

Market Fundamentals

Master Marketer

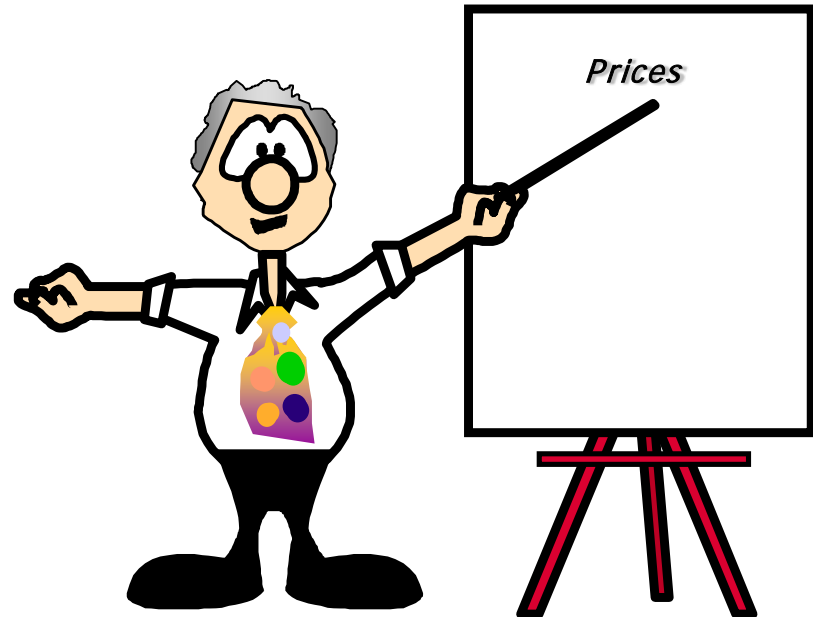
October 22, 2020

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Professor and Extension Economist



Overview

- Supply
- Demand
- Where Headed?



Demand

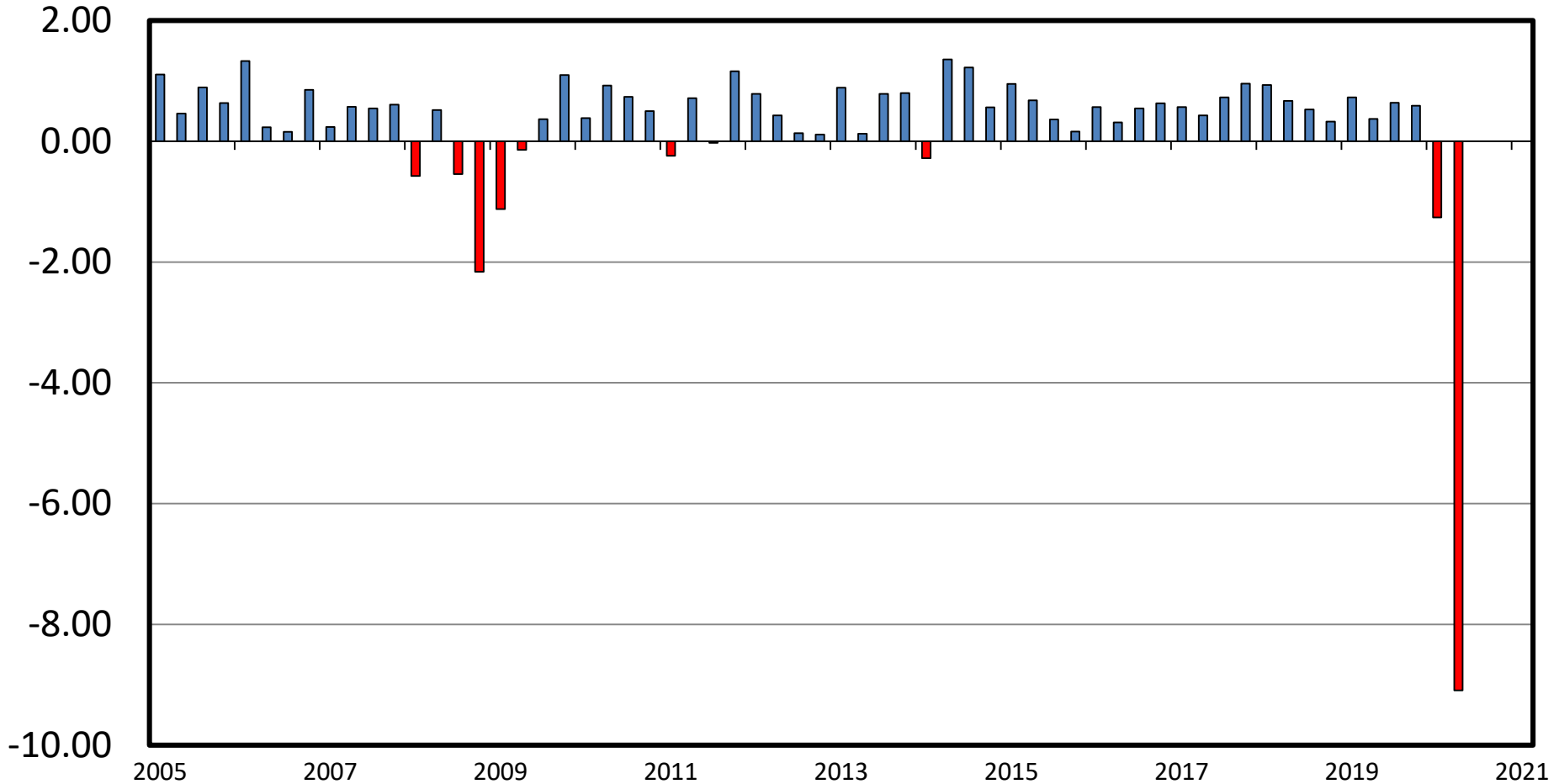
What Affects Demand

- Own Price
- Price of Other Goods
- Income
- Population
- Tastes and Preferences

QTRLY GROSS DOMESTIC PRODUCT (GDP)

Real Dollar (2012) Change from Previous Quarter

Percent Change



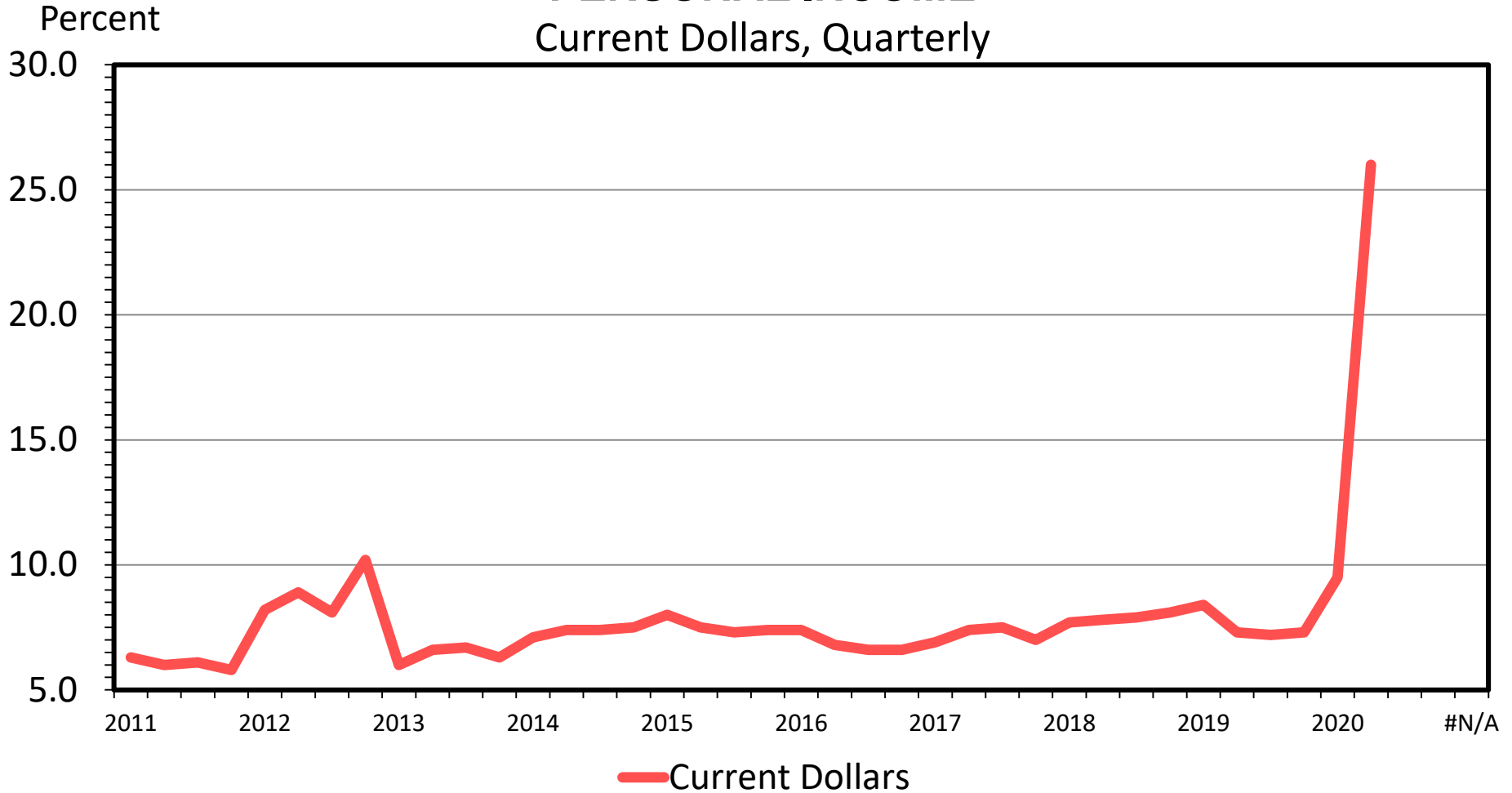
Data Source: Bureau of Economic Analysis, Compiled & Analysis by LMIC

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08/27/20

PERSONAL SAVINGS AS A PERCENT OF DISPOSABLE PERSONAL INCOME

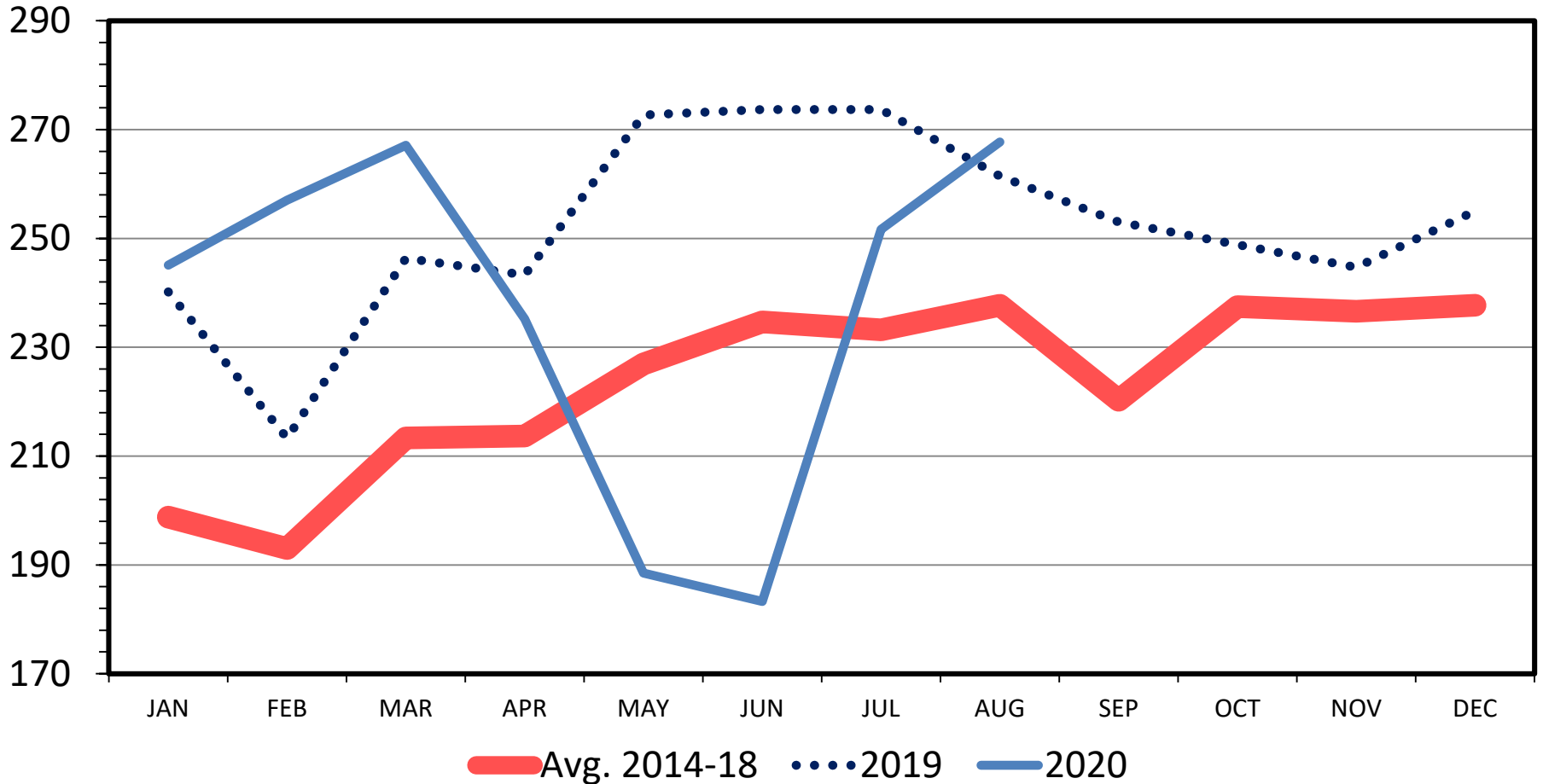
Current Dollars, Quarterly



US BEEF AND VEAL EXPORTS

Carcass Weight, Monthly

Mil. Pounds



Data Source: USDA-ERS & USDA-FAS

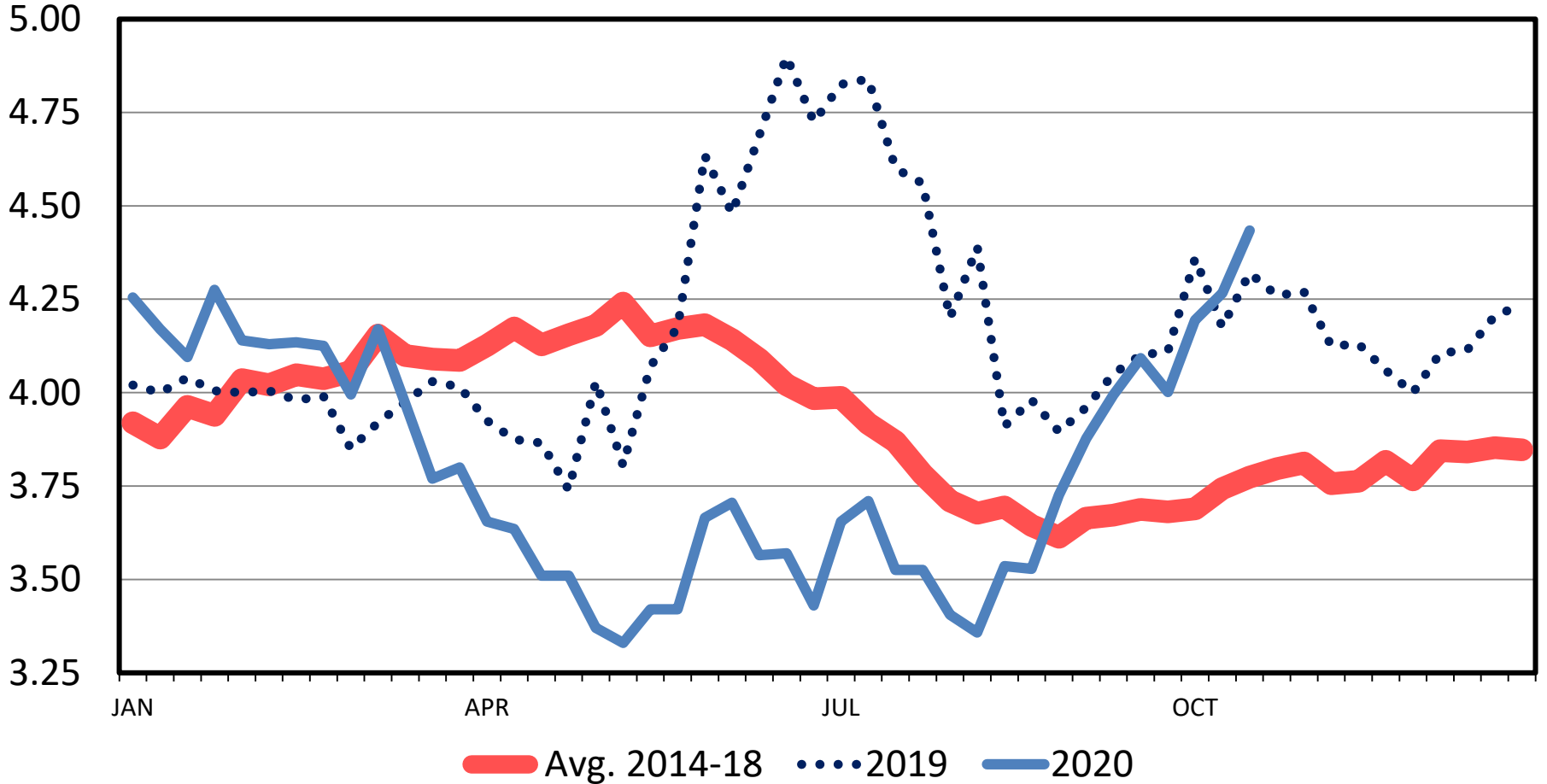
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Supply

SOUTHERN PLAINS CORN PRICES

Weekly

\$ Per Bu.

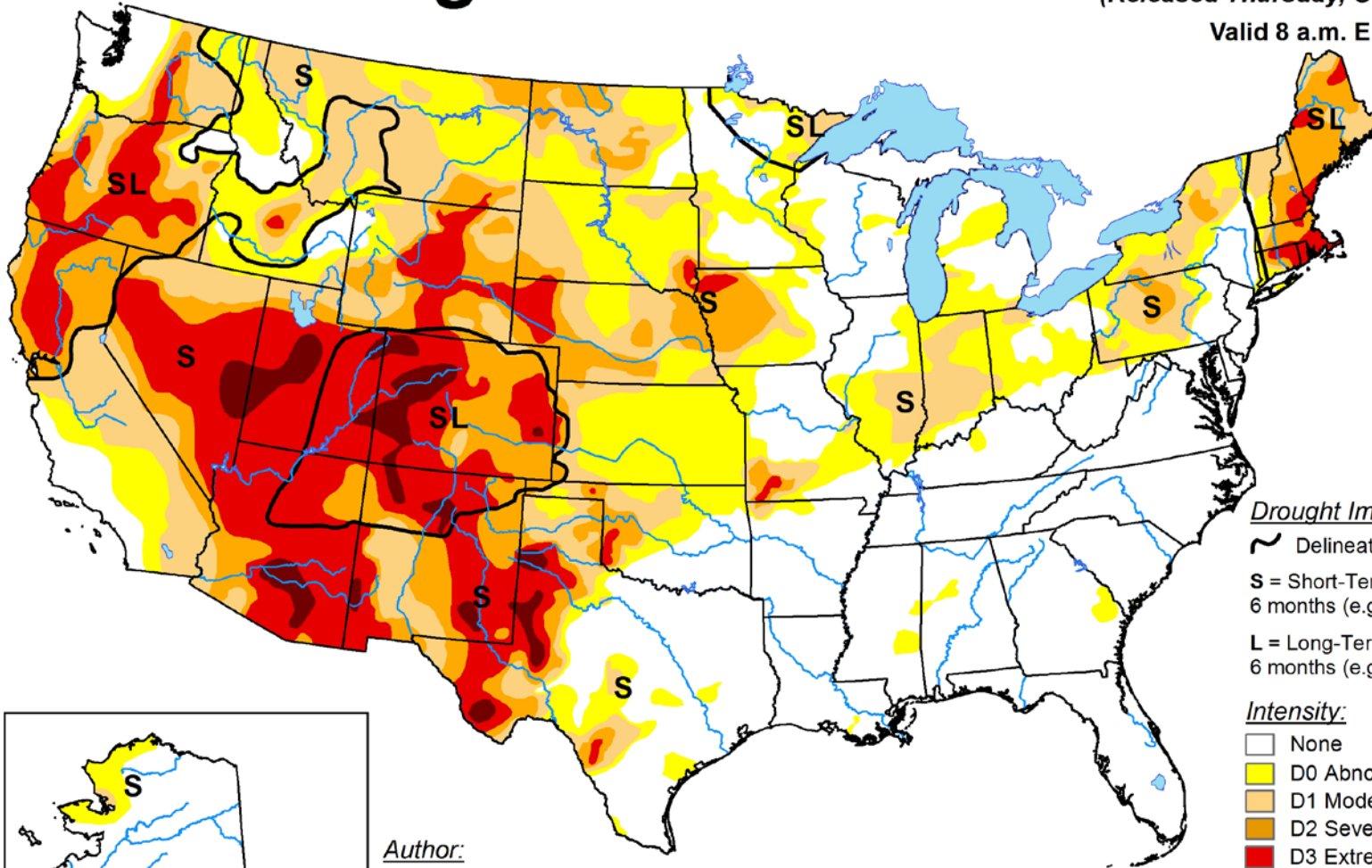


Data Source: USDA-AMS

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U.S. Drought Monitor

October 13, 2020
 (Released Thursday, Oct. 15, 2020)
 Valid 8 a.m. EDT



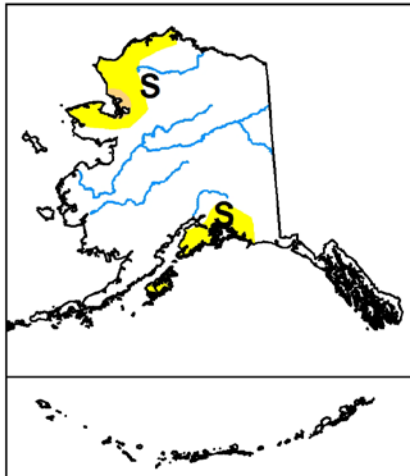
Drought Impact Types:

- ~ 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:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

Author:
 Curtis Riganti
 National Drought Mitigation Center



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

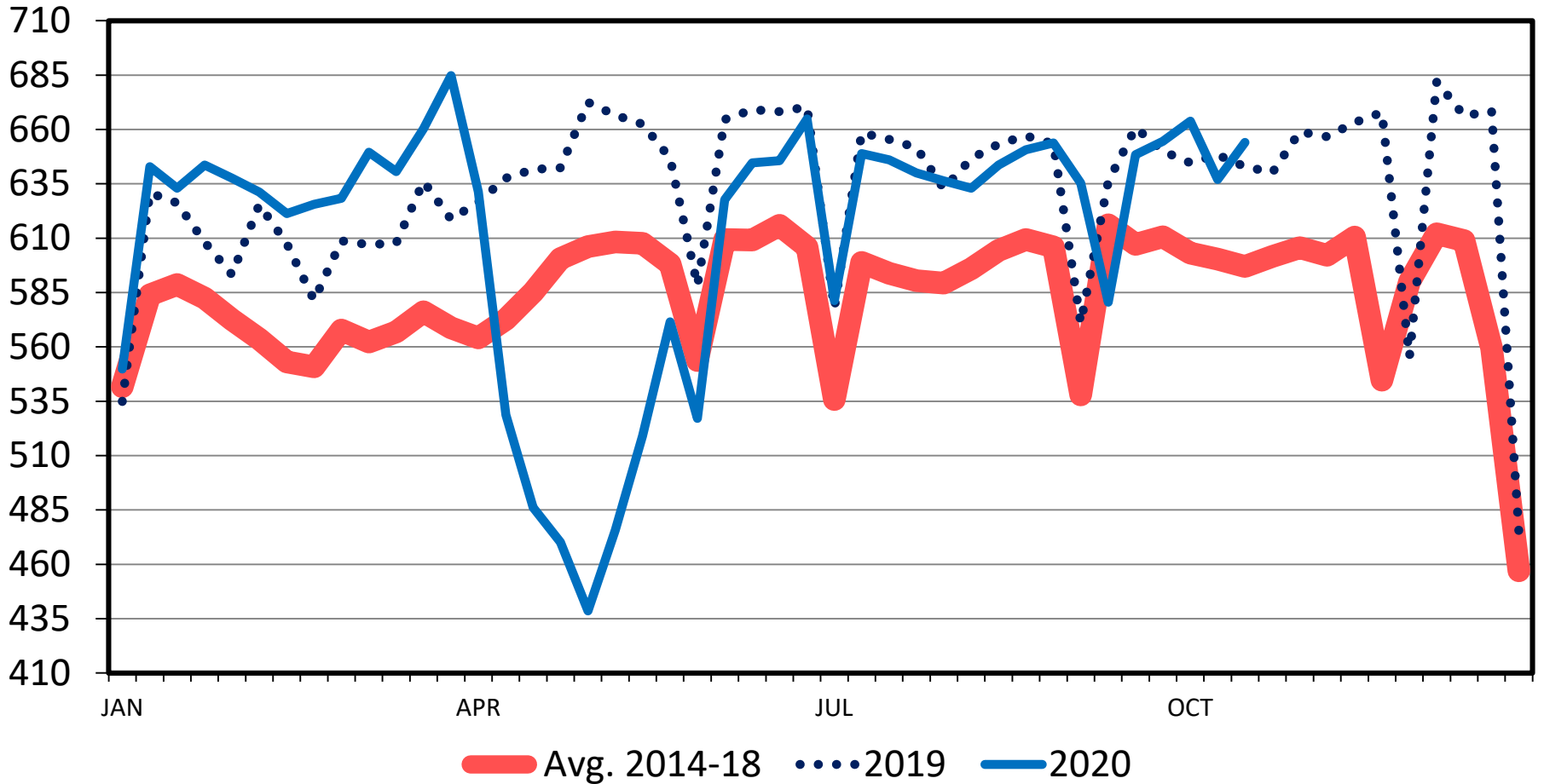


droughtmonitor.unl.edu

CATTLE SLAUGHTER

Federally Inspected, Weekly

Thou. Head



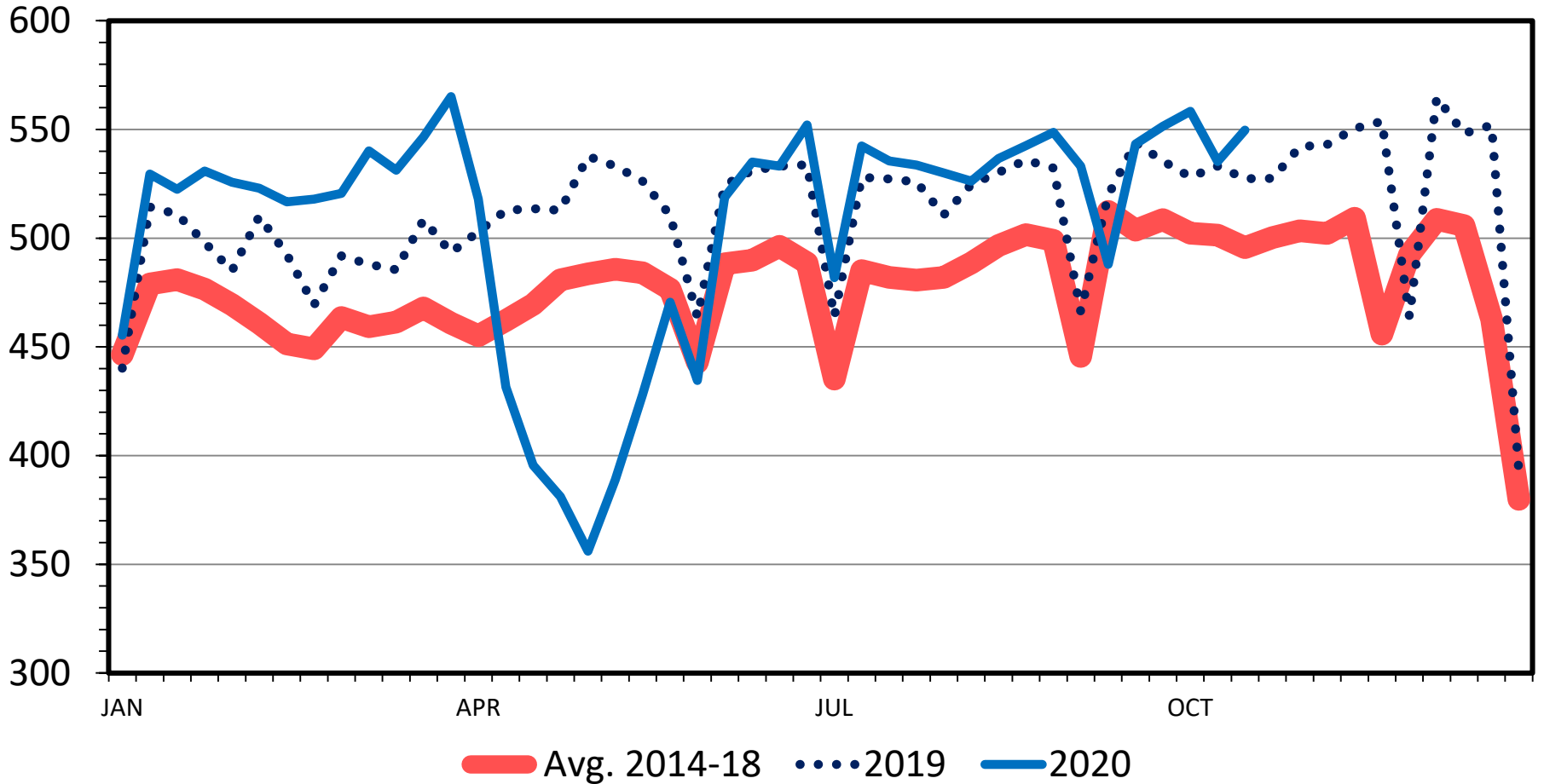
Data Source: USDA-AMS & USDA-NASS

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BEEF PRODUCTION

Federally Inspected, Weekly

Mil. Pounds



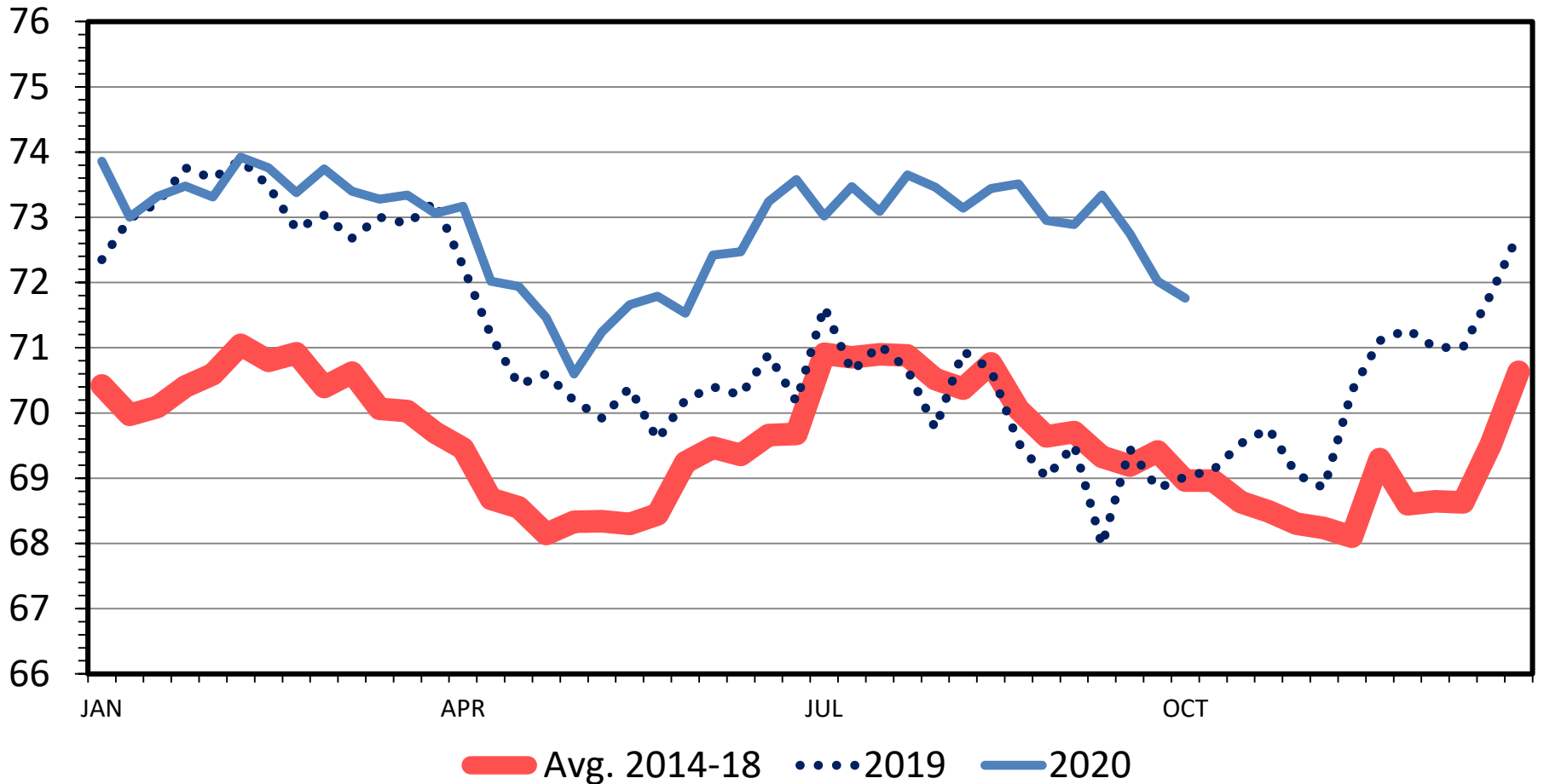
Data Source: USDA-AMS & USDA-NASS

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BEEF GRADED CHOICE

As a Percent of Beef Graded

Percent



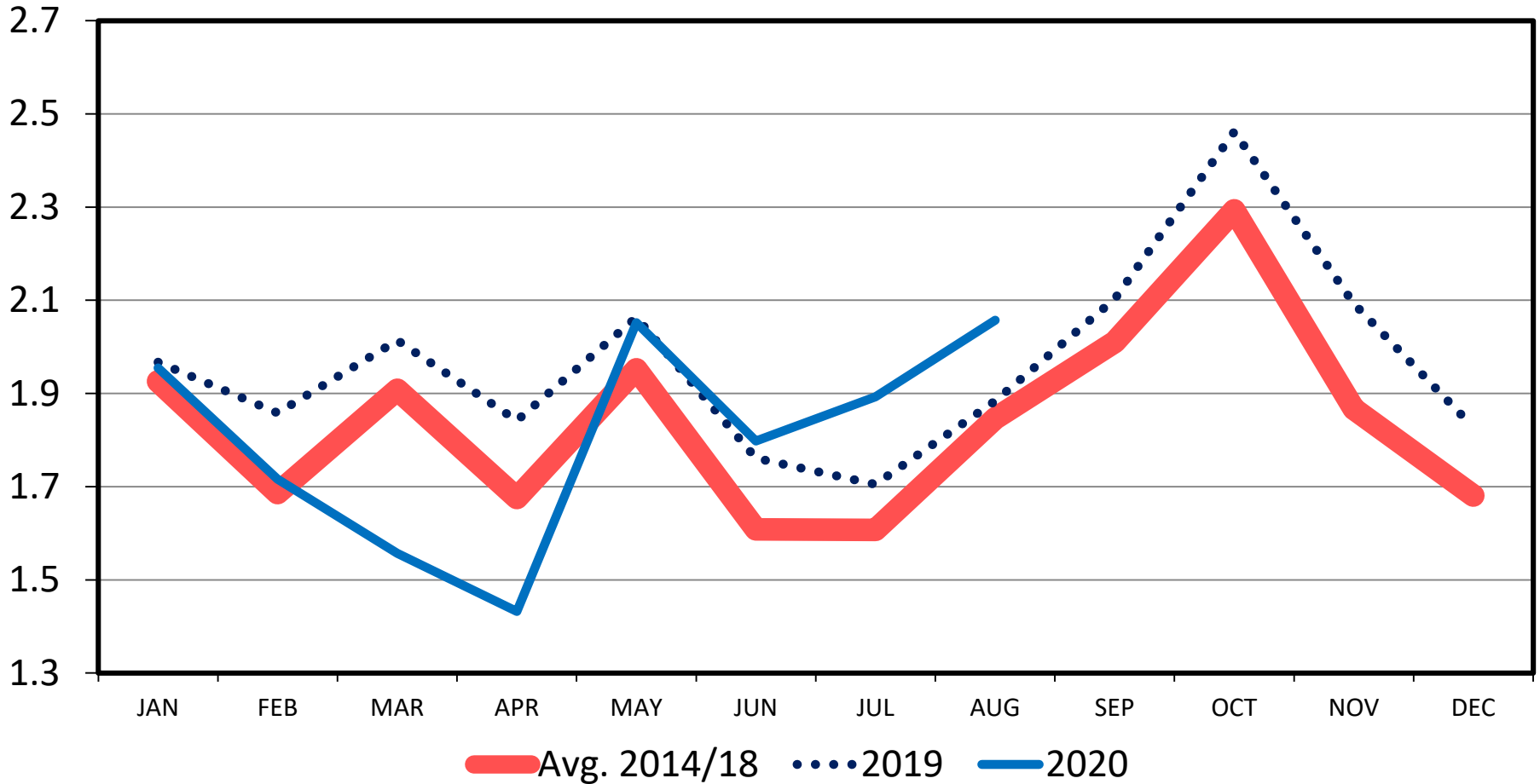
Data Source: USDA-AMS

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FEEDLOT PLACEMENTS

US Total, Monthly

Mil. Head



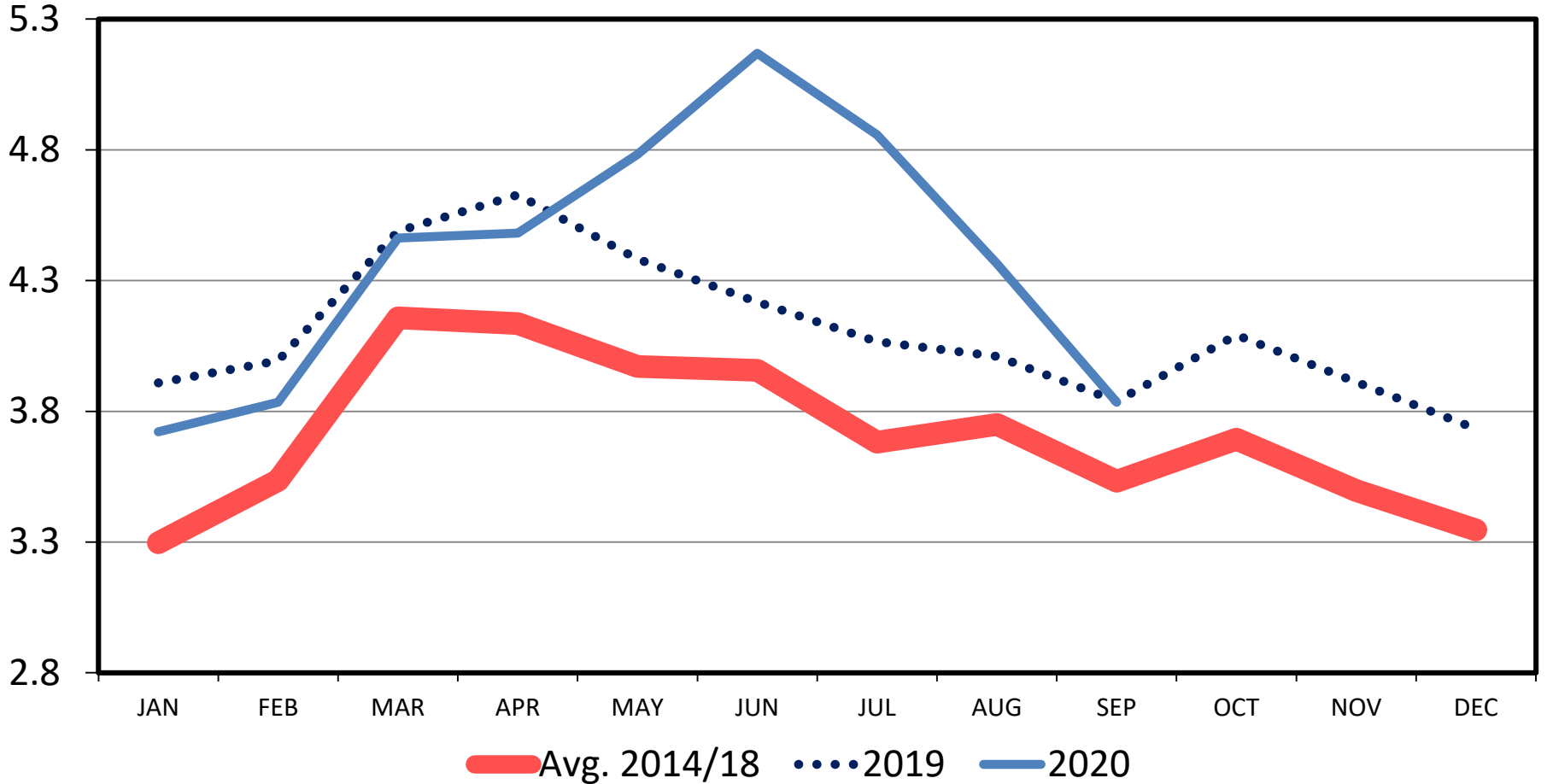
Data Source: USDA-NASS

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CATTLE ON FEED OVER 120 DAYS

US Total, Monthly

Mil. Head



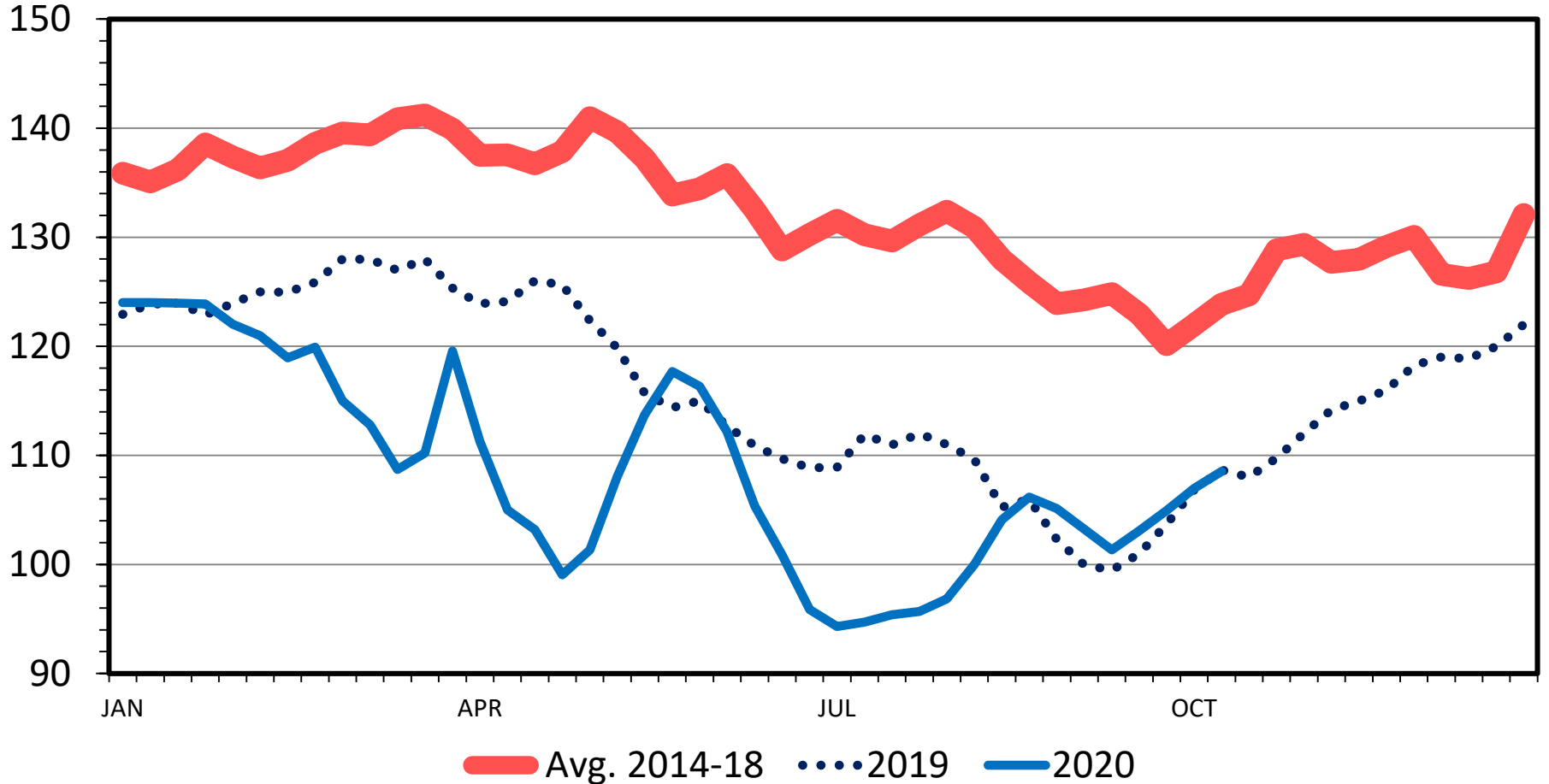
Data Source: USDA-NASS, Compiled by
LMIC

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SLAUGHTER STEER PRICES

Southern Plains, Weekly

\$ Per Cwt.

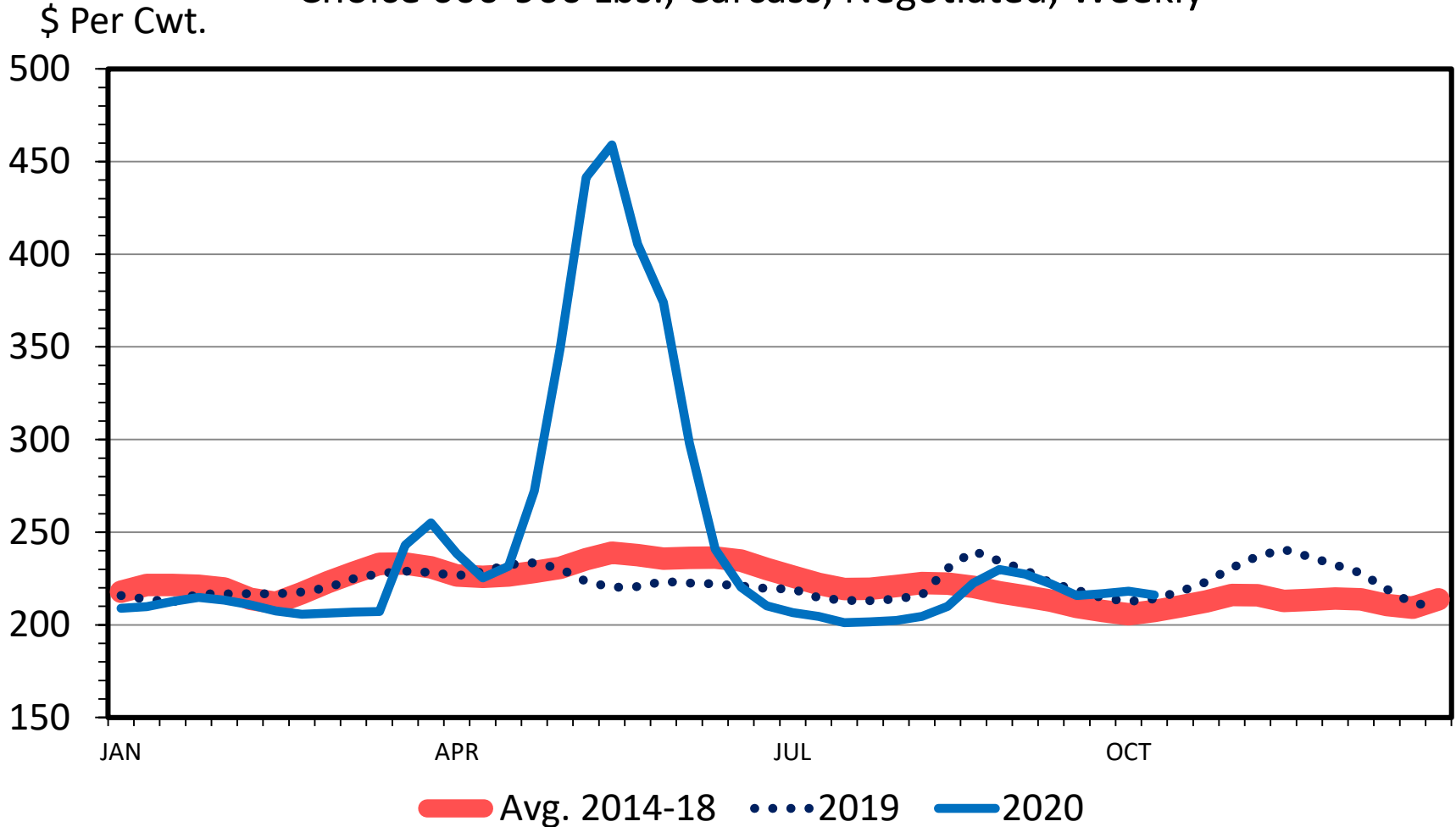


Data Source: USDA-AMS

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BOXED BEEF CUTOUT VALUE

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



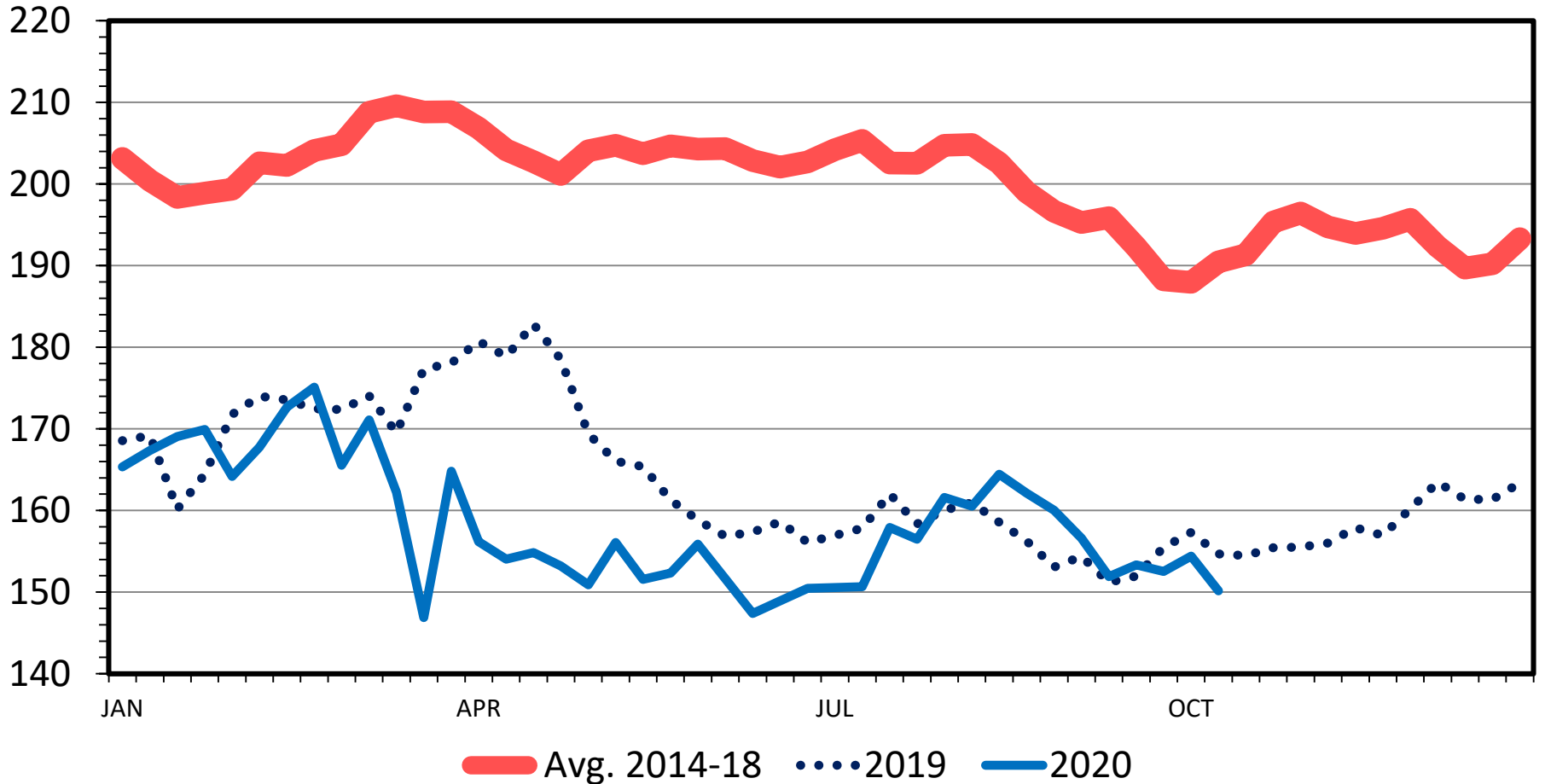
Data Source: USDA-AMS

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MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly

\$ Per Cwt.



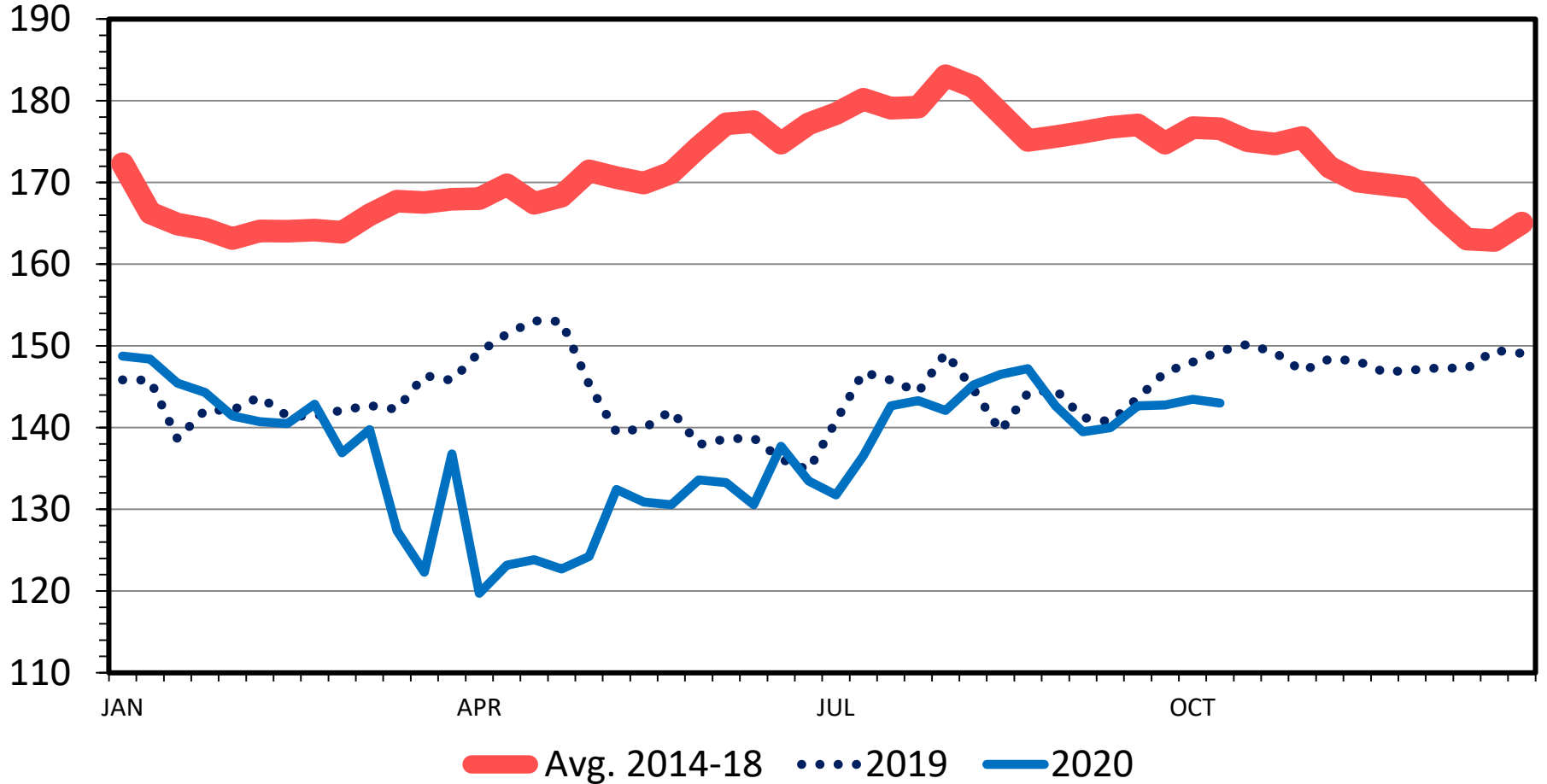
Data Source: USDA-AMS

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MED. & LRG. #1 FEEDER STEER PRICES

700-800 Pounds, Southern Plains, Weekly

\$ Per Cwt.



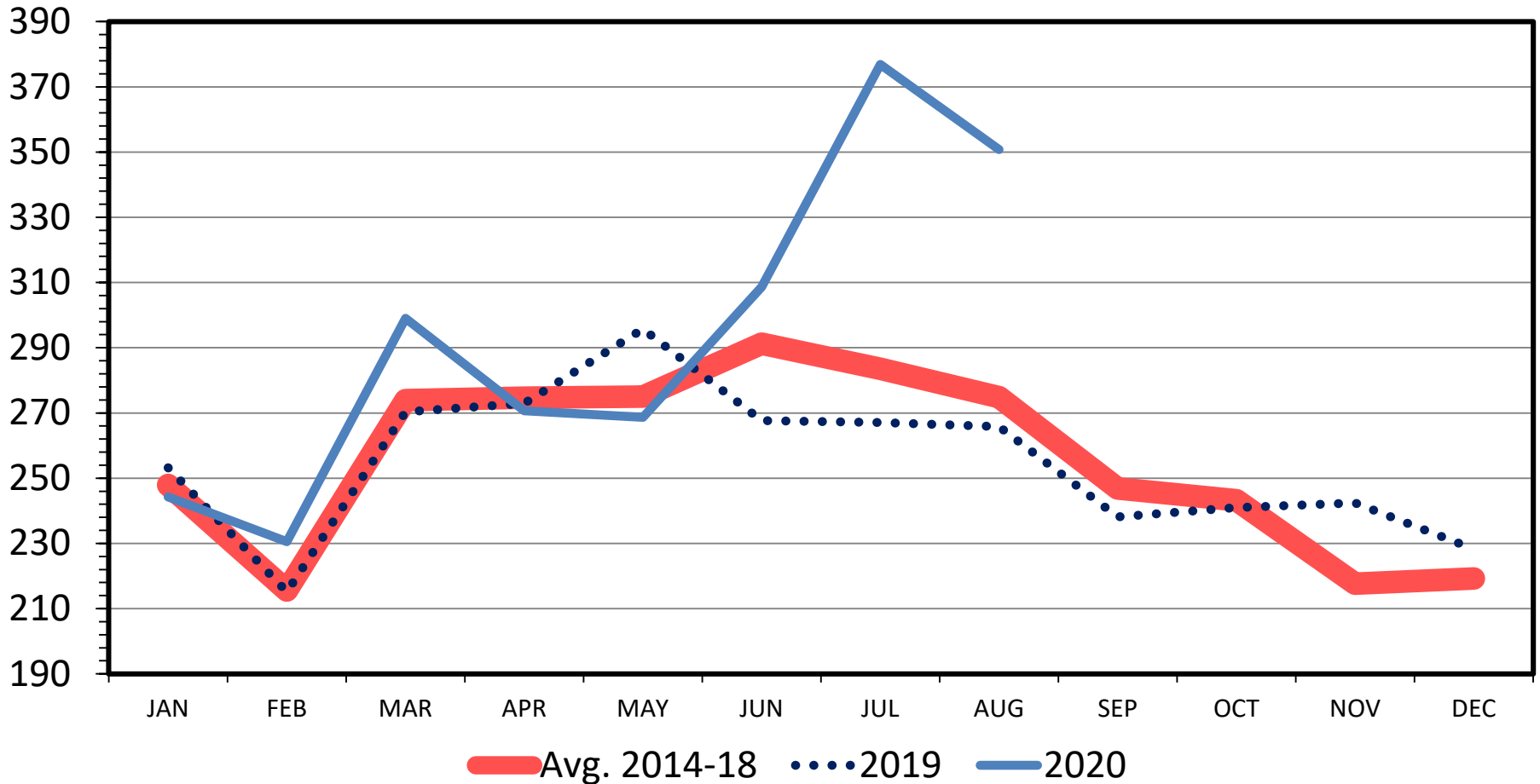
Data Source: USDA-AMS

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US BEEF AND VEAL IMPORTS

Carcass Weight, Monthly

Mil. Pounds



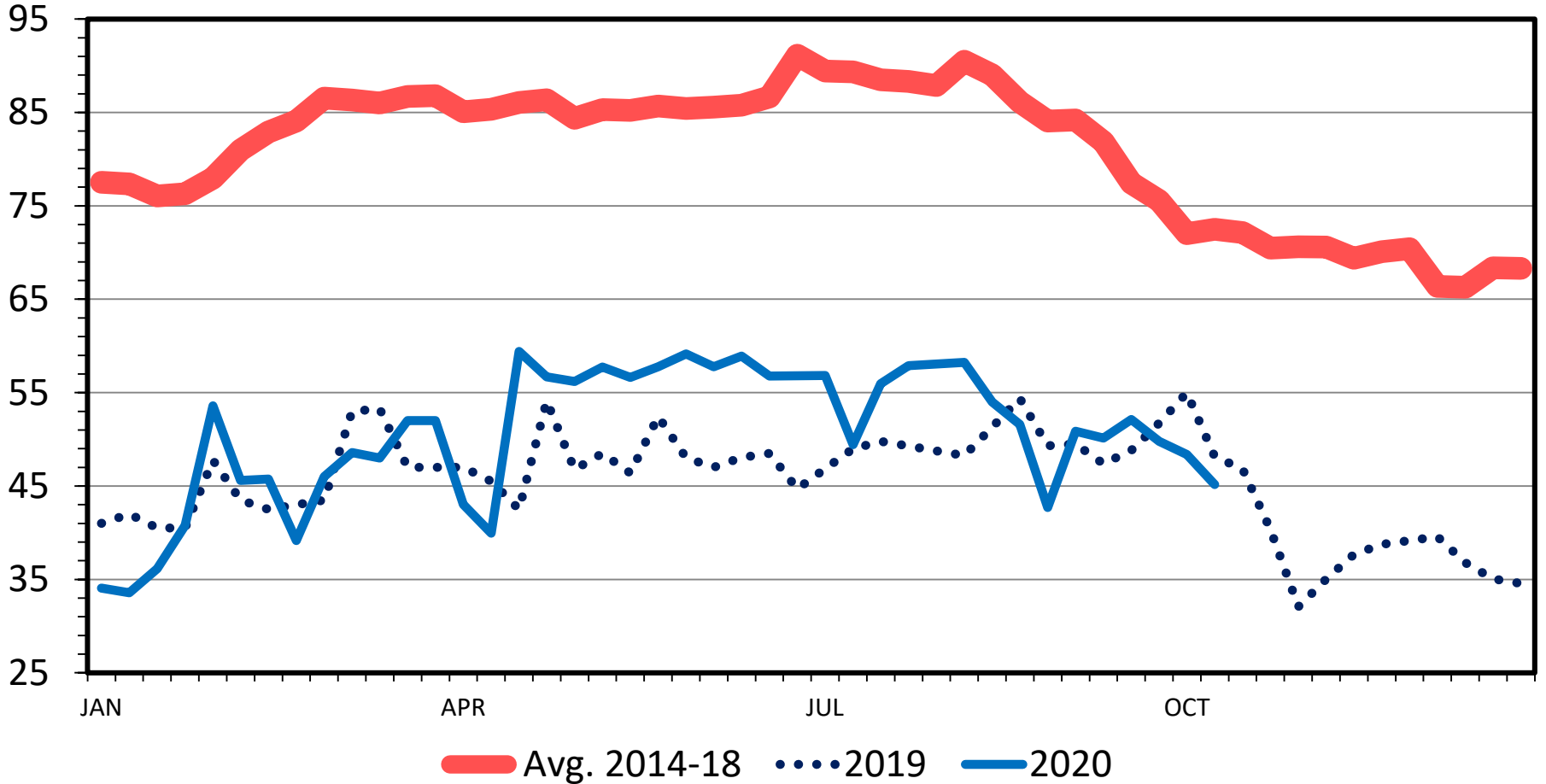
Data Source: USDA-ERS & USDA-FAS

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SLAUGHTER COW PRICES

Southern Plains Auction, 85-90% Lean, Weekly

\$ Per Cwt.



Data Source: USDA-AMS

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Keys in Fed Cattle

- Backlog In Fed Cattle
 - Largely Done, decline in 120+ on feed
- Beef Production
 - Above year ago
- Restaurants
 - Lost demand

Keys in Calf and Feeder Cattle

- Fed Cattle
- Rising Feed Costs
 - Cut into calf and feeder prices
 - Wheat pasture development, calf demand
 - Drought

Prices for 2018-2021

	11-1300	7-800	5-600
2018	117.12	147.16	160-94
2019 I	125.27	141.42	162.54
II	118.79	139.03	159.91
III	108.16	139.03	148.86
IV	114.94	141.76	145.76
2020 I	118.46	135.21	163.23
II	106.47	122.13	149.11
III	101.74	140.09	149.95
IV	108-111	134-137	140-145
2021 I	113-118	135-139	147-150
II	116-122	137-143	153-157
III	114-121	146-156	152-162
IV	117-125	148-158	154-164

Texas Combined
Auction for 5-600
and 7-800

Contact

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<http://livestock-marketing.tamu.edu>

@LivestockEcon

One Big Thing in Livestock Markets

(979) 845-4351

THANK YOU!
