

# Beef and Pork Economic Climate and Outlook

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Assistant Extension Professor

Livestock Economist

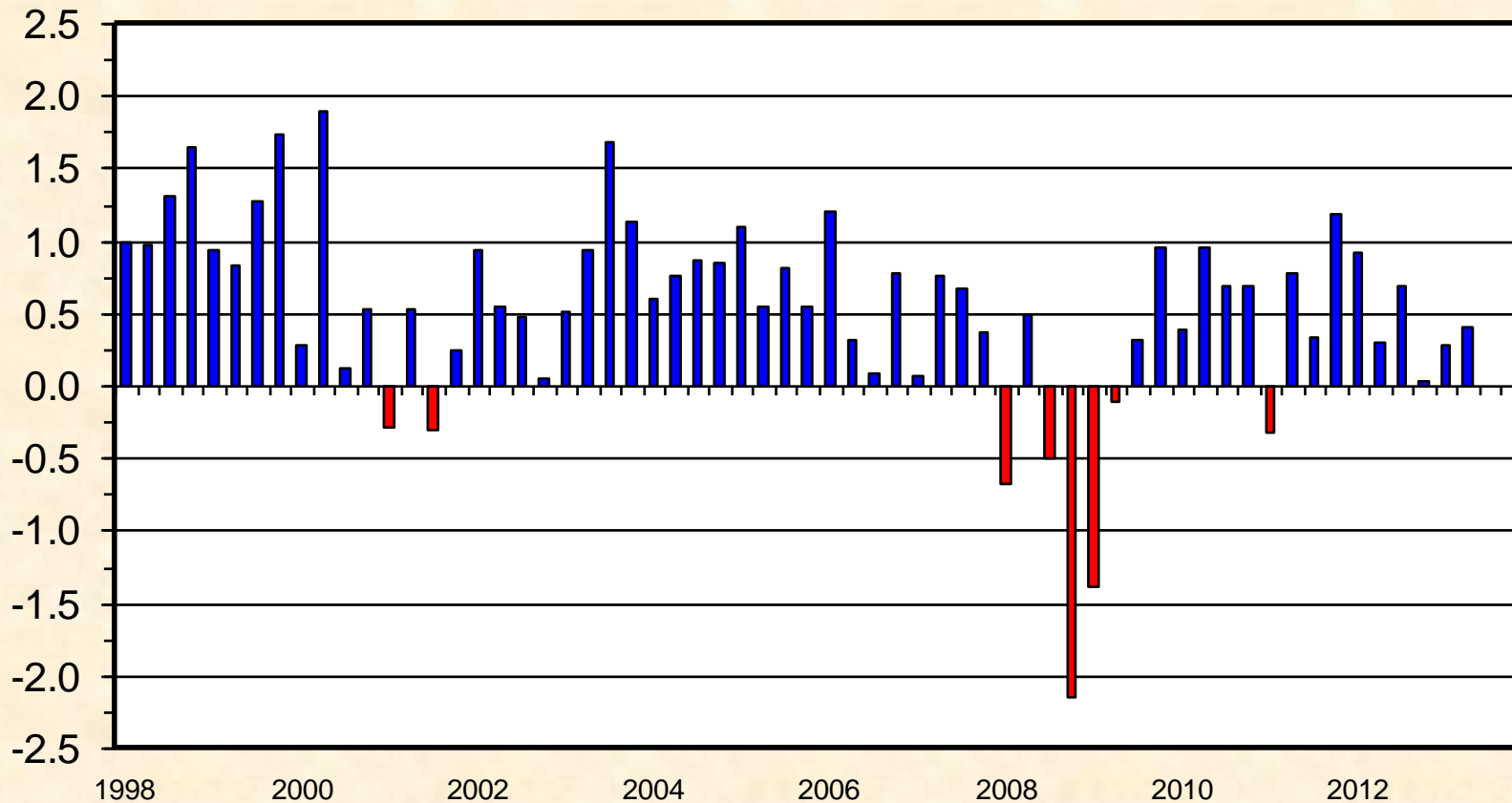
# Market Situation

- Global
- U.S. Economy
- Agriculture
- Cattle and Hog Industry

# QTRLY GROSS DOMESTIC PRODUCT (GDP)

Real Dollar (2009) Change from Previous Quarter

Percent Change



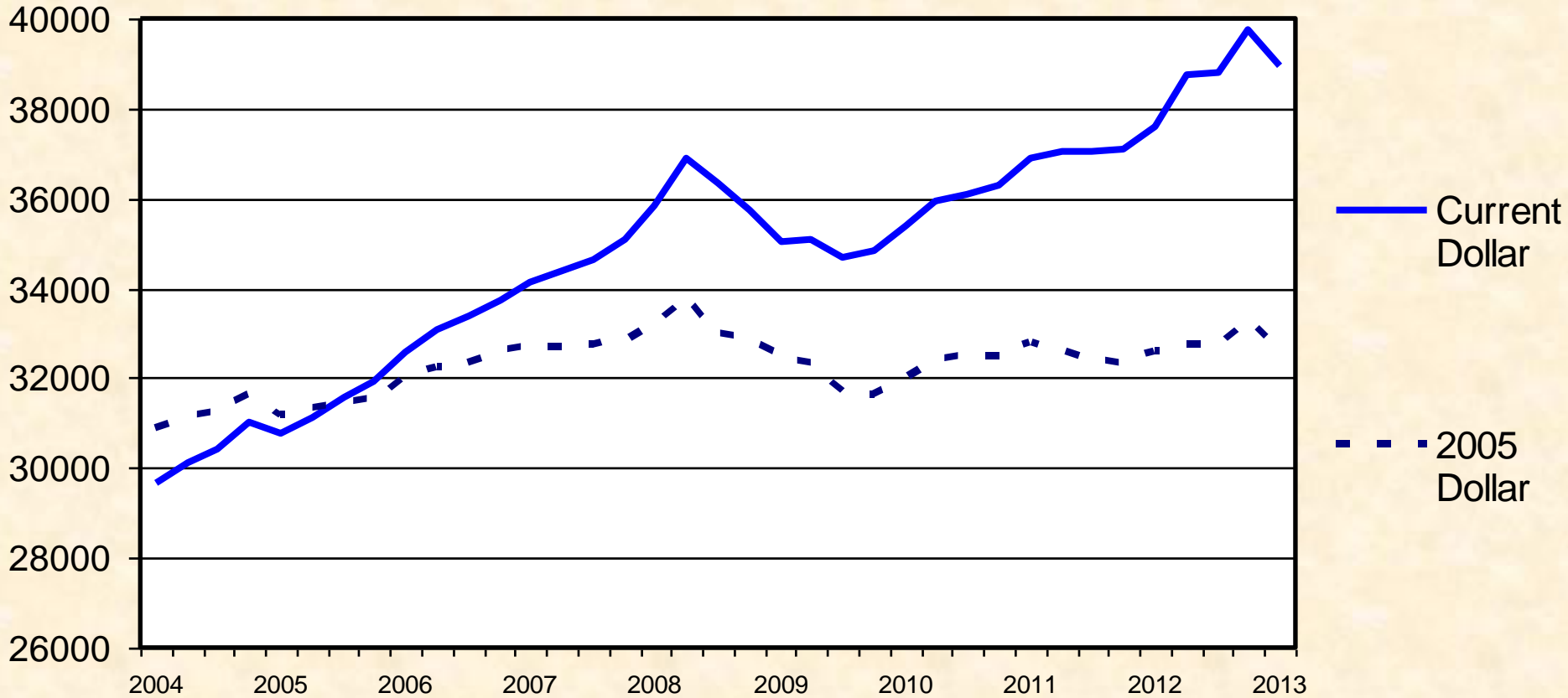
Livestock Marketing Information Center

Data Source: Bureau of Economic Analysis, Compiled & Analysis by LMIC

# PER CAPITA DISPOSABLE PERSONAL INCOME

Dollars

Quarterly



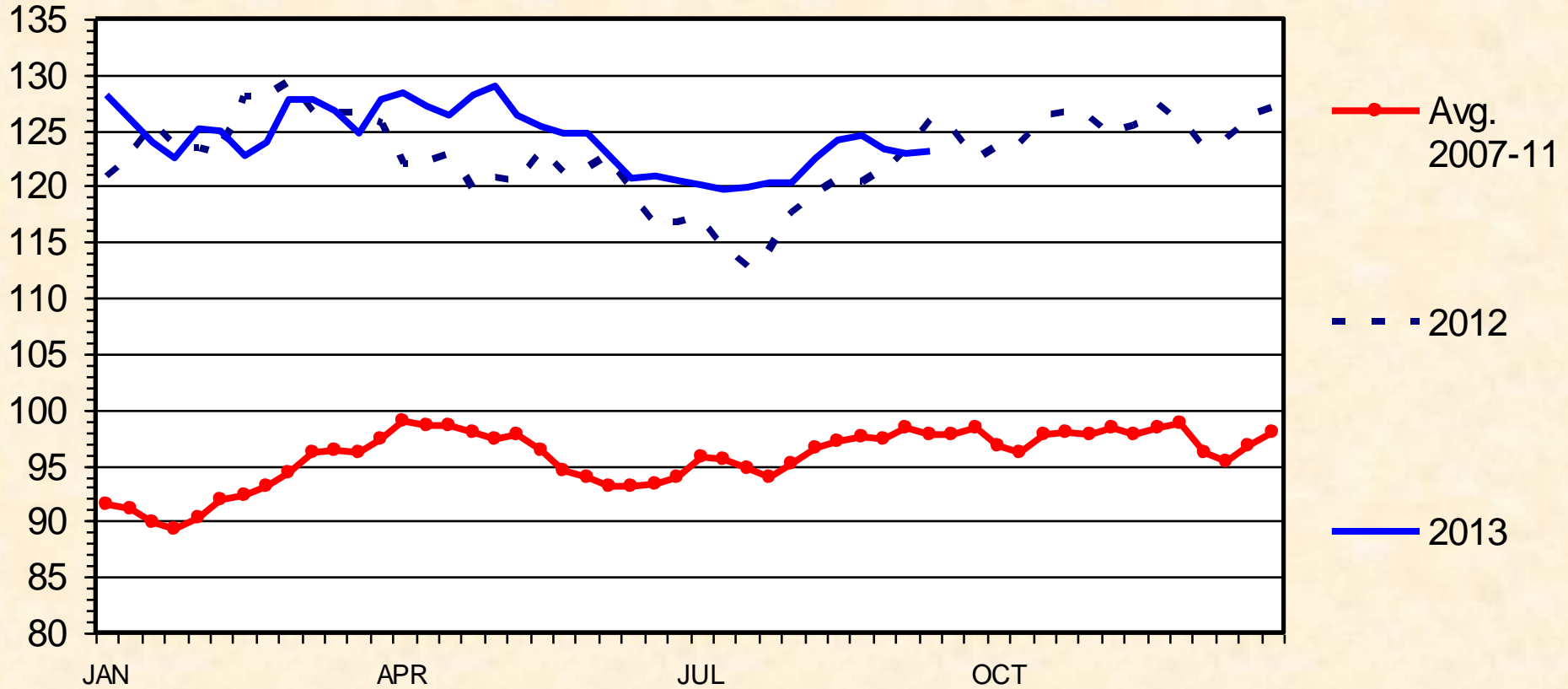
Livestock Marketing Information Center

Data Source: Bureau of Economic Analysis

# SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly

\$ Per Cwt.



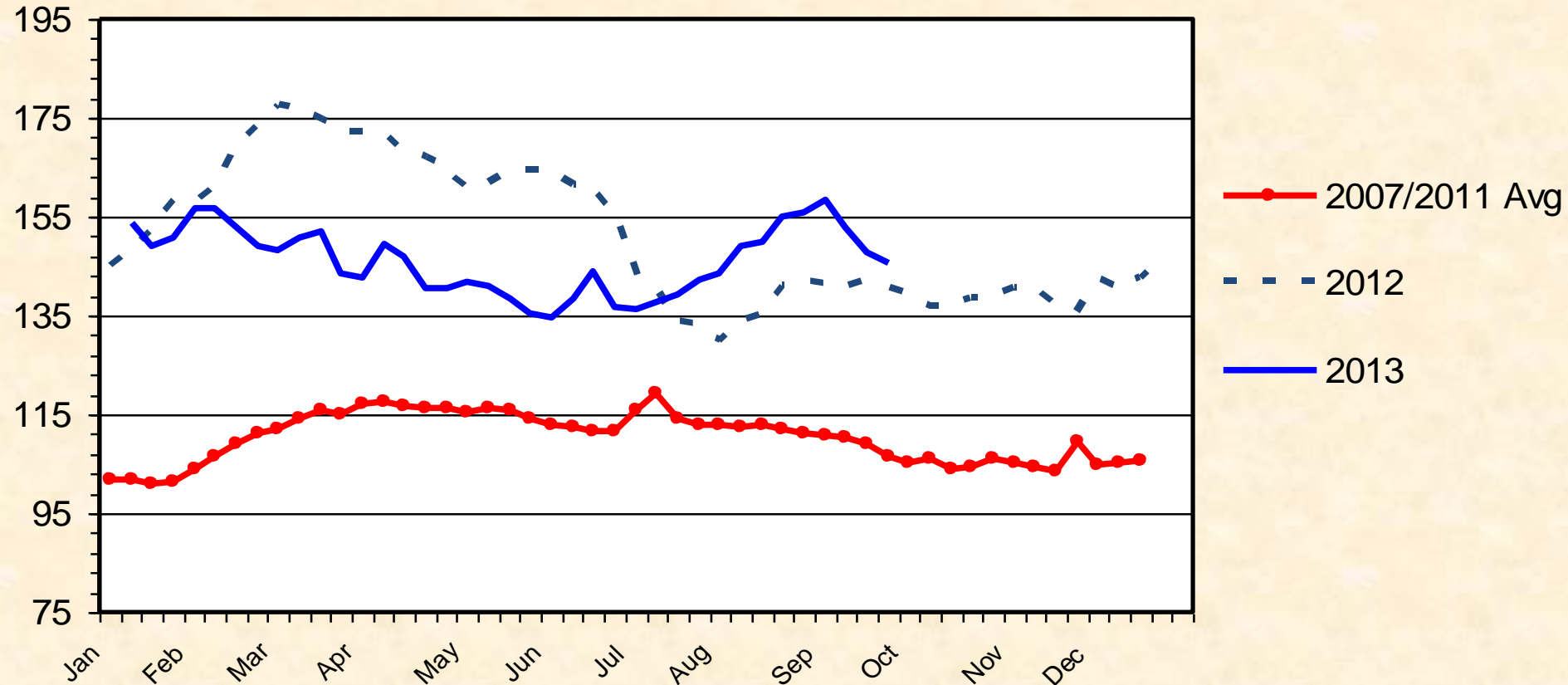
Livestock Marketing Information Center

Data Source: USDA-AMS

# Tennessee 500-600 lbs Steers

2012, 2013 and 5-yr average, weekly

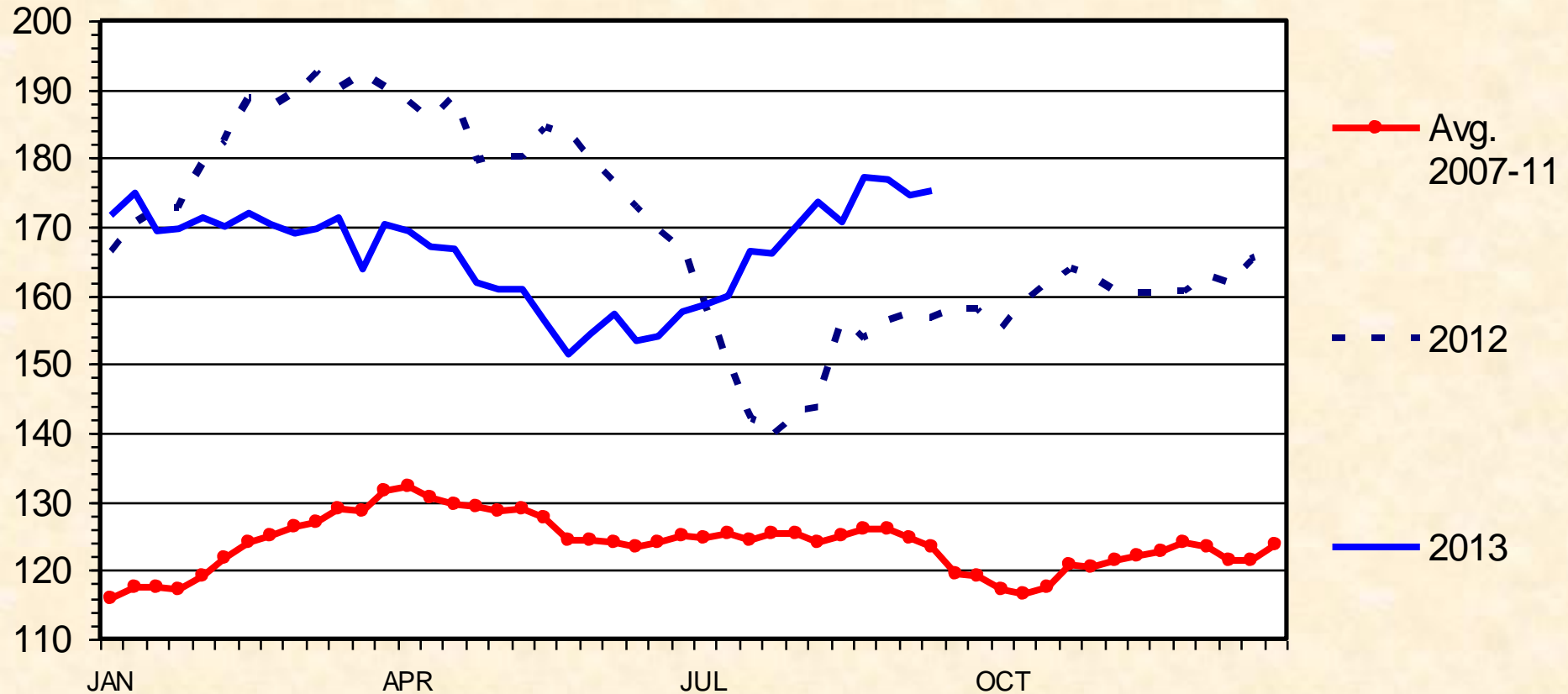
\$ Per Cwt.



# MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly

\$ Per Cwt.



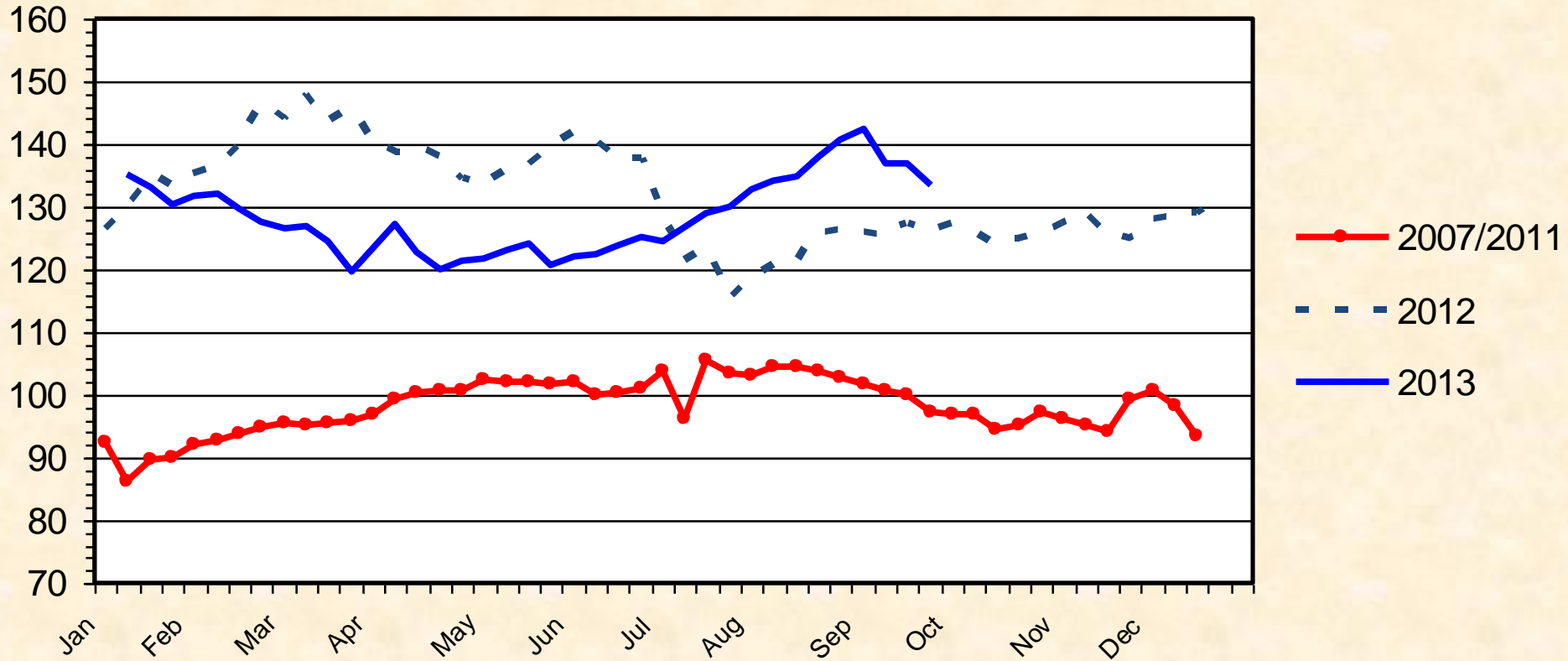
Livestock Marketing Information Center

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

# Tennessee 700-800 lbs Steers

2012, 2013 and 5-yr average, weekly

\$ Per Cwt.

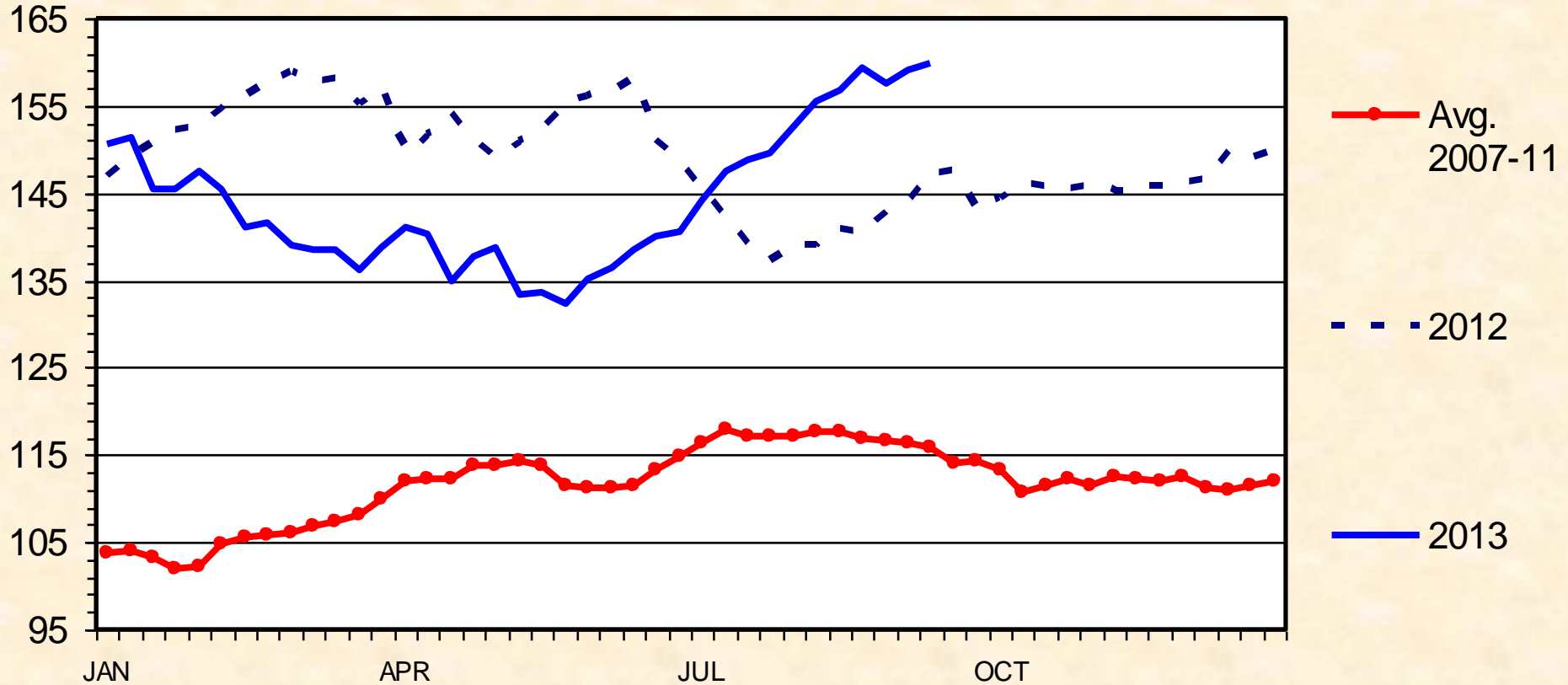




# MED. & LRG. #1 FEEDER STEER PRICES

700-800 Pounds, Southern Plains, Weekly

\$ Per Cwt.

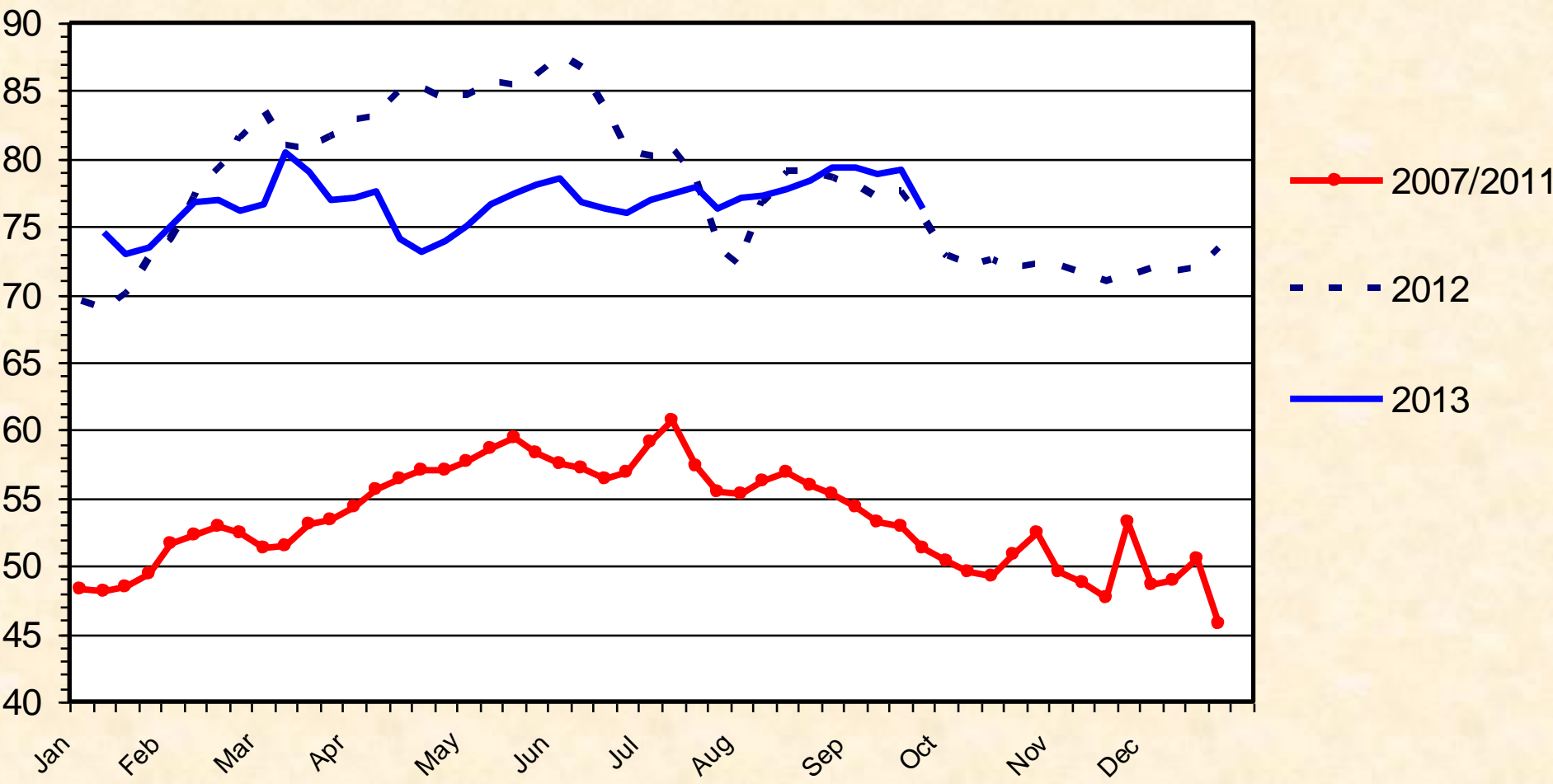


Livestock Marketing Information Center

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

# Tennessee, Breakers 75-80%, Weekly

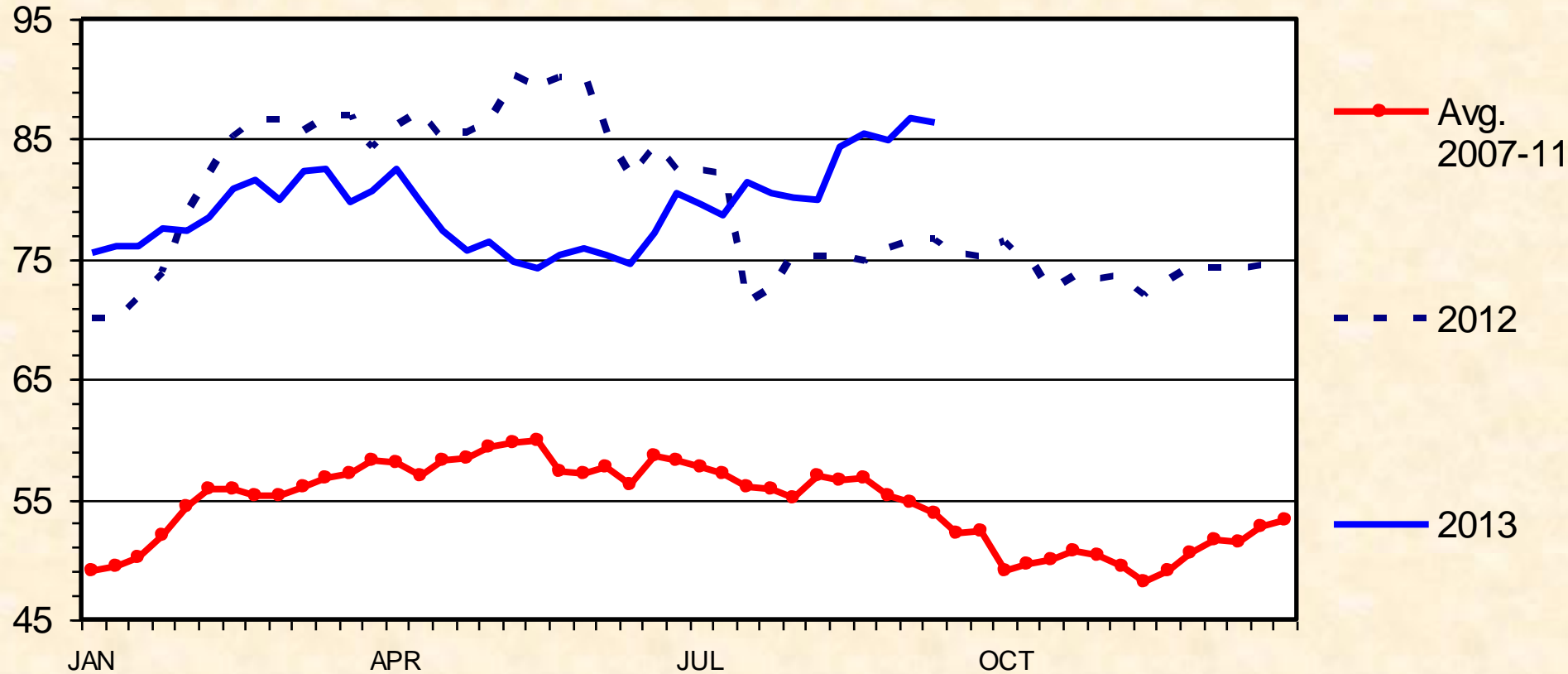
\$ Per Cwt.



# SLAUGHTER COW PRICES

## Southern Plains, 85-90% Lean, Weekly

\$ Per Cwt.



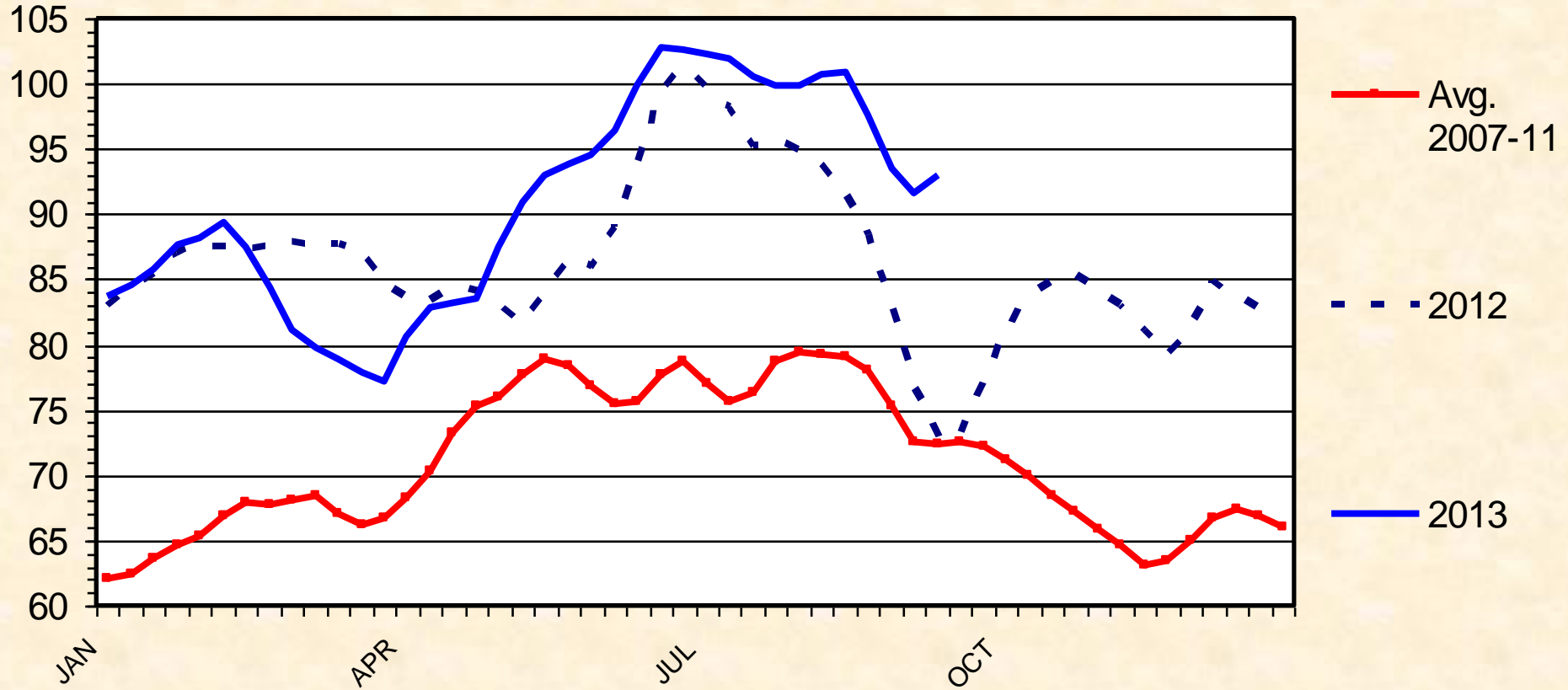
Livestock Marketing Information Center

Data Source: USDA-AMS

# NET SLAUGHTER HOG PRICES

National, Weighted Average Carcass Price, Weekly

\$ Per cwt



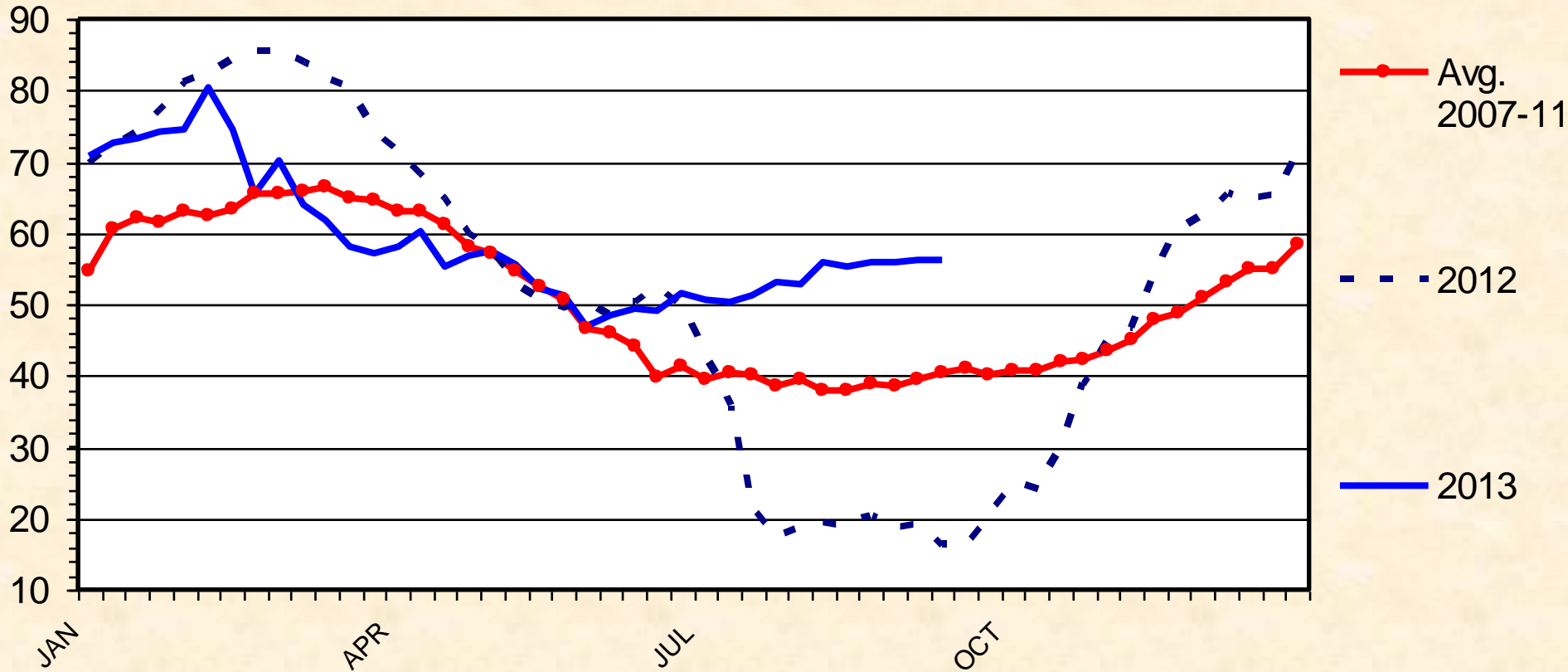
Livestock Marketing Information Center

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

# FEEDER PIG PRICES

40 Pounds, Weekly

\$ Per Head



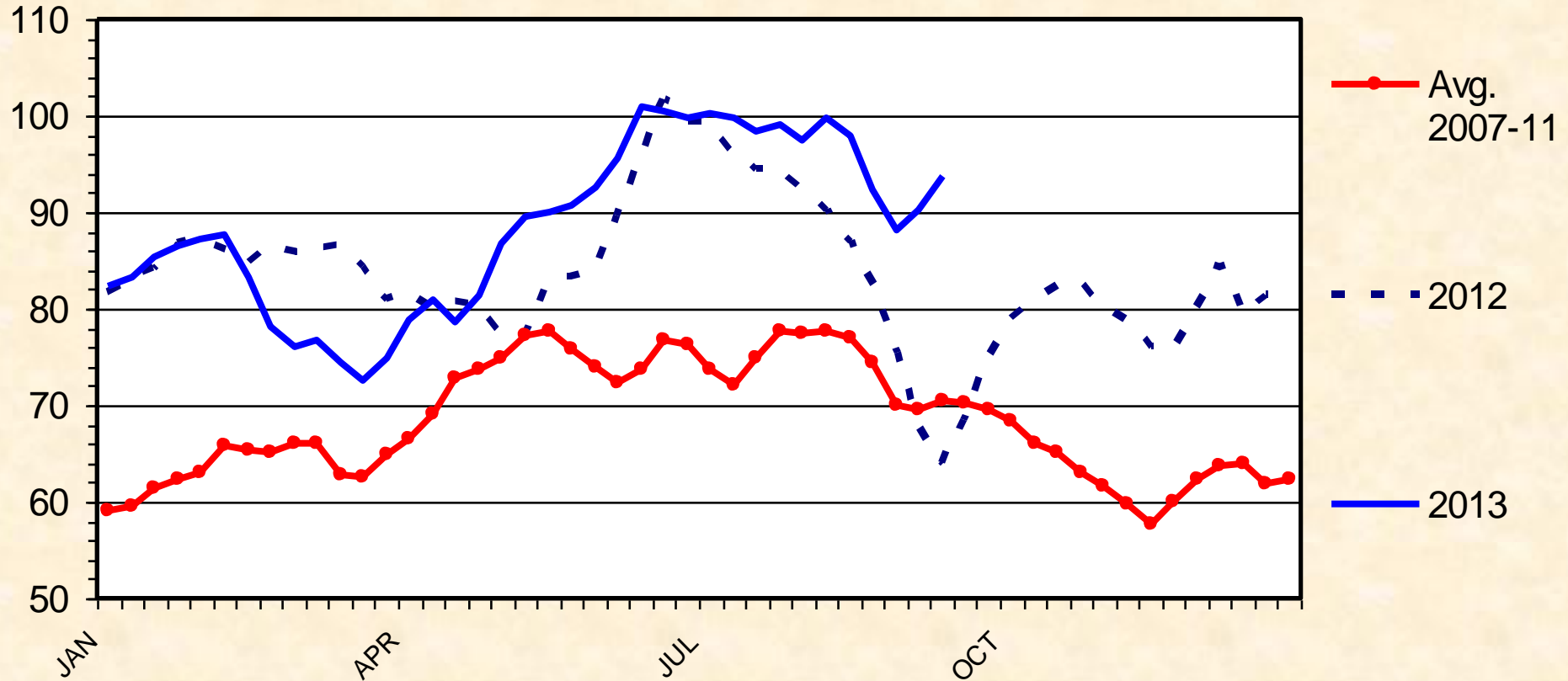
Livestock Marketing Information Center

Data Source: USDA-AMS

# BARROW AND GILT PRICES

Iowa - So. Minnesota, Carcass Base Price, Weekly

\$ Per Cwt.



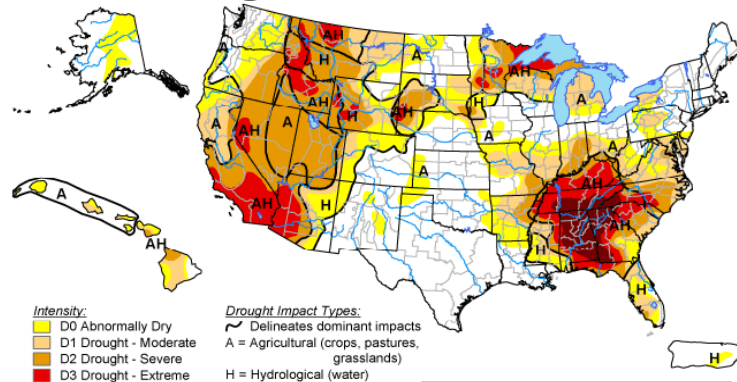
Livestock Marketing Information Center

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

# Magnitude and Severity

## U.S. Drought Monitor

August 21, 2007  
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
- A = Agricultural (crops, pastures, grasslands)
- H = Hydrological (water)

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

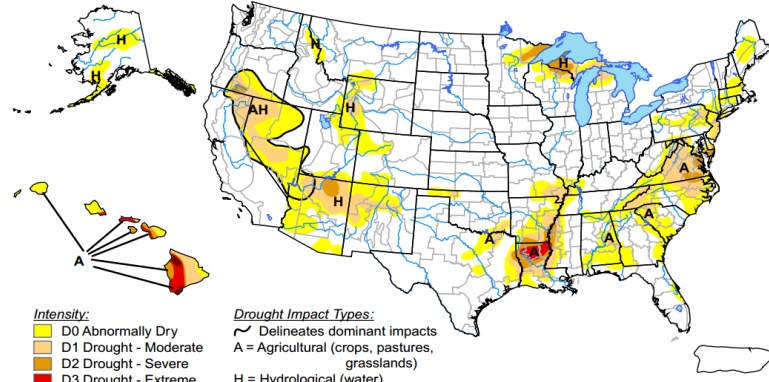
<http://drought.unl.edu/dm>



Released Thursday, August 23, 2007  
Author: Richard Heim/Jay Lawrimore/Liz Love-Brotak, NOAA/NESDIS/NCDC

## U.S. Drought Monitor

July 27, 2010  
Valid 8 a.m. EDT



**Intensity:**

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

- ~ Delineates dominant impacts
- A = Agricultural (crops, pastures, grasslands)
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The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

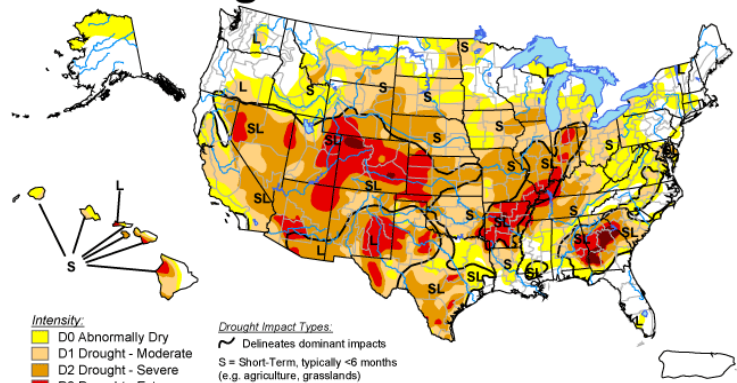
<http://drought.unl.edu/dm>



Released Thursday, July 29, 2010  
Author: David Miskus, CPC/NCEP/NWS/NOAA

## U.S. Drought Monitor

July 10, 2012  
Valid 7 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.

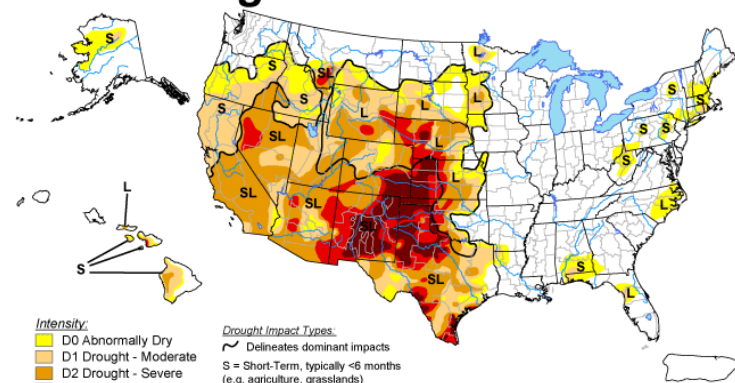
<http://droughtmonitor.unl.edu/>



Released Thursday, July 12, 2012  
Author: Rich Tinker, NOAA/NWS/NCEP/CPC

## U.S. Drought Monitor

June 4, 2013  
Valid 7 a.m. EDT



**Intensity:**

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

- ~ 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.

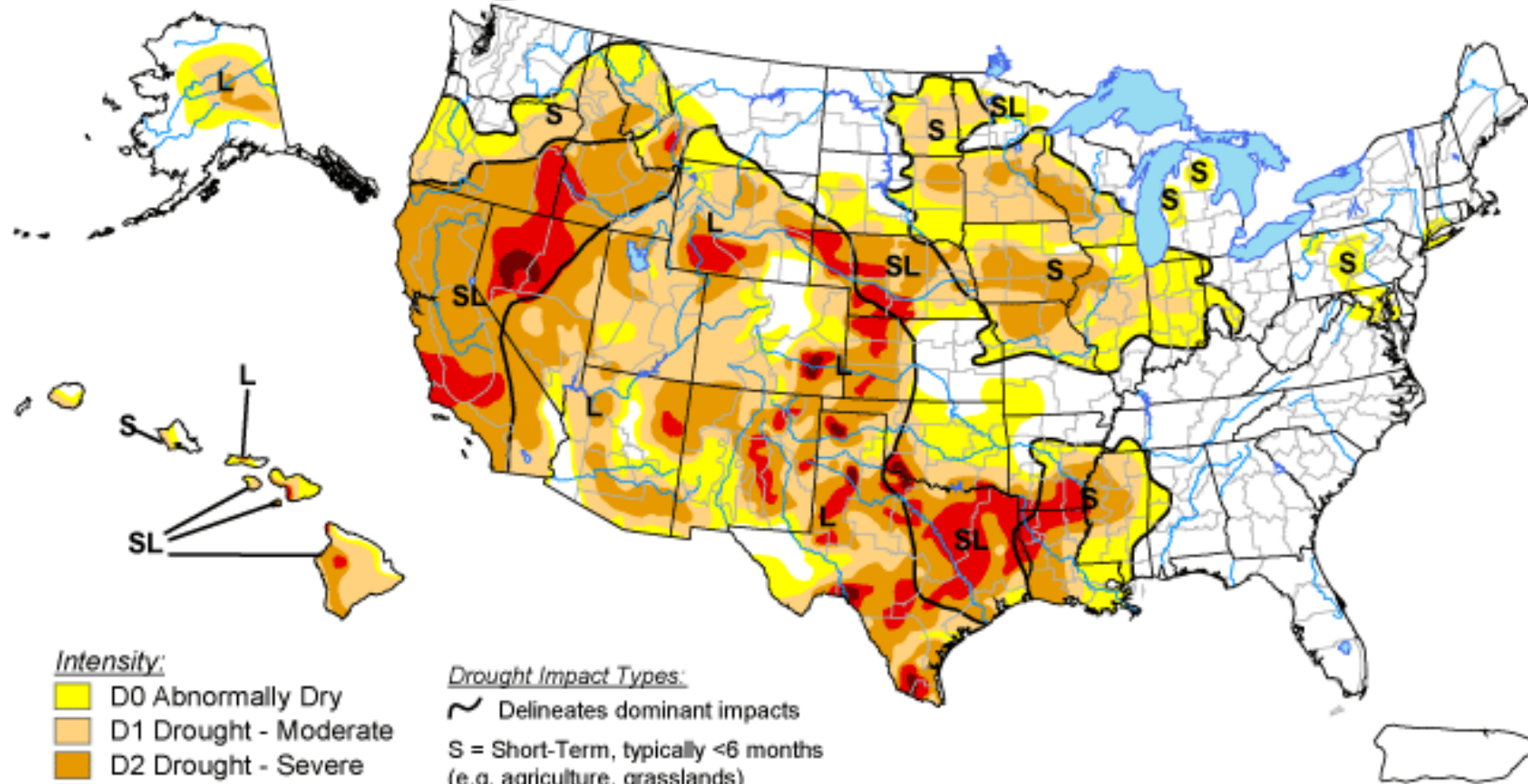
<http://droughtmonitor.unl.edu/>








Released Thursday, June 6, 2013  
Author: David Simeral, Western Regional Climate Center

# U.S. Drought Monitor


September 17, 2013  
Valid 7 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.

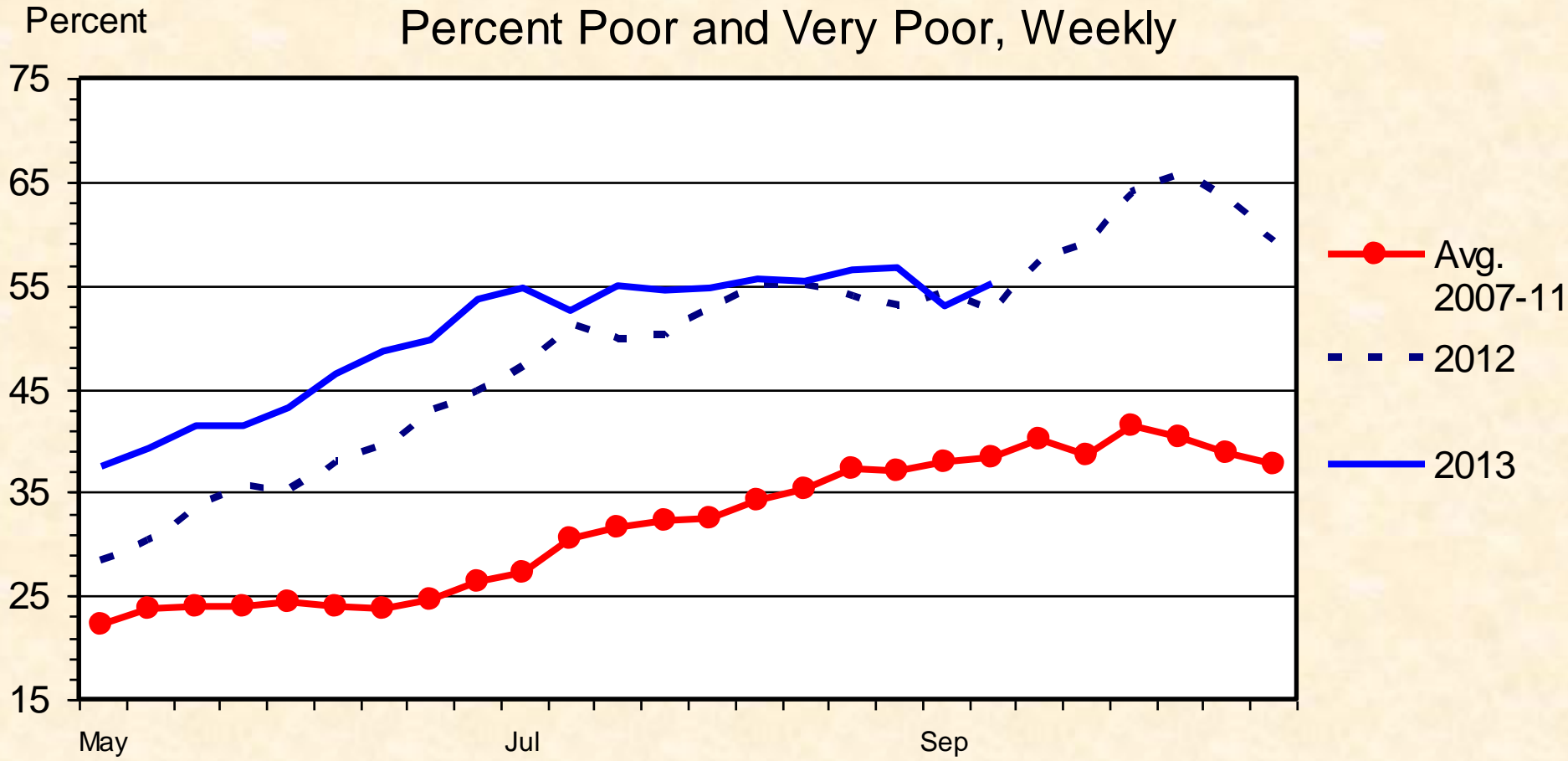
<http://droughtmonitor.unl.edu/>

Released Thursday, September 19, 2013  
Author: David Miskus, NOAA/NWS/NCEP/CPC



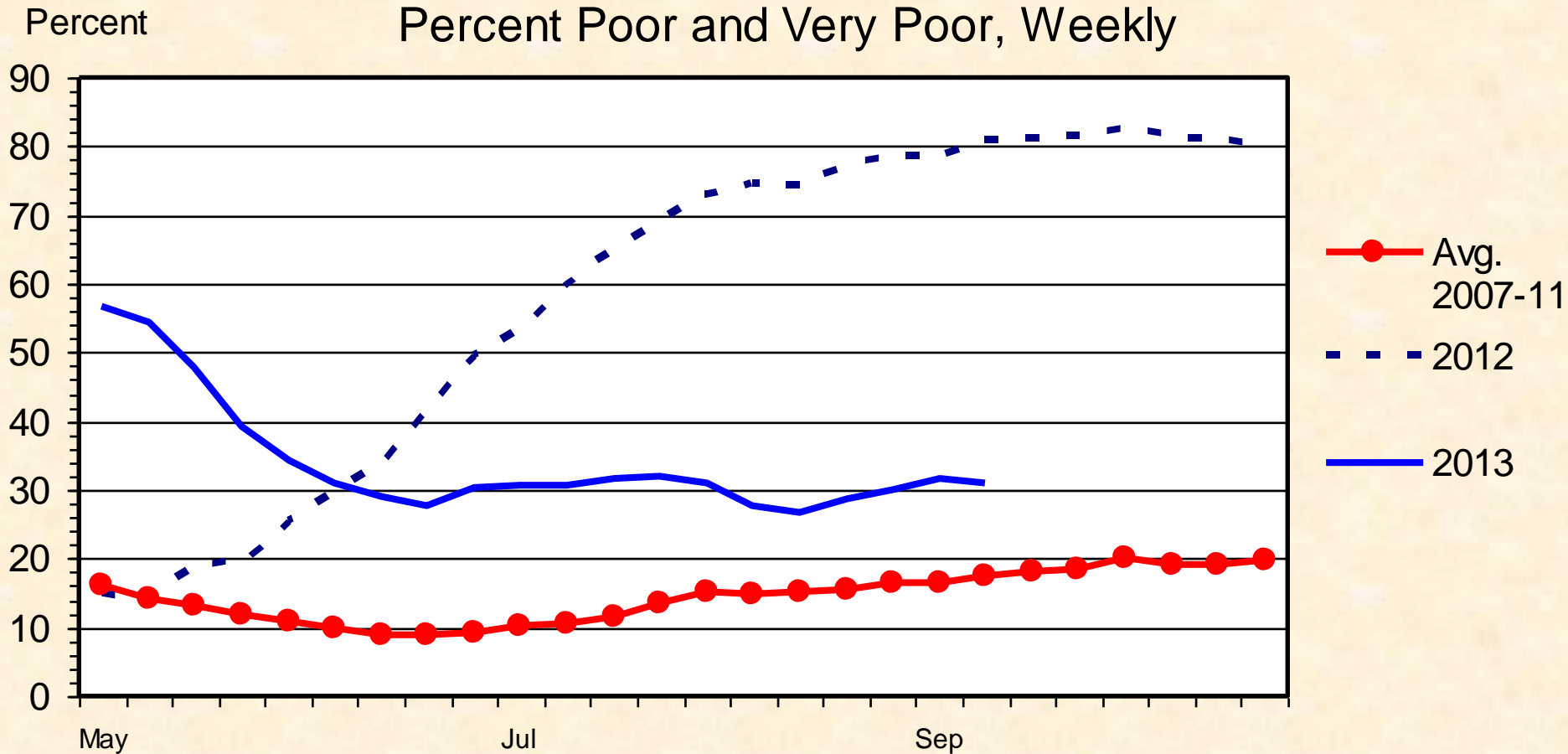
# WESTERN REGION RANGE AND PASTURE CONDITION

## Percent Poor and Very Poor, Weekly



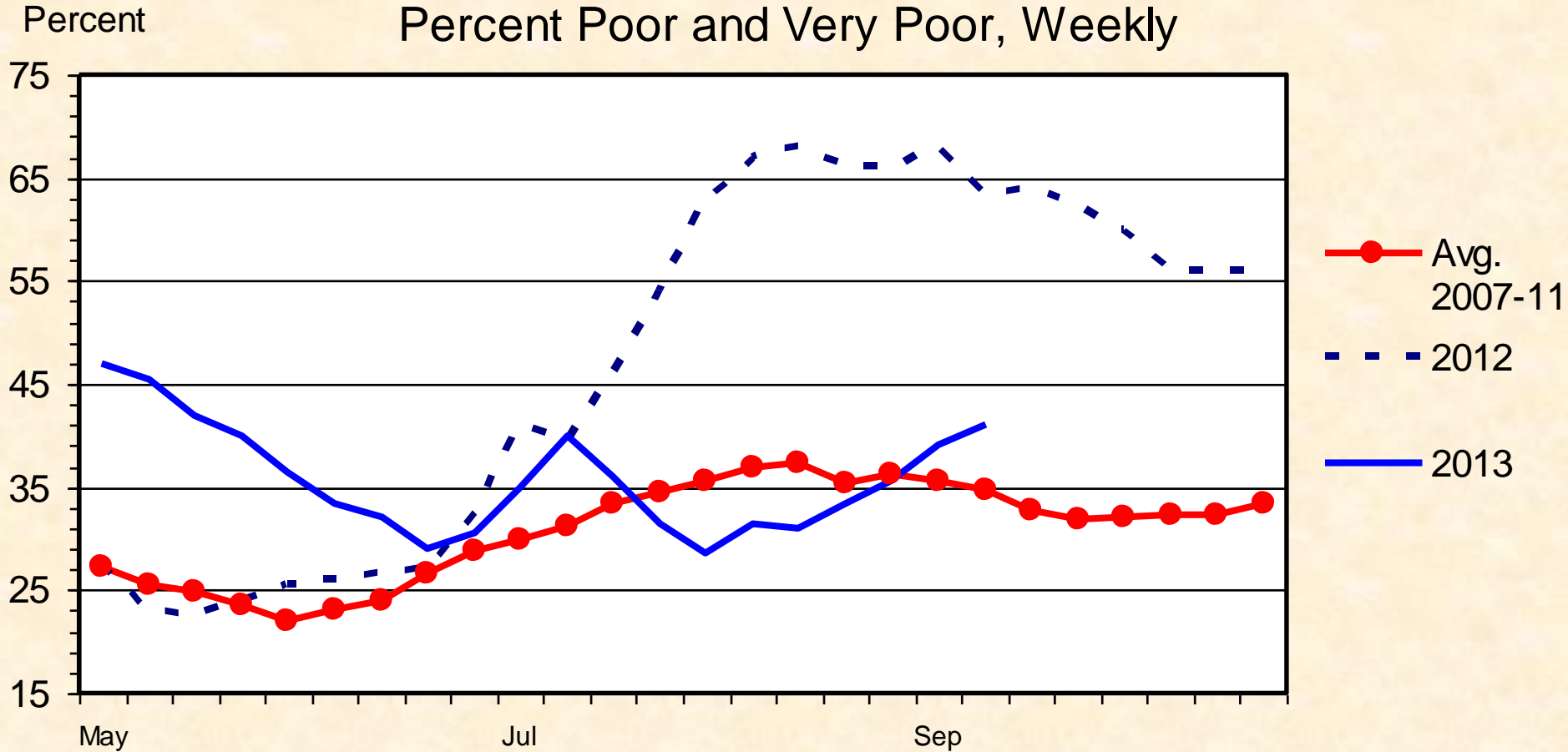
# GREAT PLAINS REGION RANGE AND PASTURE CONDITION

## Percent Poor and Very Poor, Weekly



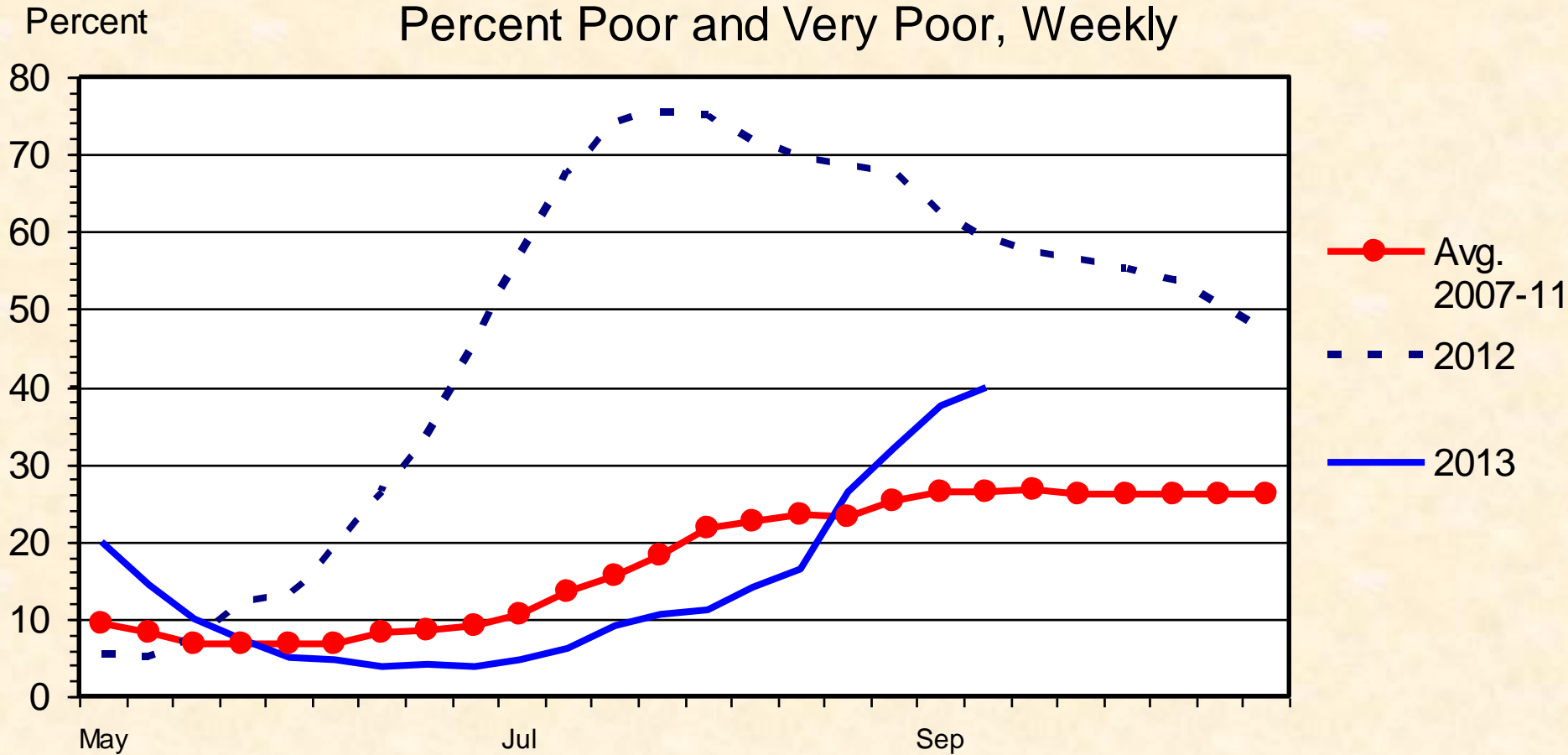
# SOUTHERN PLAINS REGION RANGE AND PASTURE CONDITION

Percent Poor and Very Poor, Weekly



# CORNBELT REGION RANGE AND PASTURE CONDITION

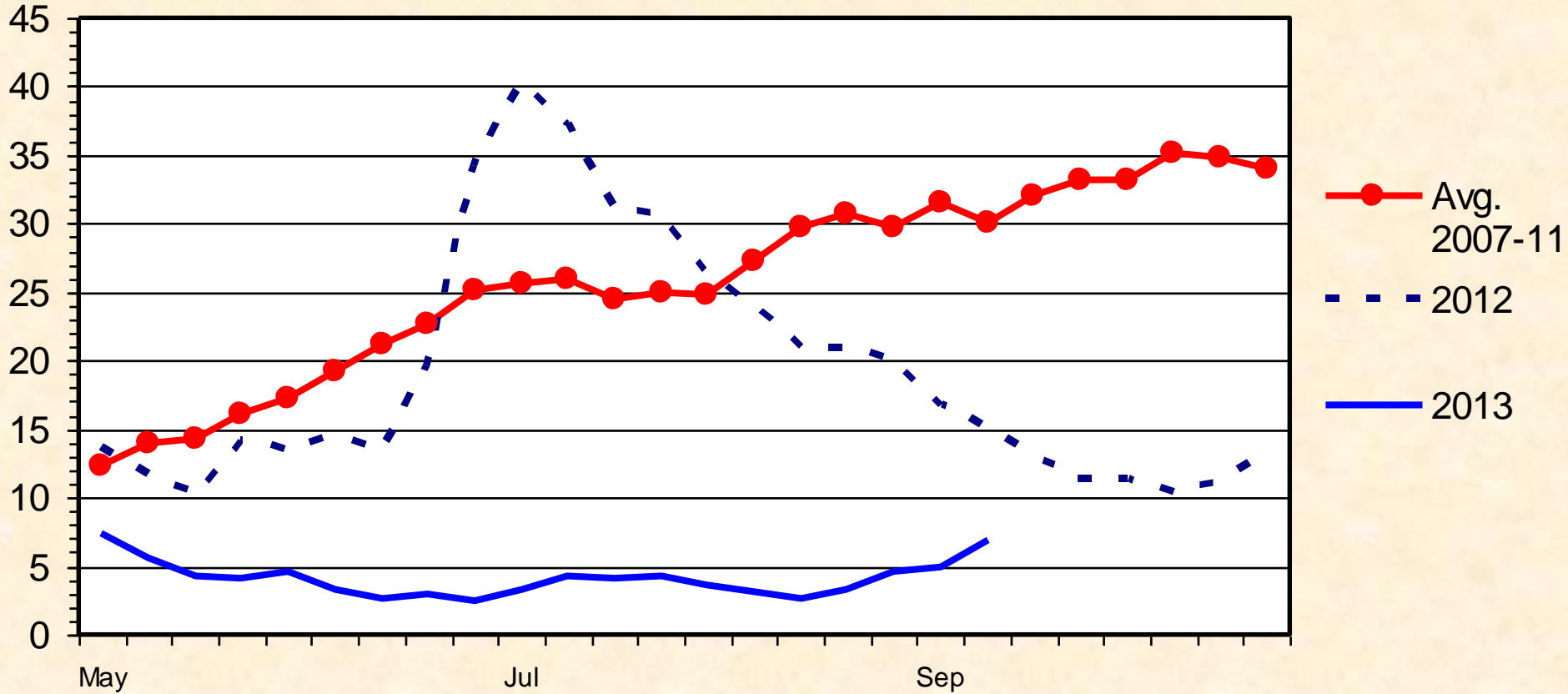
Percent Poor and Very Poor, Weekly



# SOUTHEAST REGION RANGE AND PASTURE CONDITION

Percent

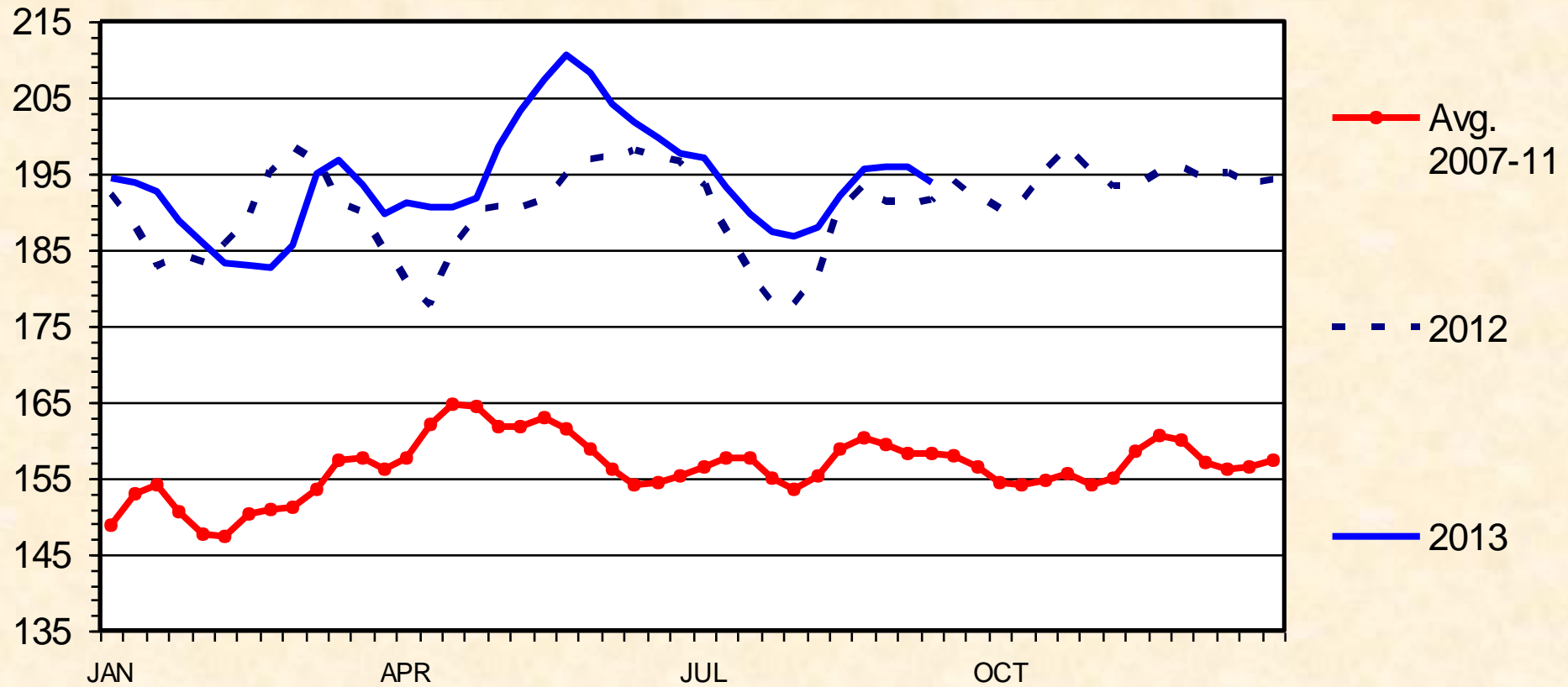
Percent Poor and Very Poor, Weekly



# BOXED BEEF CUTOUT VALUE

Choice 600-900 Lbs. Carcass, Weekly

\$ Per Cwt.



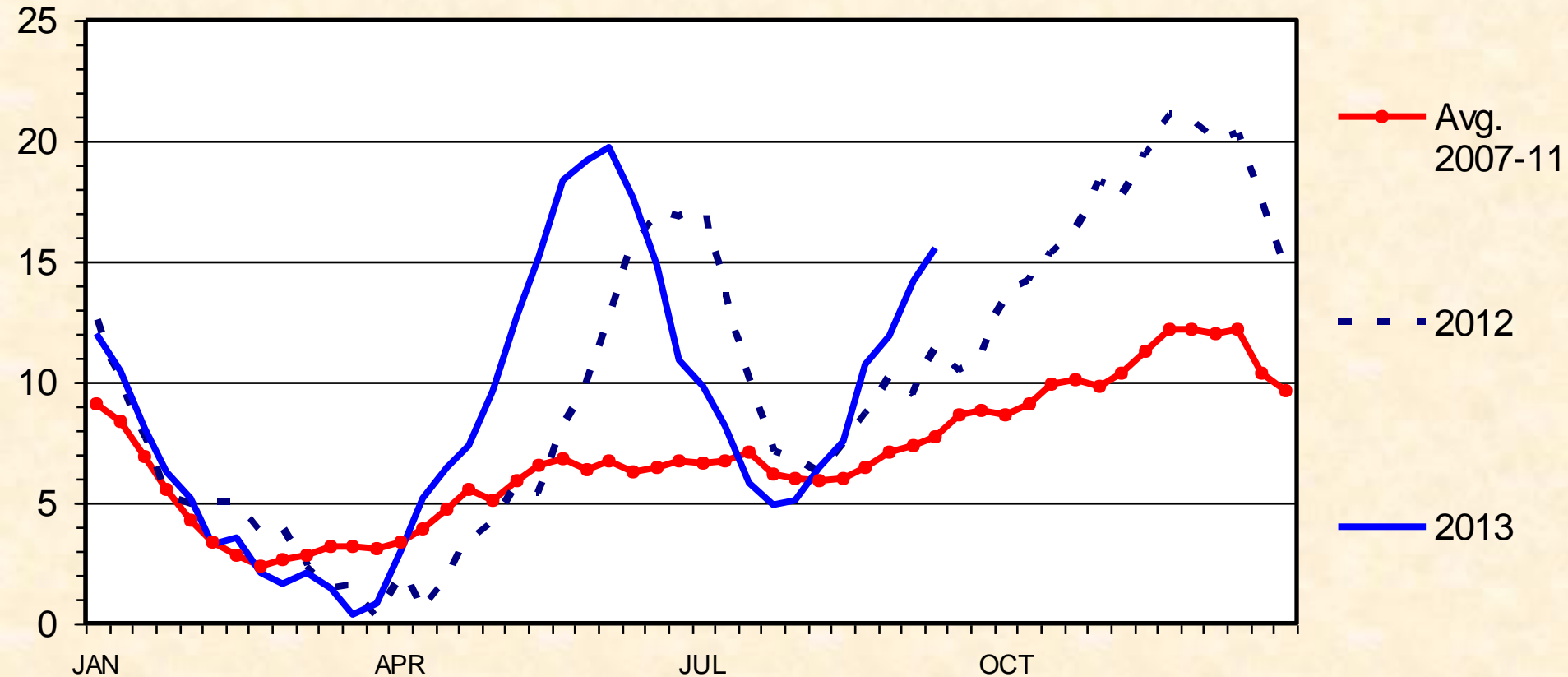
Livestock Marketing Information Center

Data Source: USDA-AMS

# CHOICE MINUS SELECT BEEF PRICES

Carcass Cutout Value 600-900 Lbs., Weekly

\$ Per Cwt.



➤ Spread mid-November: \$22.16

➤ Largest spread since July 2006.

Livestock Marketing Information Center

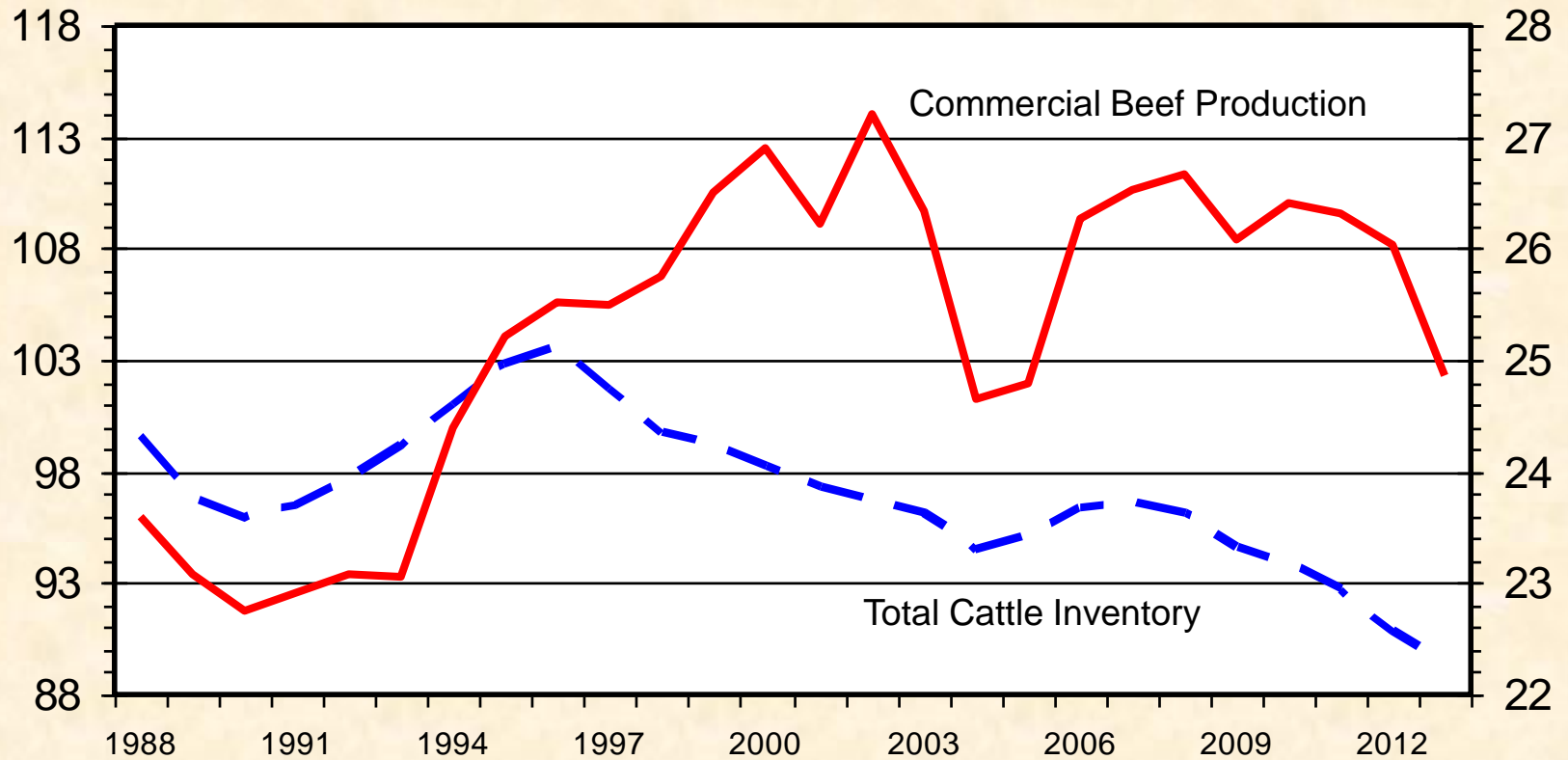
Data Source: USDA-AMS

# BEEF PRODUCTION vs. CATTLE INVENTORY

Inventory on January 1, U.S.

Mil. Head

Bil. Pounds



Livestock Marketing Information Center

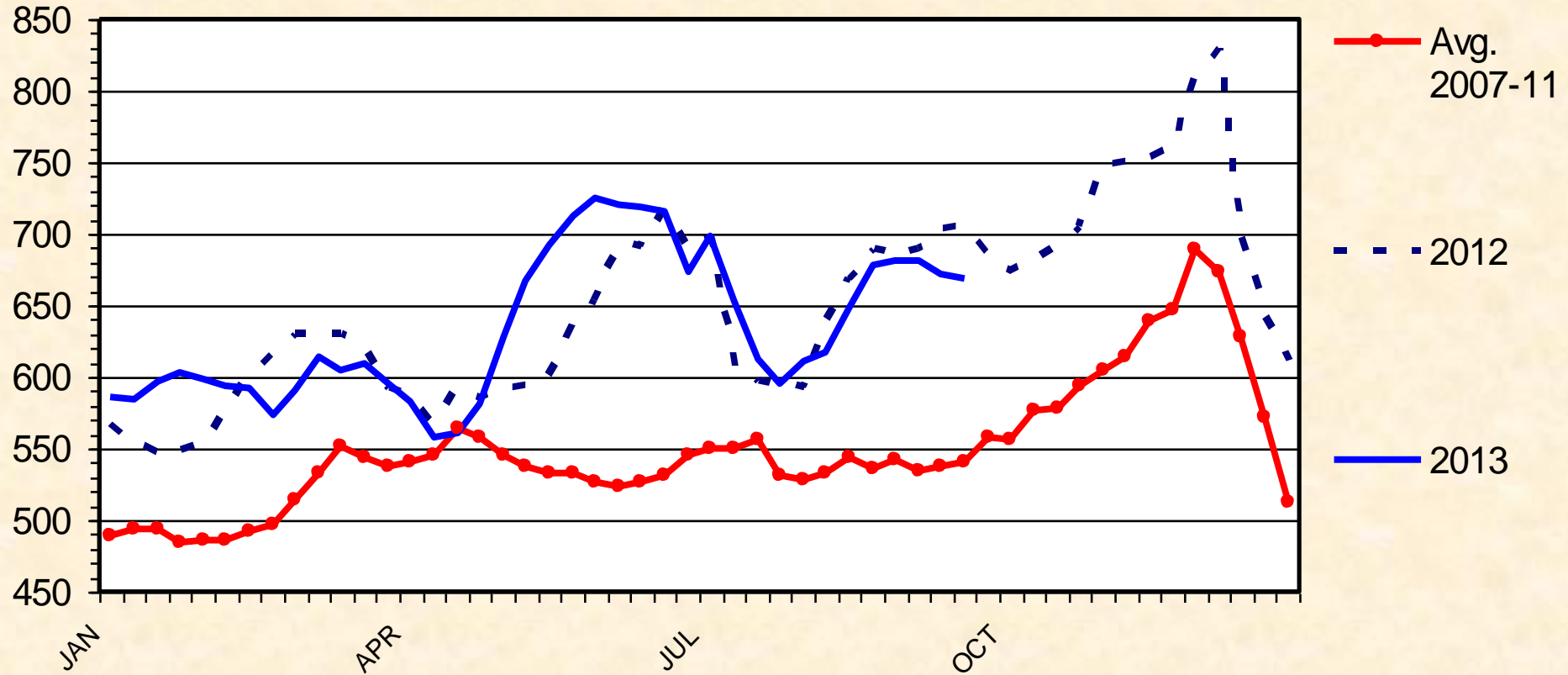
Data Source: USDA-AMS



# WHOLESALE BEEF RIBEYE PRICES

Boneless, Light, Weekly

\$ Per Cwt.



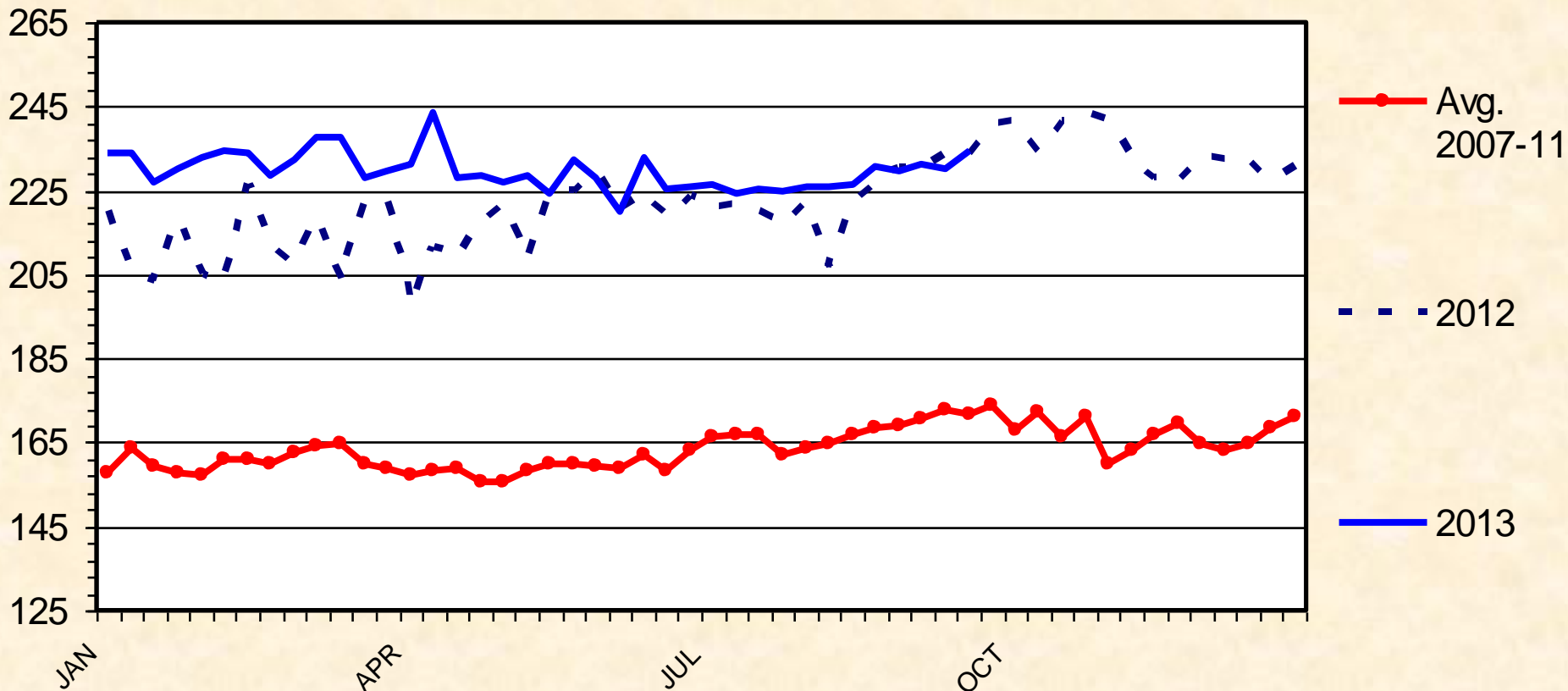
Livestock Marketing Information Center

Data Source: USDA-AMS

# WHOLESALE BEEF CHUCK PRICES

## Boneless 2 Piece, Weekly

\$ Per Cwt.



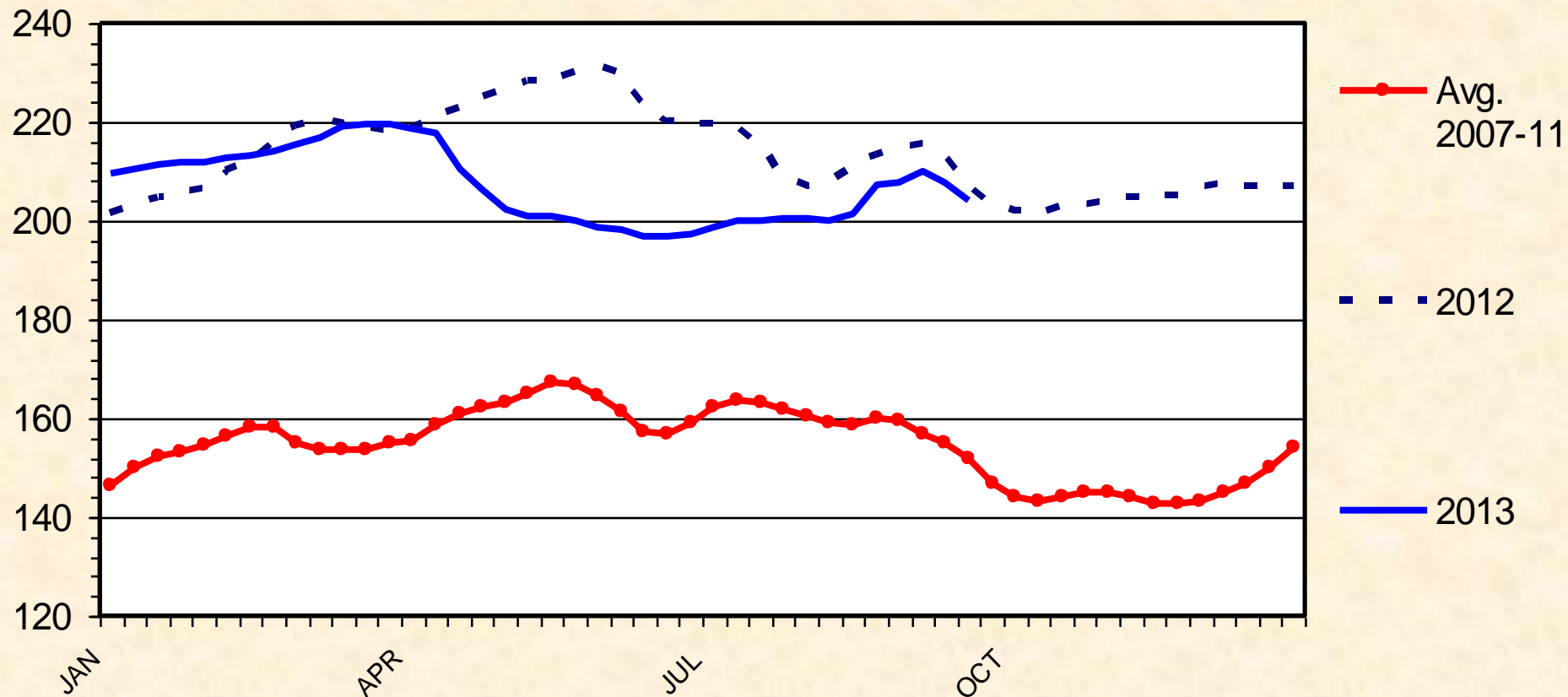
Livestock Marketing Information Center

Data Source: USDA-AMS

# WHOLESALE BONELESS BEEF PRICES

Fresh, 90% Lean, Weekly

\$ Per Cwt.



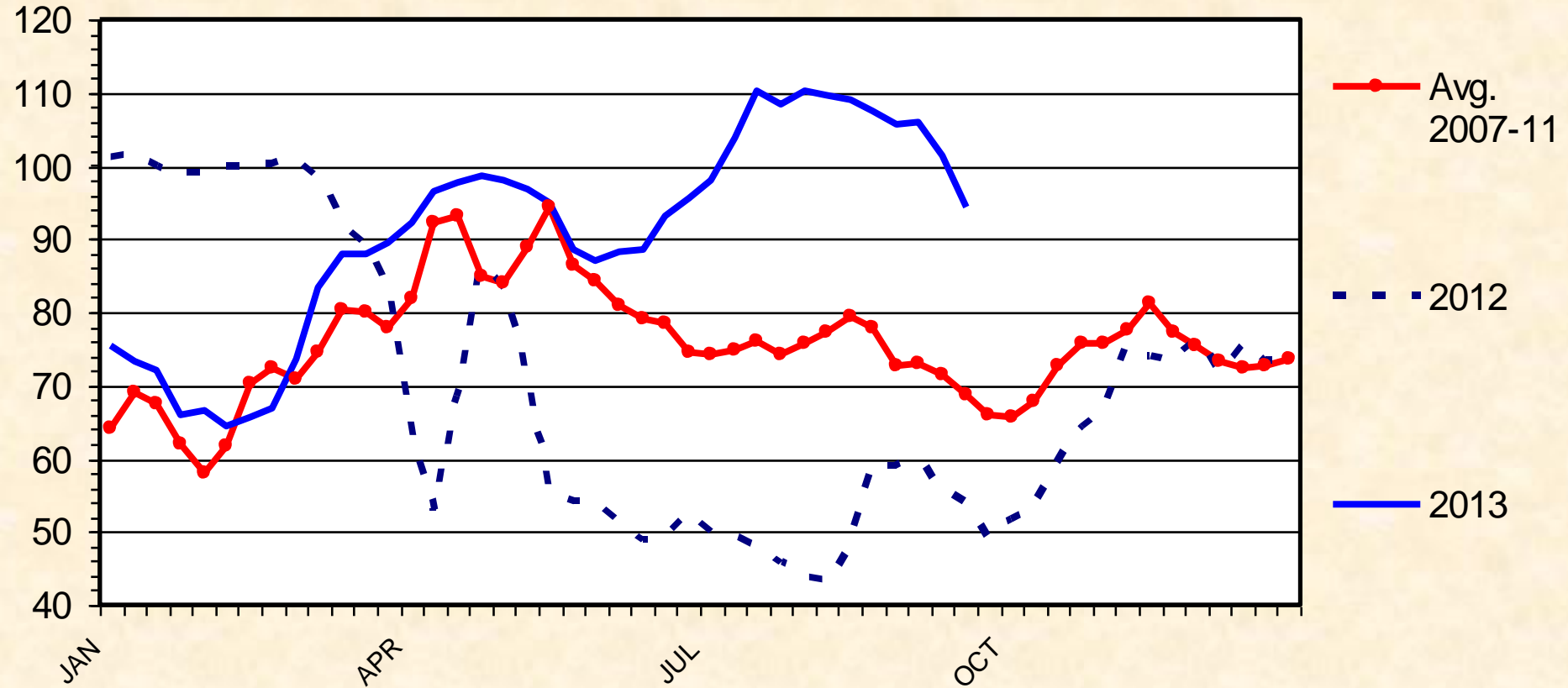
Livestock Marketing Information Center

Data Source: USDA-AMS

# WHOLESALE BONELESS BEEF PRICES

Fresh, 50% Lean, Weekly

\$ Per Cwt.



Livestock Marketing Information Center

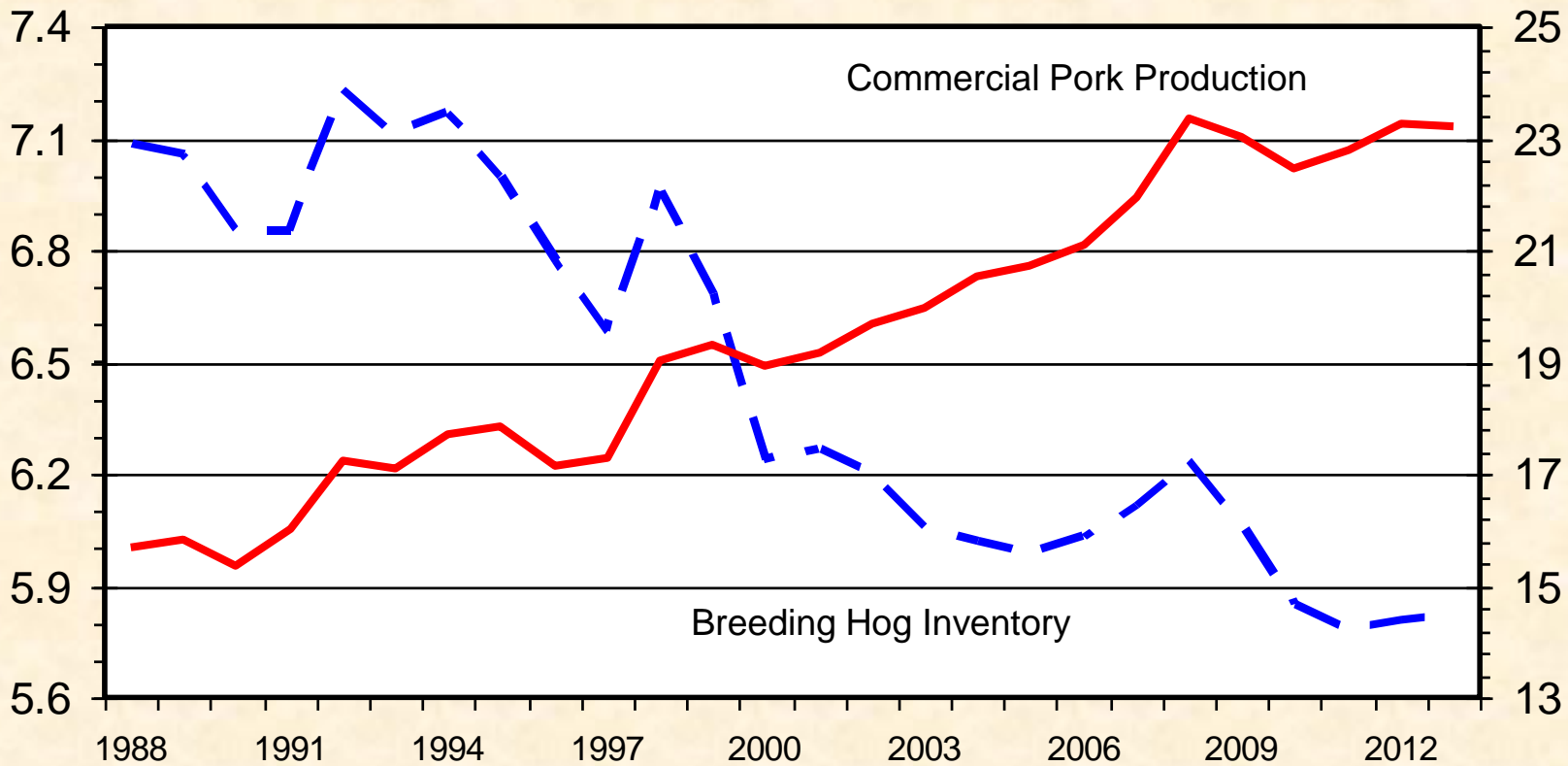
Data Source: USDA-AMS

# PORK PRODUCTION vs. BREEDING HOG INVENTORY

Inventory on December 1, U.S.

Mil. Head

Bil. Pounds



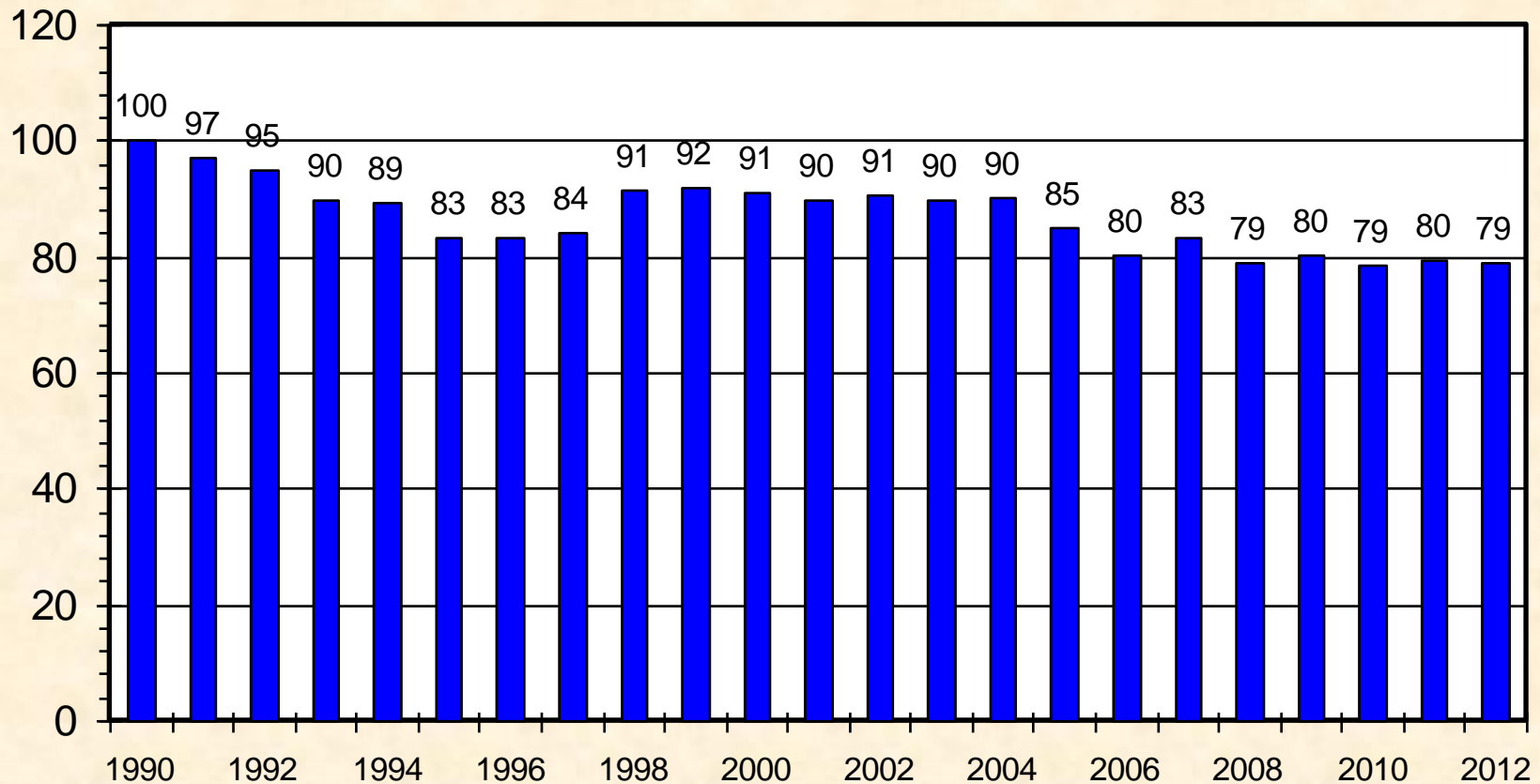
Livestock Marketing Information Center

Data Source: USDA-AMS

# RETAIL PORK DEMAND INDEX

Annual, Using CPI 1990=100

Index Value



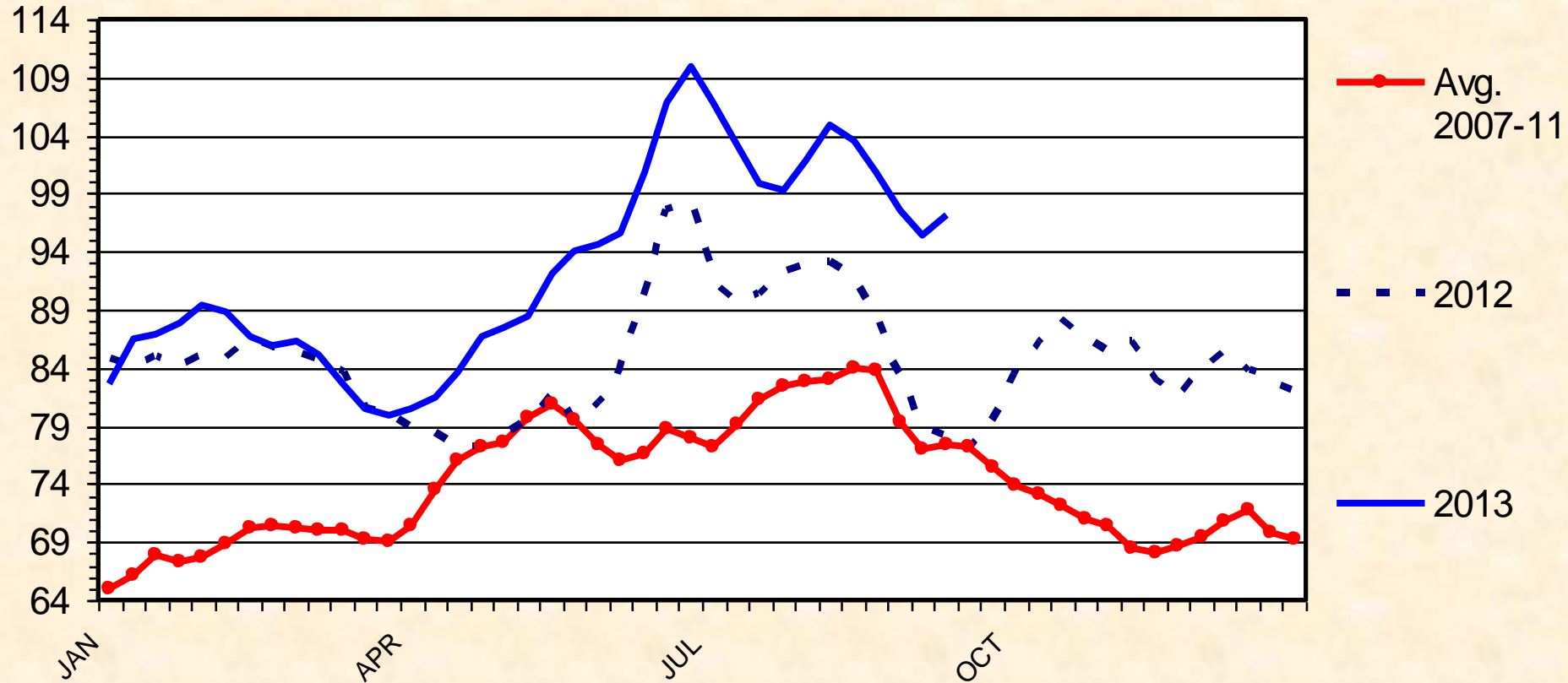
Livestock Marketing Information Center

Data Source: Bureau of Labor Statistics, USDA-ERS, Compiled & Analysis by LMIC

# HOG CUTOUT VALUE

(Voluntary data prior to 2013), Weekly

\$ Per Cwt.



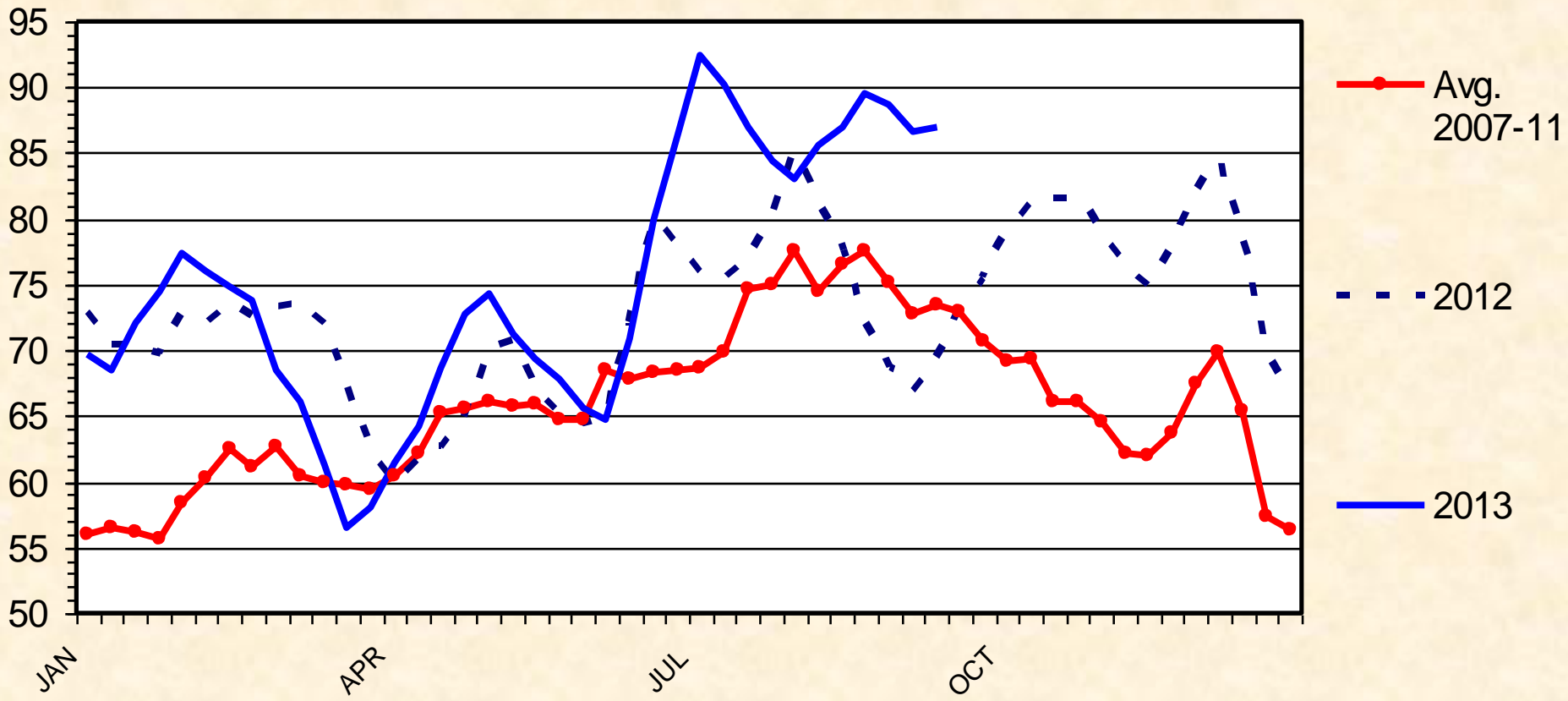
Livestock Marketing Information Center

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

# WHOLESALE HAM PRICES

## Trimmed Selected, 23-27 Pounds, Weekly

\$ Per Cwt.



Livestock Marketing Information Center

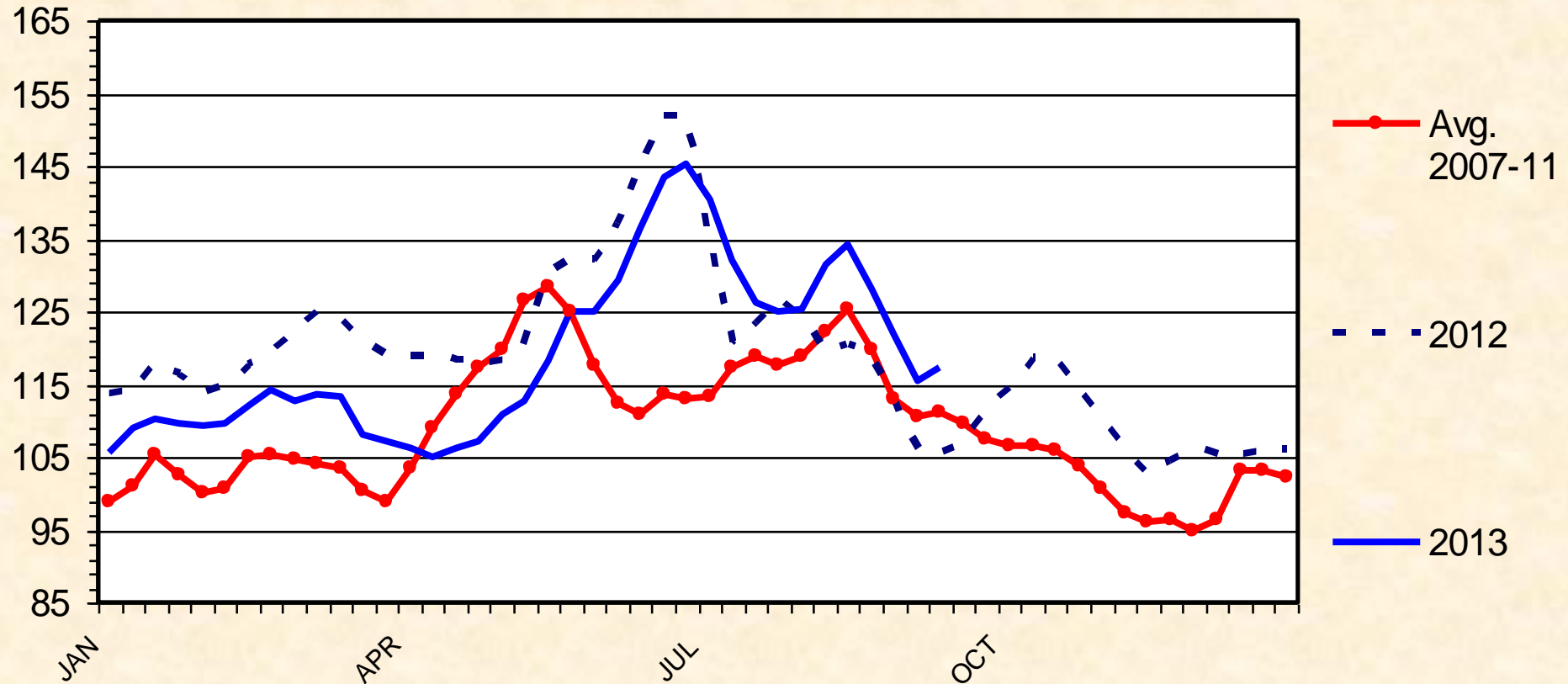
Data Source: USDA-AMS



# WHOLESALE PORK LOIN PRICES

1/4 Inch Trim, Vacuum Sealed, Weekly

\$ Per Cwt.



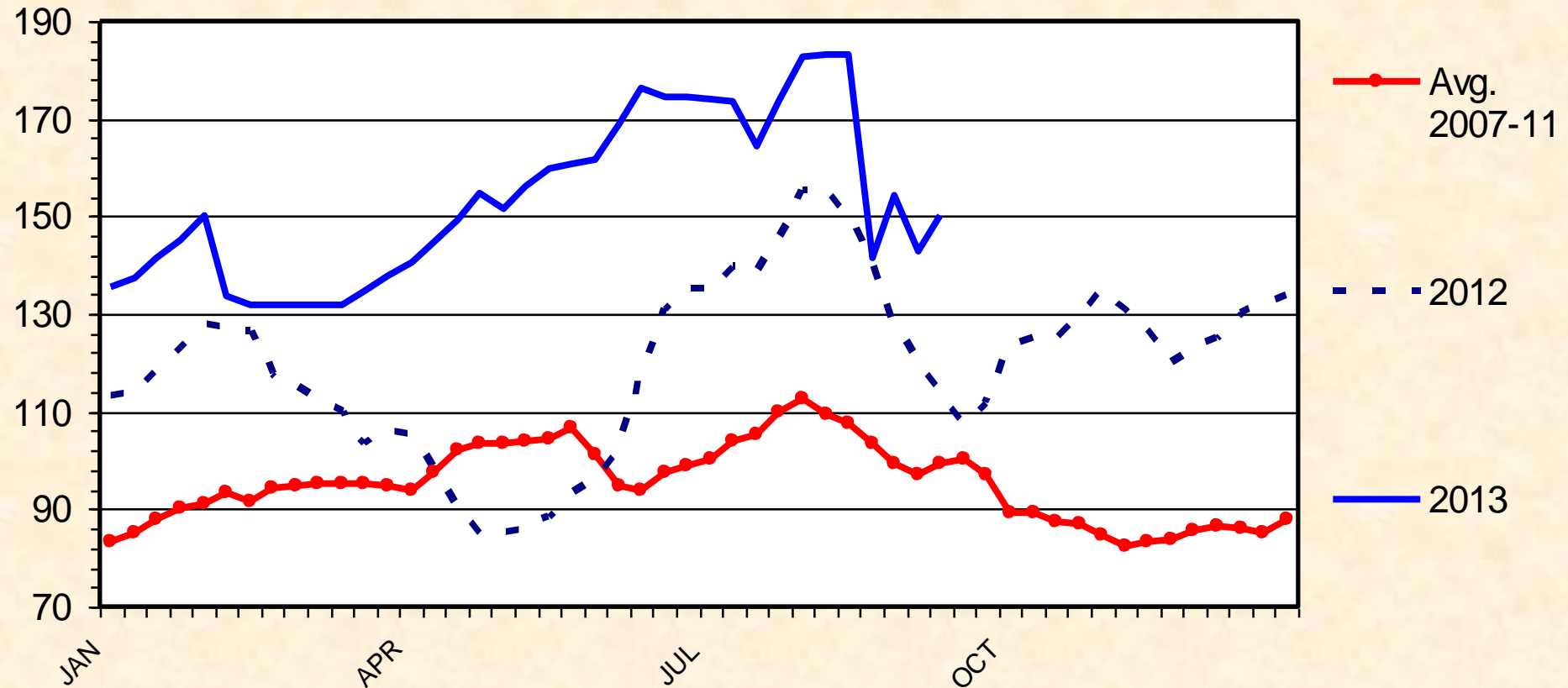
Livestock Marketing Information Center

Data Source: USDA-AMS

# WHOLESALE PORK BELLY PRICES

Skin-on, 14-16 Pounds, Weekly

\$ Per Cwt.



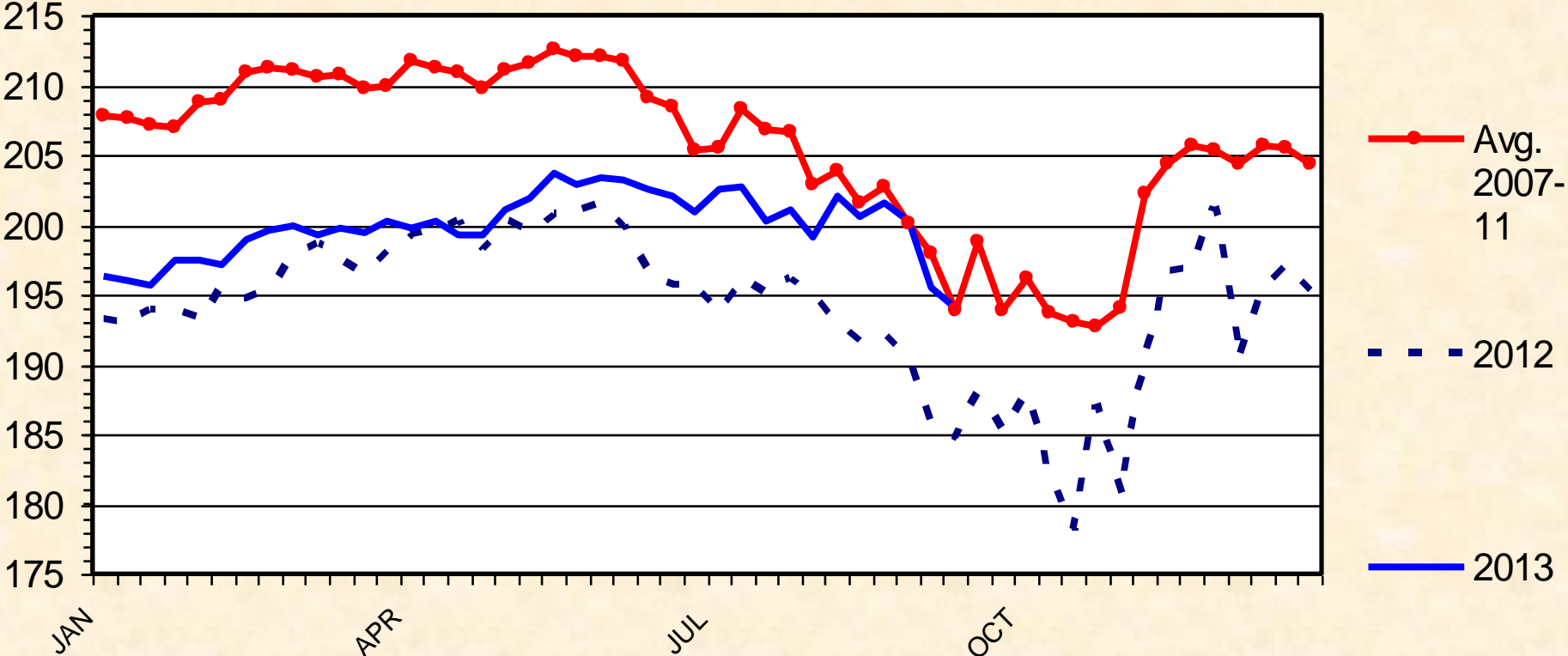
Livestock Marketing Information Center

Data Source: USDA-AMS

# BROILER EGGS SET

## Weekly

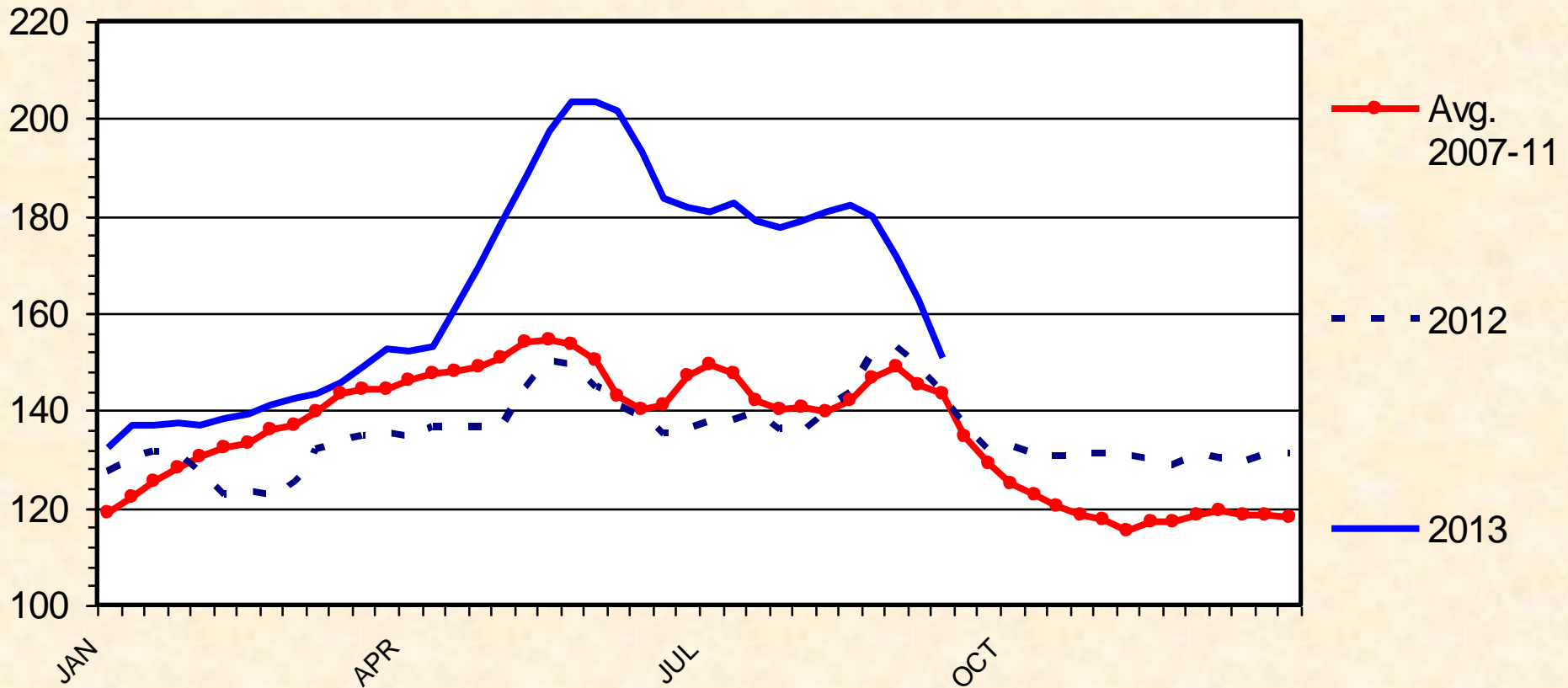
Mil. Eggs



# WHOLESALE CHICKEN BREAST PRICES

## Skinless/Boneless, Northeast, Truckload, Weekly

Cents Per Pound



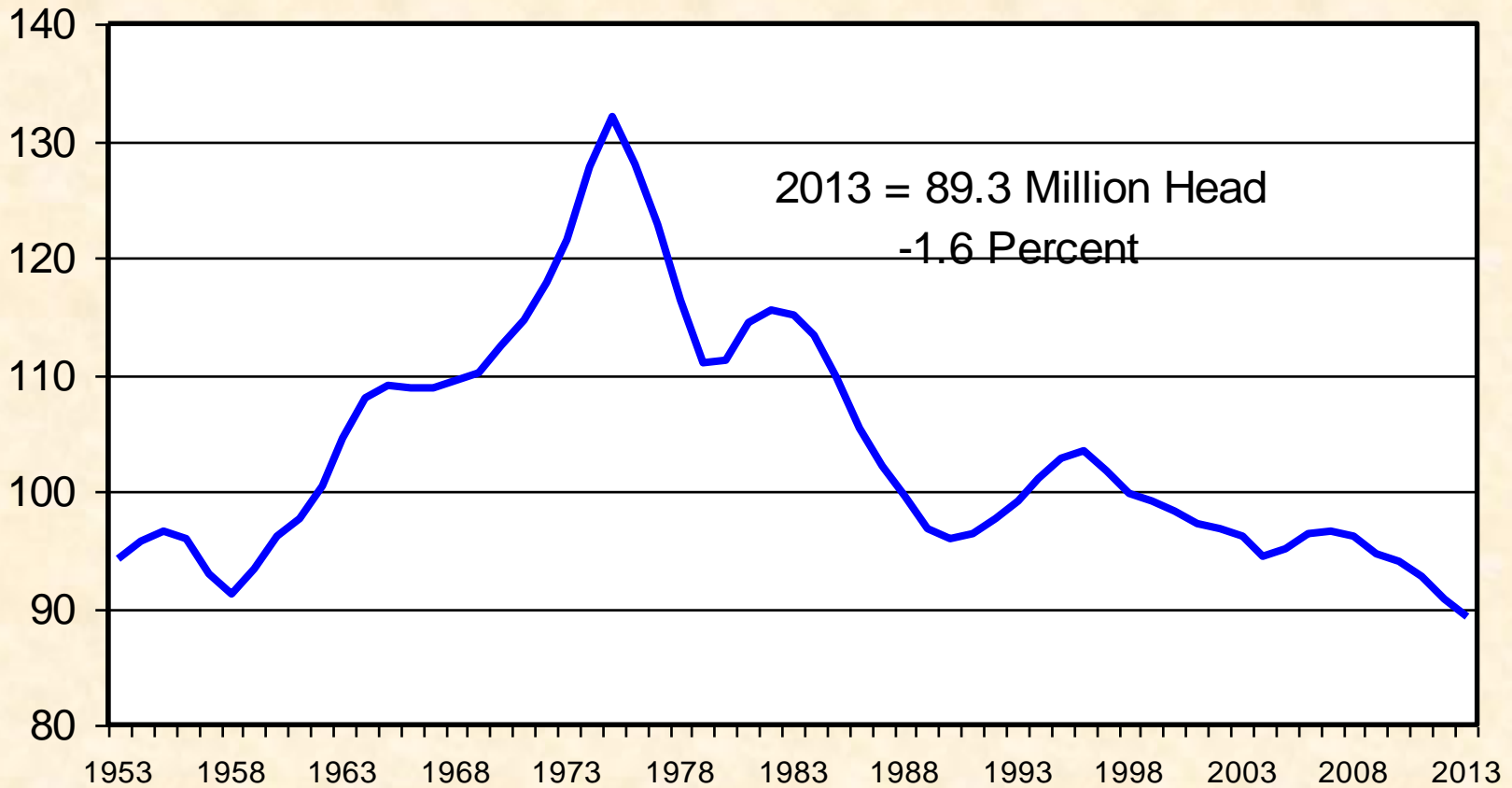
Livestock Marketing Information Center

Data Source: USDA-AMS

# JANUARY 1 TOTAL CATTLE INVENTORY

## U.S., Annual

Mil. Head



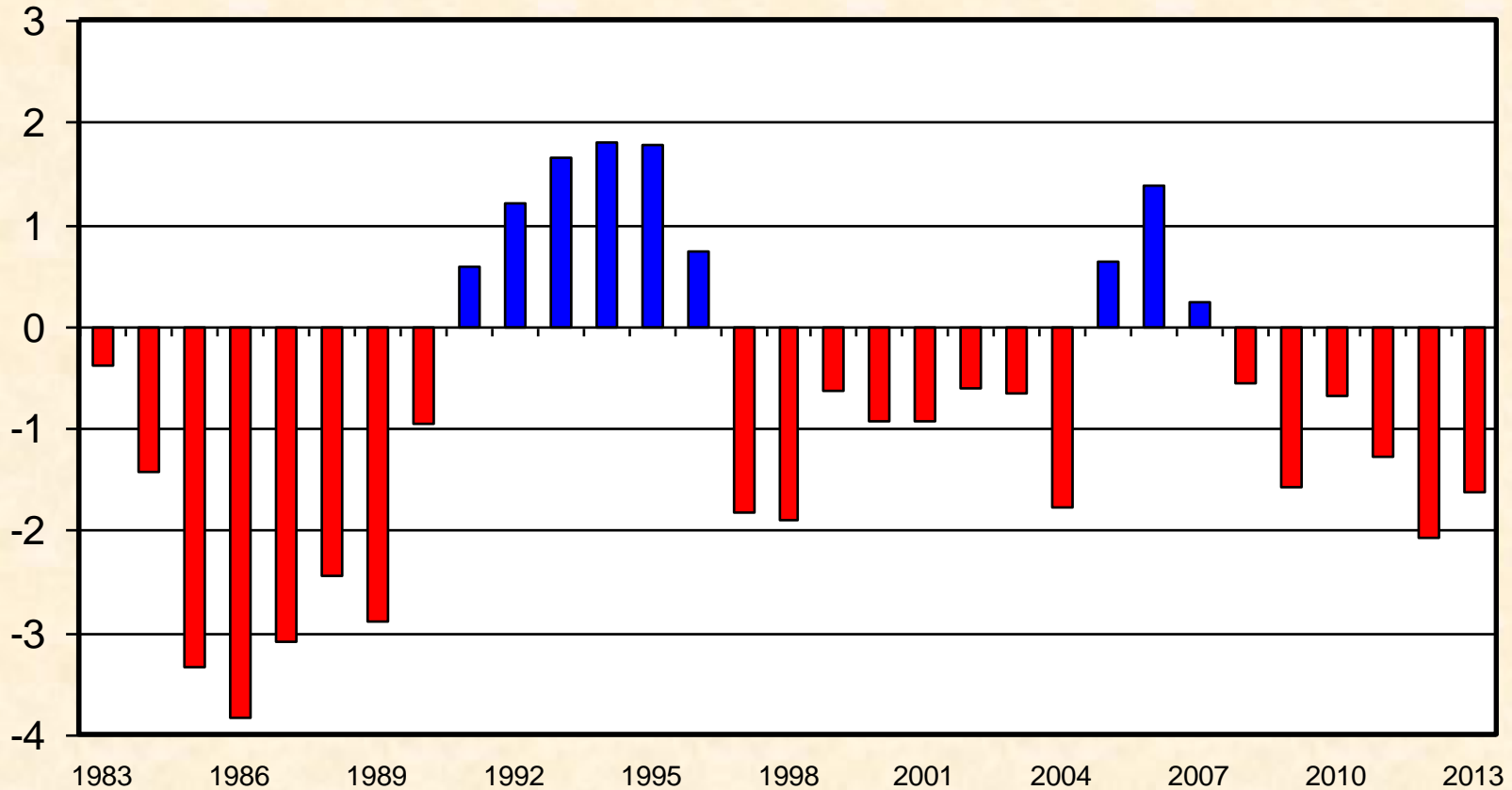
2013 = 89.3 Million Head  
-1.6 Percent

Livestock Marketing Information Center

Data Source: USDA-AMS

# PERCENT CHANGE IN CATTLE INVENTORY

## U.S., January 1



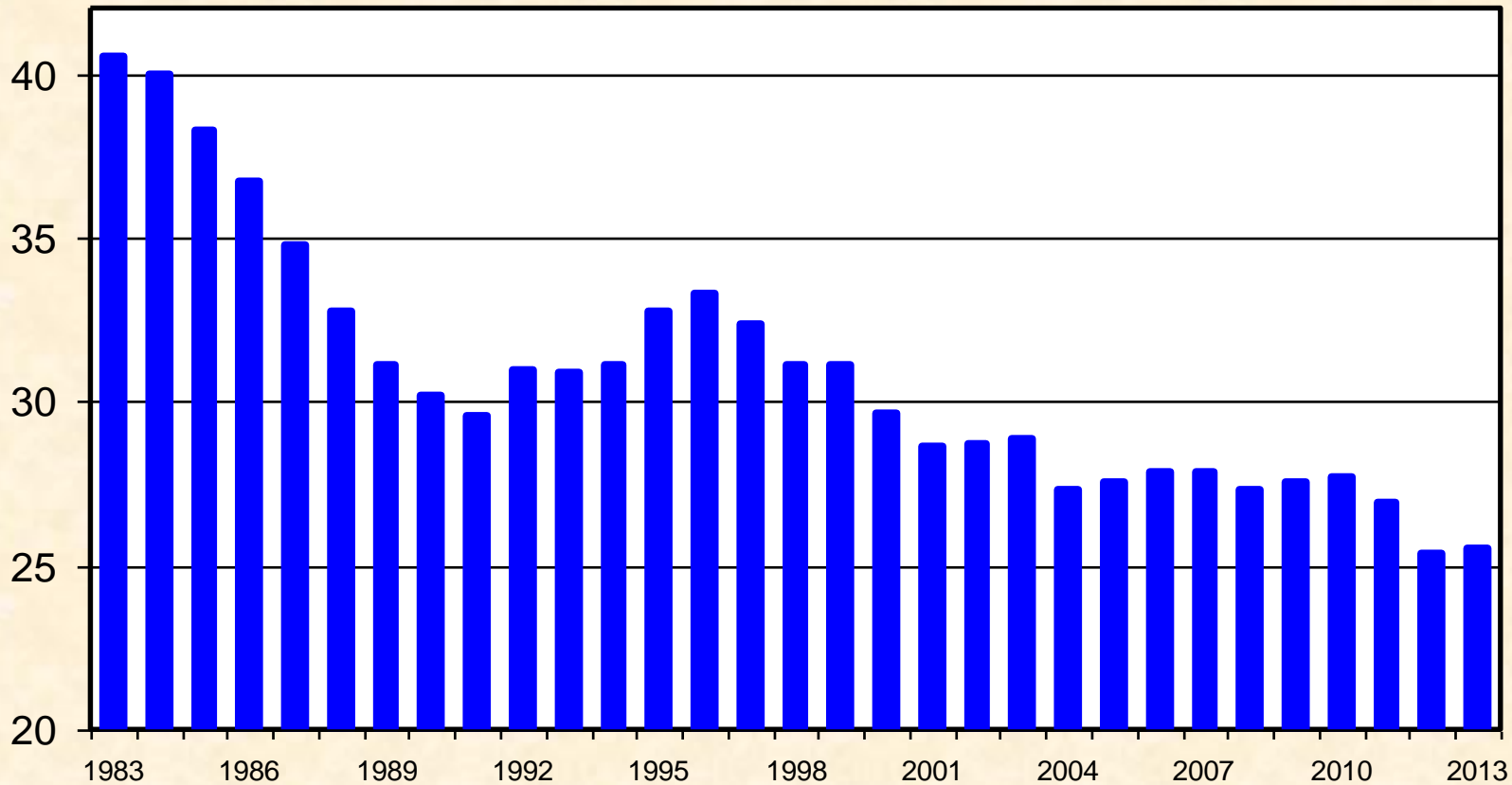
Livestock Marketing Information Center

Data Source: USDA-AMS

# JANUARY 1 FEEDER CATTLE SUPPLIES

Residual, Outside Feedlots, U.S.

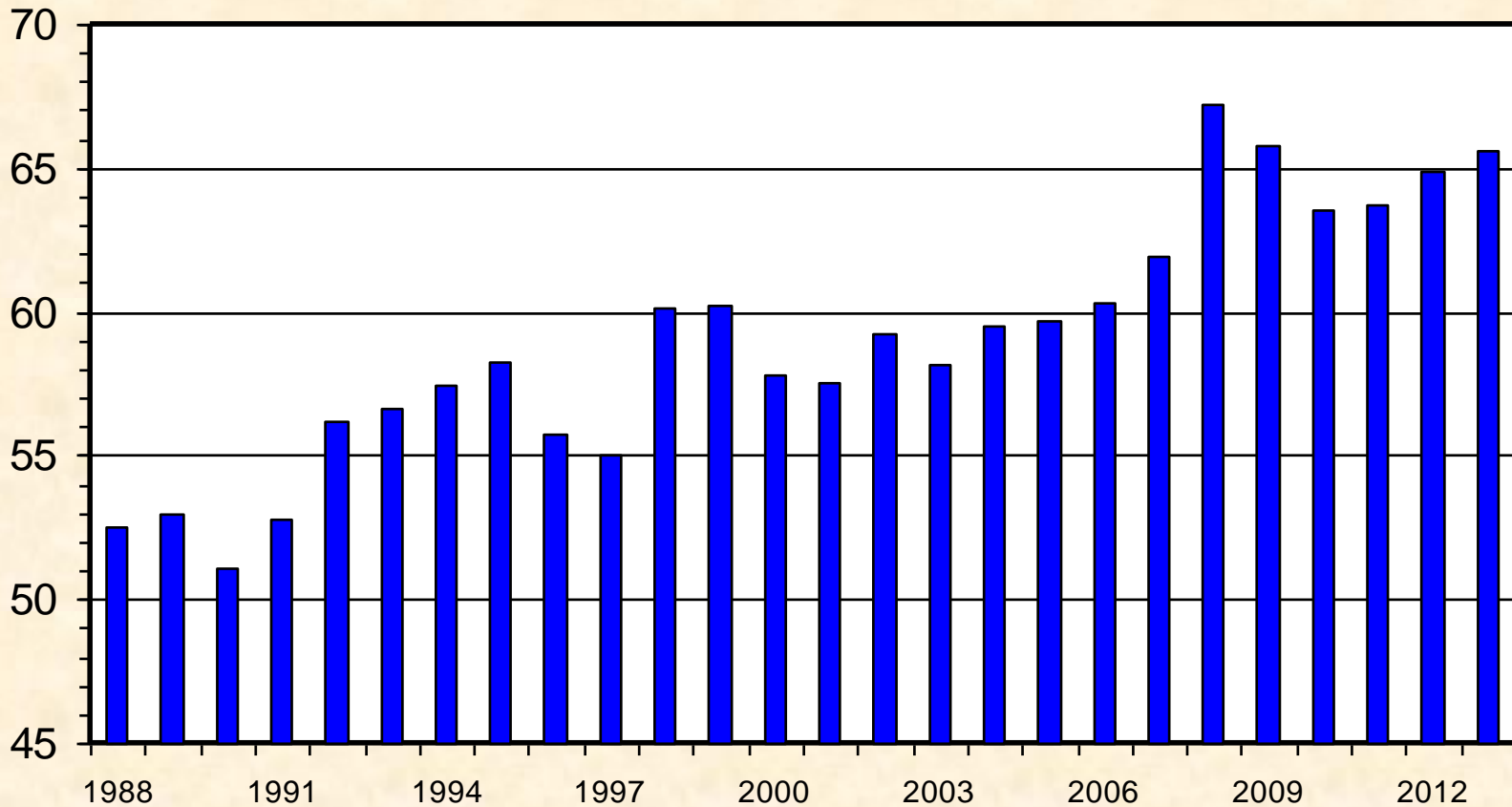
Mil. Head



# MARCH 1 ALL HOGS AND PIGS

## U.S. Inventory (Prior to 1988 Estimated)

Mil. Head



Livestock Marketing Information Center

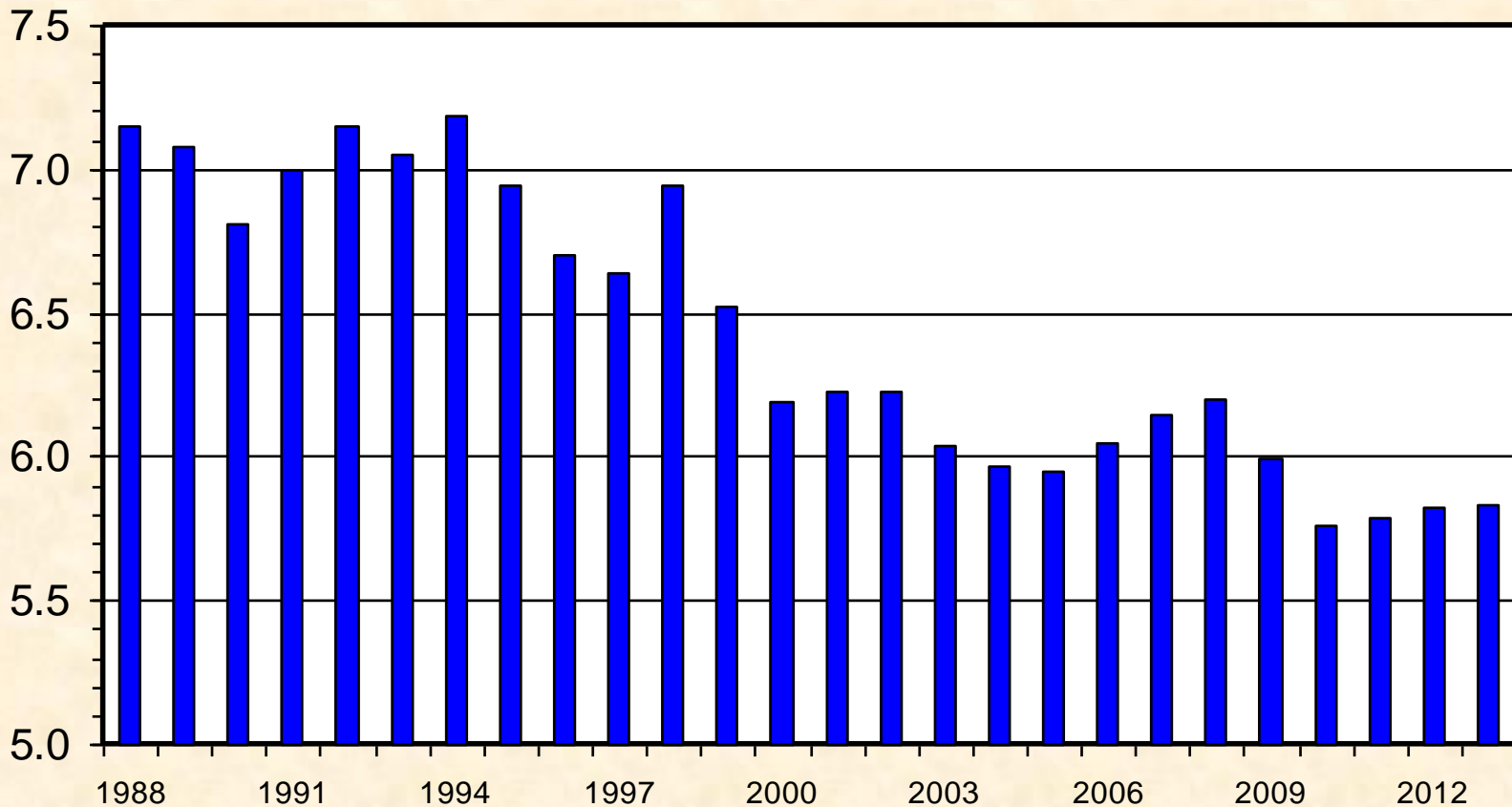
Data Source: USDA-NASS



# MARCH 1 HOG BREEDING HERD

## U.S. Inventory (Prior to 1988 Estimated)

Mil. Head



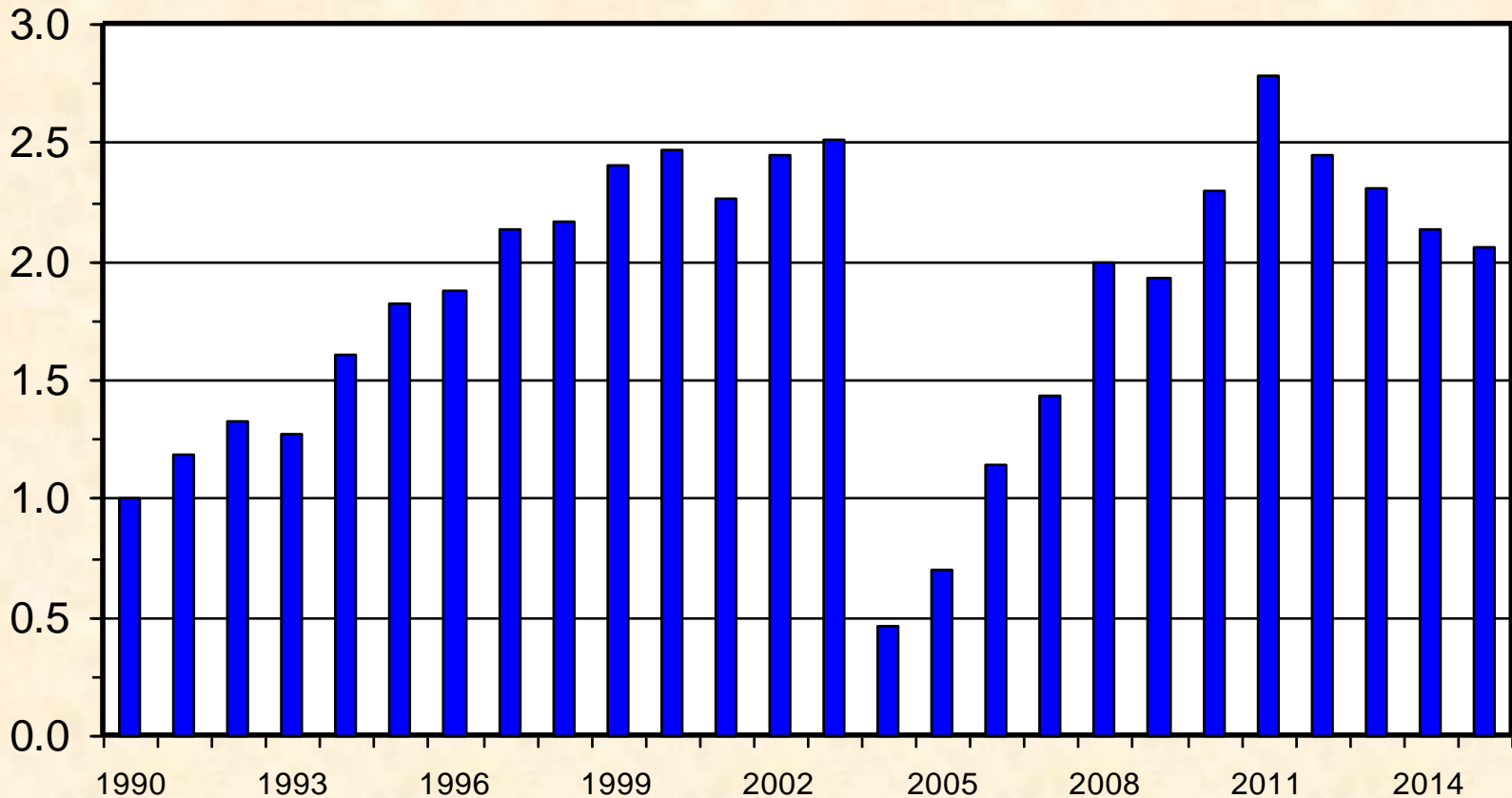
Livestock Marketing Information Center

Data Source: USDA-NASS

# U S BEEF AND VEAL EXPORTS

## Carcass Weight, Annual

Bil. Pounds



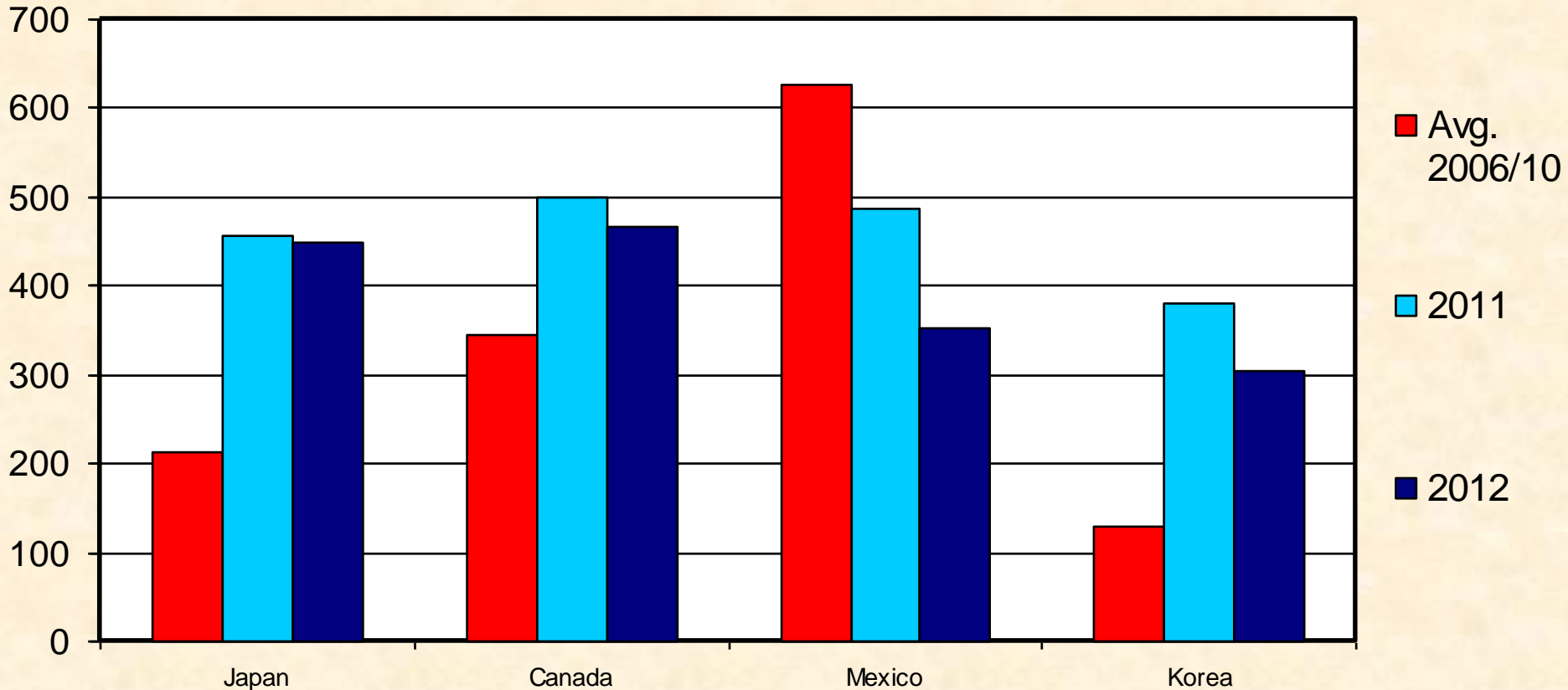
Livestock Marketing Information Center

Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC

# MAJOR U S BEEF EXPORT MARKETS

## Carcass Weight, Annual

Mil. Pounds



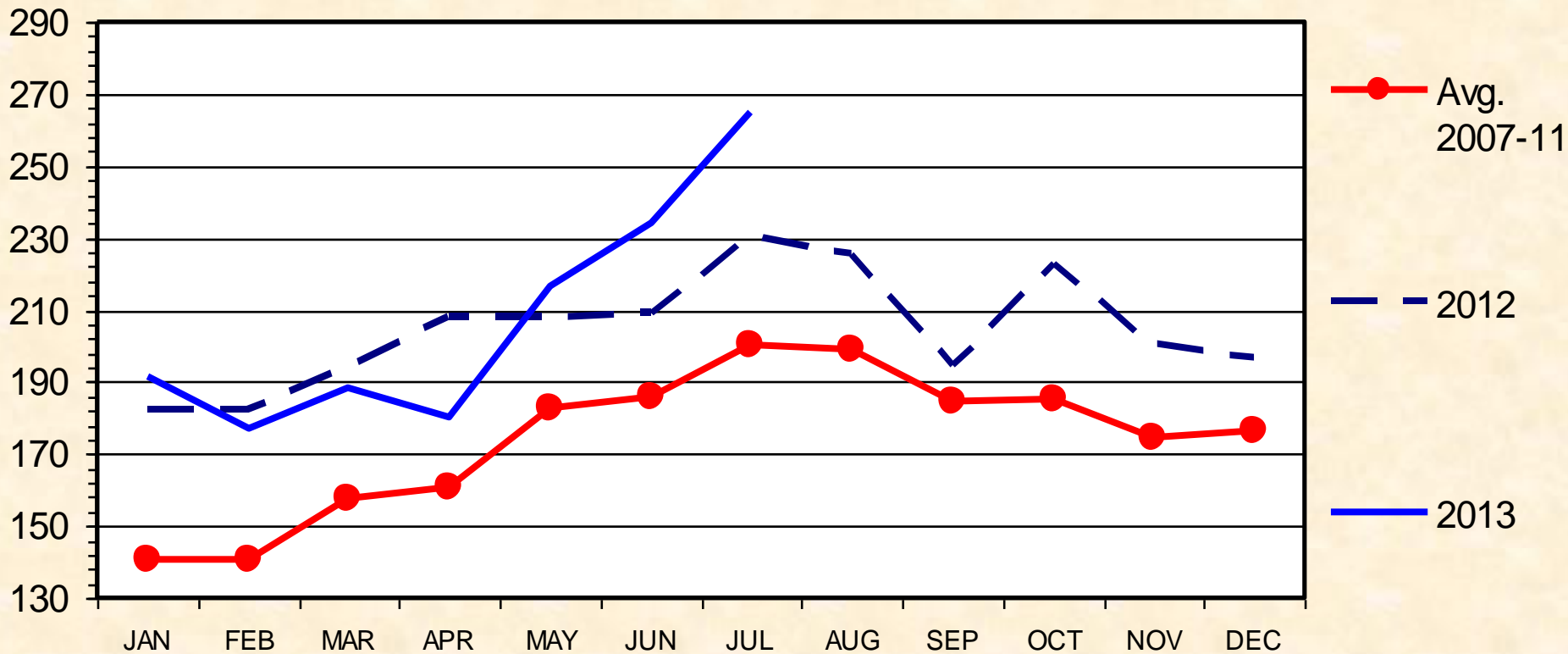
Livestock Marketing Information Center

Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC

# U S BEEF AND VEAL EXPORTS

## Carcass Weight, Monthly

Mil. Pounds



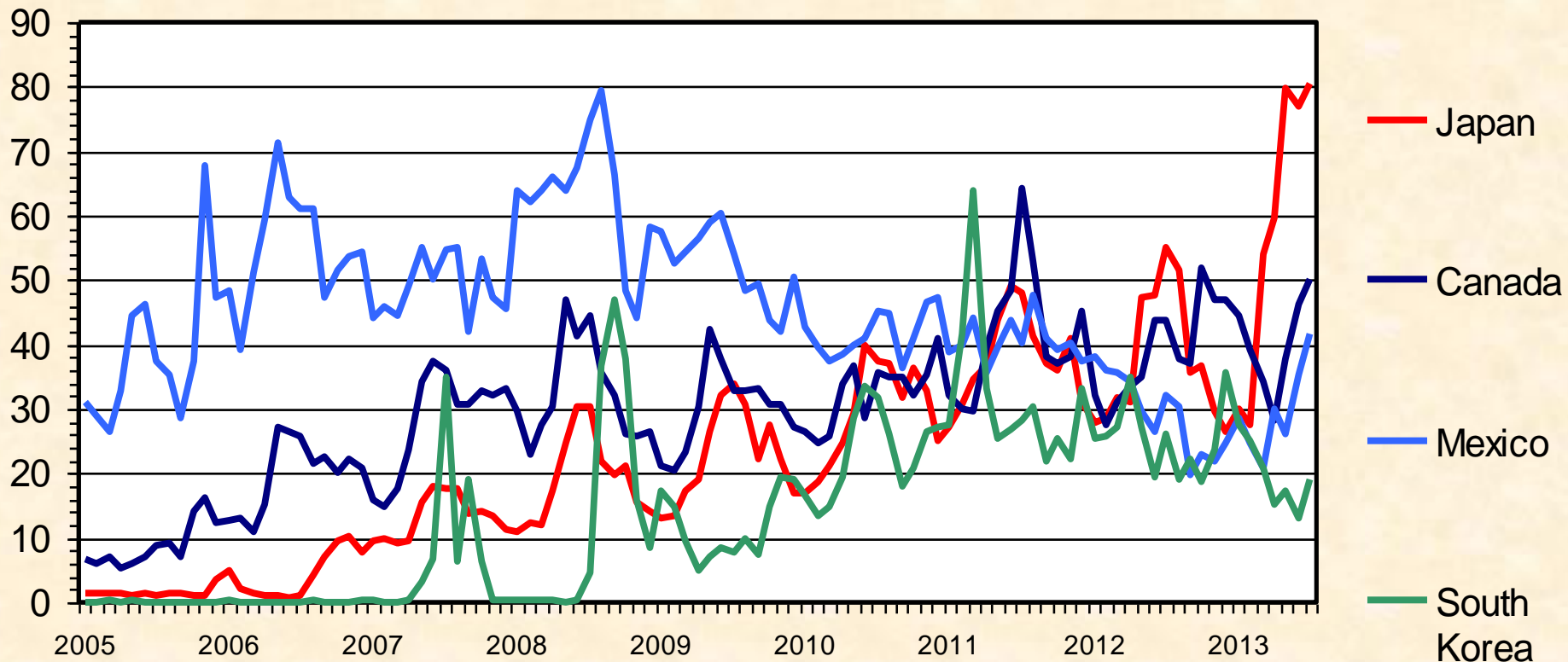
Livestock Marketing Information Center

Data Source: USDA-ERS & USDA-FAS

# U S BEEF EXPORTS TO MAJOR MARKETS

Carcass Weight, Monthly

Mil. Pounds



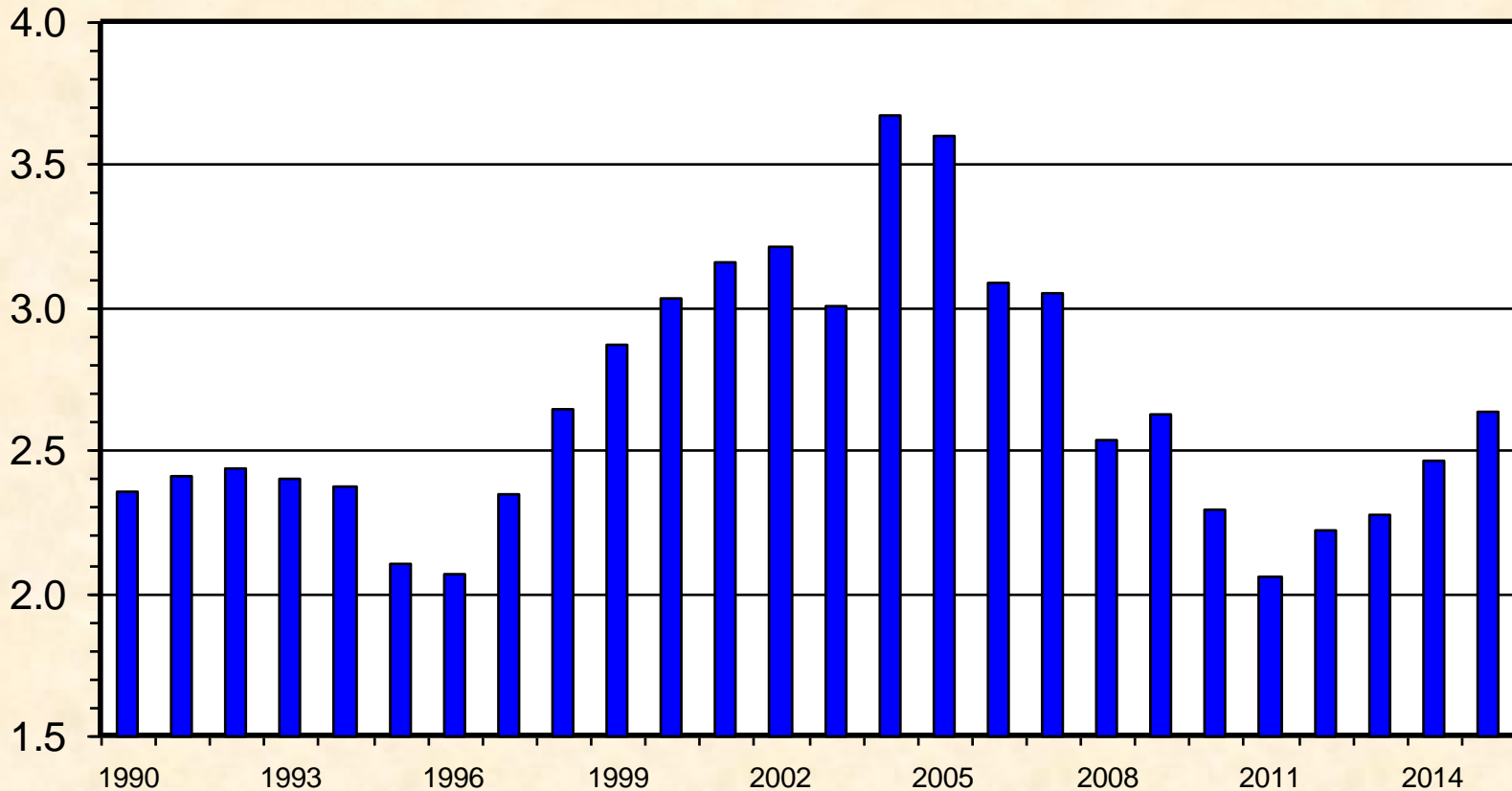
Livestock Marketing Information Center

Data Source: USDA-ERS & USDA-FAS

# U S BEEF AND VEAL IMPORTS

## Carcass Weight, Annual

Bil. Pounds



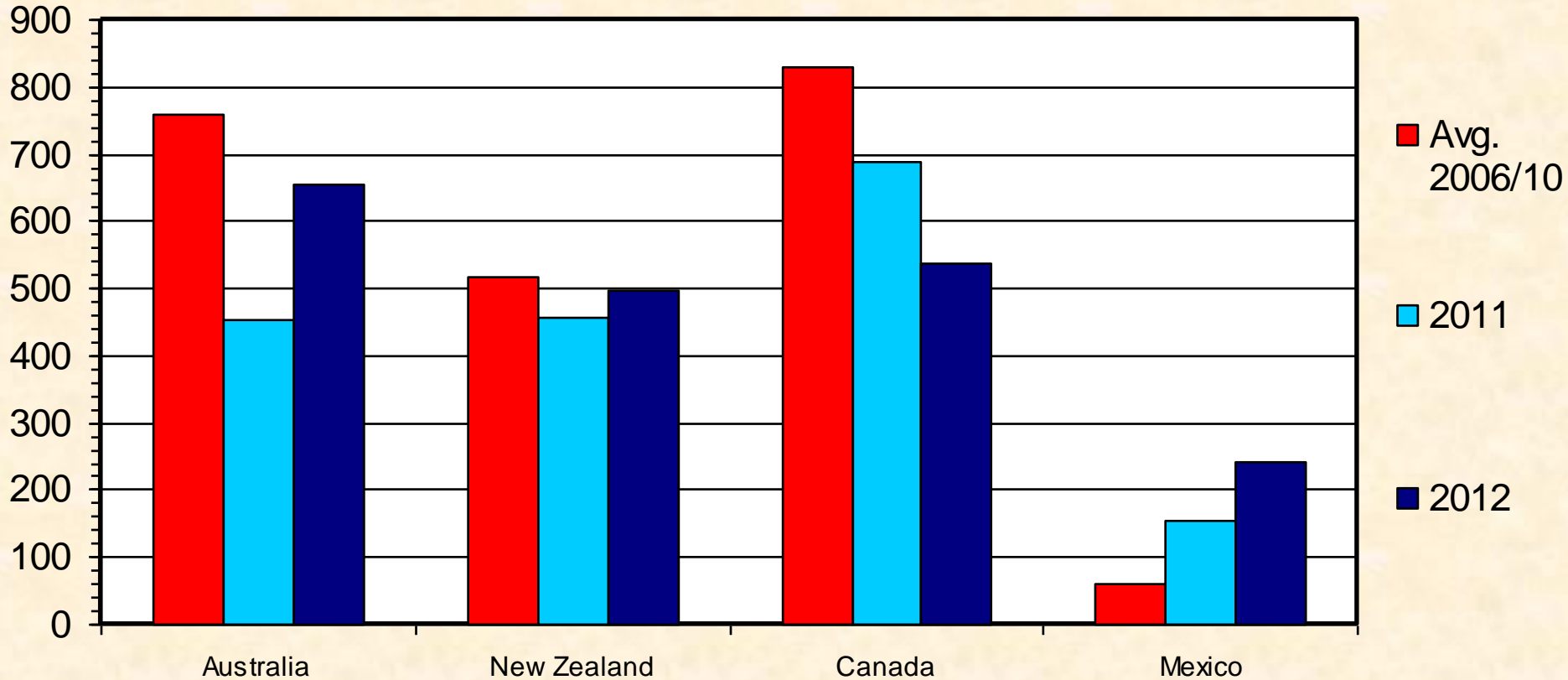
Livestock Marketing Information Center

Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC

# MAJOR U S BEEF IMPORT SOURCES

## Carcass Weight, Annual

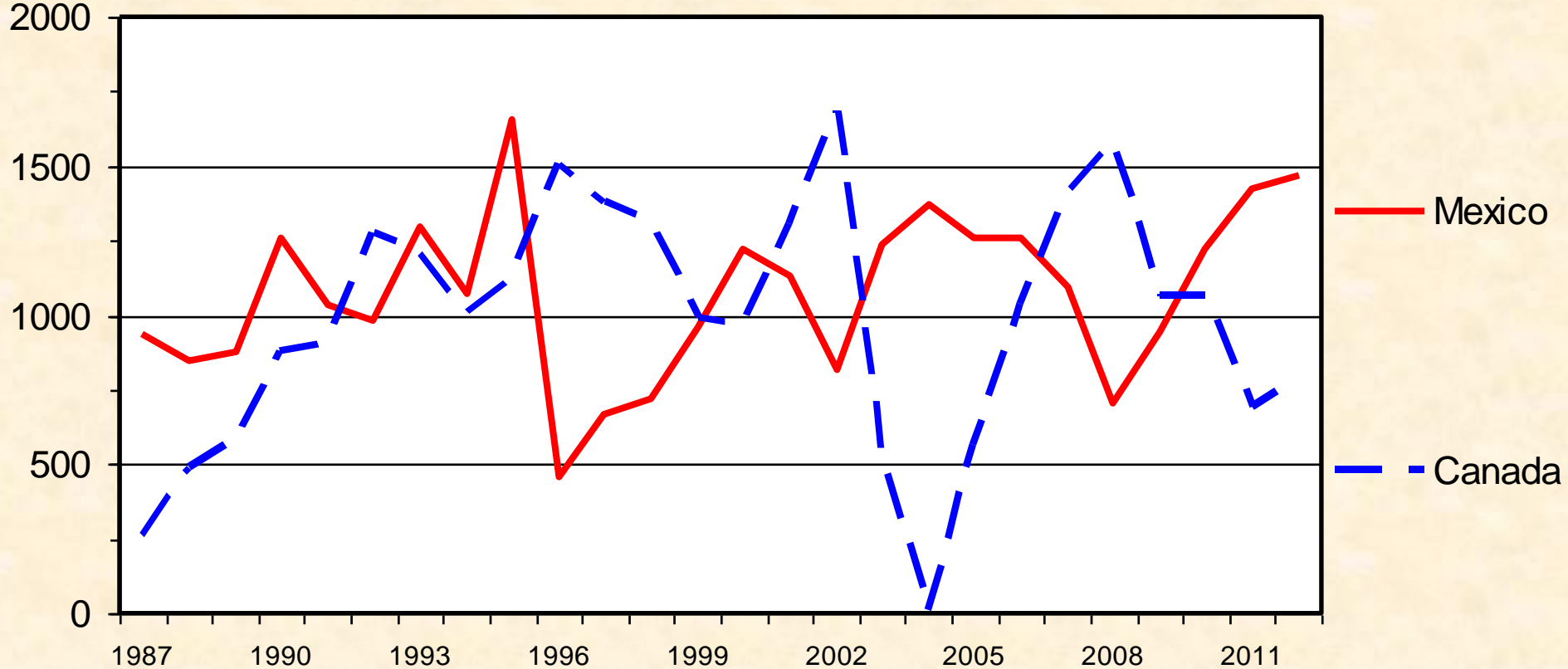
Mil. Pounds



# CATTLE IMPORTS FROM CANADA AND MEXICO

Annual

Thou. Head



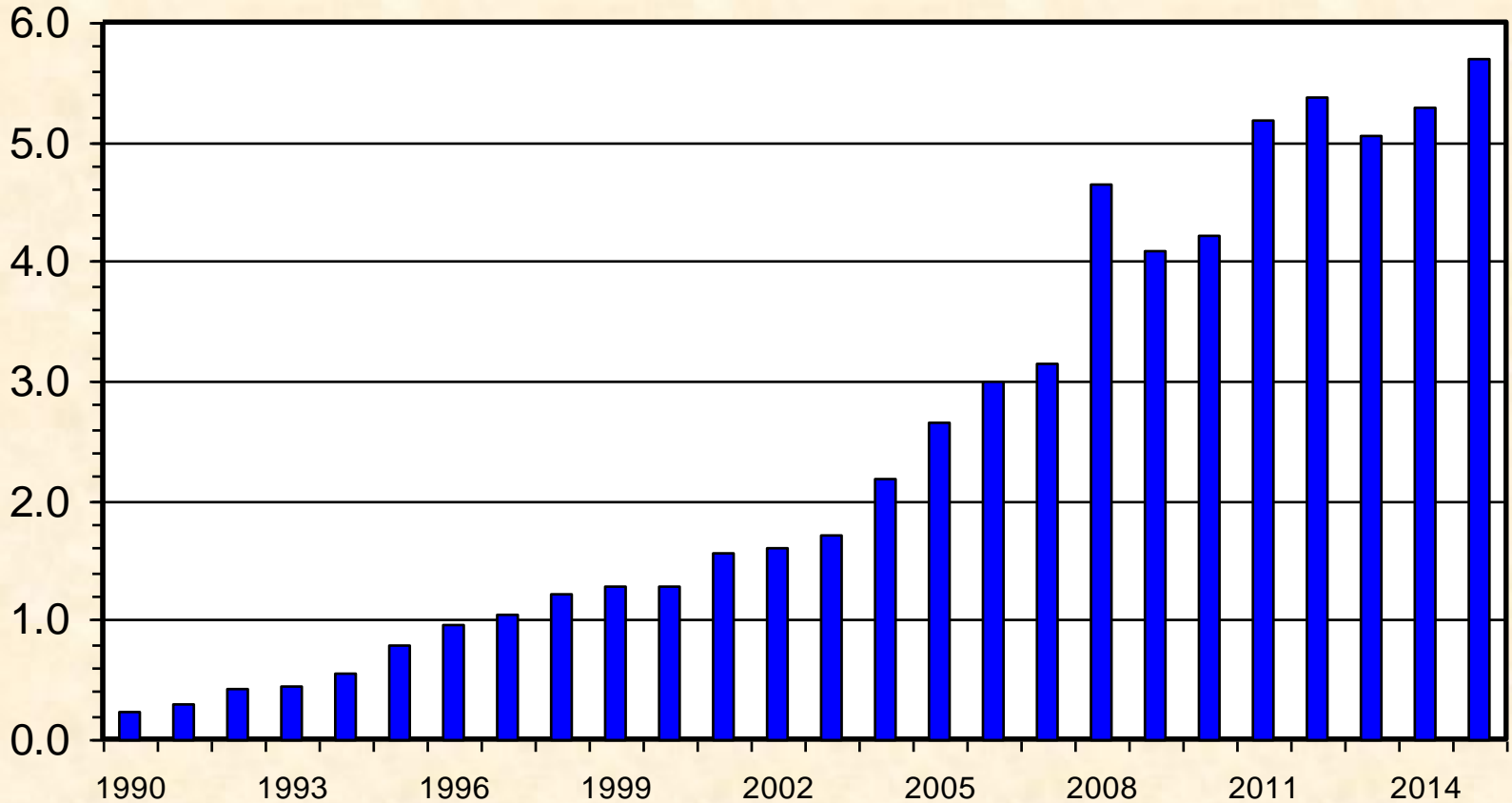
Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC



# U S PORK EXPORTS

## Carcass Weight, Annual

Bil. Pounds



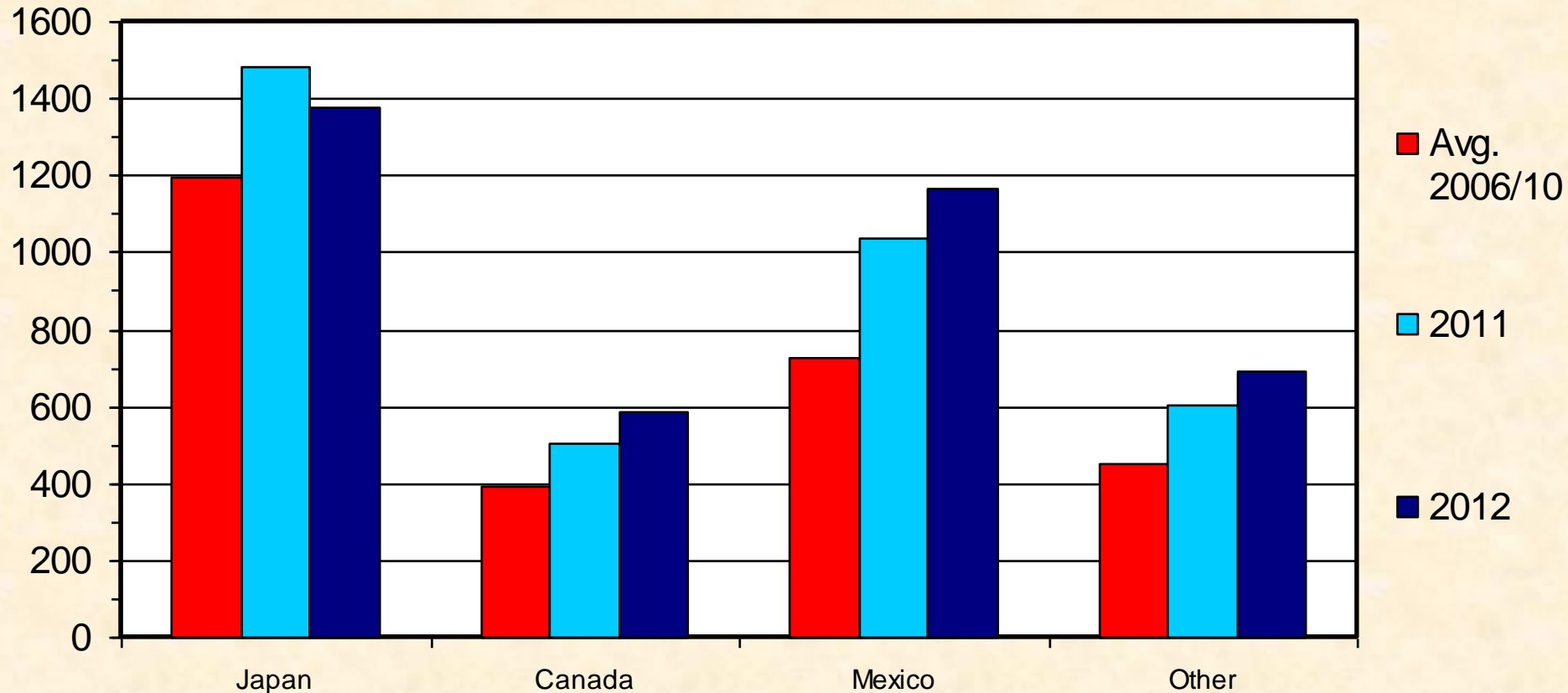
Livestock Marketing Information Center

Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC

# MAJOR U S PORK EXPORT MARKETS

## Carcass Weight, Annual

Mil. Pounds



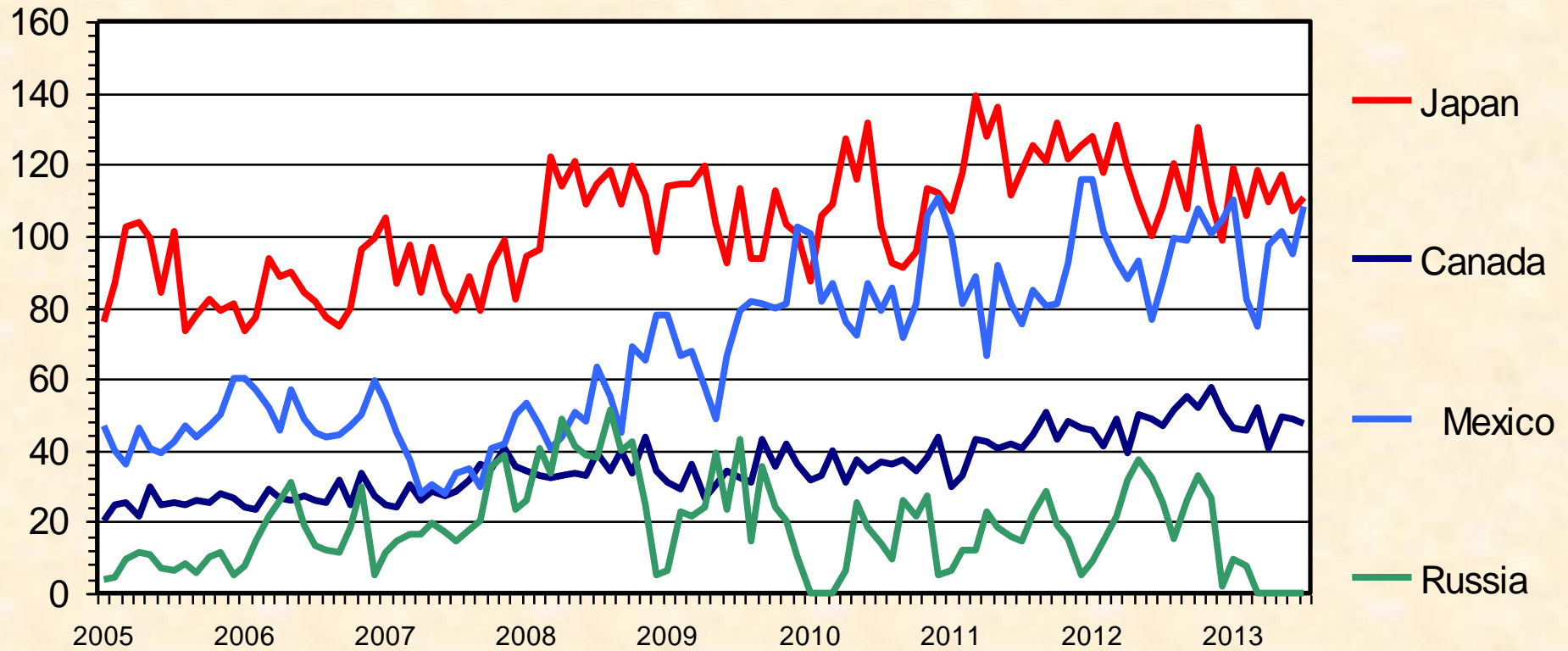
Livestock Marketing Information Center

Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC

# U S PORK EXPORTS TO MAJOR MARKETS

## Carcass Weight, Monthly

Mil. Pounds



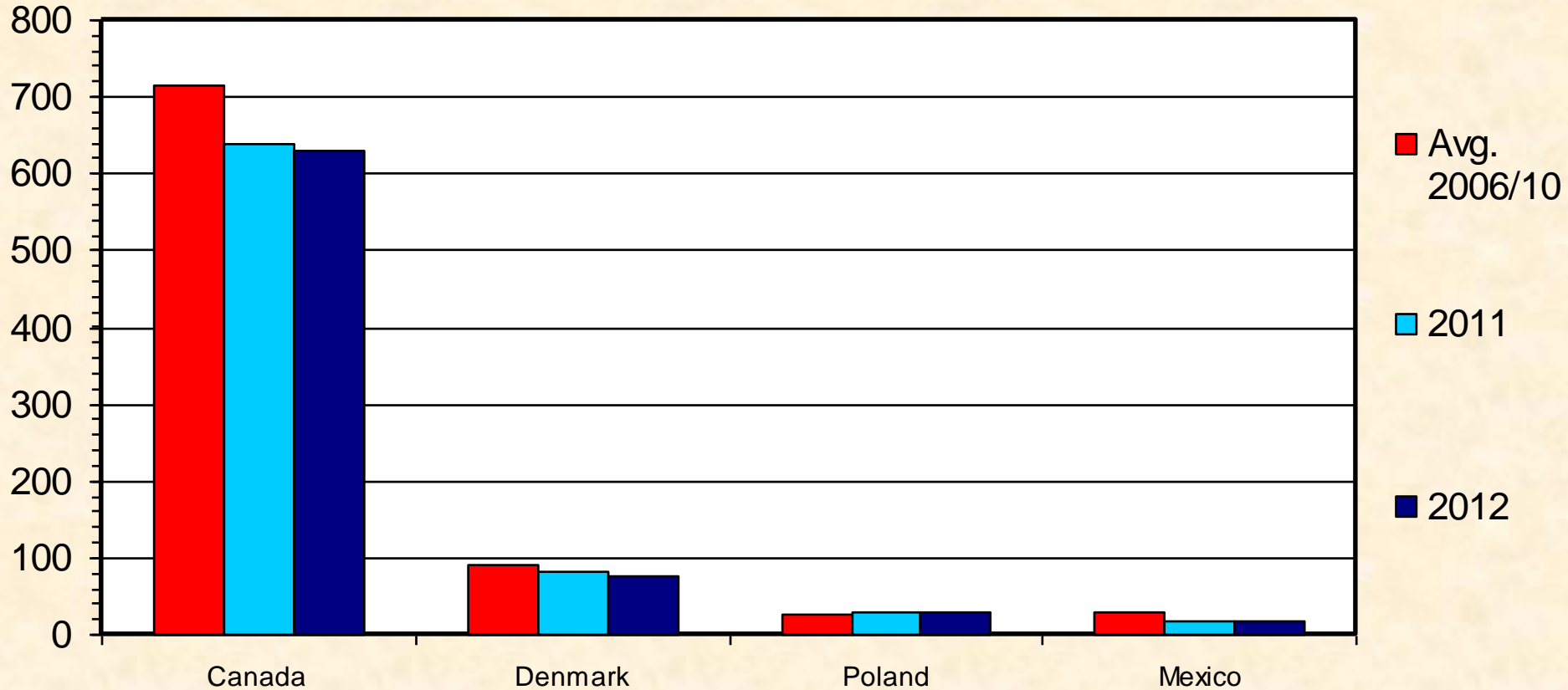
Livestock Marketing Information Center

Data Source: USDA-ERS & USDA-FAS

# MAJOR U S PORK IMPORT SOURCES

## Carcass Weight, Annual

Mil. Pounds



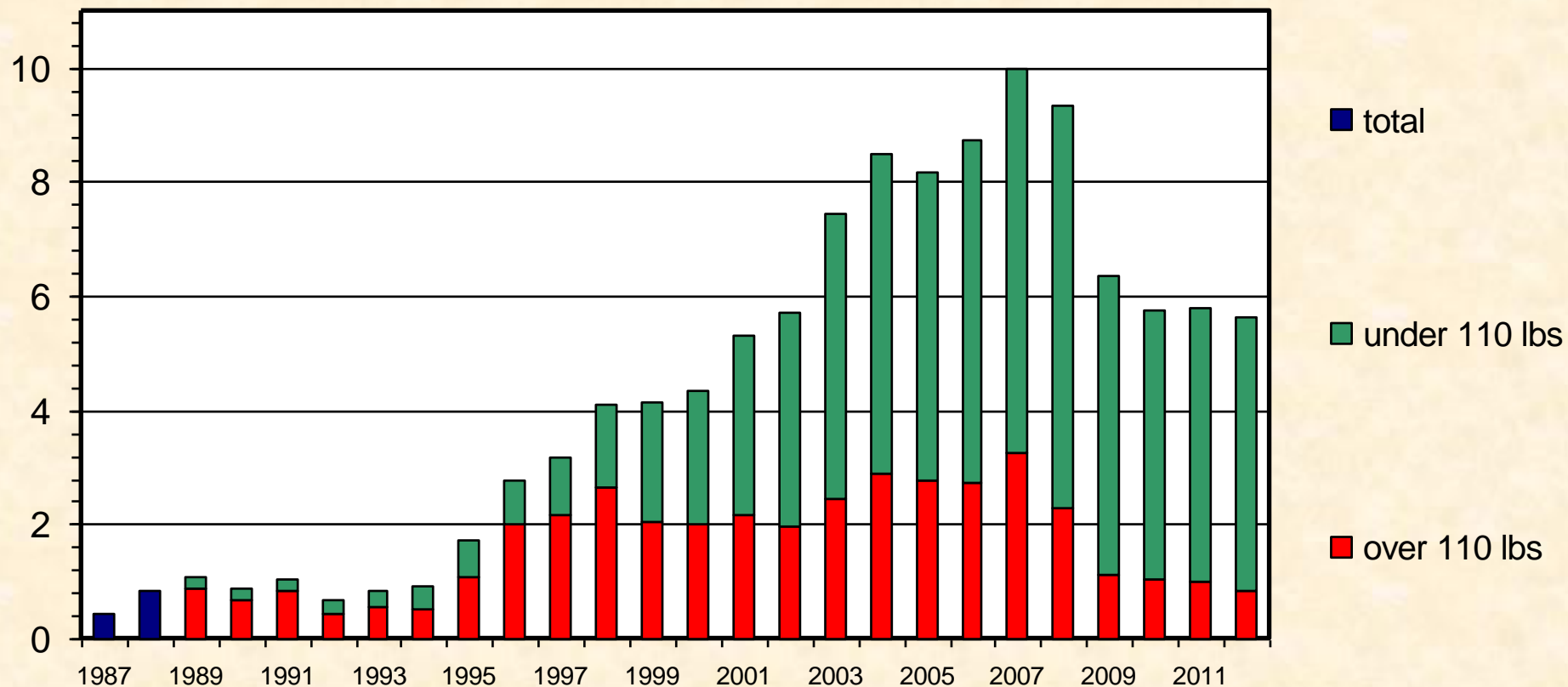
Livestock Marketing Information Center

Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC

# HOG IMPORTS FROM CANADA

Annual

Mil. Head



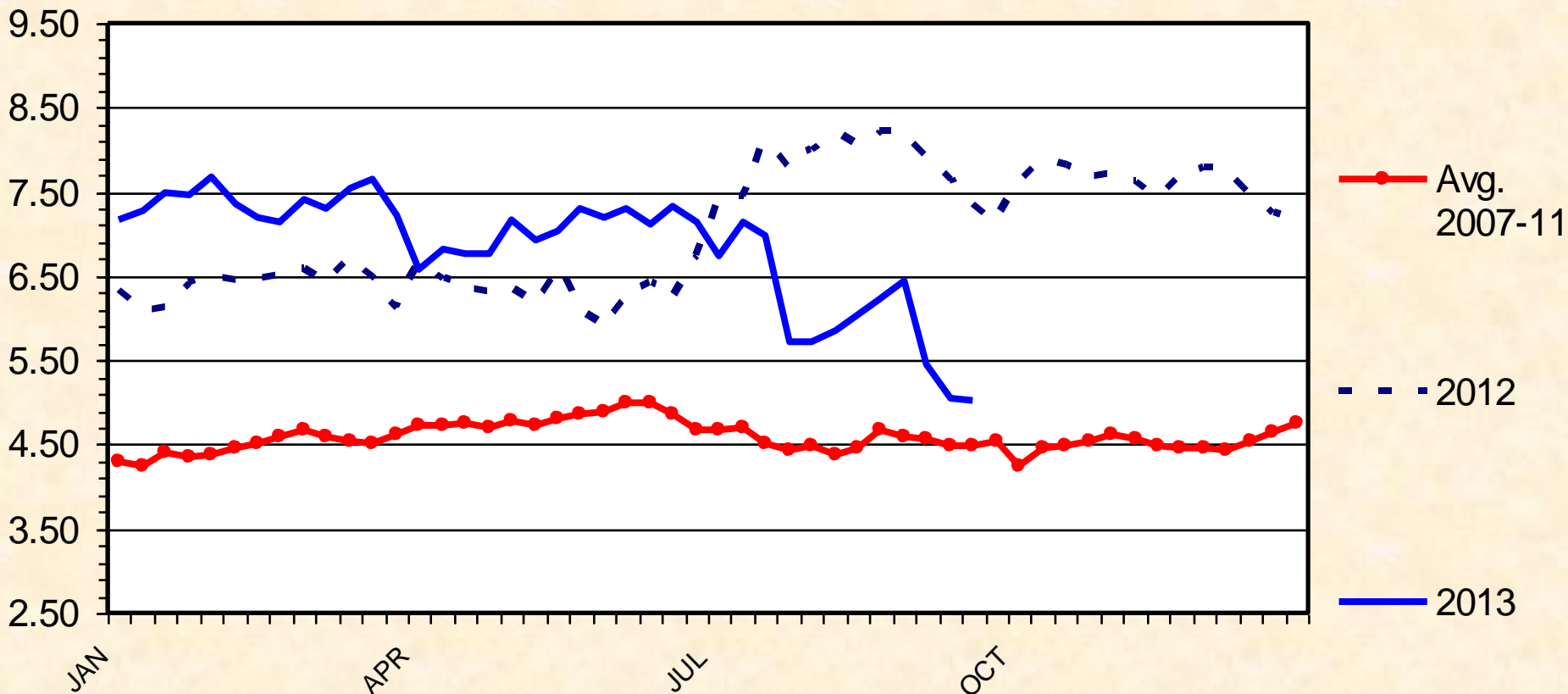
Livestock Marketing Information Center

Data Source: USDA-ERS & USDA-FAS, Compiled & Analysis by LMIC

# OMAHA CORN PRICES

## Weekly

\$ Per Bu.



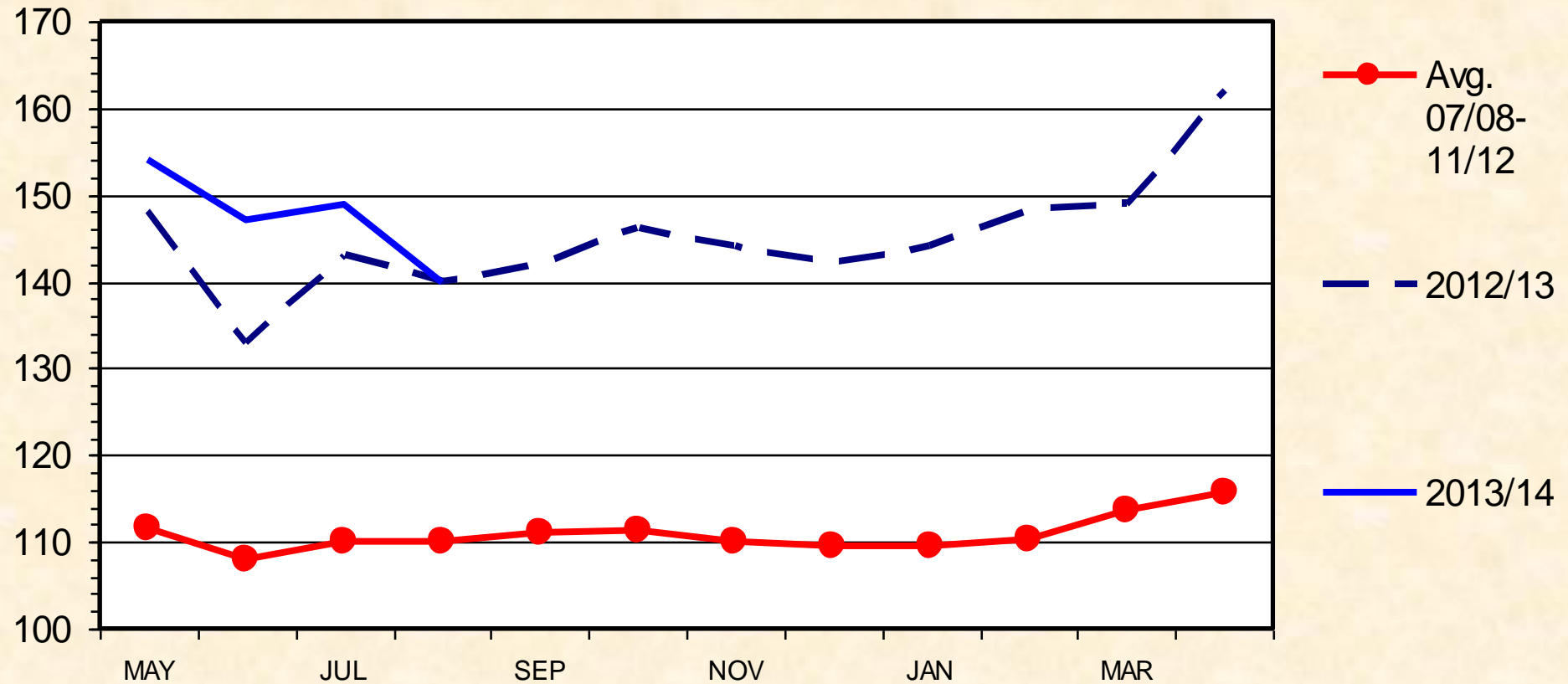
Livestock Marketing Information Center

Data Source: USDA-AMS

# OTHER HAY - MONTHLY AVERAGE PRICE

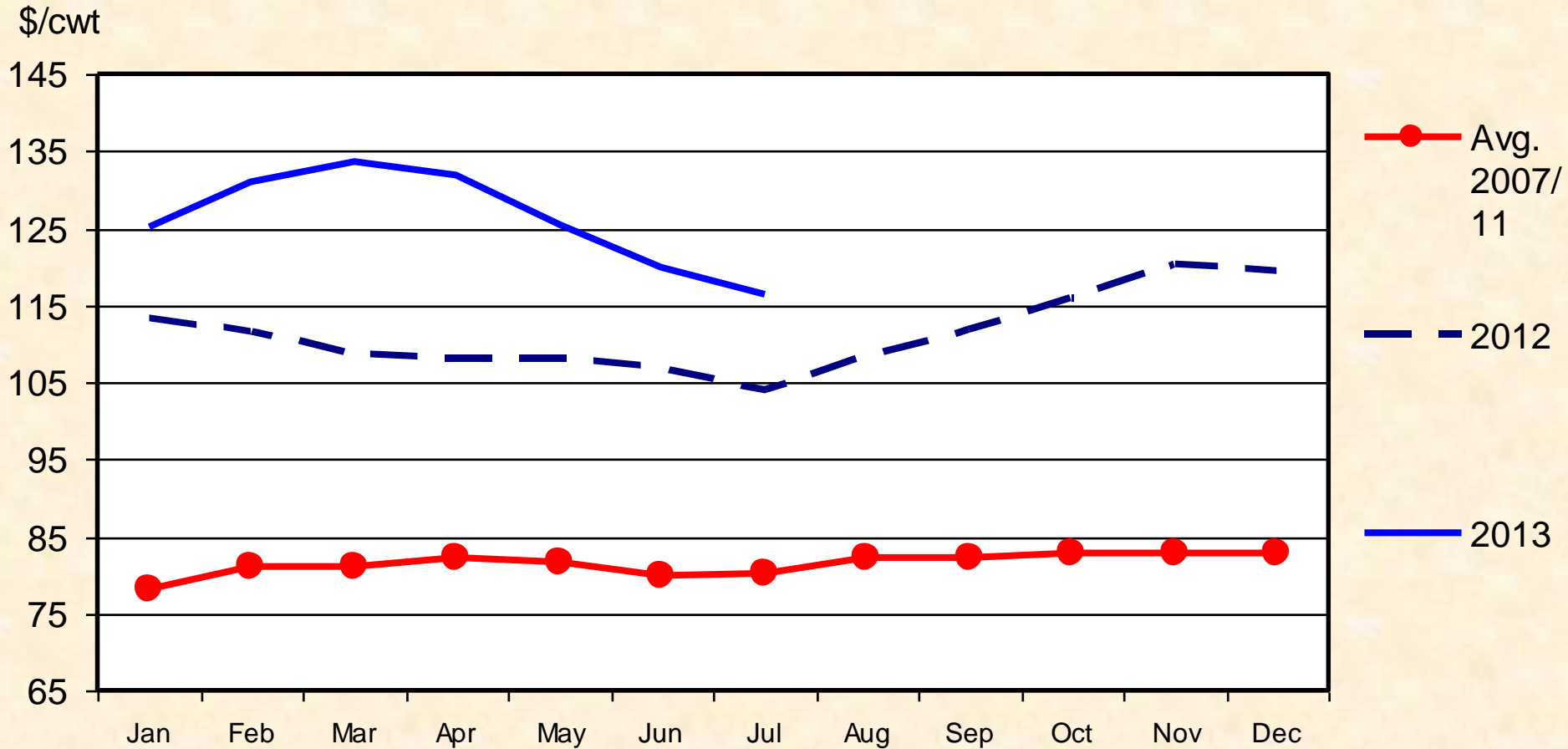
Received by Farmers, U.S., Crop Year

\$ Per Ton



# KANSAS FEEDLOT CLOSEOUTS

Feeding Costs per Cwt, Steers

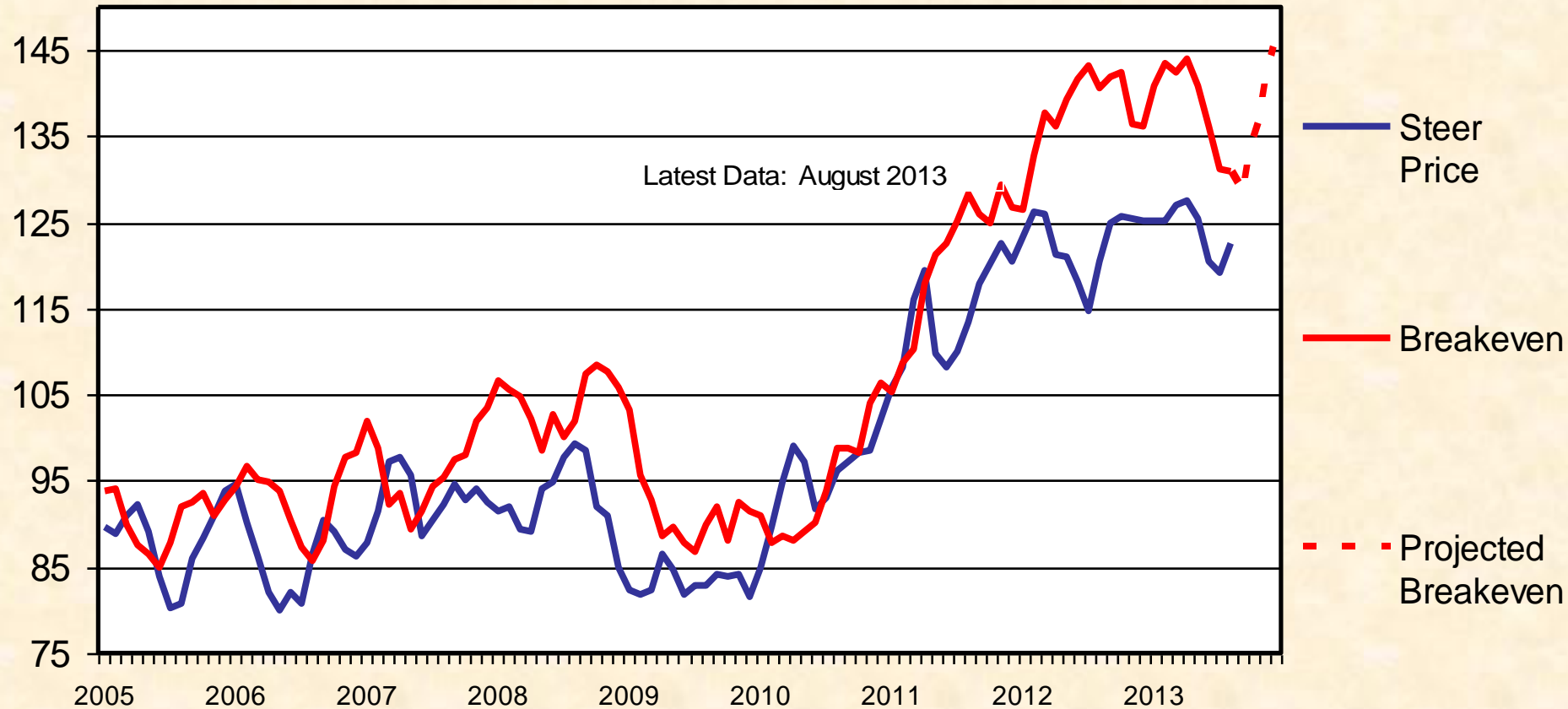




# CHOICE STEER PRICE vs BREAKEVEN

Cattle Feeding, S. Plains, Monthly

\$ Per Cwt

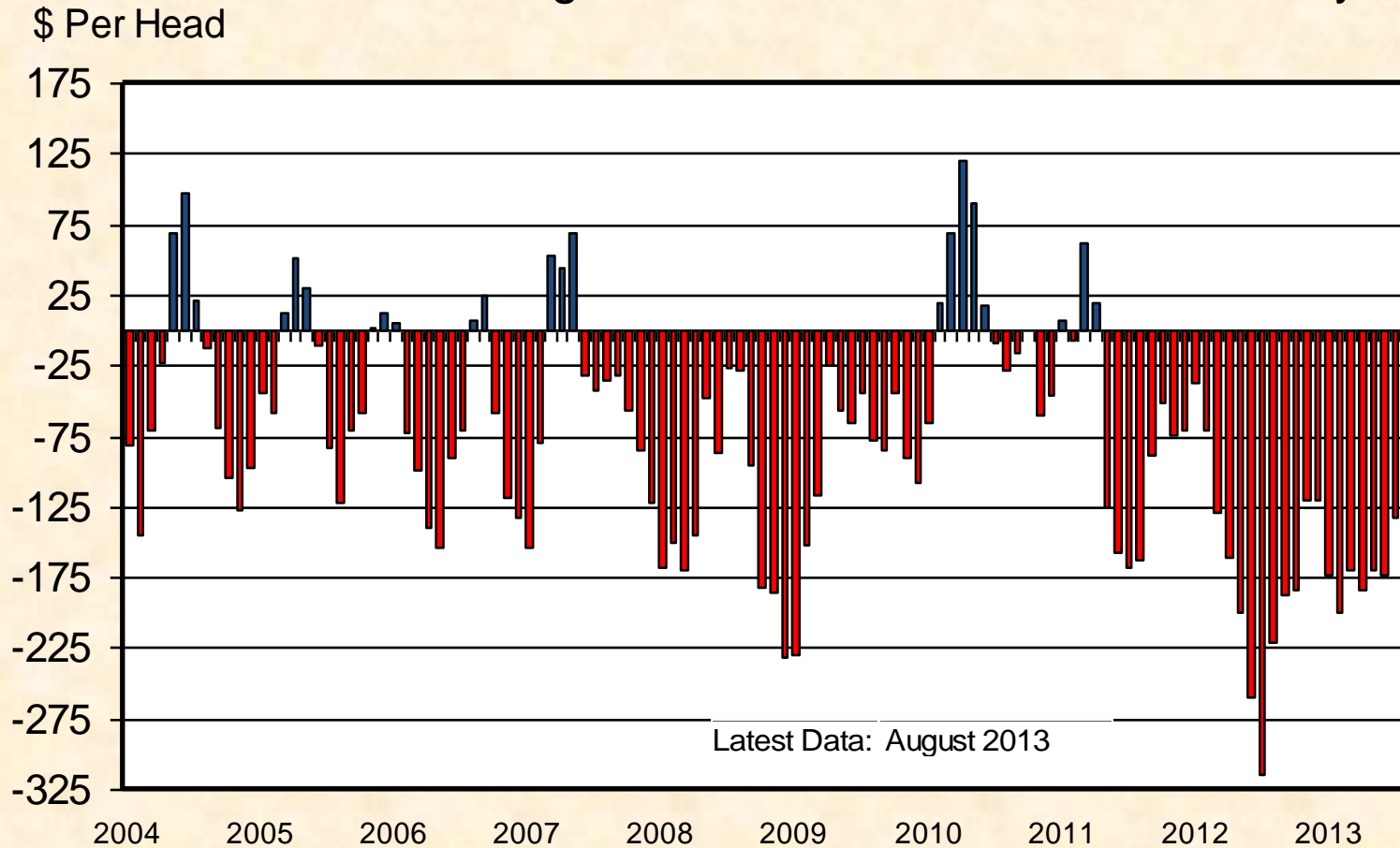


Livestock Marketing Information Center

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

# AVERAGE RETURNS TO CATTLE FEEDERS

Feeding 725 Lb. Steers, S. Plains, Monthly



Livestock Marketing Information Center

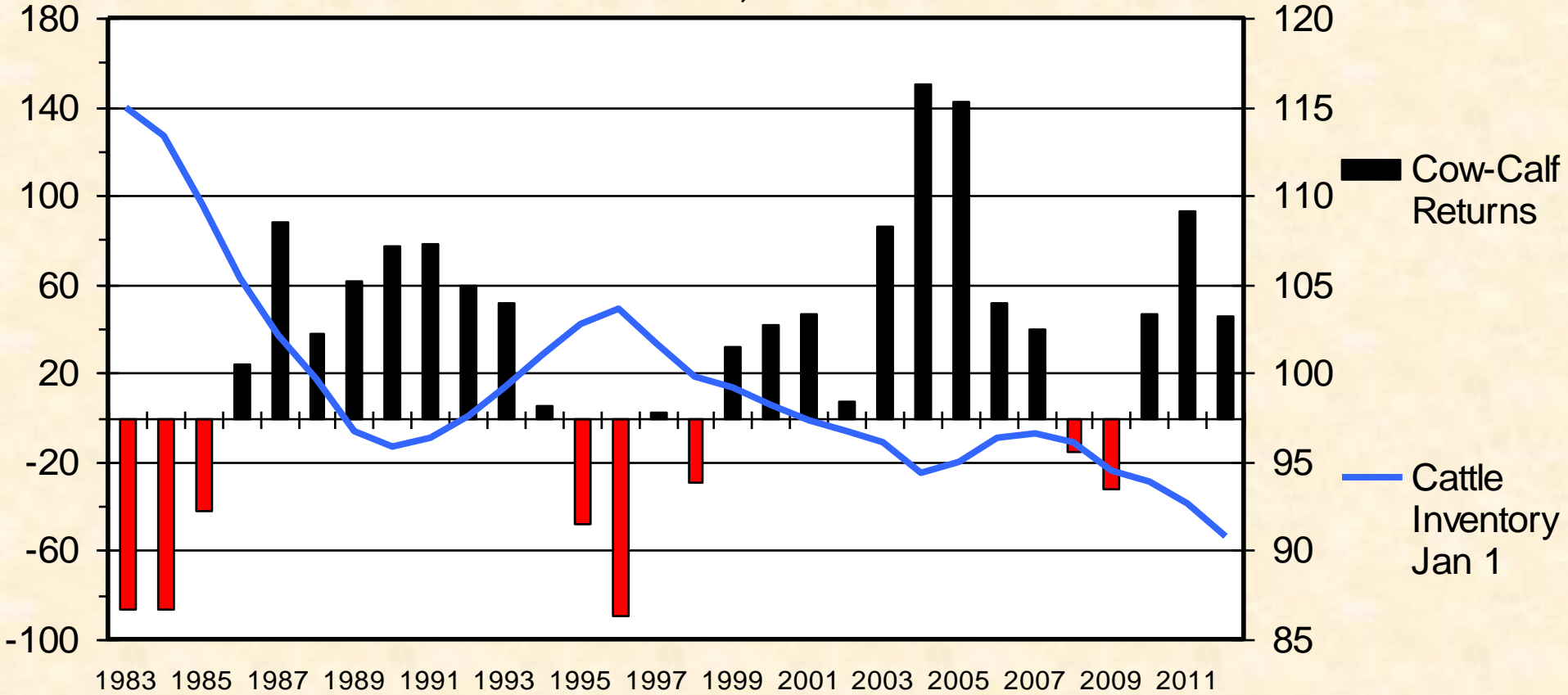
Data Source: USDA-AMS & USDA-NASS, Compiled & Analysis by LMIC

# COW-CALF RETURNS AND CATTLE INVENTORY

\$ Per Cow

U.S., Annual

Mil. Head



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

May your boots still shine!

