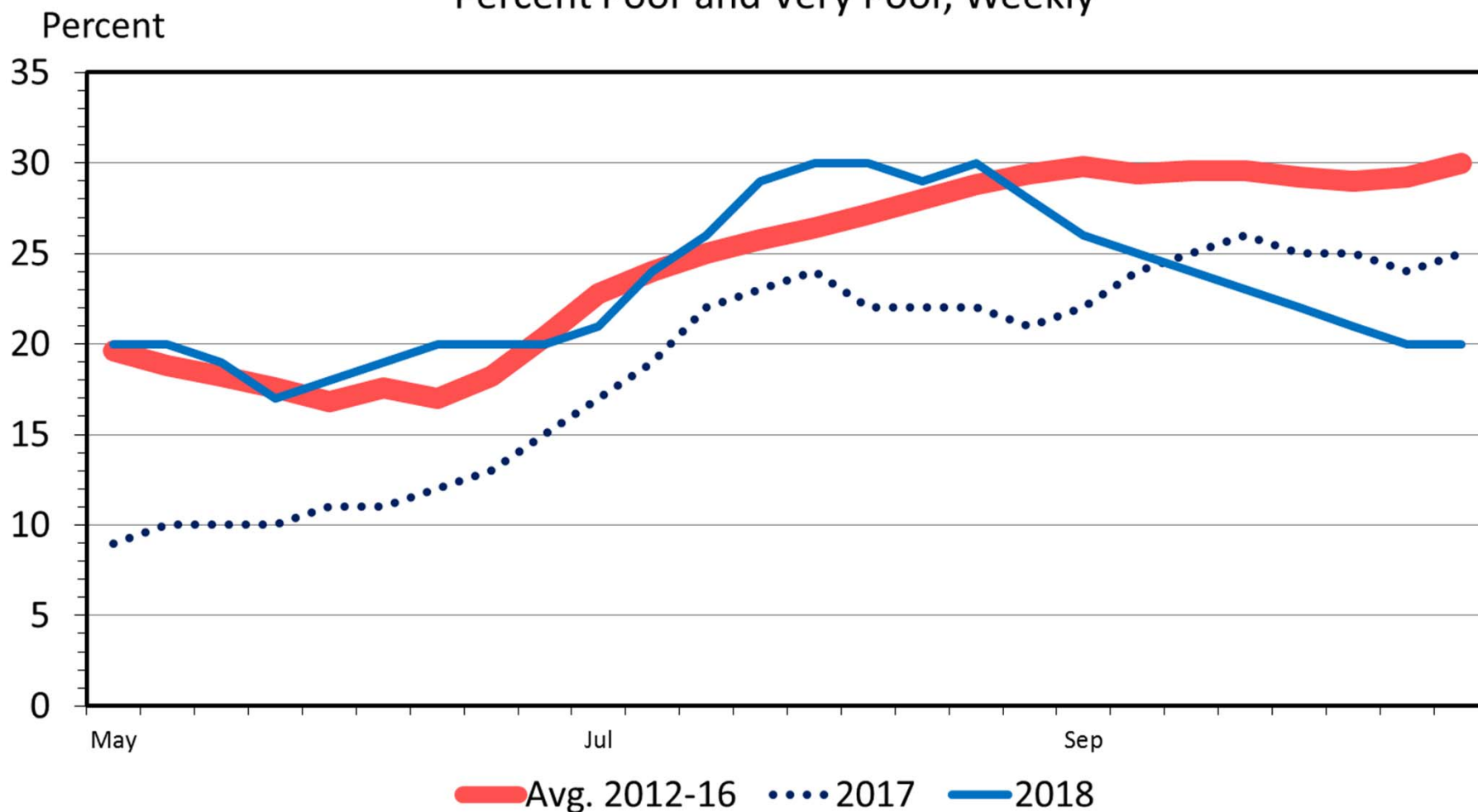
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



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

US RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly

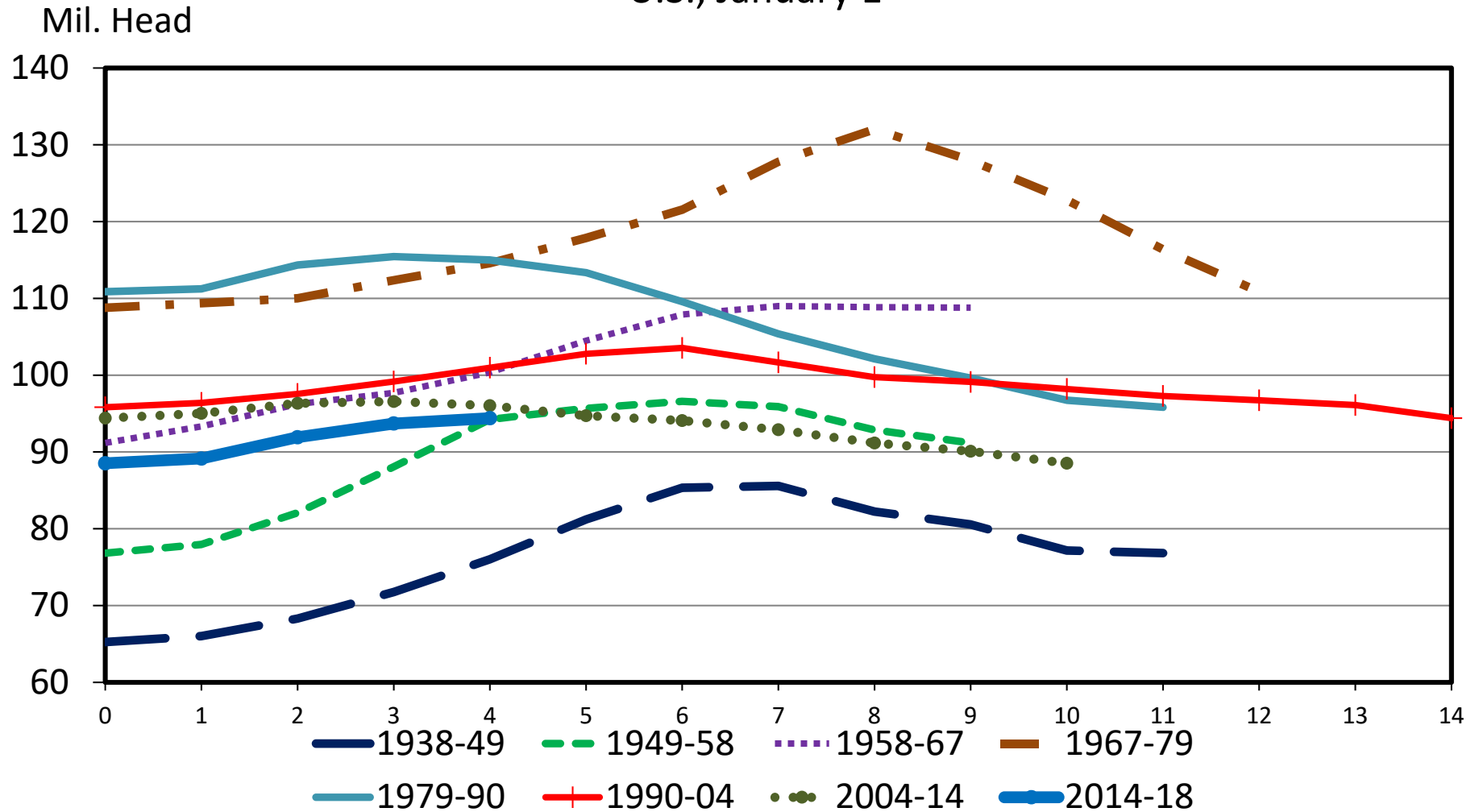


Data Source: USDA-ERS & USDA-FAS

Livestock Marketing Information Center

TOTAL CATTLE INVENTORY BY CYCLE

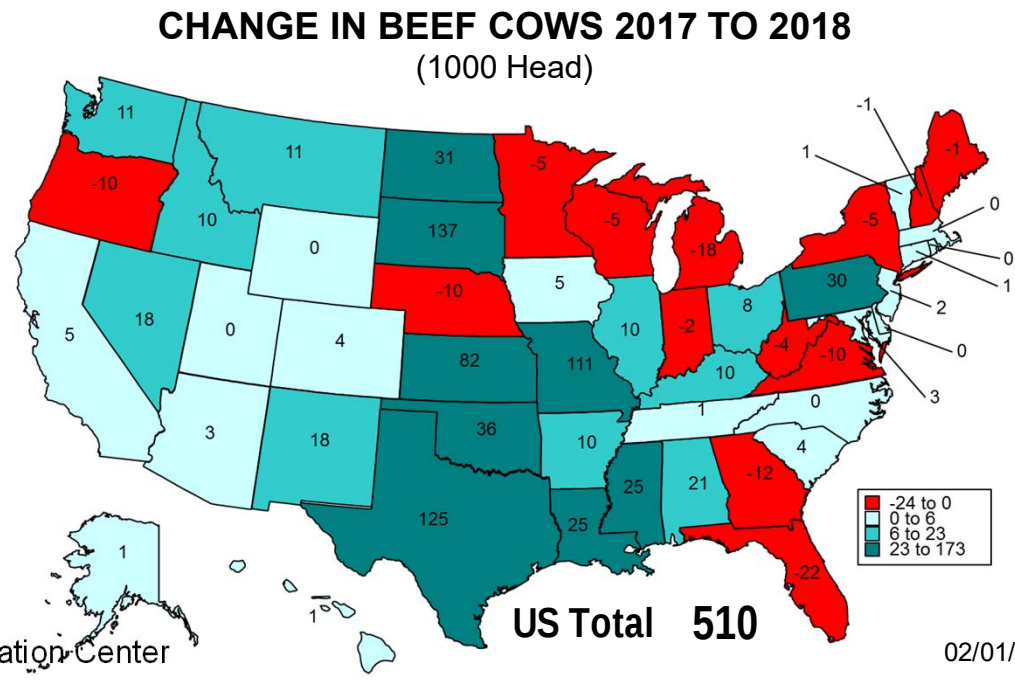
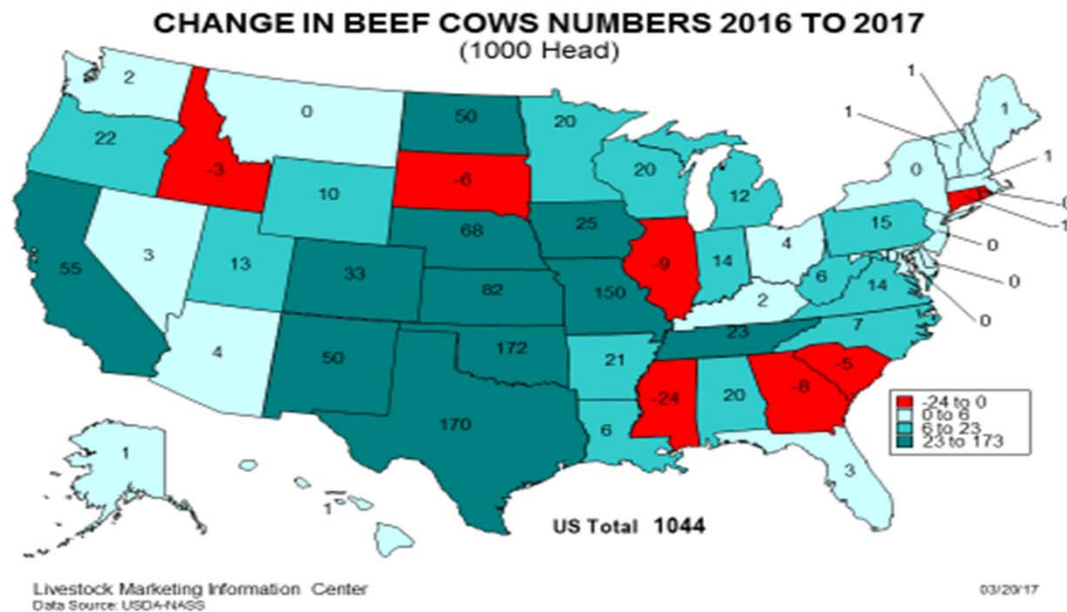
U.S., January 1



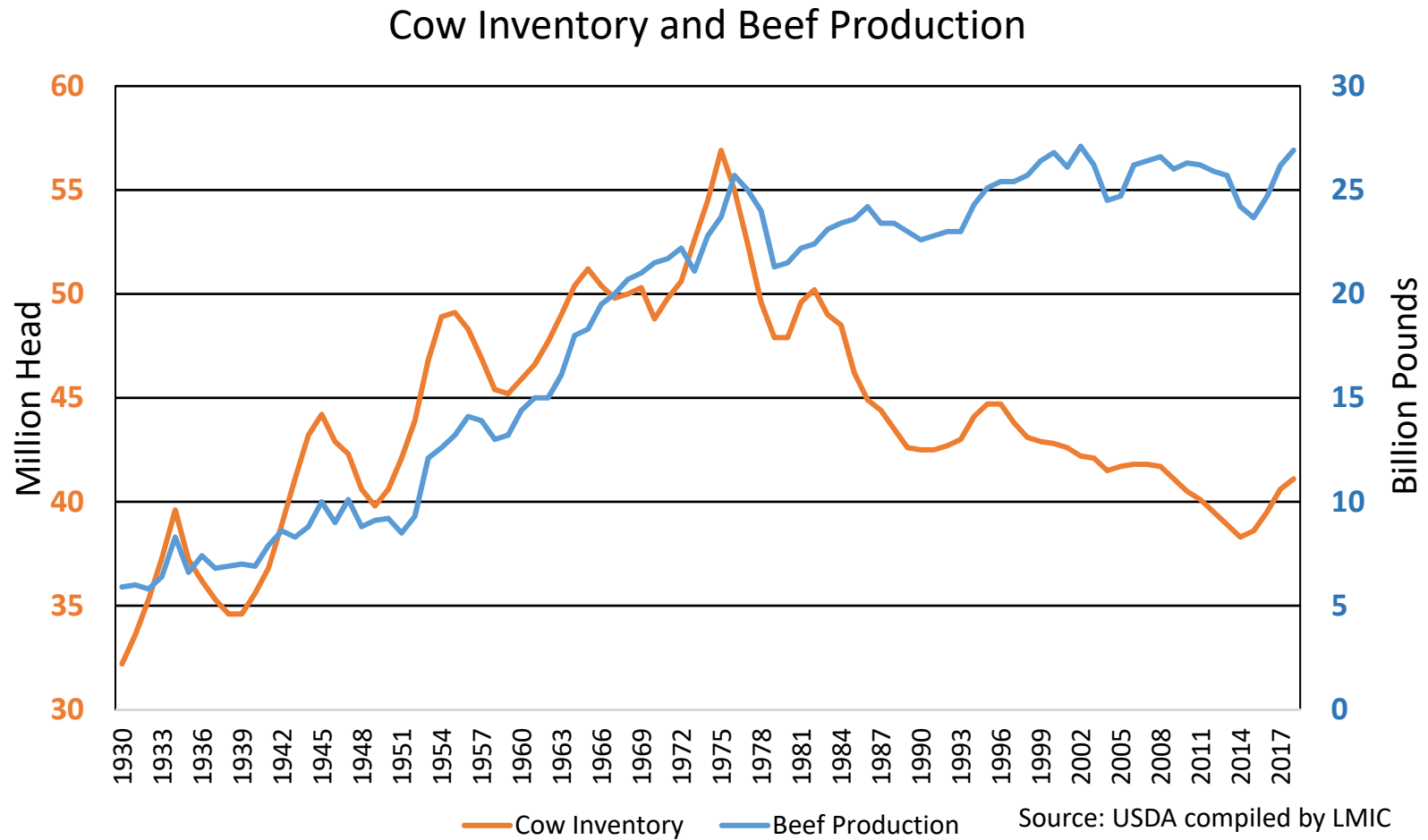
Data Source: USDA-NASS

Livestock Marketing Information Center

C-N-40
01/31/18

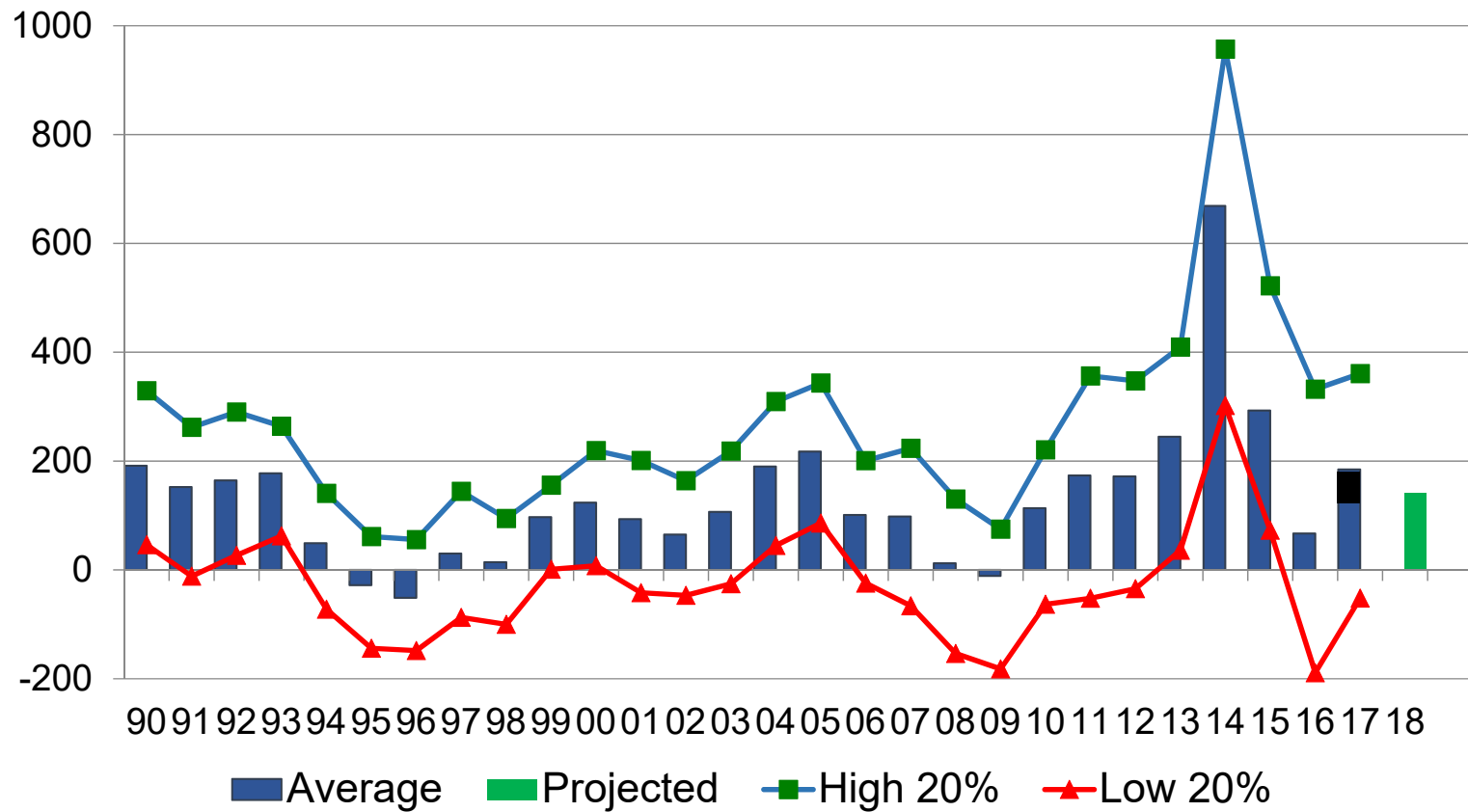


How much expansion is needed?

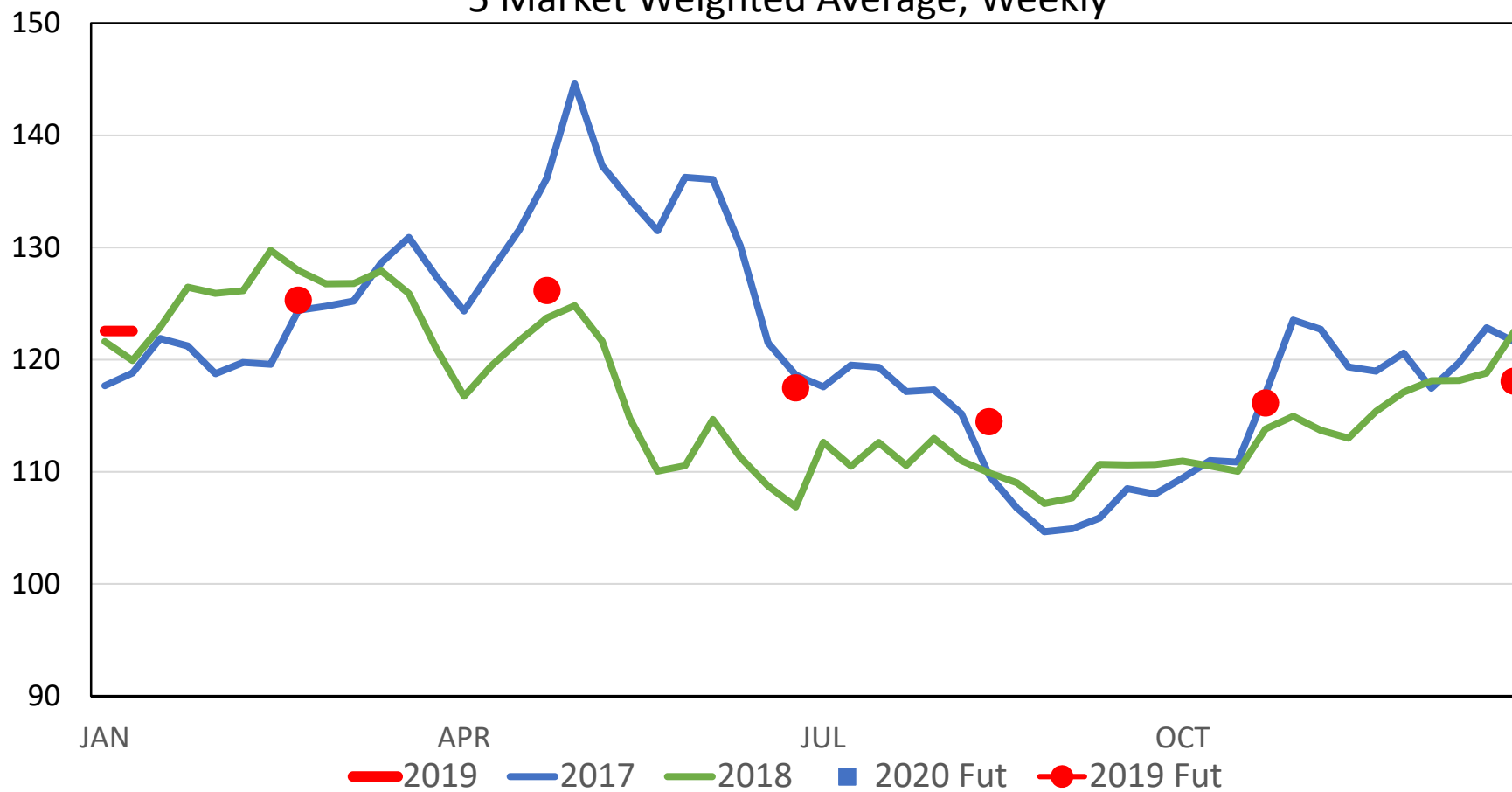


Average Net Return to Labor and Management Per Beef Cow

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

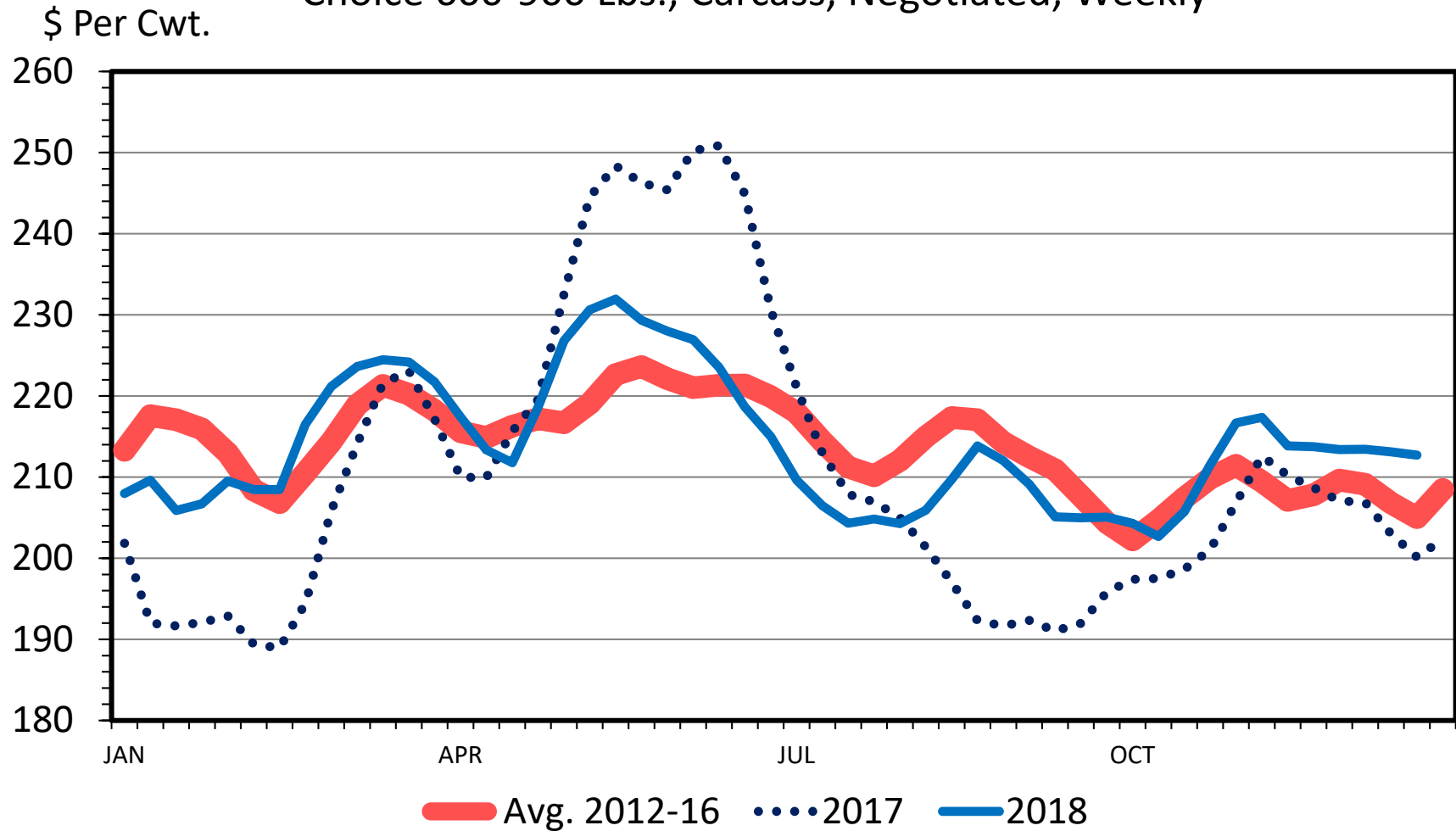


5 Market Weighted Average, Weekly



BOXED BEEF CUTOUT VALUE

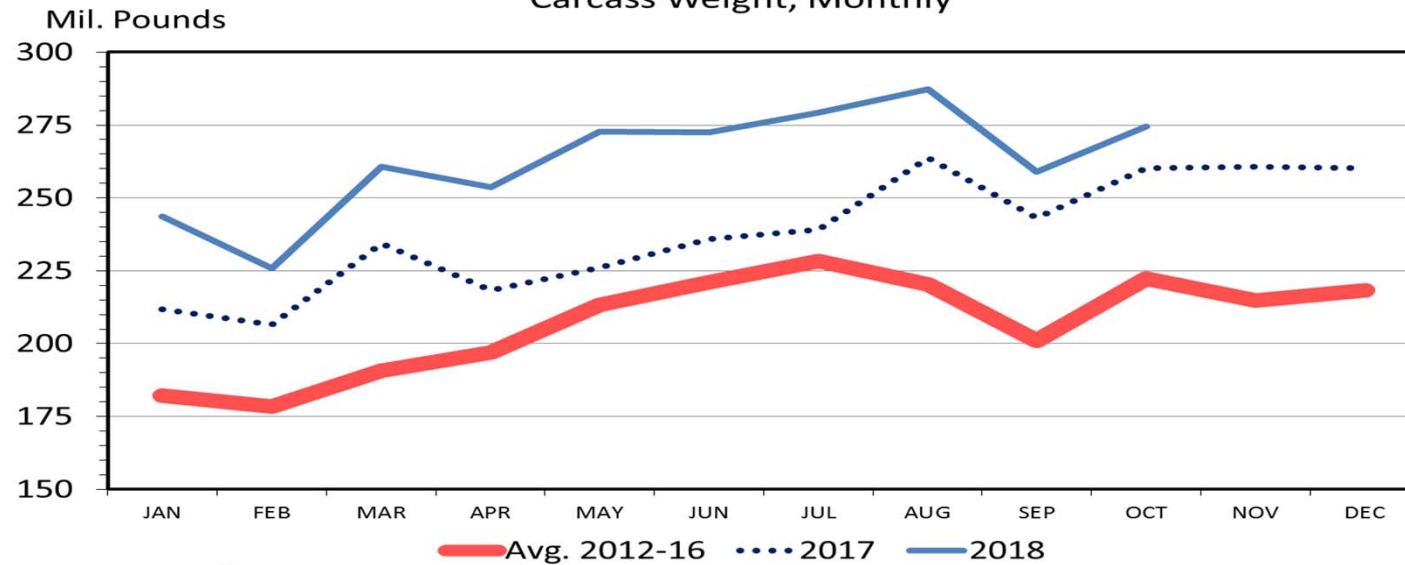
Choice 600-900 Lbs., Carcass, Negotiated, Weekly



USDA-AMS, Compiled & Analysis by LMIC

US BEEF AND VEAL EXPORTS

Carcass Weight, Monthly

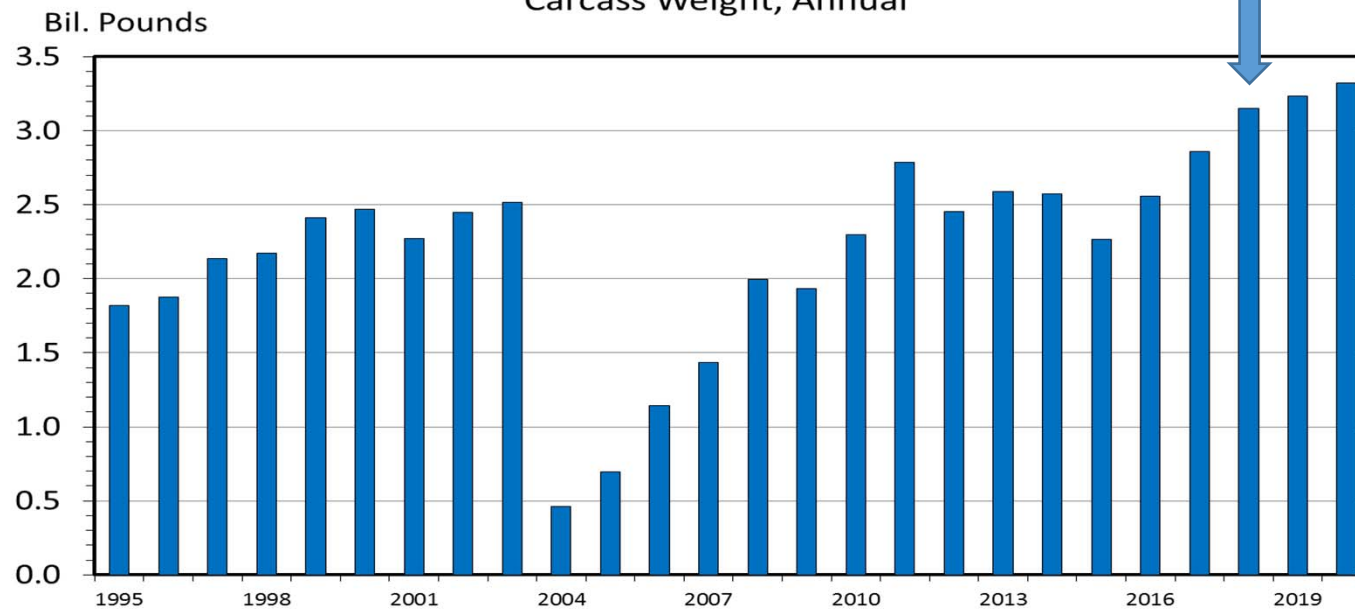


Data Source: USDA-ERS & USDA-FAS

Livestock Marketing Information Center

US BEEF AND VEAL EXPORTS

Carcass Weight, Annual



U.S. Ranking in World



Major U.S. Meat Export Customers

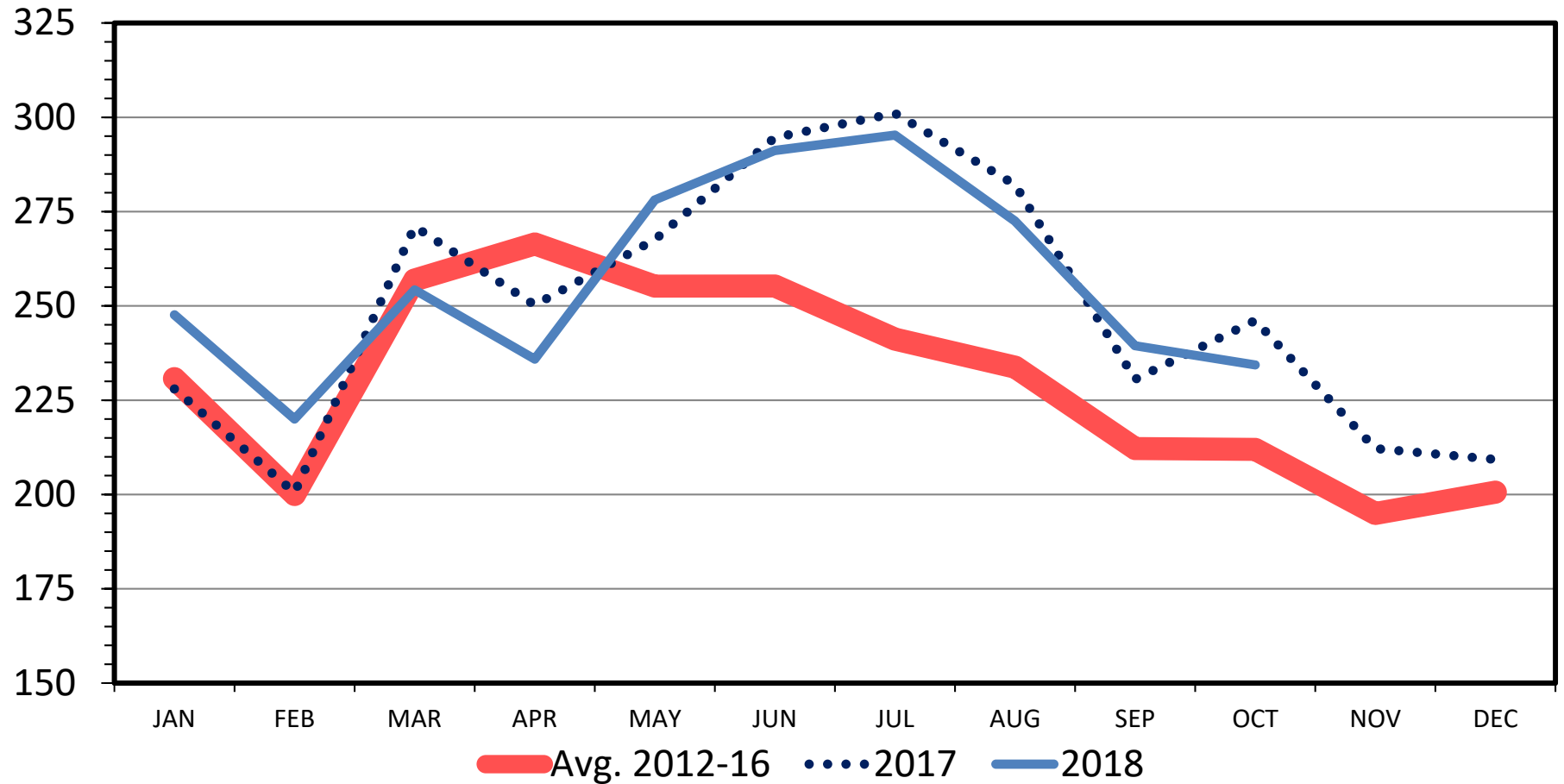
BEEF	PORK	CHICKEN
Japan	Mexico	Mexico
Korea	Japan	Canada
Mexico	Canada	Cuba
Canada	China	Hong Kong
Hong Kong	Korea	Taiwan
China?	Australia	China



US BEEF AND VEAL IMPORTS

Carcass Weight, Monthly

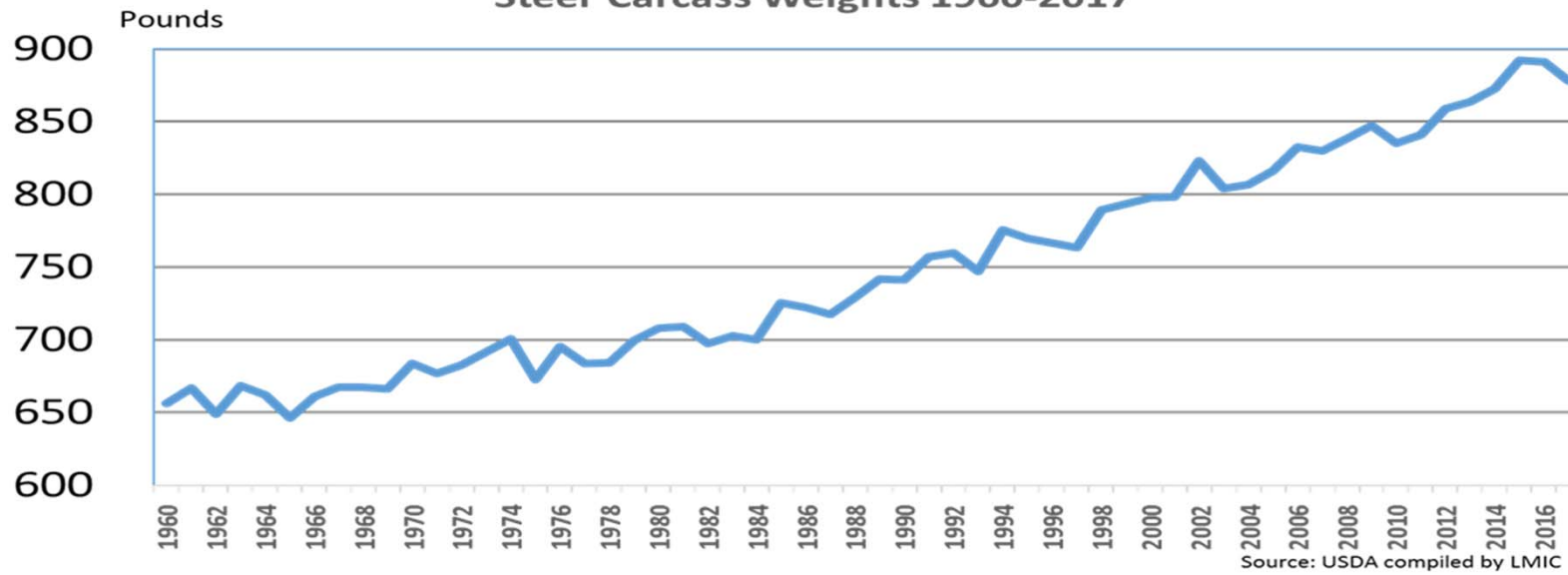
Mil. Pounds



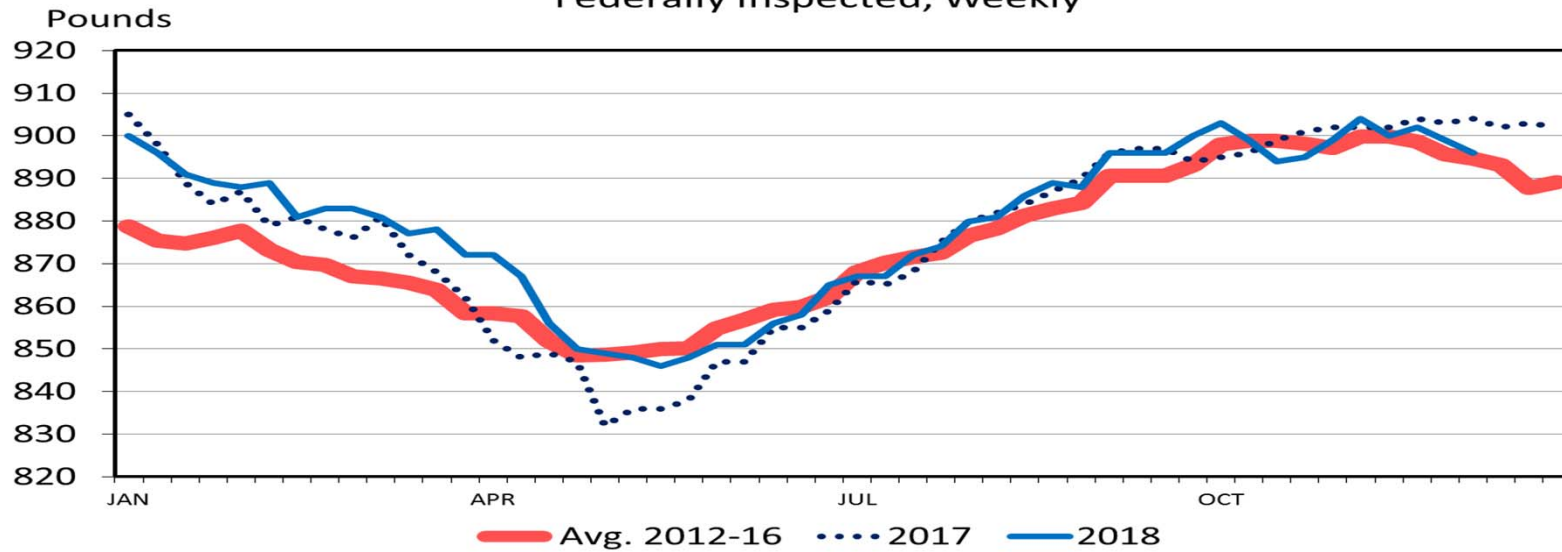
Data Source: USDA-ERS & USDA-FAS

Livestock Marketing Information Center

Steer Carcass Weights 1960-2017



STEER DRESSED WEIGHT Federally Inspected, Weekly

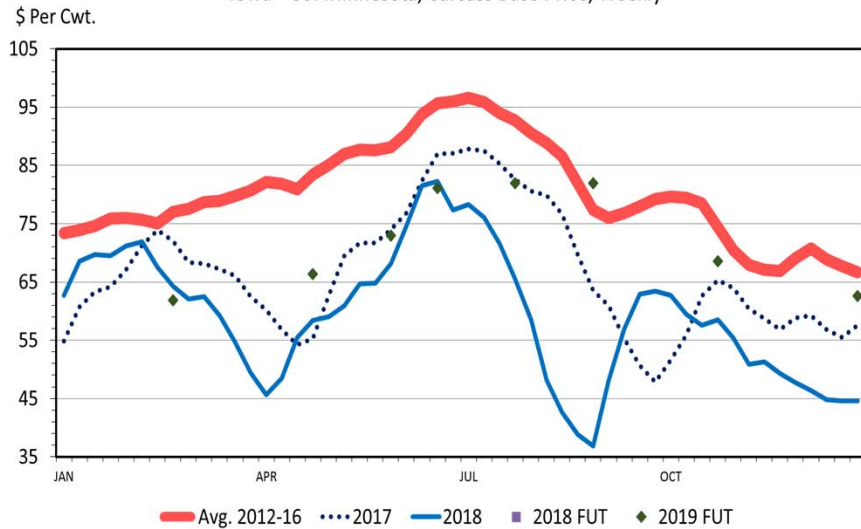


Data Source: USDA-AMS & USDA-NASS - Livestock Marketing Information Center

Other Livestock

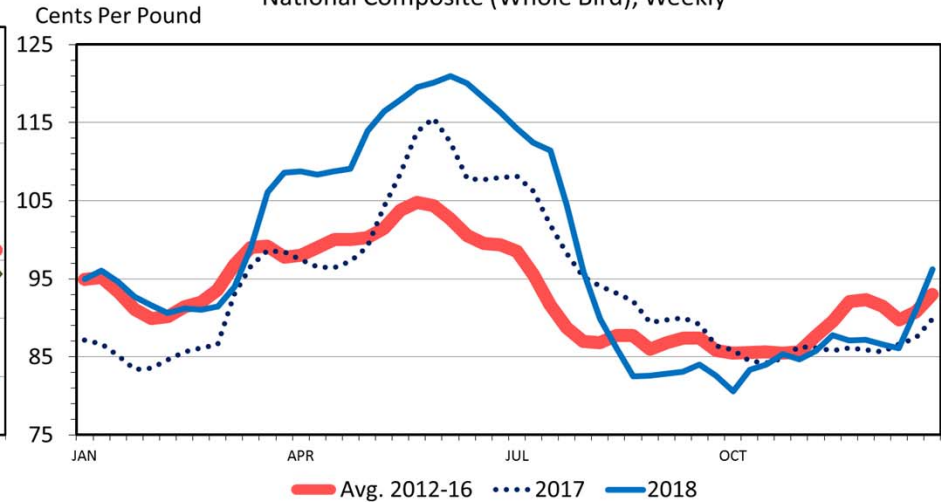
BARROW AND GILT PRICES

Iowa – So. Minnesota, Carcass Base Price, Weekly



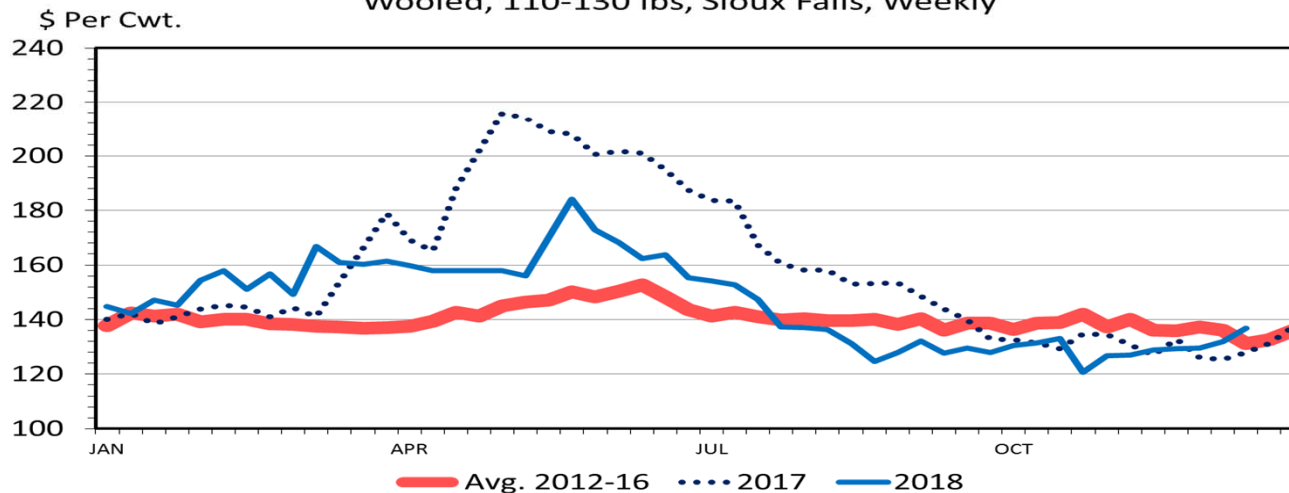
BROILER PRICES

National Composite (Whole Bird), Weekly



SLAUGHTER LAMB PRICES

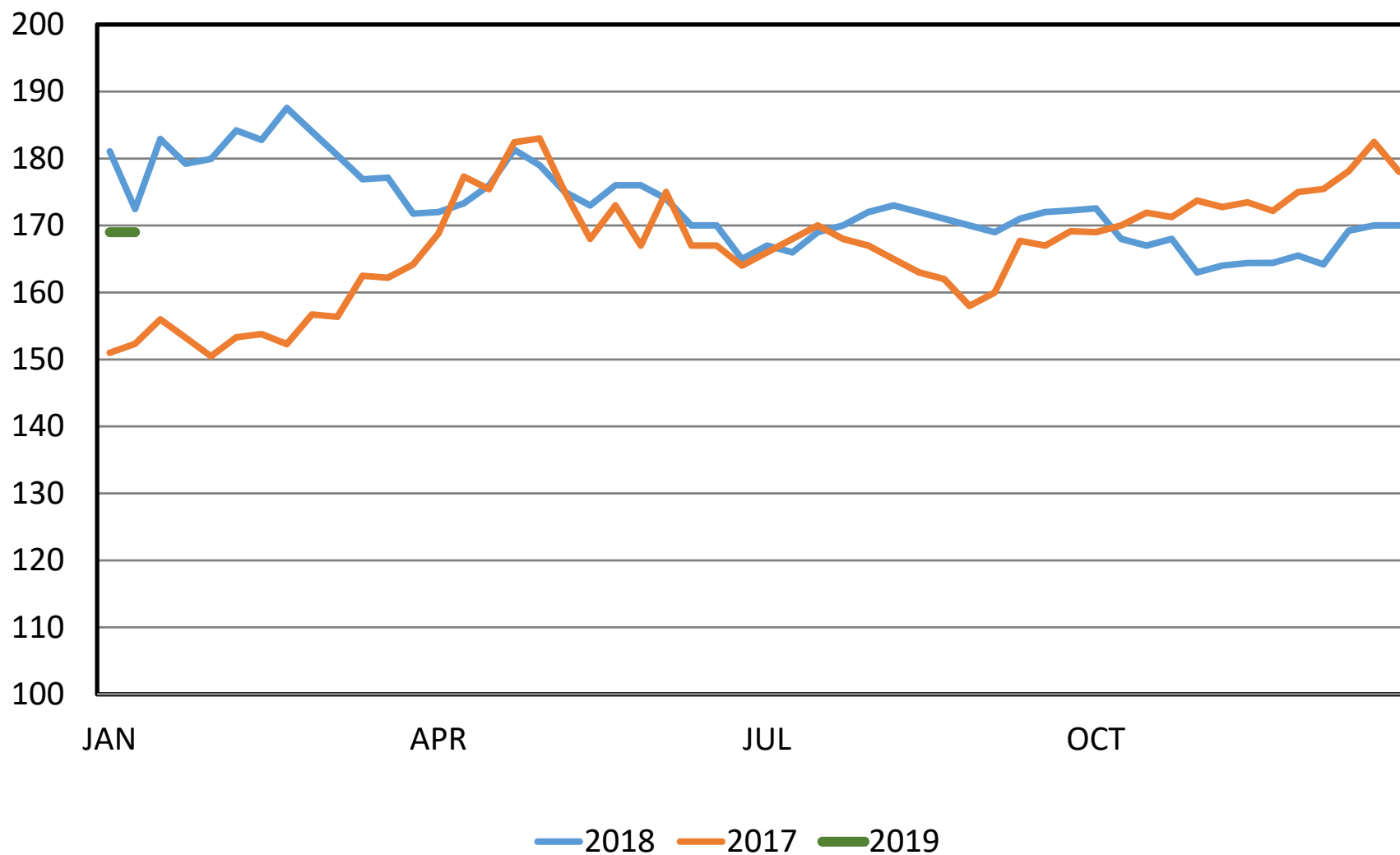
Wooled, 110-130 lbs, Sioux Falls, Weekly



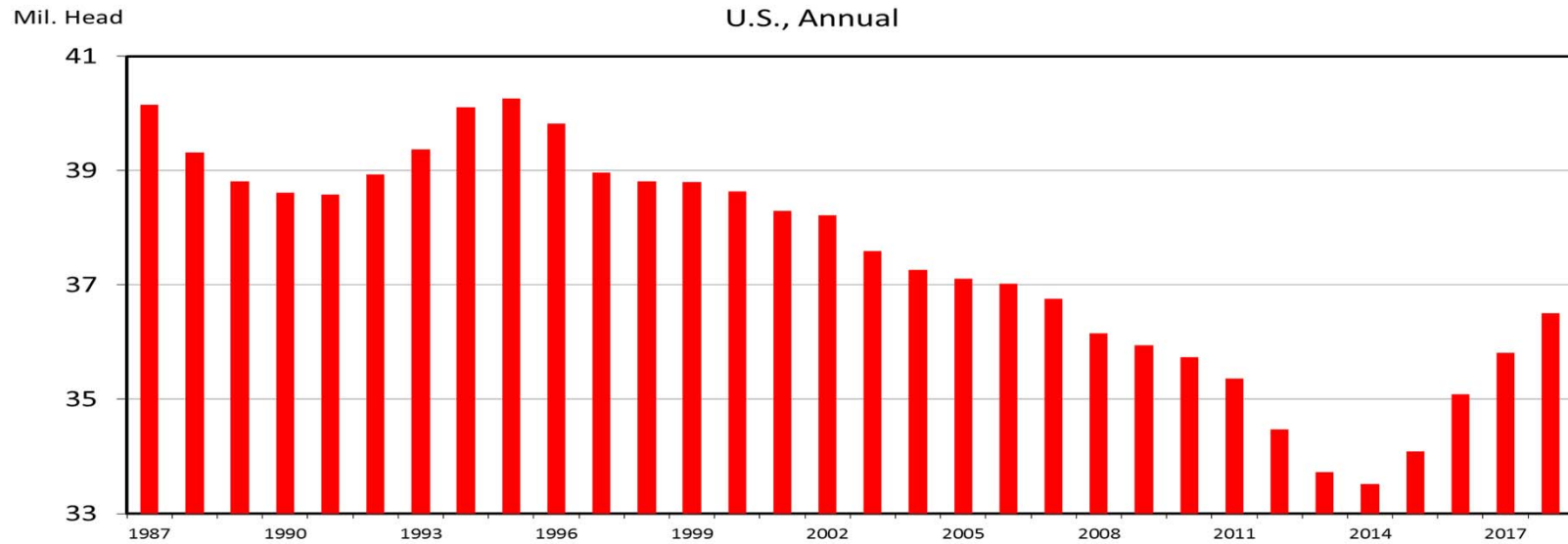
Data Source: USDA-AMS; Livestock Marketing Information Center

MED. FRAME #1 STEER CALF PRICES

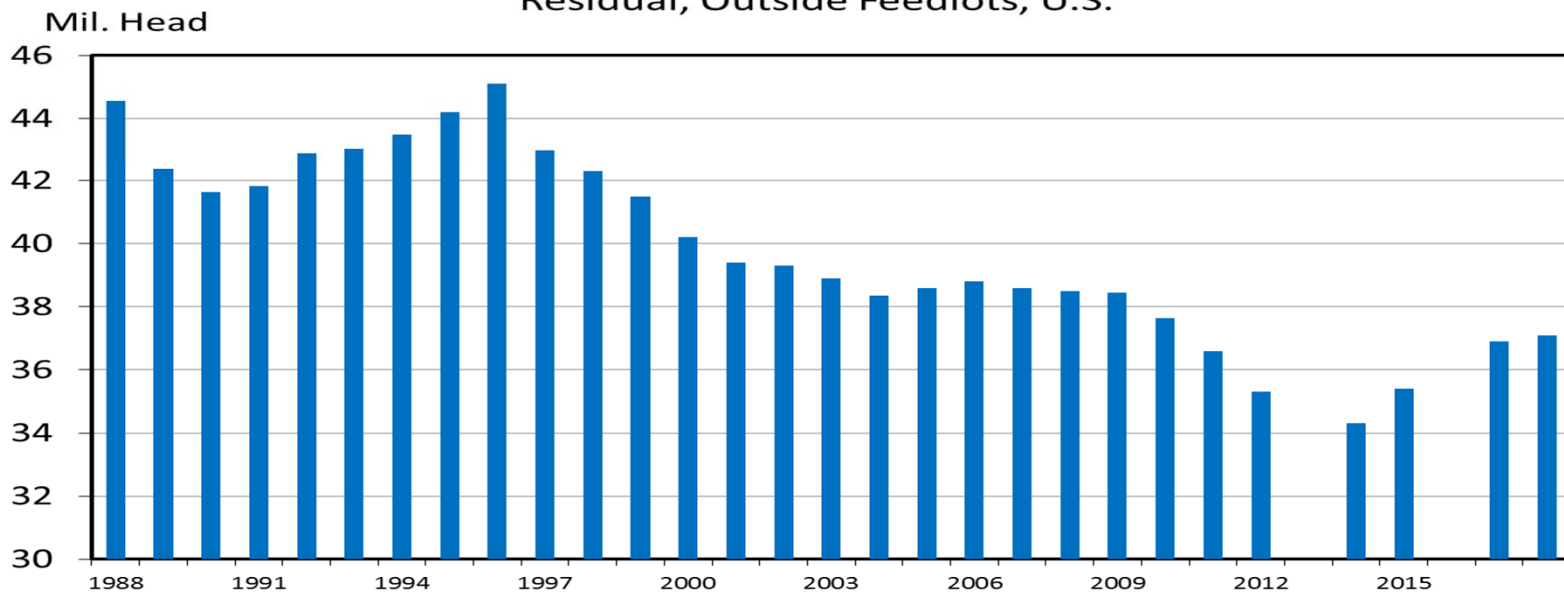
550-600 Pounds, N.D., Weekly



CALF CROP U.S., Annual

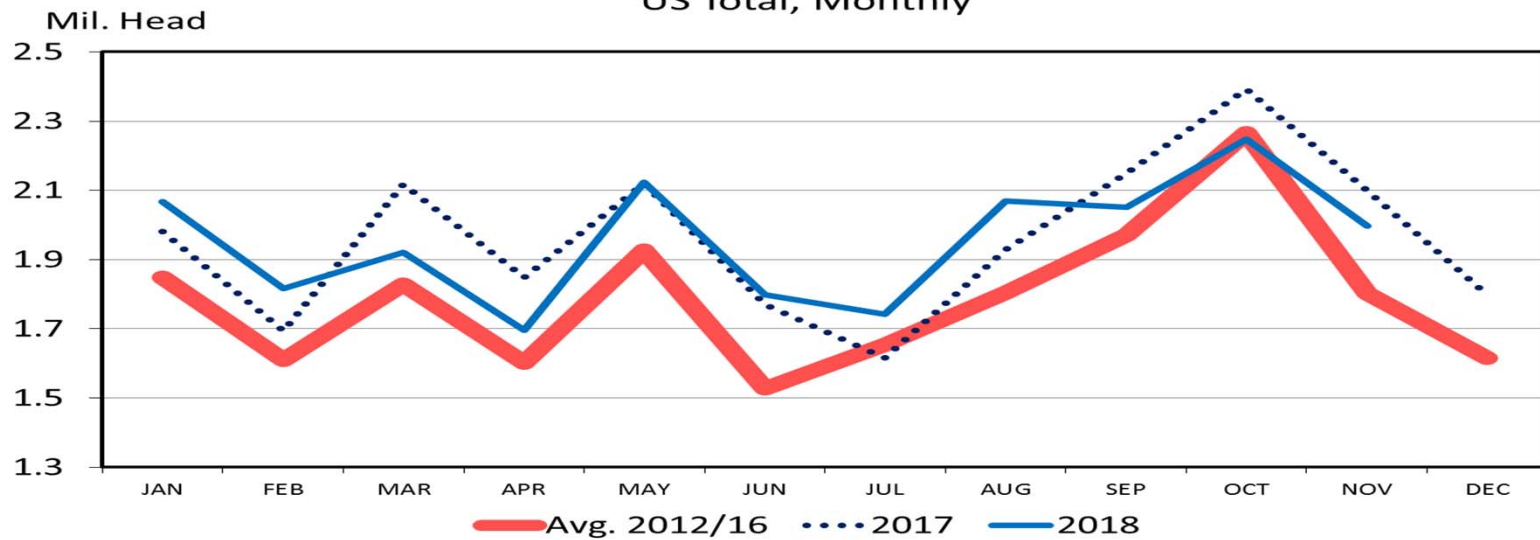


JULY 1 FEEDER CATTLE SUPPLIES Residual, Outside Feedlots, U.S.

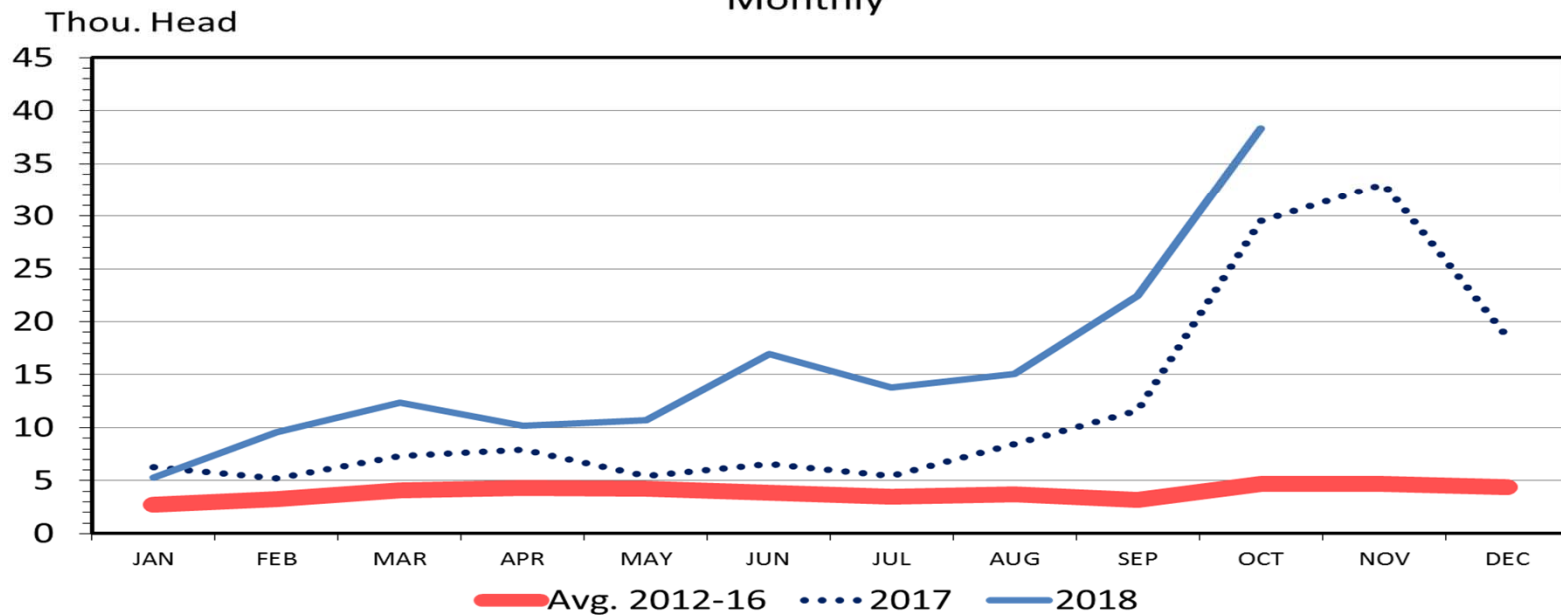


Data Source: USDA-NASS Livestock Marketing Information Center

FEEDLOT PLACEMENTS US Total, Monthly



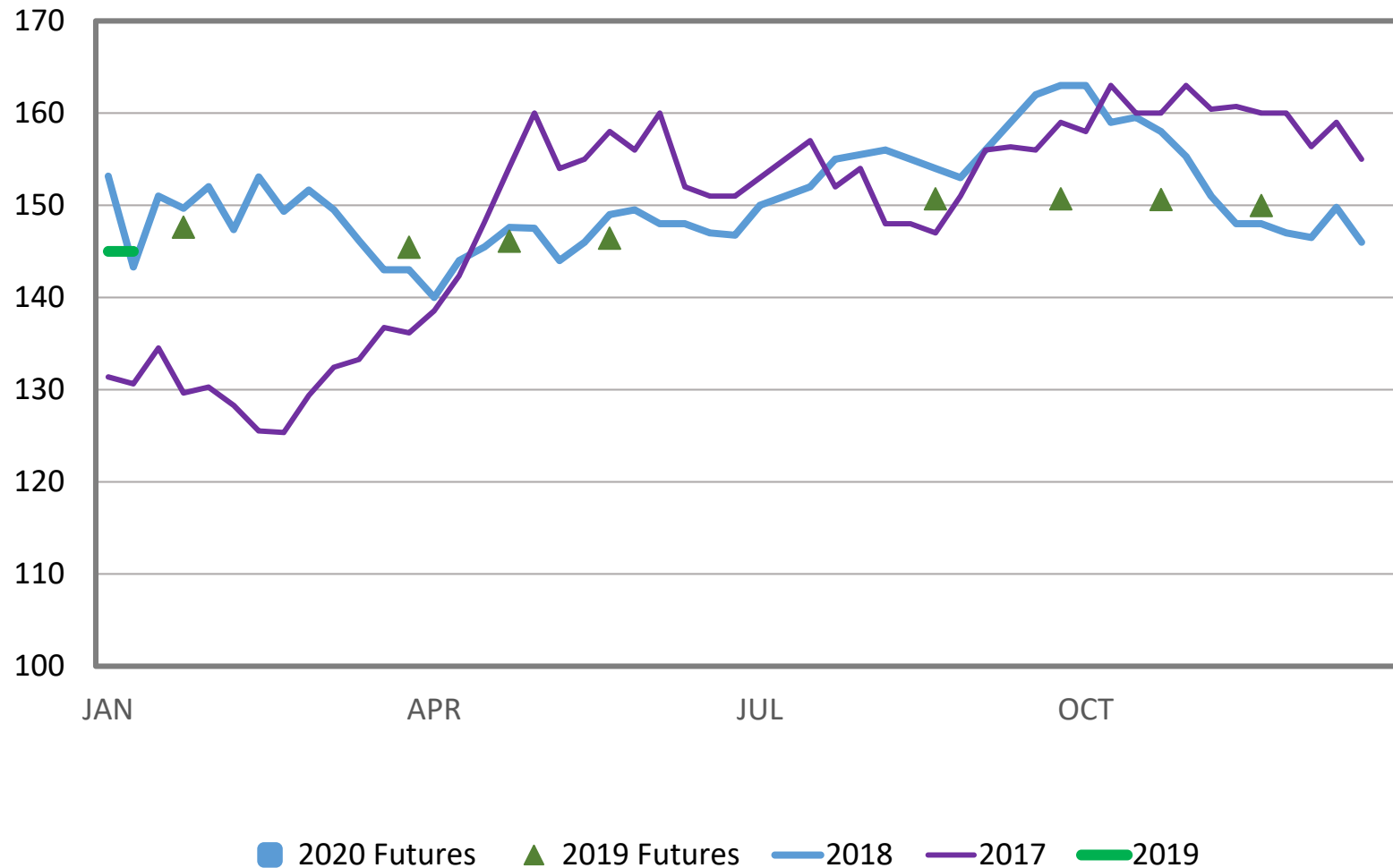
US CATTLE EXPORTS TO CANADA Monthly



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 Jan 4, 2019 USDA-ND Dept of Ag Market News

North Dakota Weekly Auction Summary - For the week ending Jan 05, 2019

Receipts: 11,182 Two Weeks Ago: 3,075 Last Year: 10,222

Results of: Kist, Napoleon, Stockmen's, and West Fargo.

Compared to two weeks ago: Feeder steers under 550 lbs steady to 3.00 higher, above 550 lbs 3.00 to 5.00 lower with a few steady instances. Feeder heifers steady to 2.00 lower. Good demand for all weights of calves this week with a light showing in yearlings. Good buyer demand for heavier weight feeders. Several strings of preconditioned and weaned calves available. Flesh condition to moderate to moderate plus.

Feeder Steers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price	
16	375-381	378	180.00-220.00	202.34	
51	412-436	427	183.00-202.00	197.69	
119	456-496	479	180.00-196.00	188.22	
208	501-547	533	167.50-187.50	176.01	
402	555-591	576	158.00-176.00	164.96	
626	601-641	620	157.00-172.50	167.11	
97	601-647	625	155.00-163.50	160.19	Calves
914	651-695	678	141.00-156.25	151.62	
94	651-697	672	147.00-157.00	151.42	Calves
741	701-749	728	137.00-153.00	145.35	
188	716-735	722	145.00-151.50	147.76	Calves
771	754-793	773	137.00-149.50	144.66	
111	774-779	777	142.25-142.75	142.53	Fleshy
601	802-848	820	134.50-147.25	141.15	
517	853-898	877	126.00-147.00	142.42	
297	905-940	923	139.25-146.00	141.47	
51	969	969	138.00	138.00	
19	958	958	126.00	126.00	Fleshy

Premiums likely (but not consistent) for:

- Verified vaccination program
 - Natural (no antibiotics or implants)
 - Source/age verified (China)
 - Weaned
 - Bovine Viral Diarrhea persistently infected (BVD-PI) tested negative
 - Beef Quality Assurance (BQA) – packers requiring
 - Replacement quality heifers
- * *The more information you provide the better*
- * *Check with your market before selling*

SF_LS796

Sioux Falls, SD Fri Jan 4, 2019 USDA-ND Dept of Ag Market News

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Feeder Heifers Medium and Large 1

Head	Wt Range	Avg Wt	Price Range	Avg Price	
11	338	338	166.00	166.00	
30	381-385	384	150.00-153.00	152.21	
59	403-446	421	151.00-162.50	157.08	
116	450-499	486	156.00-163.00	160.67	
301	508-545	526	142.00-158.00	153.18	
370	551-590	576	141.50-154.00	147.31	
340	601-648	621	135.00-150.00	144.08	
39	605-624	614	146.00-148.00	147.06	Calves
383	650-694	677	131.00-142.50	136.49	
142	654-695	674	135.00-145.50	139.78	Calves
365	707-749	726	129.50-146.50	135.46	
131	700-749	735	132.00-142.00	138.46	Calves
394	753-794	778	121.00-135.00	131.87	
7	776	776	127.50	127.50	Replacement
81	821-822	822	133.50-136.00	135.54	
52	850-869	855	120.00-130.75	128.20	
33	854	854	132.75	132.75	Replacement
6	940	940	124.00	124.00	
14	963	963	122.00	122.00	

MT/SD Ave

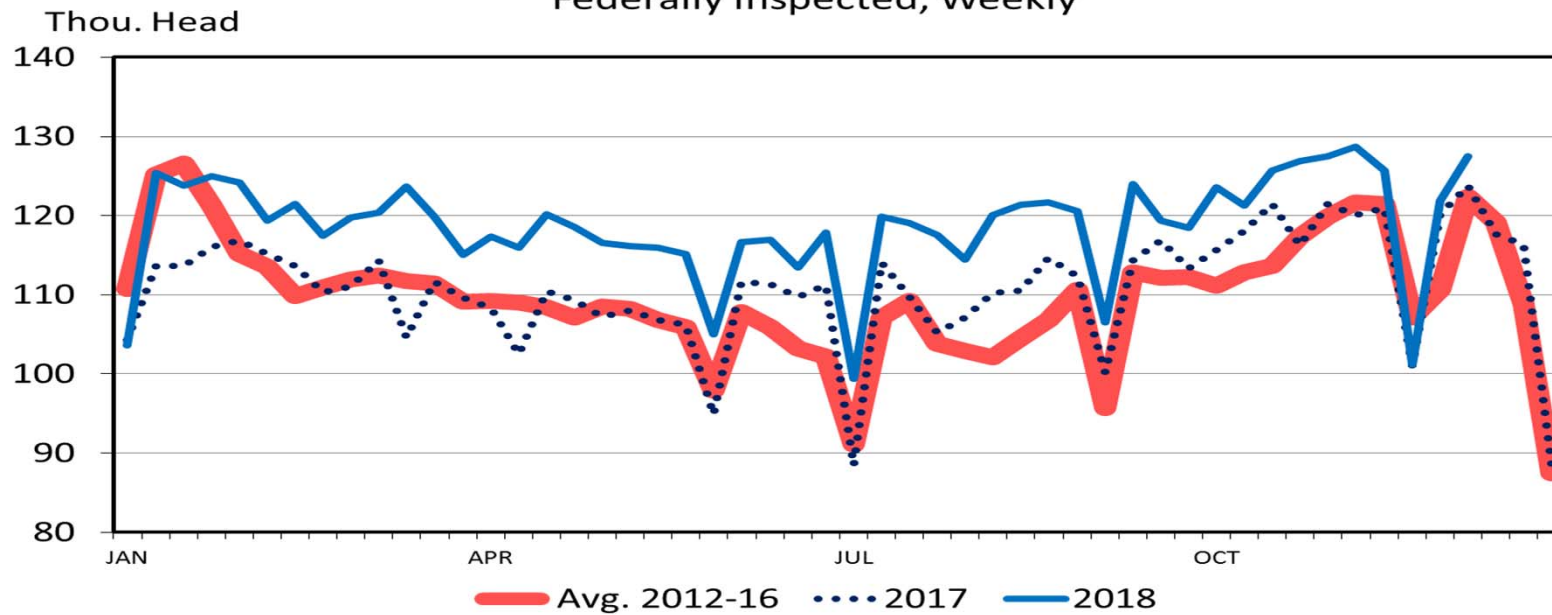
This line chart displays monthly precipitation in millimeters for three years: 2017 (blue line), 2018 (green line), and 2019 (red dot). The x-axis shows months from January to October, and the y-axis shows precipitation levels from 40 to 80 mm.

Month	2017 (mm)	2018 (mm)	2019 (mm)
JAN	60.5	55.5	51.0
FEB	59.0	53.0	-
MAR	62.0	65.0	-
APR	71.0	65.0	-
MAY	68.0	62.0	-
JUN	74.0	57.0	-
JUL	73.0	59.0	-
AUG	75.0	59.0	-
SEP	68.0	57.0	-
OCT	62.0	60.0	-

**USDA-AMS, Compiled & Analysis by
LMIC,NDSU**

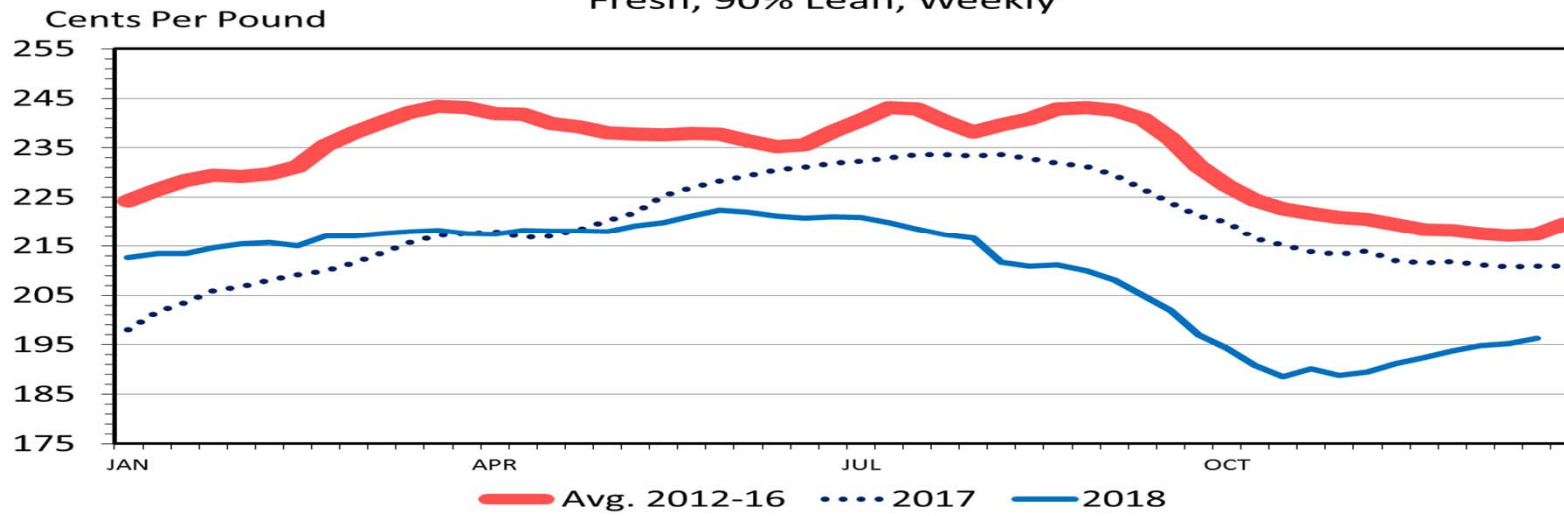
TOTAL COW SLAUGHTER

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?

APR FDR CAT

GFJ19 - Feeder Cattle - Daily OHLC Chart



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	165.65	.62	-5.59

SF_LS766

Sioux Falls, SD Thu Nov 15, 2018 USDA-ND Dept of Ag Market News

Stockmans Livestock Exchange - Dickinson, ND
Feeder Cattle Weighted Average Report for 11/15/2018

Receipts: 5280 Last Week: 4183 Year Ago: 5544

Compared to last week: Feeder steers 500-600lbs steady; 600-700lbs 6.00 - 7.00 lower;
700-750 lbs 12.00 lower. Feeder heifers weighing 500-600lbs 3.00-4.00 lower; 600-650 lbs steady.
Moderate to good demand for today's offering of spring calves that were mostly preconditioned and
off the cow in moderate to light flesh. Feeder steers made up 64 percent. Feeder heifers made up
36 percent. 57 percent over 600 lbs. Next sale is November 29, 2018.

Feeder Steers Medium and Large 1					
Head	Wt Range	Avg Wt	Price Range	Avg Price	
16	353-391	372	200.00-225.00	211.86	
33	438-443	441	182.50-194.00	189.85	
40	456-498	473	188.00-196.50	192.19	
164	506-547	532	165.00-179.50	171.28	
475	553-597	572	158.50-175.00	165.94	
504	607-647	631	143.00-157.25	153.95	Calves
854	650-689	668	146.50-156.50	152.36	Calves
158	702-747	722	143.50-153.25	147.26	Calves
27	750-798	778	137.75-138.00	137.85	Calves

Feeder Steers Medium and Large 1-2					
Head	Wt Range	Avg Wt	Price Range	Avg Price	
8	470-489	480	179.00-181.00	179.98	
8	537	537	155.00	155.00	
49	587-596	591	151.50-156.00	152.80	
30	618-634	621	139.50-140.25	140.12	Calves

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

2019: Corn Prices, Demand and Trade Issues?

Questions!

