



**DIVISION OF AGRICULTURE**  
**RESEARCH & EXTENSION**

*University of Arkansas System*

# **Cattle Market Situation and Outlook**

**September 20, 2022**  
**Southern Outlook Conference**

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Department of Agricultural Economics and Agribusiness

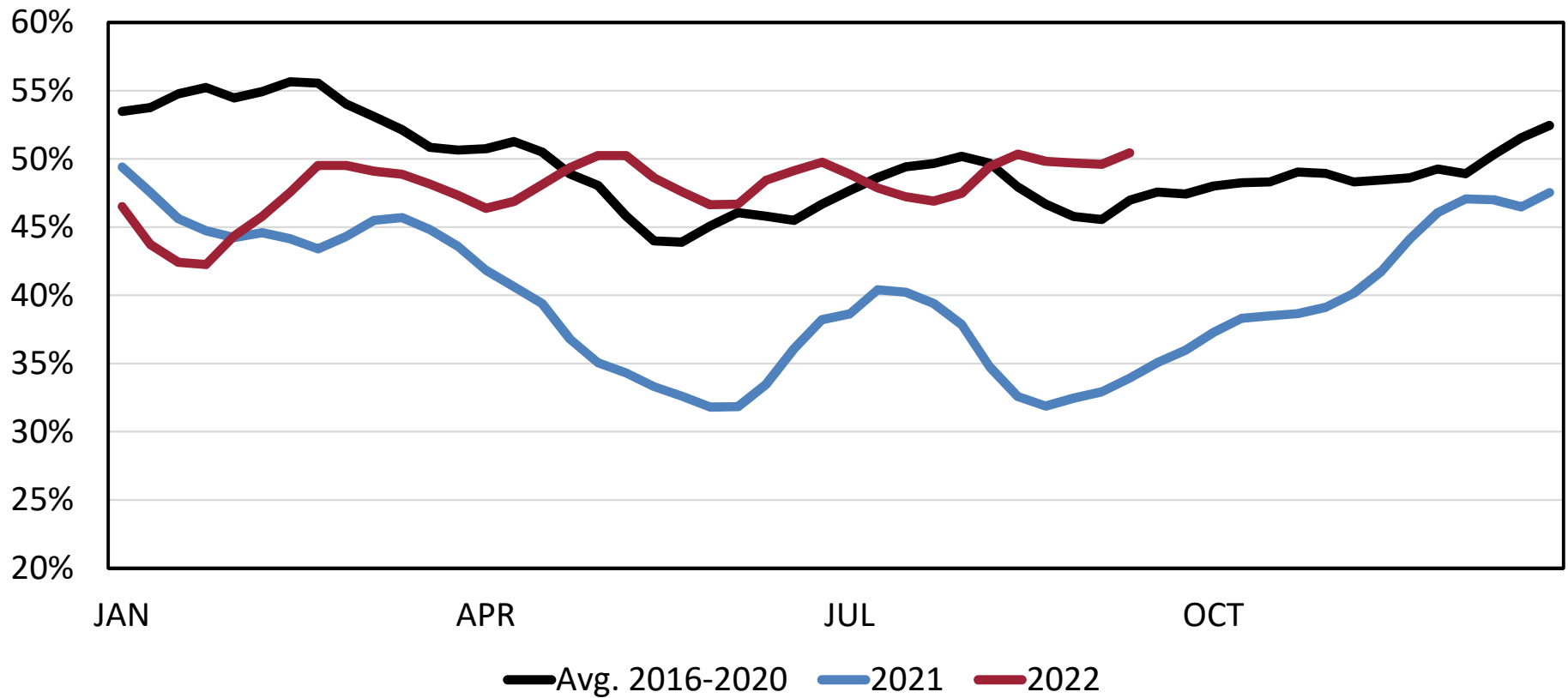
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# Current Situation and Outlook

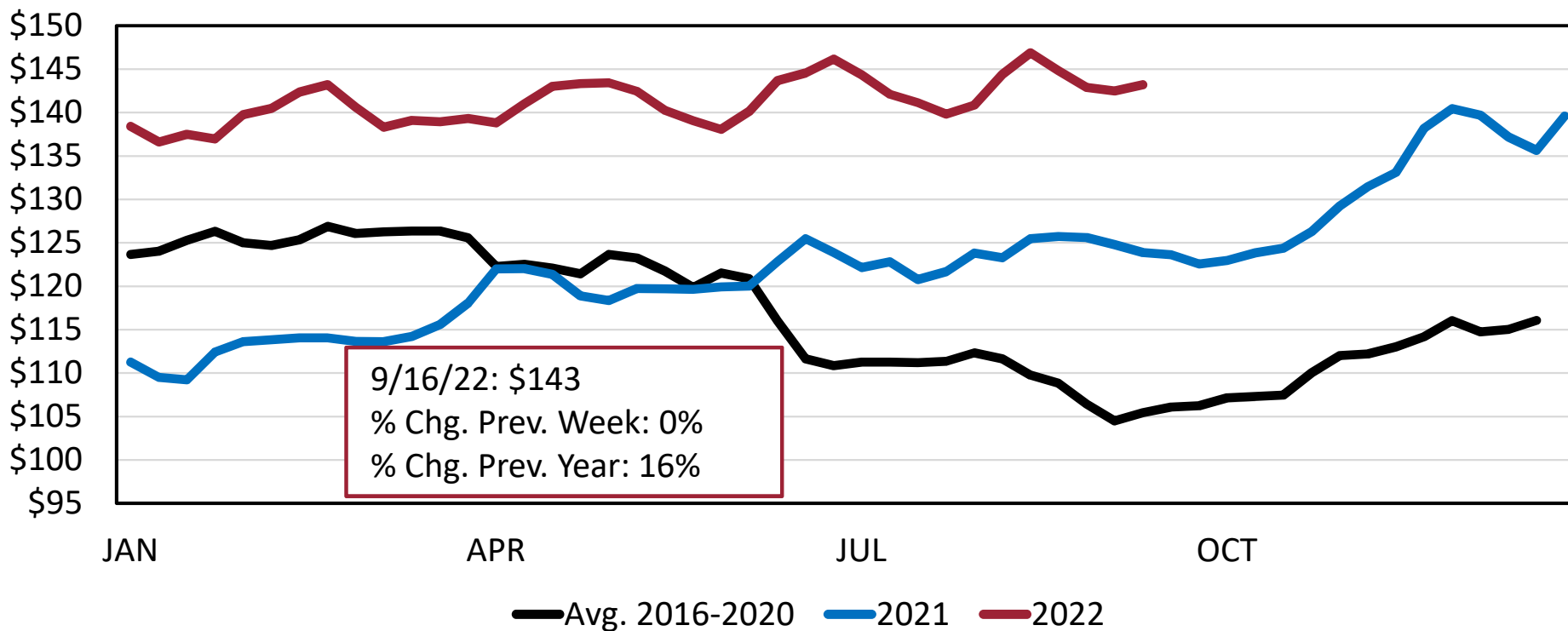
1. Situation update
  - Things seem quieter?
  - Herd liquidation continues
  - Tight on hay
2. Supply and demand fundamentals
  - When will COF numbers budge?
  - Beef demand holds
3. Price and profitability outlook
  - Cattle prices increased
  - Costs increased more

### Fed Price Minus Drop Credit as % Cutout



## Live Slaughter Steer Prices 5 Market Weighted Average, Weekly

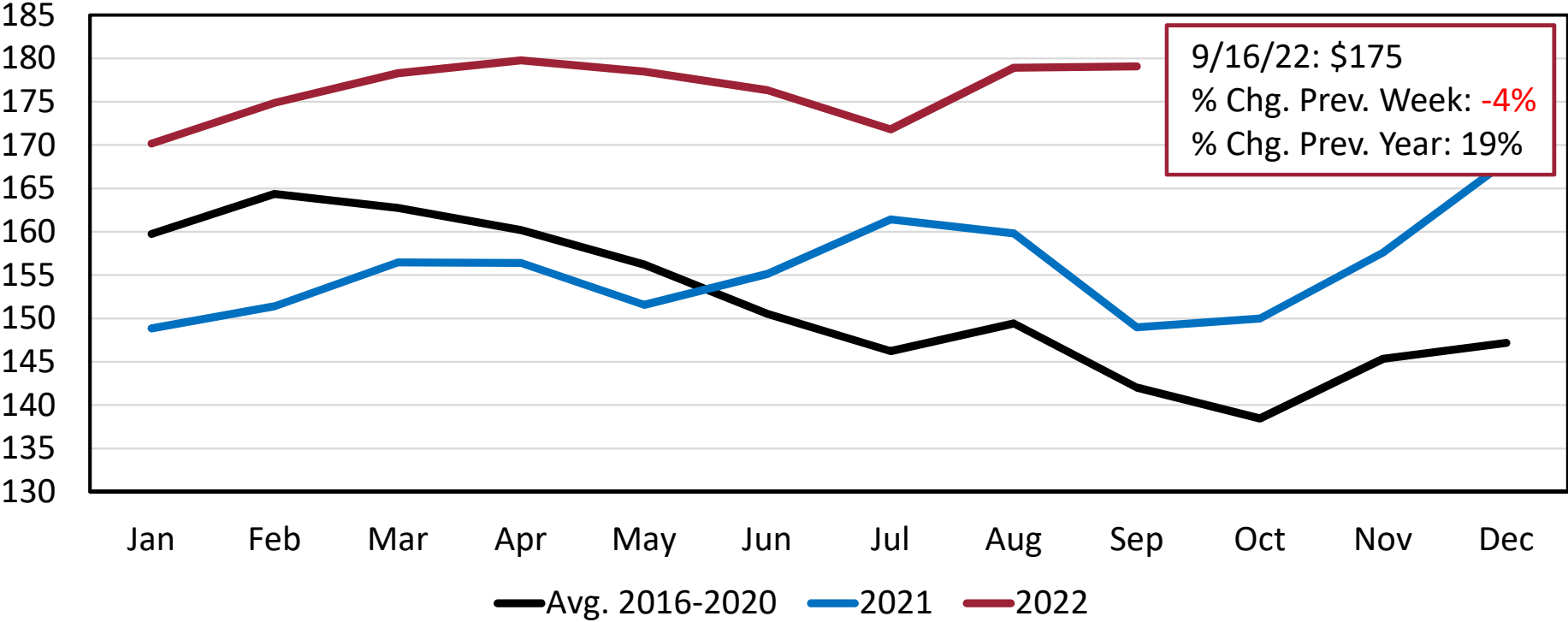
\$ Per Cwt.



9/16/22: \$143  
 % Chg. Prev. Week: 0%  
 % Chg. Prev. Year: 16%

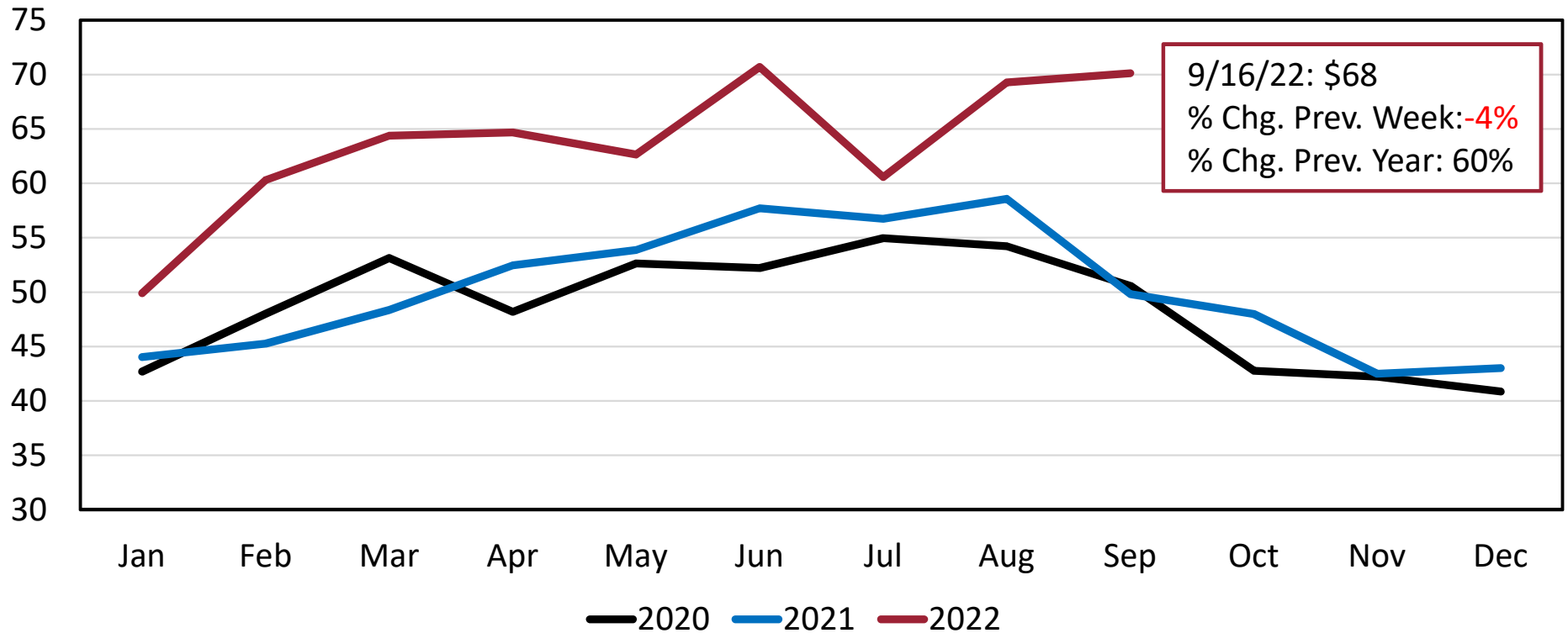
## Arkansas Steers - Medium & Large #1 500-600 Pounds

\$ Per Cwt



## Arkansas Monthly Slaughter Cow Prices 85-90% Lean

\$ Per Cwt

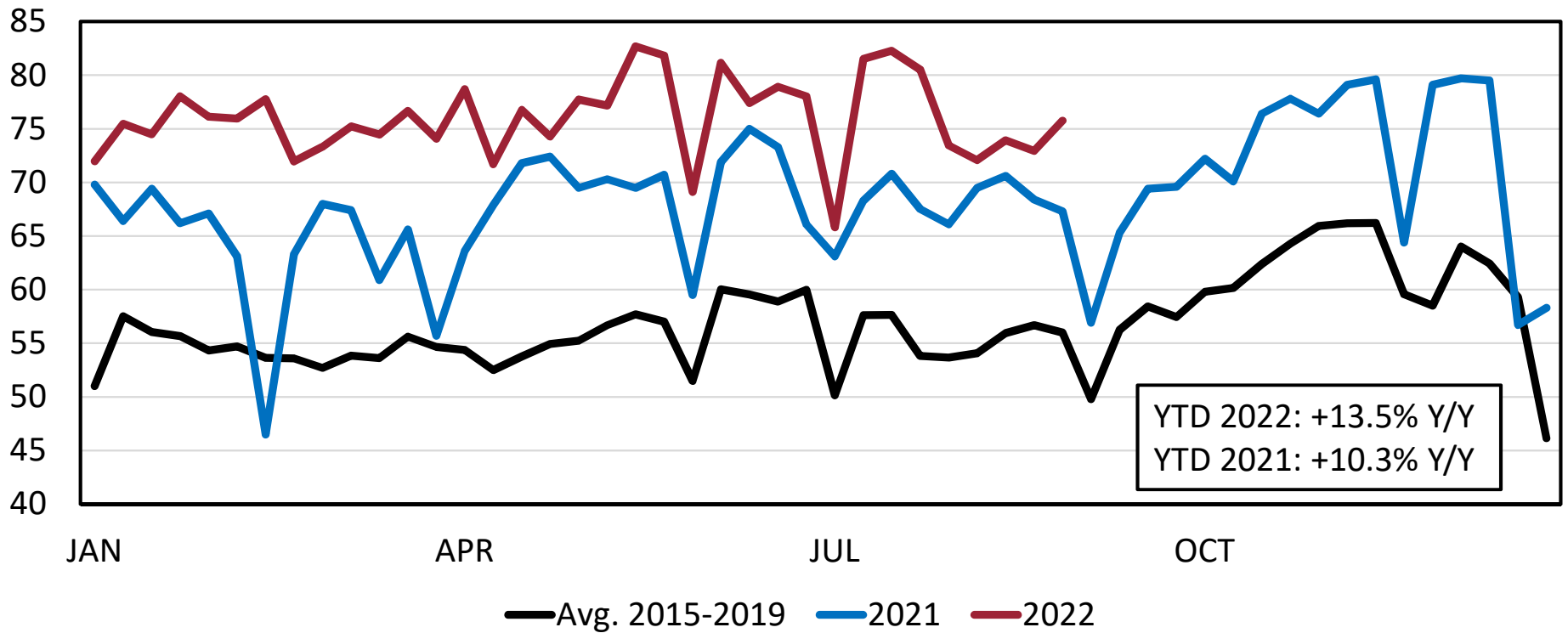


9/16/22: \$68  
 % Chg. Prev. Week: -4%  
 % Chg. Prev. Year: 60%

# Cow Slaughter

## Beef Cow Slaughter Federally Inspected, Weekly

Thou. Head



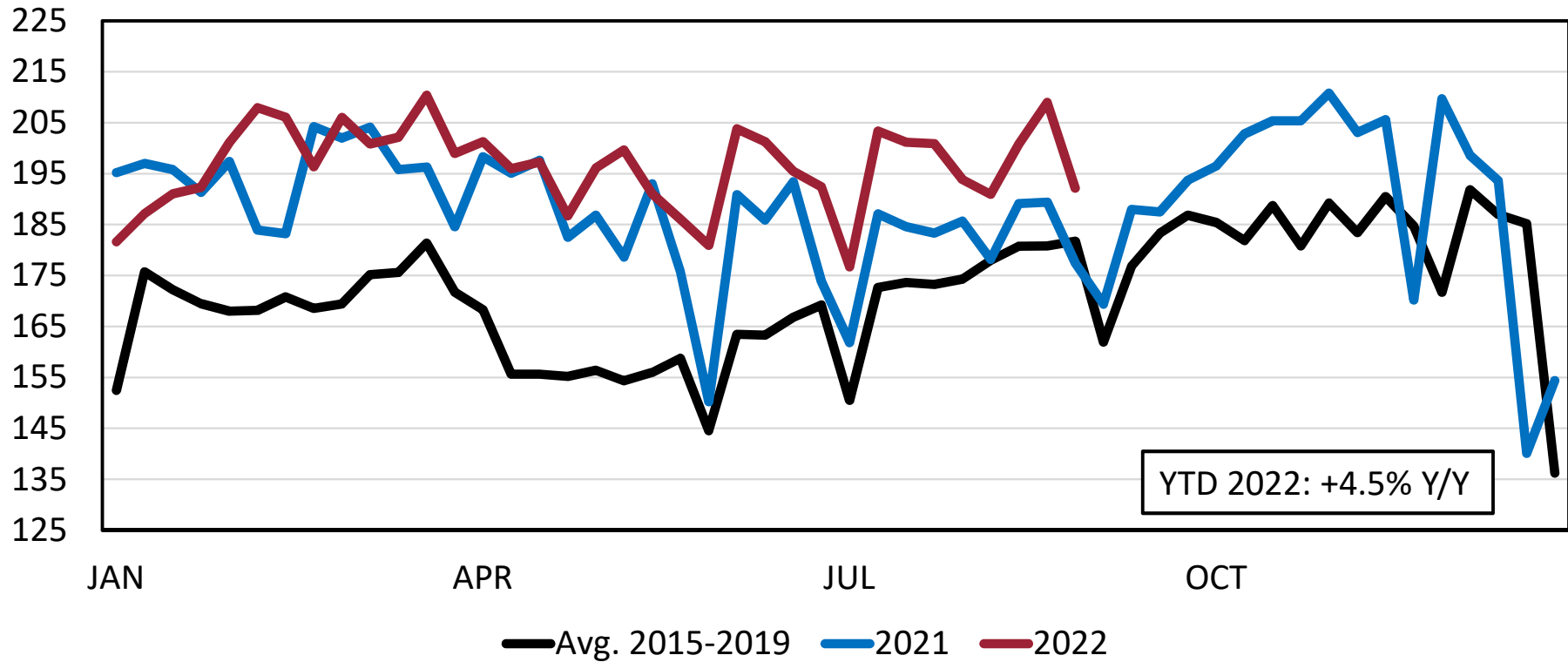


## YTD Regional FI Cow Slaughter Weeks 1-35

Region	States	2022	2021	% Chg. Year Ago
Region 1 & 2	CT, ME, NH,VT, MA, RI, NY & NJ	2.1	2.6	-19.2%
Region 3	DE-MD, PA, WV & VA	69.4	54.7	26.9%
Region 4	AL, FL, GA, KY, MS, NC, SC & TN	389.6	331.5	17.5%
Region 5	IL, IN, MI, MN ,OH & WI	347.7	383.6	-9.4%
Region 6	AR, LA, NM, OK & TX	736.6	565.1	30.3%
Region 7	IA, KS, MO & NE	560.2	560.2	0.0%
Region 8	CO, MT, ND, SD, UT & WY	179.5	214.7	-16.4%
Region 9	AZ, CA, HI & NV	157.5	148.9	5.8%
Region 10	AK, ID, OR & WA	215.1	222.4	-3.3%

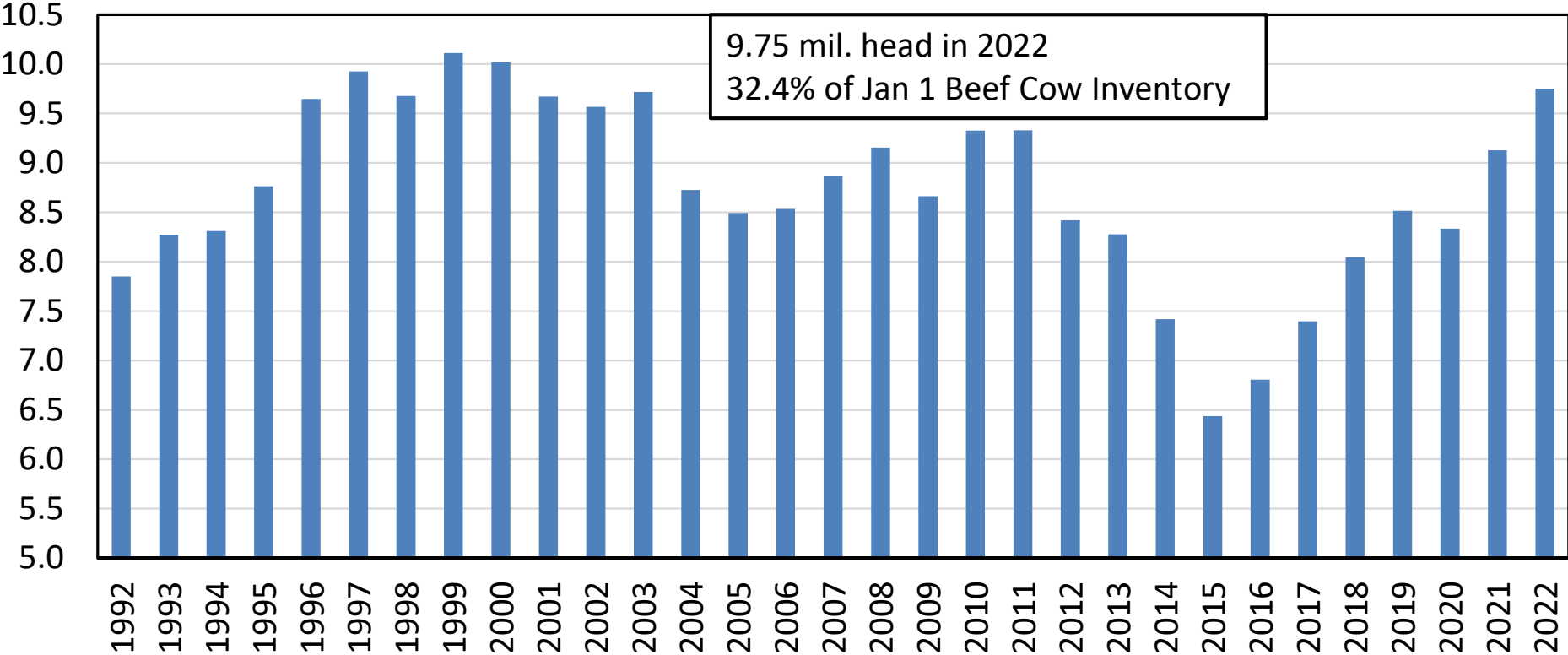
## Heifer Slaughter Federally Inspected, Weekly

Thou. Head



### FI Beef Cow and Heifer Slaughter Weeks 1-35

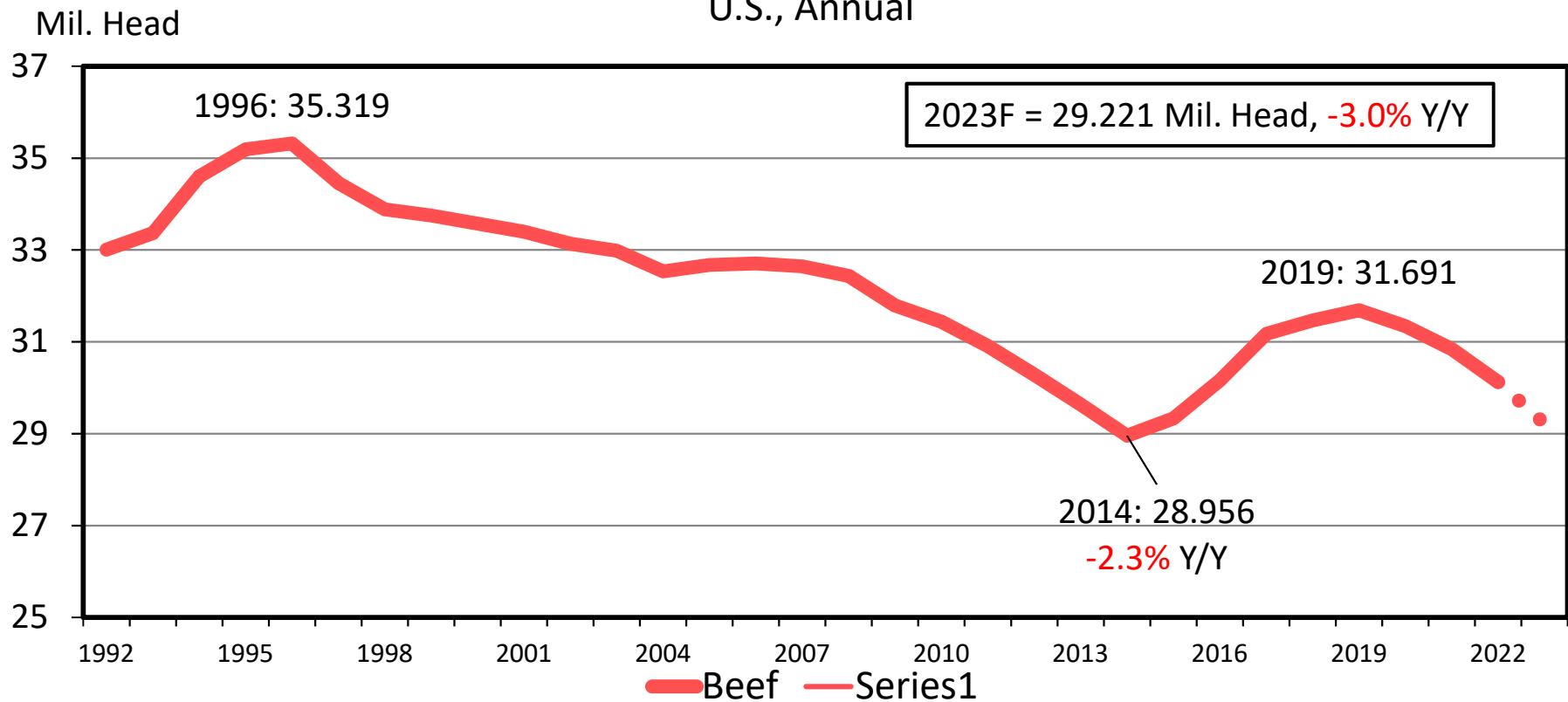
Mil. Head



9.75 mil. head in 2022  
32.4% of Jan 1 Beef Cow Inventory

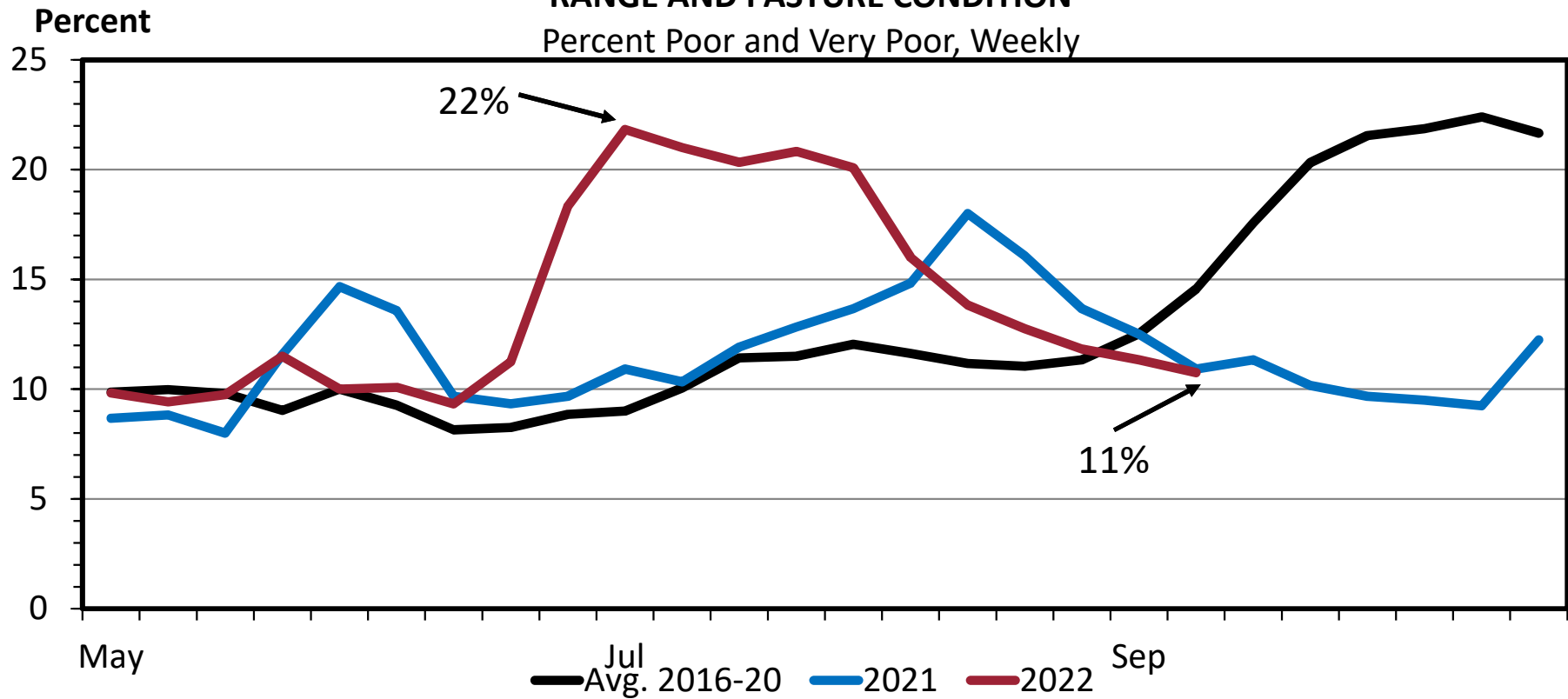
# JANUARY 1 BEEF COW INVENTORY

U.S., Annual



# Forage

**SOUTHEAST REGION**  
**RANGE AND PASTURE CONDITION**  
 Percent Poor and Very Poor, Weekly



## All Other Hay Balance Sheet

Year	Stocks		Total	Disap-	Ending	Acres		
Begin	May 1	Production	Supply	pearance	Stocks	Harvested	Yield	Price
May 1	(Mil. Tons)	(Mil. Tons)	(Mil. Tons)	(Mil. Tons)	(Mil. Tons)	(Mil. Acres)	Ton/Acre	\$/Ton
2020/21	11.7	73.7	85.5	72.2	13.3	36.0	2.05	132
2021/22	10.5	71.0	81.4	71.4	10.0	35.5	2.00	147
2022/23	10.0	67.7	77.7	71.7	10.3	36.0	1.88	153

## USDA-NASS All Other Hay Production Forecasts

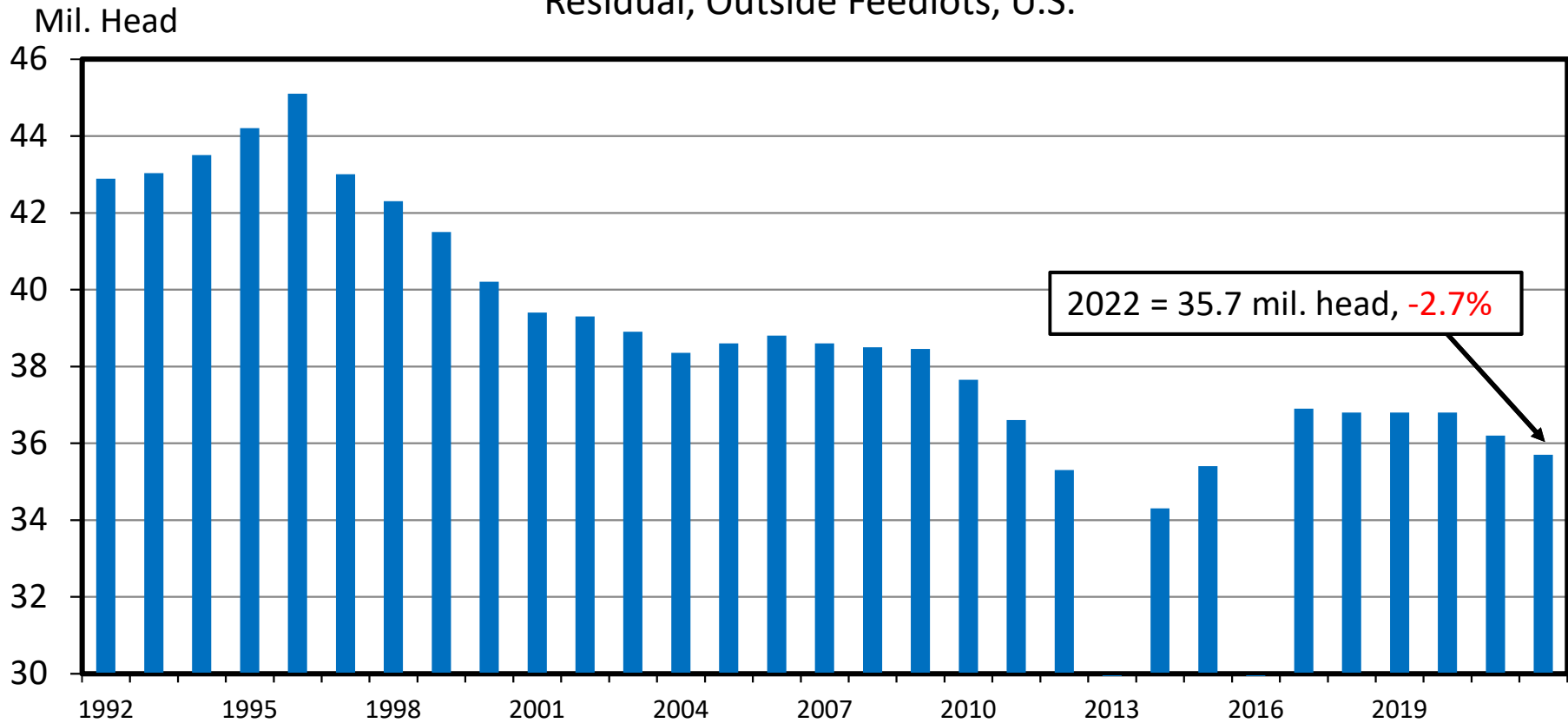
State	2022	2021	% Chg. Y/Y
	(1,000 tons)	(1,000 tons)	
Alabama	1,890	2,170	-12.9%
Arkansas	2,040	2,596	-21.4%
Kansas	3,100	3,300	-6.1%
Kentucky	4,334	5,252	-17.5%
Mississippi	1,281	1,364	-6.1%
Missouri	4,900	5,800	-15.5%
Oklahoma	3,780	4,432	-14.7%
Tennessee	3,465	3,972	-12.8%
Texas	7,275	10,175	-28.5%
United States	67,659	70,951	-4.6%



# Supply

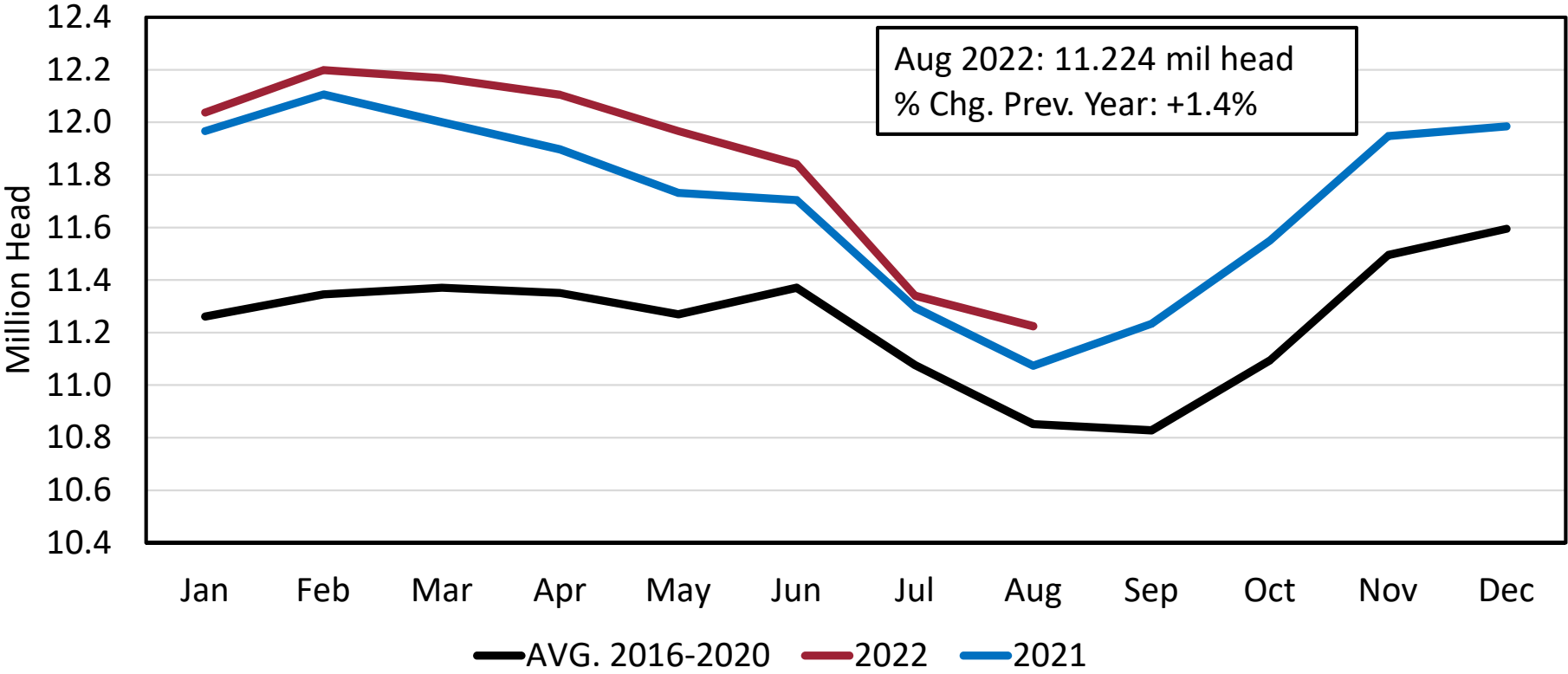
# JULY 1 FEEDER CATTLE SUPPLIES

Residual, Outside Feedlots, U.S.

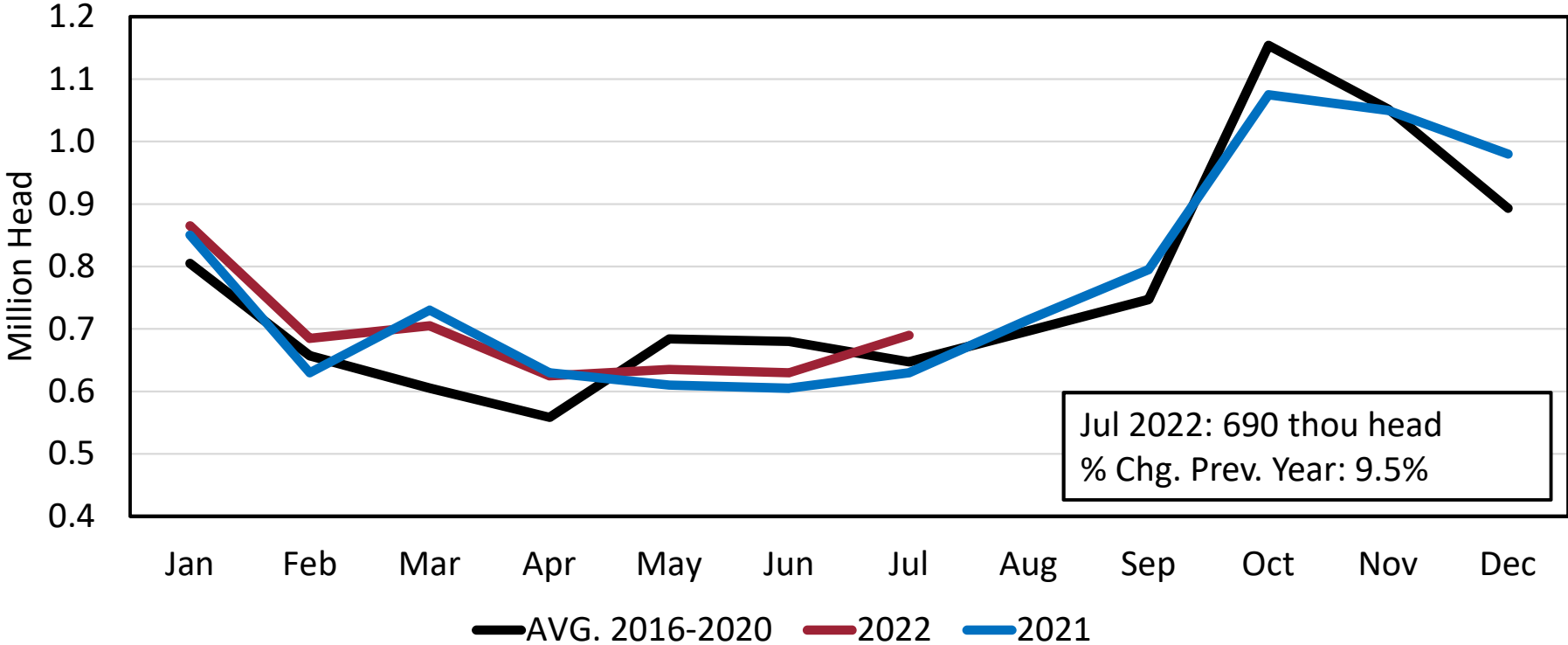


2022 = 35.7 mil. head, -2.7%

### Cattle on Feed, US Total, Monthly

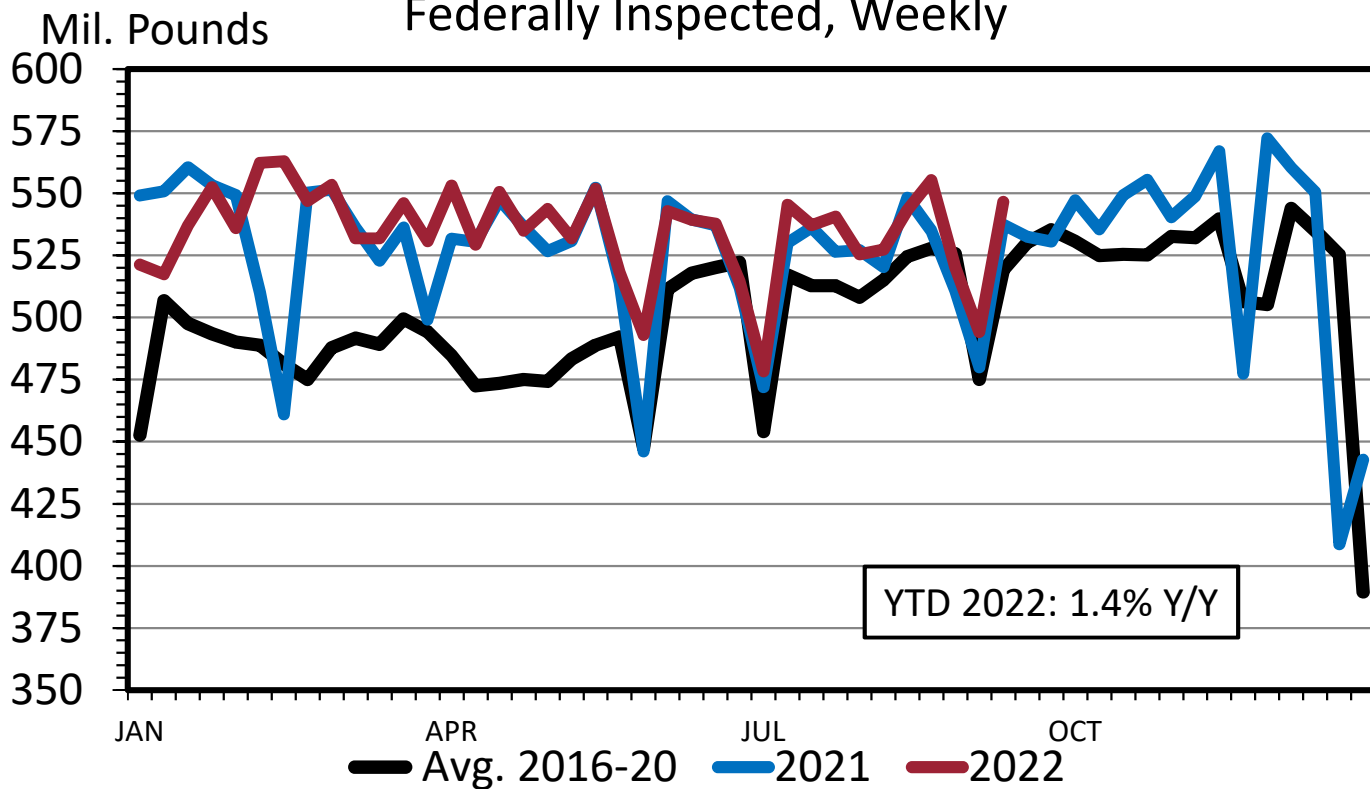


### Feedlot Placements Less 700 Pounds, Monthly



# BEEF PRODUCTION

Federally Inspected, Weekly

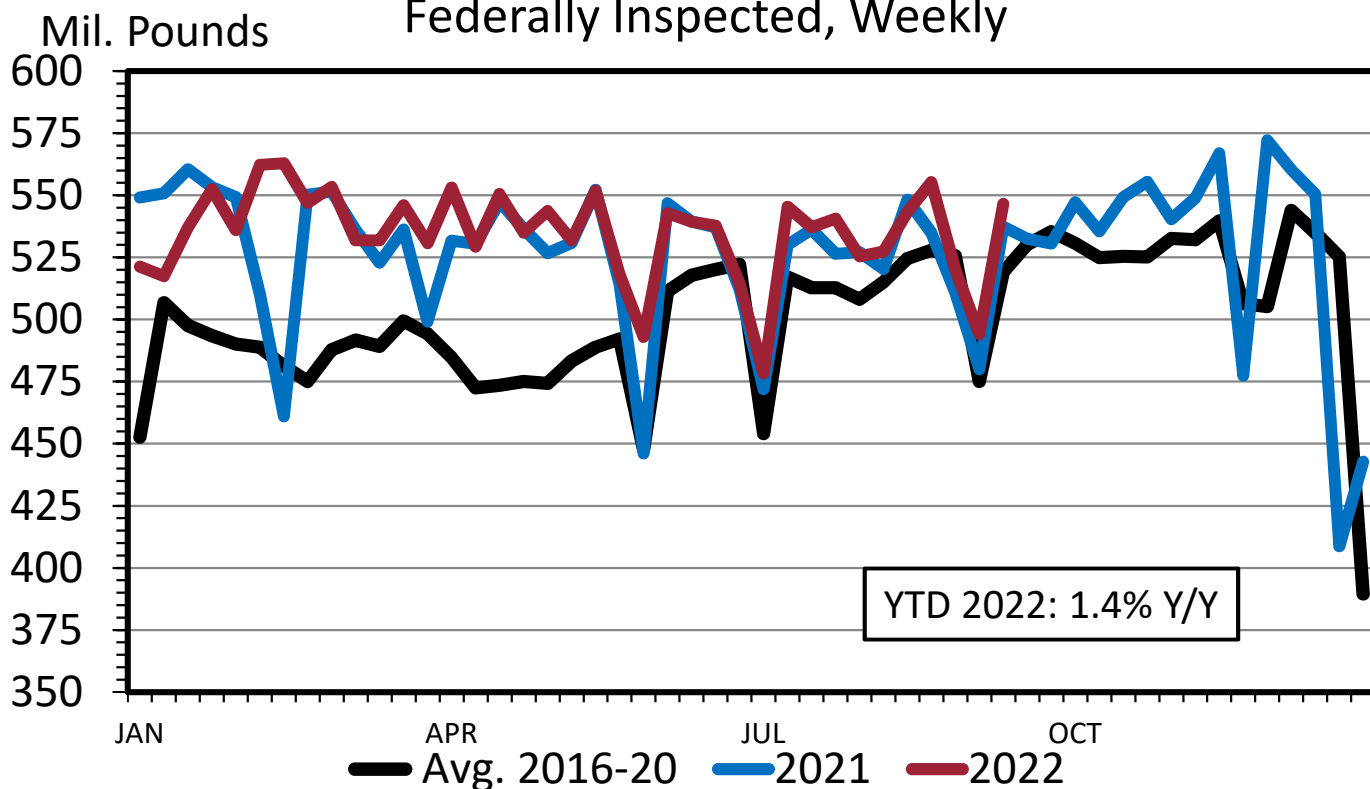


USDA Forecast: 9/2022

	Beef Prod (Mil. Lbs.)	% Chg Year Ago
2017	26,187	3.8%
2018	26,872	2.6%
2019	27,155	1.1%
2020	27,174	0.1%
2021	27,948	2.8%
2022	28,006	0.2%
2023	26,776	-4.4%

# BEEF PRODUCTION

Federally Inspected, Weekly



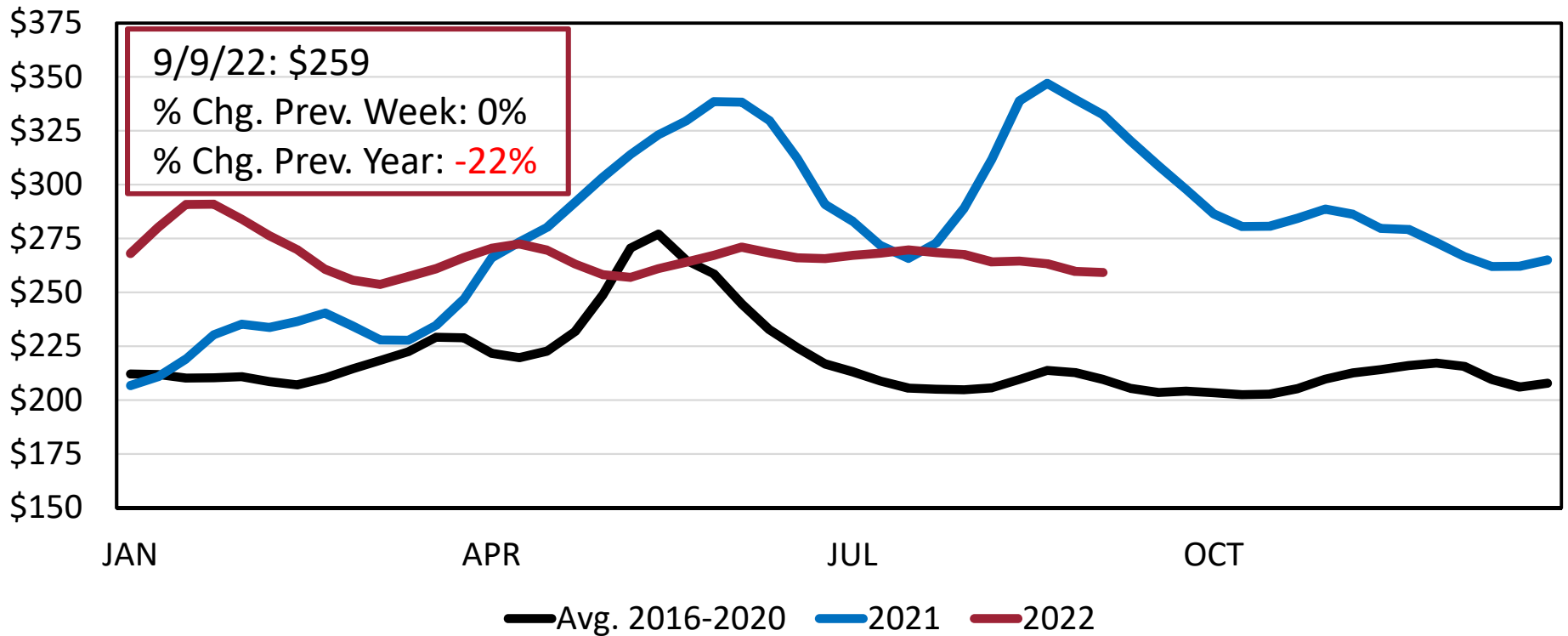
USDA Forecast: 1/2022

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2017	26,187	3.8%
2018	26,872	2.6%
2019	27,155	1.1%
2020	27,174	0.1%
2021	27,948	2.8%
2022	27,842	-0.4%
2023	25,950	-6.8%

# Consumer Demand

### Boxed Beef Cutout Value Choice 600-900 Lbs., Carcass, Negotiated, Weekly

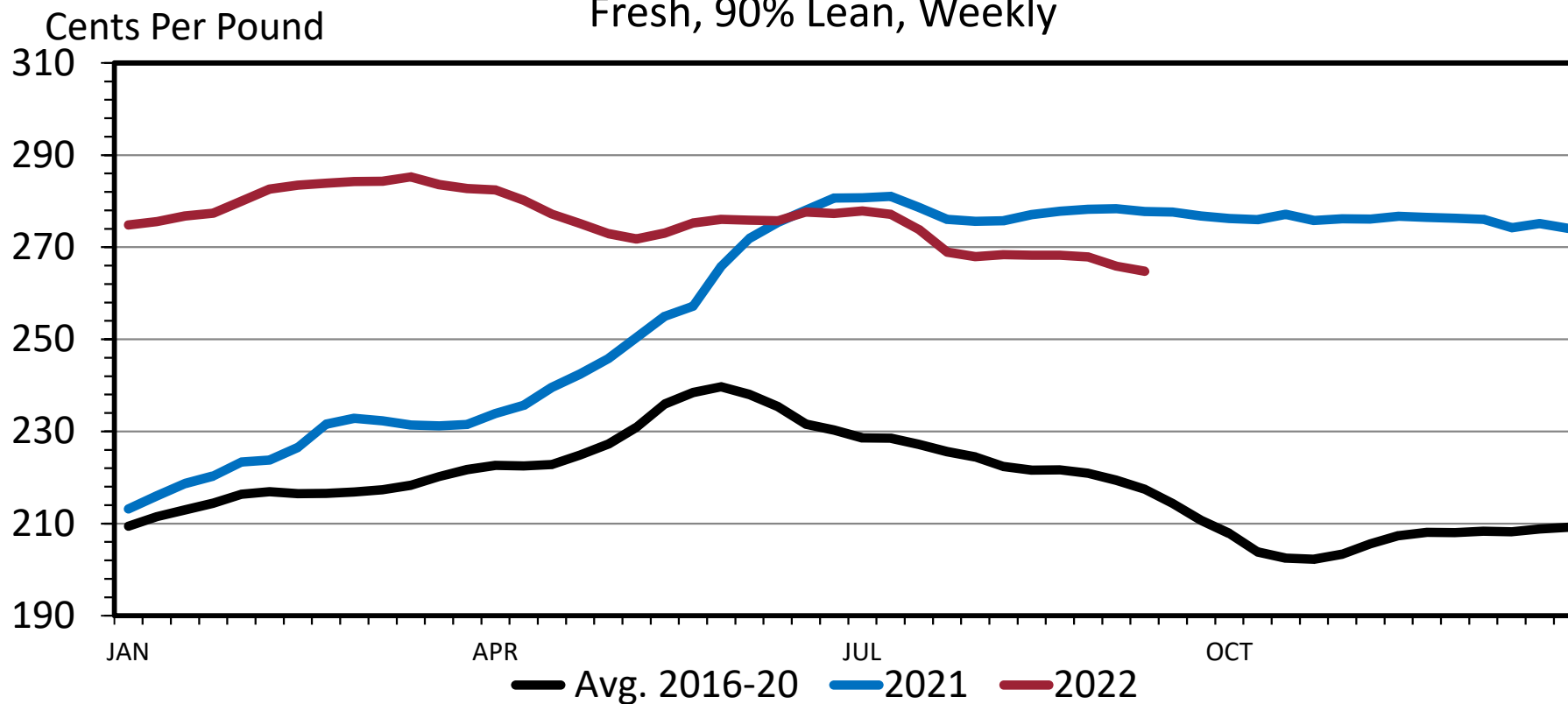
\$ Per Cwt.





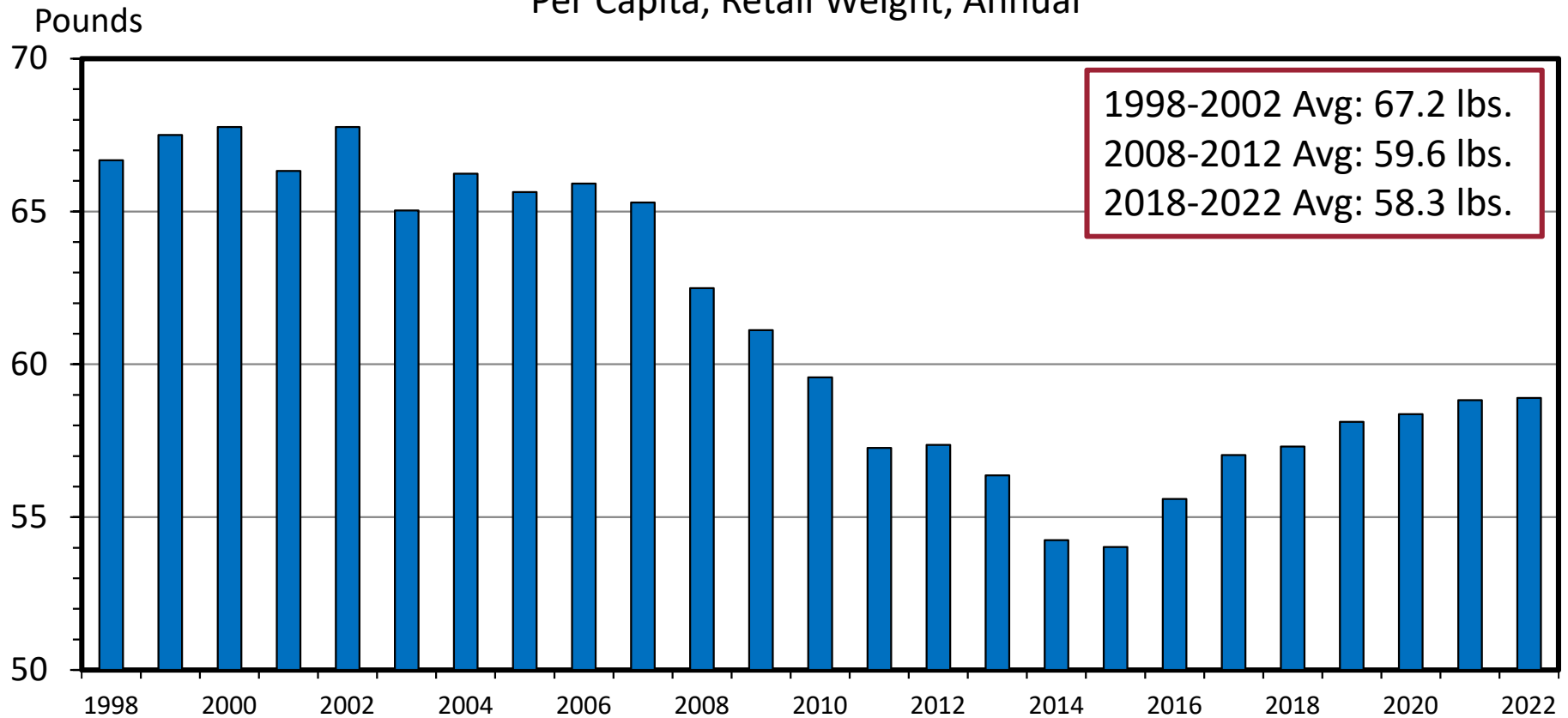
# WHOLESALE BONELESS BEEF PRICES

Fresh, 90% Lean, Weekly



# US BEEF CONSUMPTION

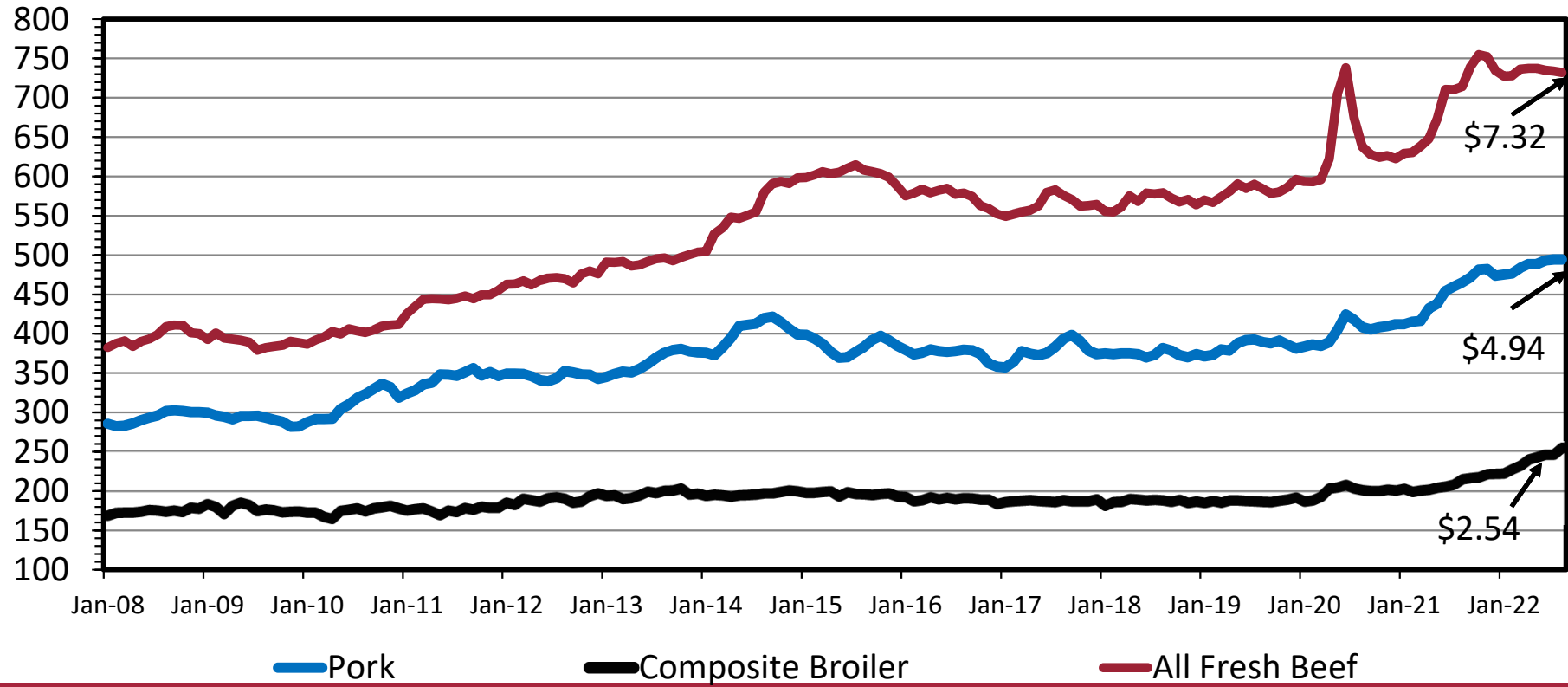
Per Capita, Retail Weight, Annual



# RETAIL PRICE COMPARISON

Monthly

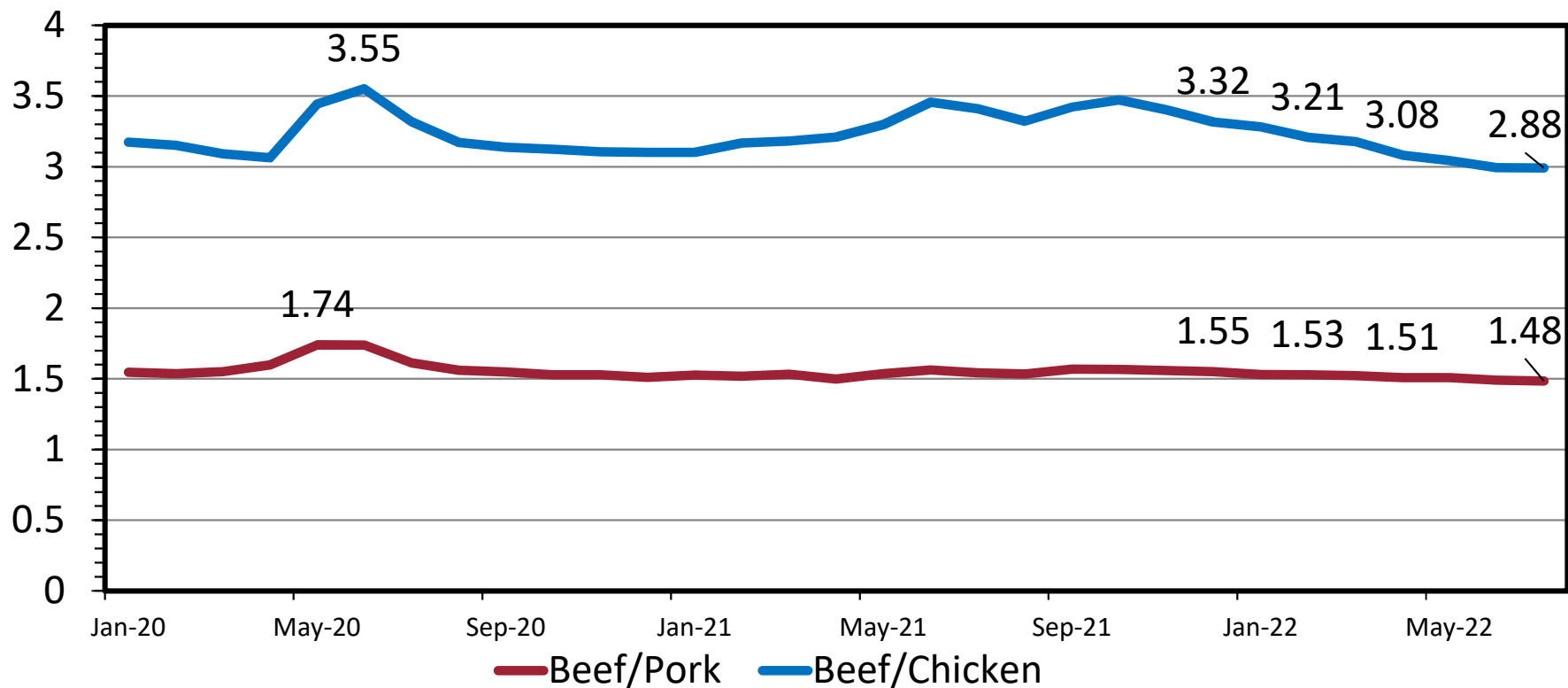
Cents Per Pound



## RELATIVE MEAT PRICES

Jan 2020 - April 2022

Price Ratio





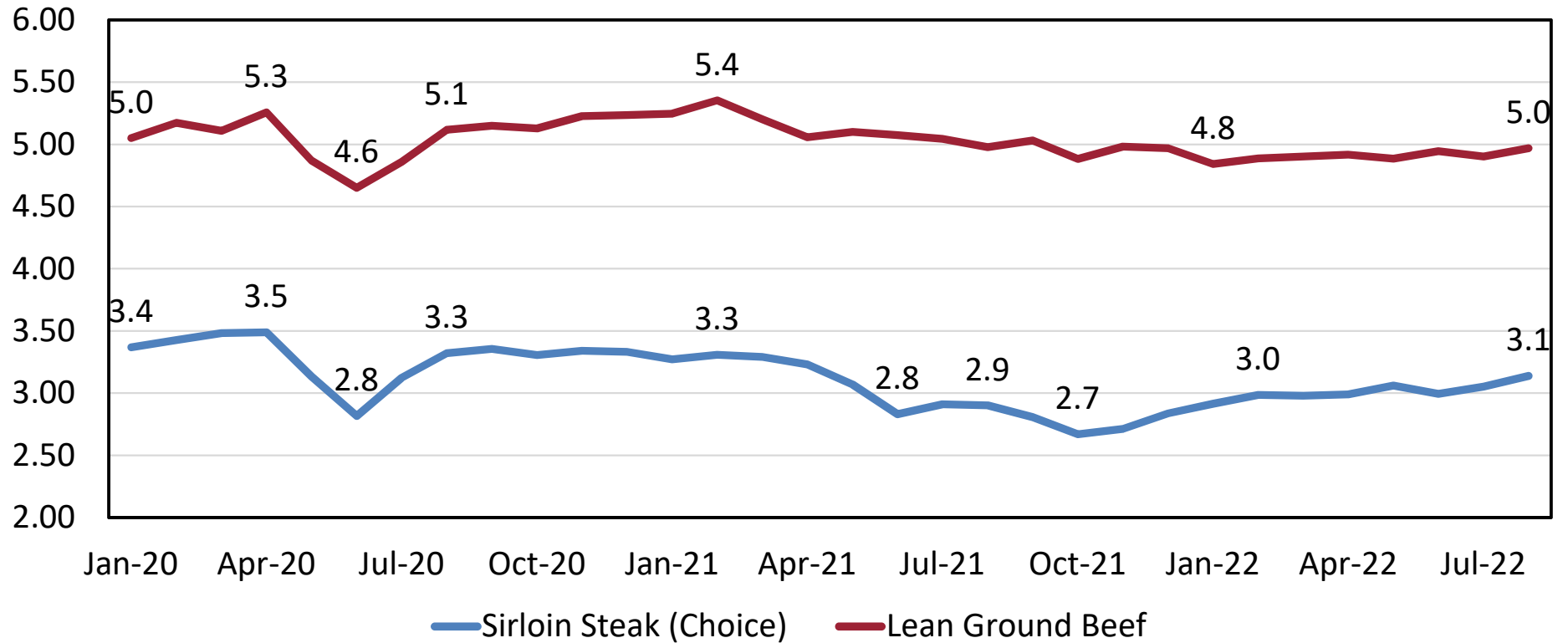
# Beyond Meat COO accused of biting man's nose outside Arkansas football stadium

UofA

By David Propper

September 19, 2022 | 7:40pm | Updated

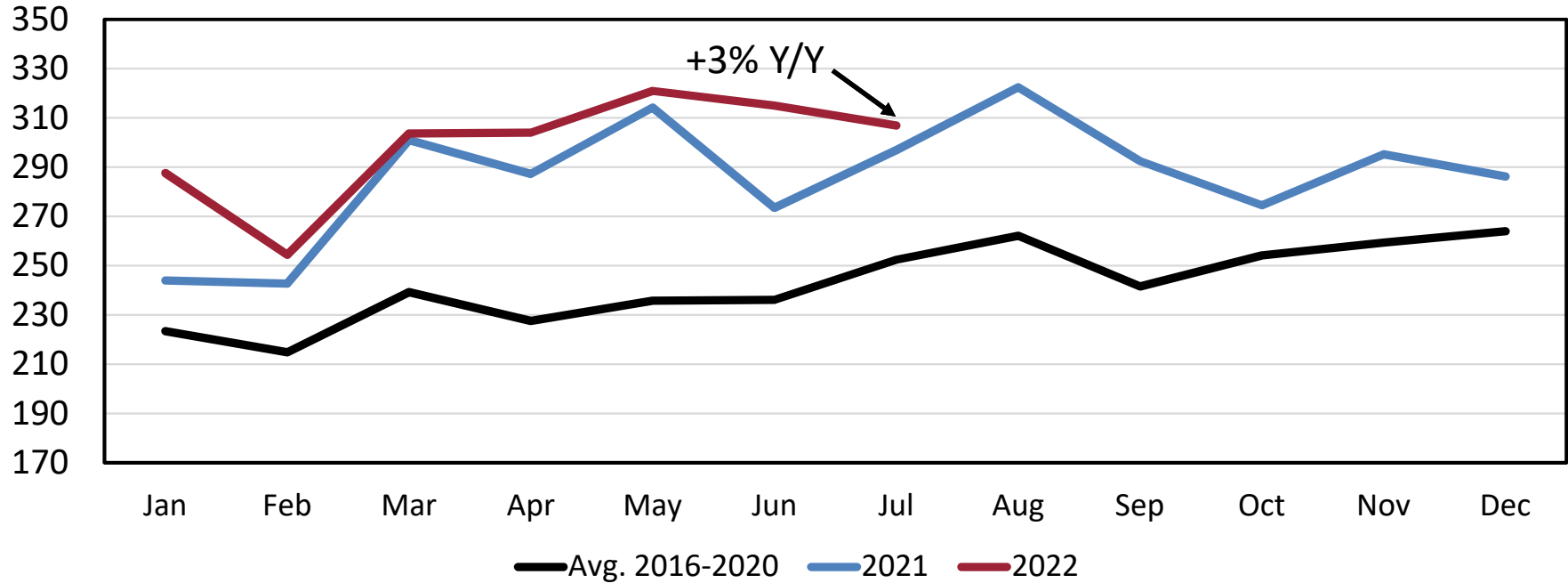
## Pounds of Beef Purchased with One Hour of Work Jan 2020-Aug 2022



# Trade

US Beef and Veal Exports,  
Carcass Weight, Monthly

Mil. Pounds

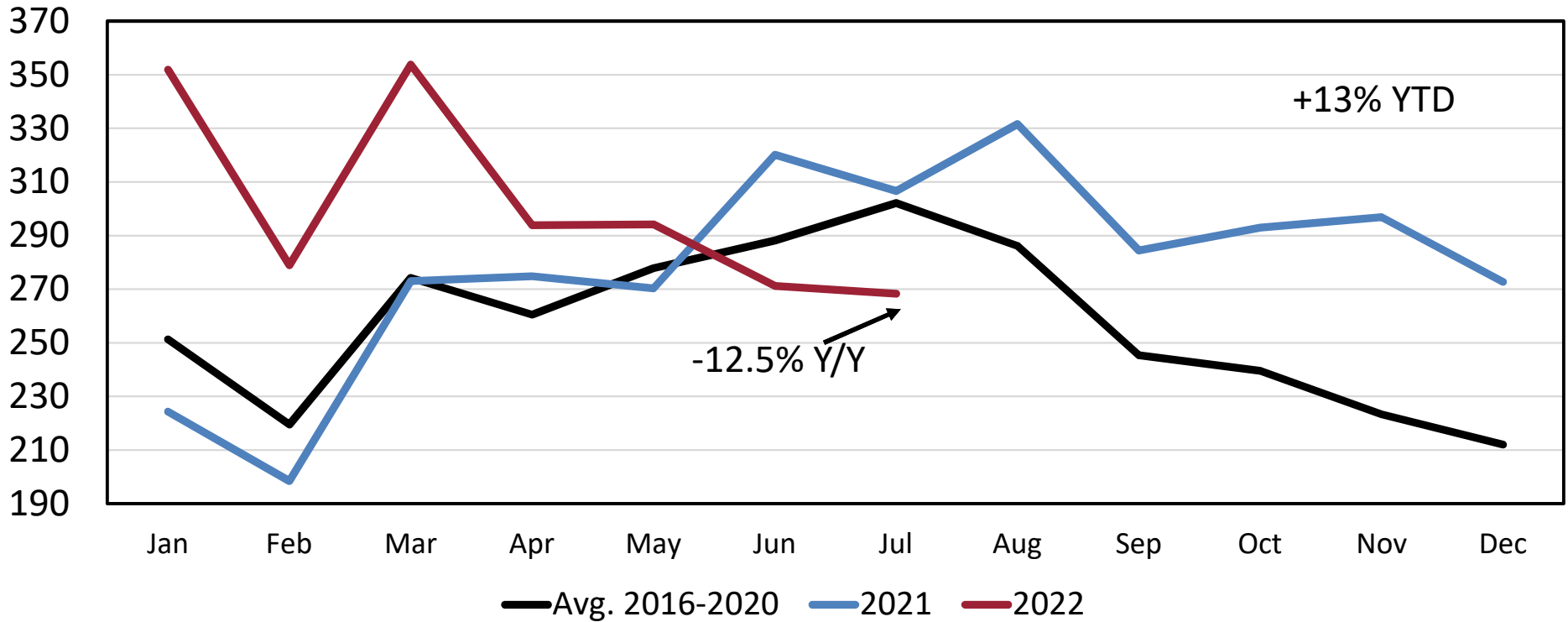


Year-to-date (Mil Lbs.)	Canada	China/HK	Japan	Mexico	South Korea	Other	Total
July 2022	159	414	488	152	480	254	2,093
% Chg. Year Ago	0%	16%	1%	-17%	3%	33%	7%



## US Beef and Veal Imports, Carcass Weight, Monthly

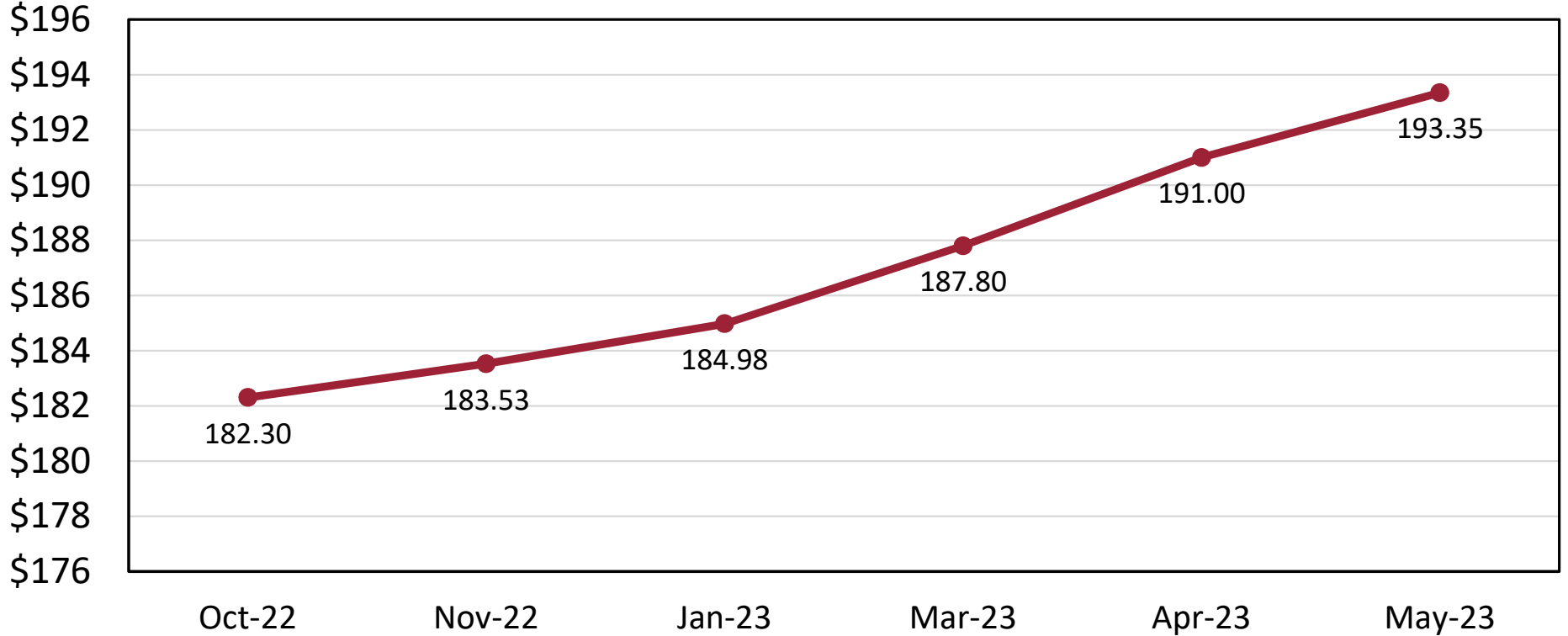
Mil. Pounds



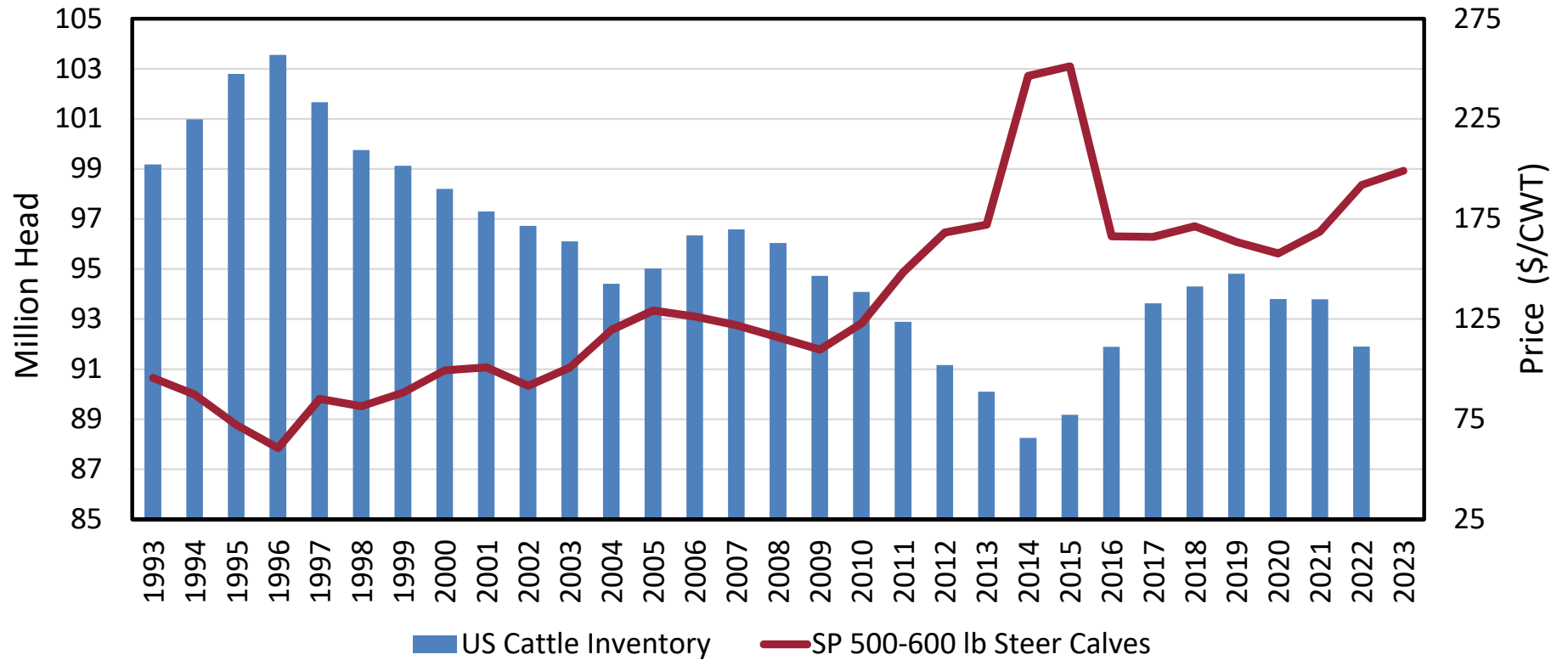
# Price and Profitability Outlook

## Feeder Cattle Futures Prices (as of 9/19/22) By Contract Month

\$ Per Cwt.

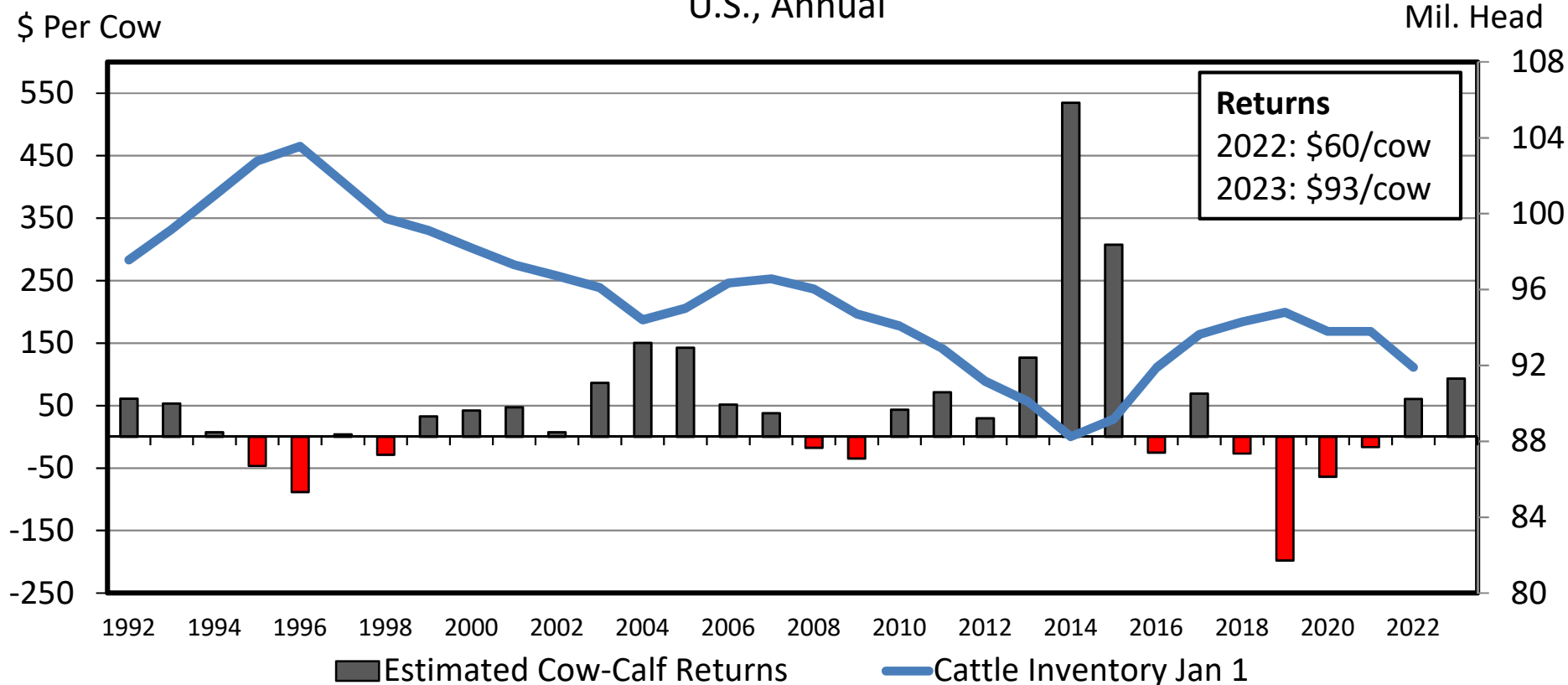


## U.S. Cattle Inventory and Southern Plains Feeder Cattle Prices 1993-2023



# COW CALF RETURNS AND CATTLE INVENTORY

U.S., Annual



# Cattle Market Notes Weekly

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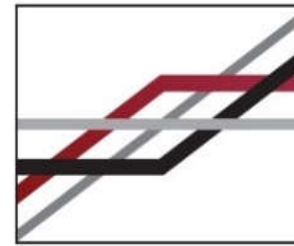
Josh Maples



James Mitchell



Kenny Burdine



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PDF copy of slides available:

<https://fryar-risk-center.uada.edu/>

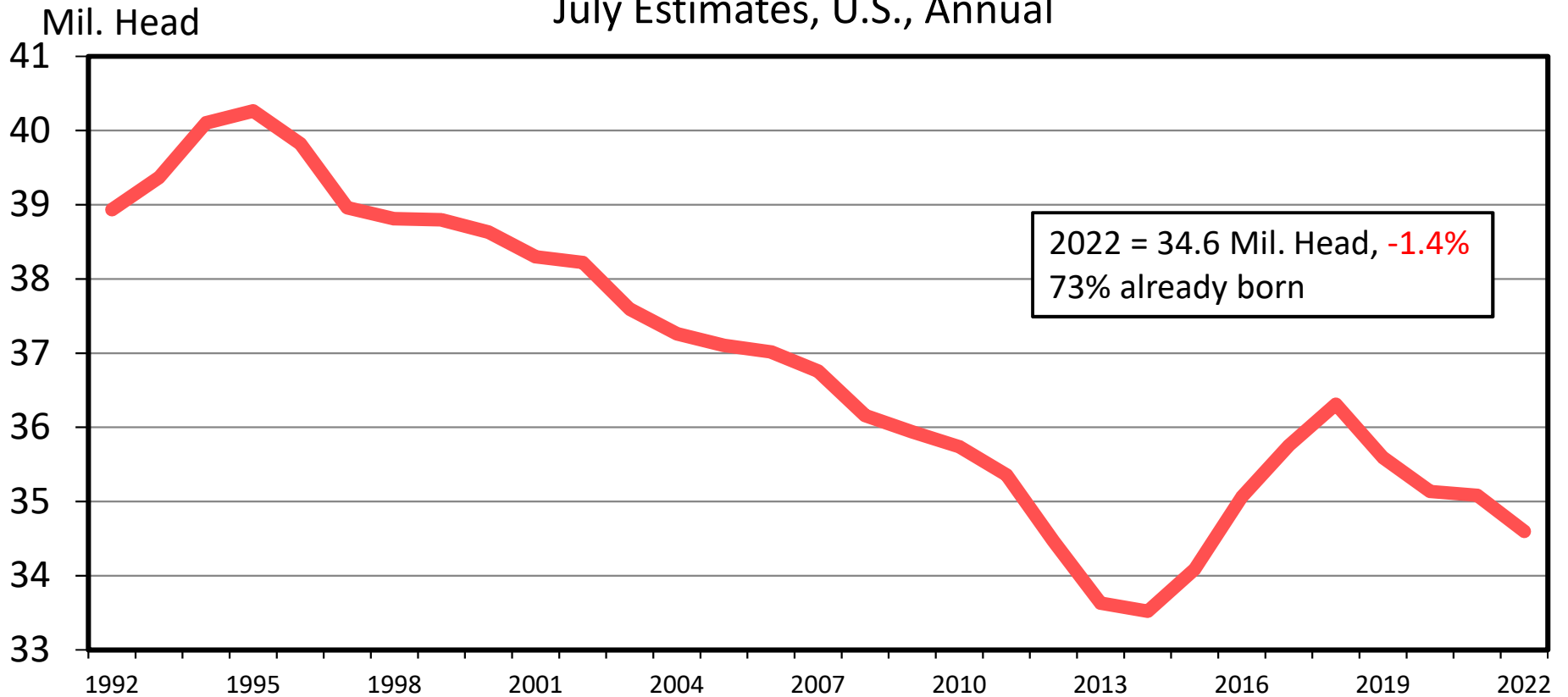
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# CALF CROP

July Estimates, U.S., Annual

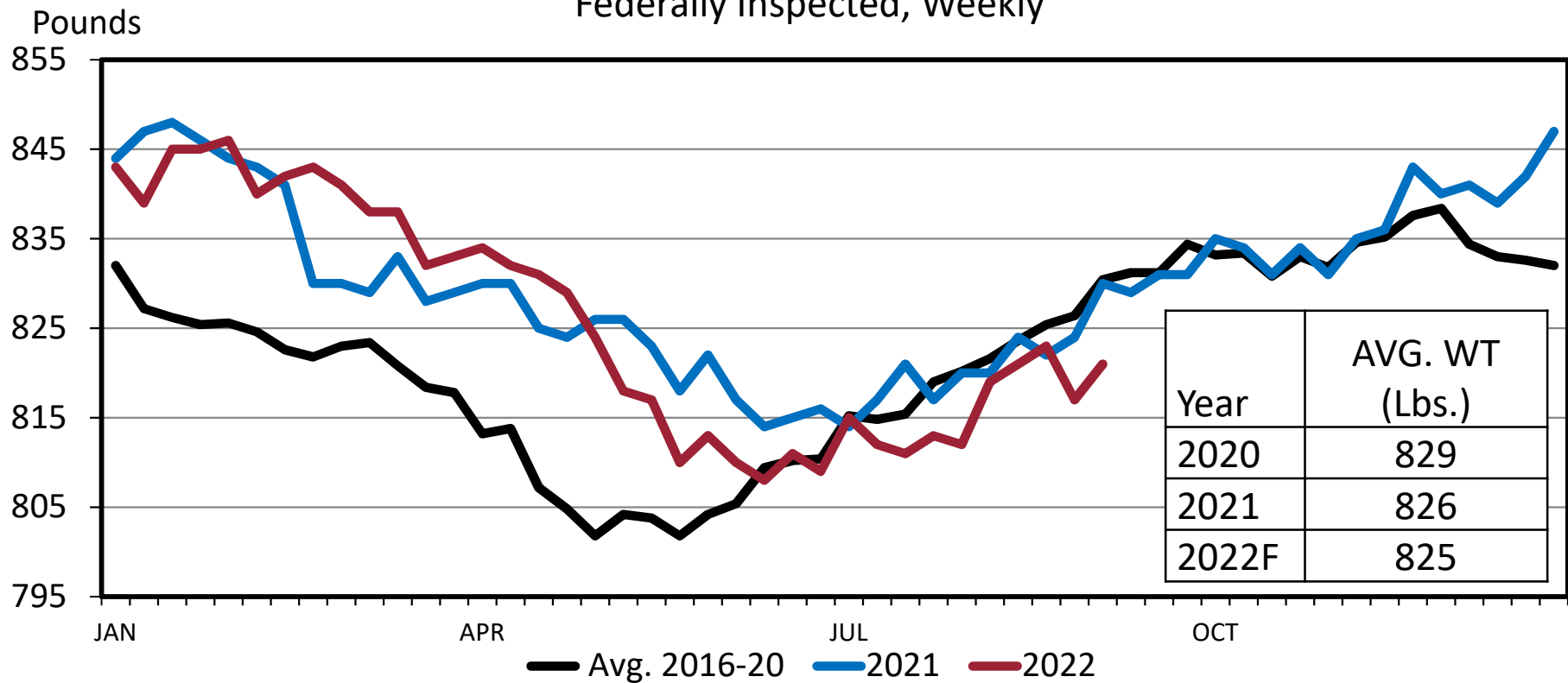


2022 = 34.6 Mil. Head, -1.4%  
73% already born



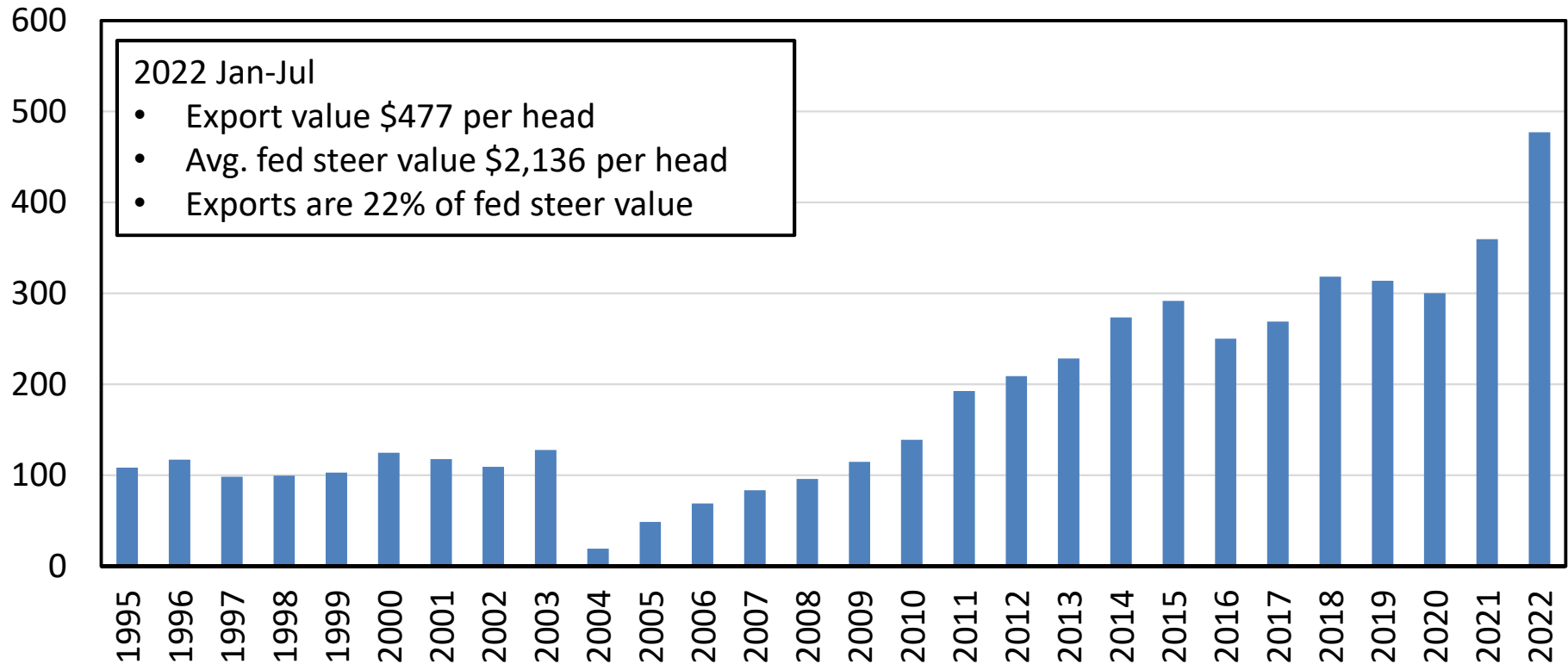
# CATTLE DRESSED WEIGHT

## Federally Inspected, Weekly



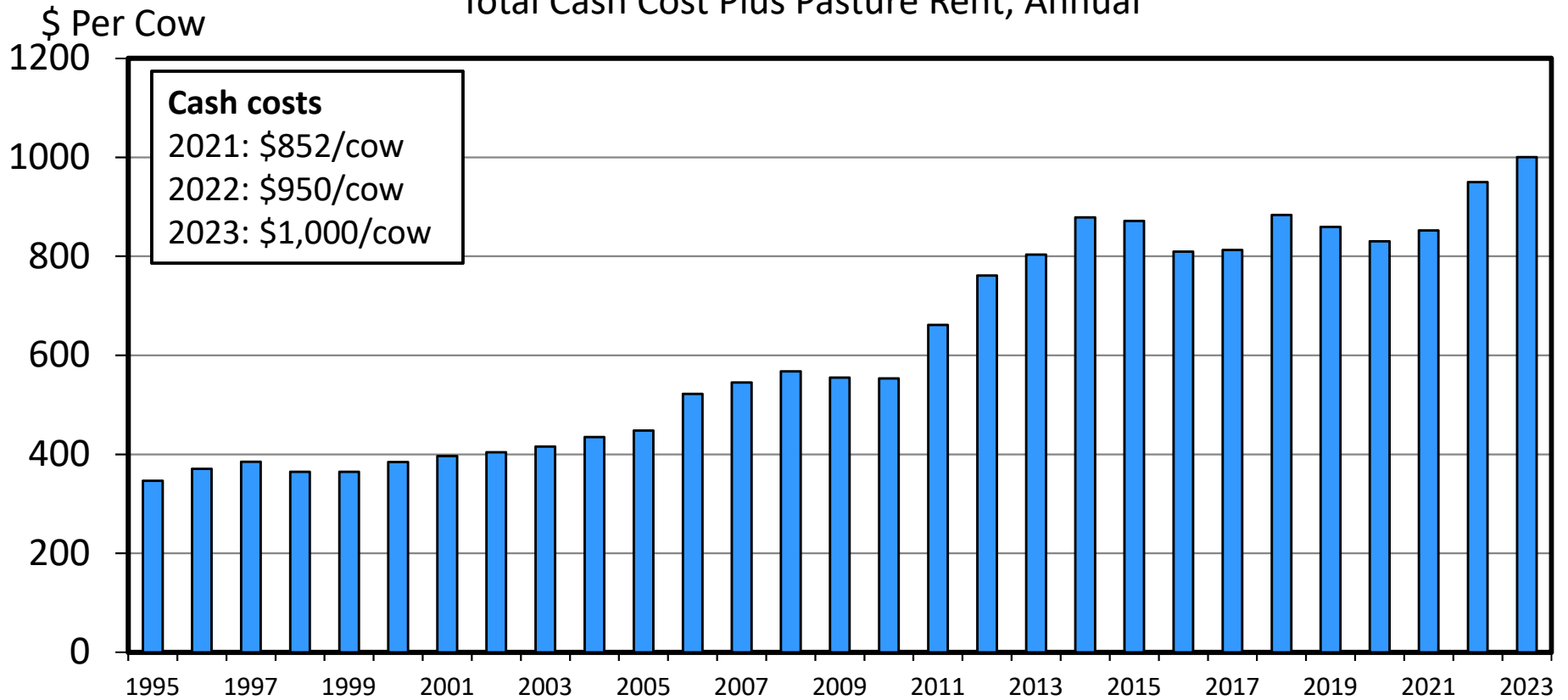
## U.S. Beef Industry Cumulative Export Value (Jan-Jul) Per Head of Fed Slaughter

\$/head



# ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual



# Estimated Returns for Price-Weight Combinations

Assumed Cow Costs \$950/cow

Weight (lbs.)	Price (\$/lb.)				
	\$1.50	\$1.60	\$1.70	\$1.80	\$1.90
500	(\$199.75)	(\$149.75)	(\$99.75)	(\$49.75)	\$0.25
525	(\$162.25)	(\$109.75)	(\$57.25)	(\$4.75)	\$47.75
550	(\$124.75)	(\$69.75)	(\$14.75)	\$40.25	\$95.25
575	(\$87.25)	(\$29.75)	\$27.75	\$85.25	\$142.75
600	(\$49.75)	\$10.25	\$70.25	\$130.25	\$190.25