

# **Fundamental Livestock Markets**

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**Master Marketer**

**February 15, 2023**

**David P. Anderson**

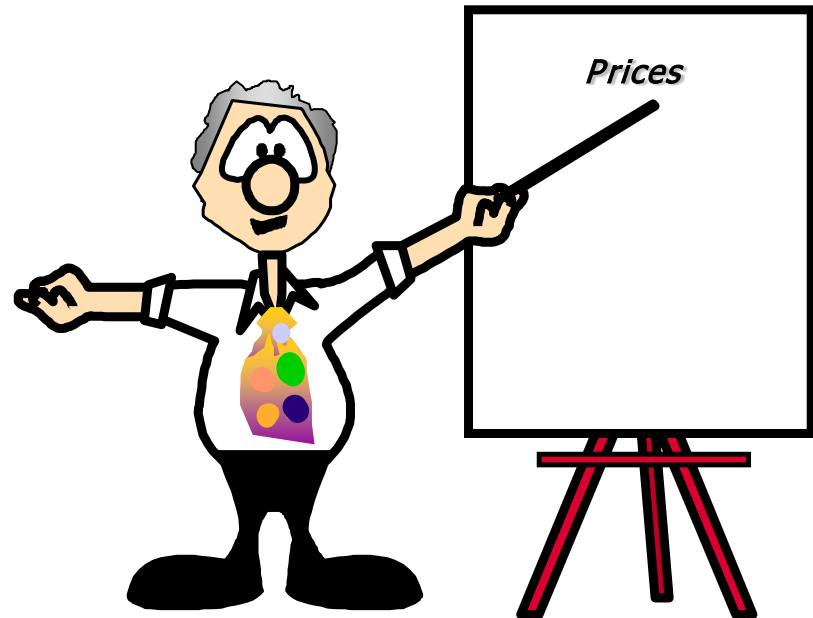
**Professor and Extension Economist**



# Overview

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- Demand
- Supply



# Demand

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# Demand Overview

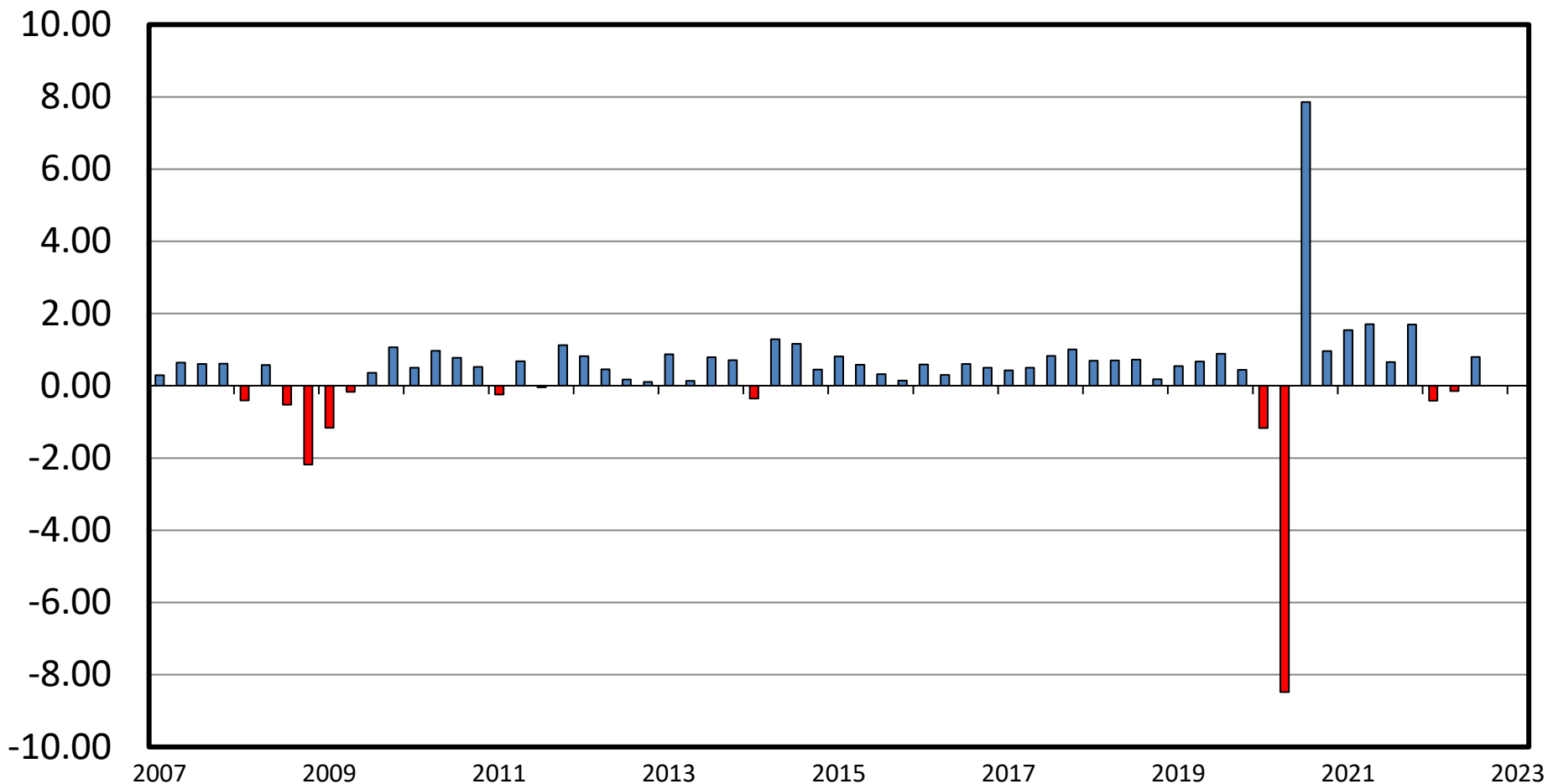
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- Economic Uncertainty
  - Mixed economic signals
  - Low unemployment, growing GDP
- Moving Along Demand?
  - Own price
  - Price goes up, people buy less
- What Shifts Demand?
  - Income, other prices, tastes and preferences

# QTRLY GROSS DOMESTIC PRODUCT (GDP)

Real Dollar (2012) Change from Previous Quarter

Percent Change



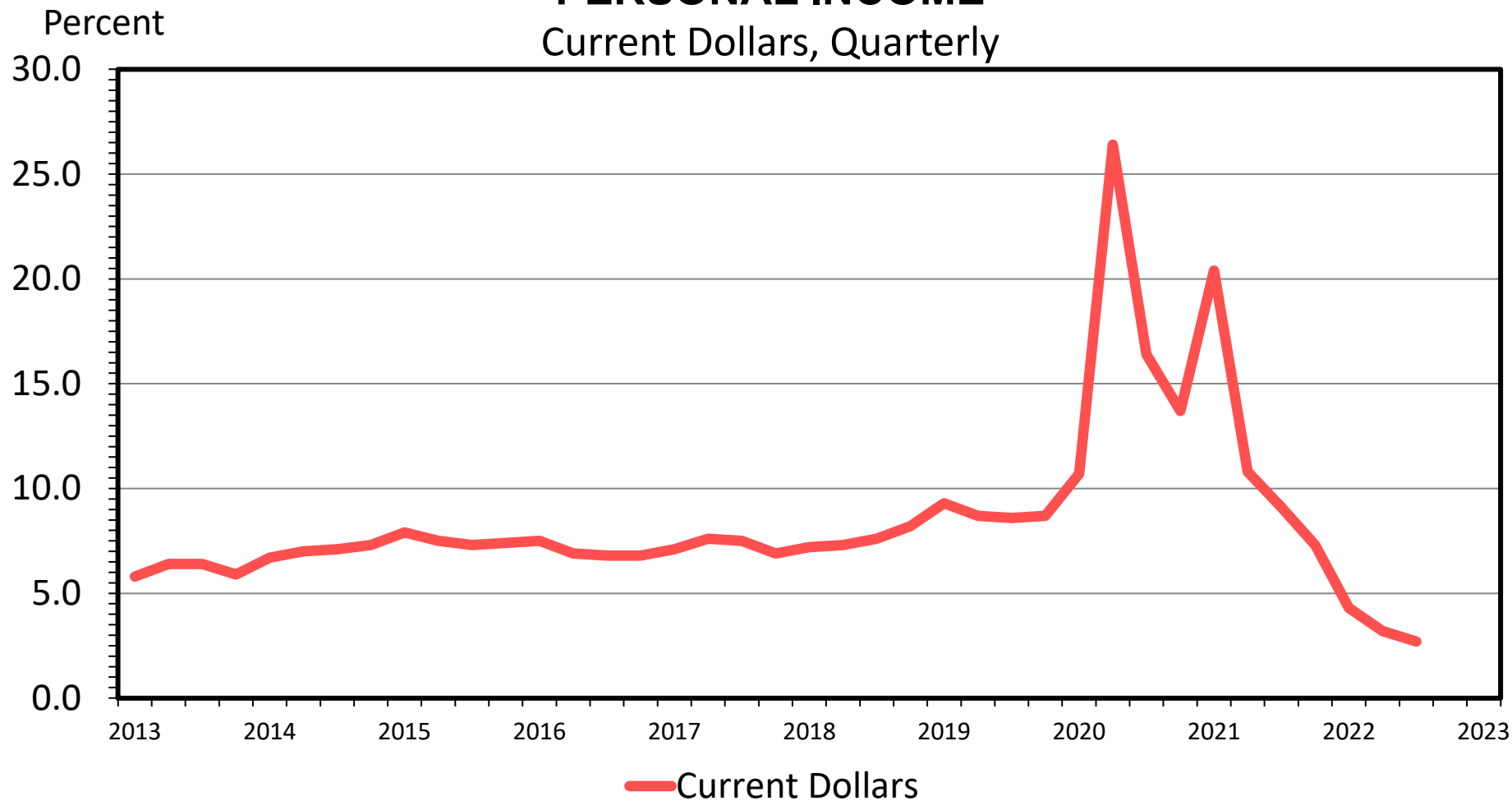
Data Source: Bureau of Economic Analysis, Compiled &  
Analysis by LMIC

Livestock Marketing Information Center

01/19/23

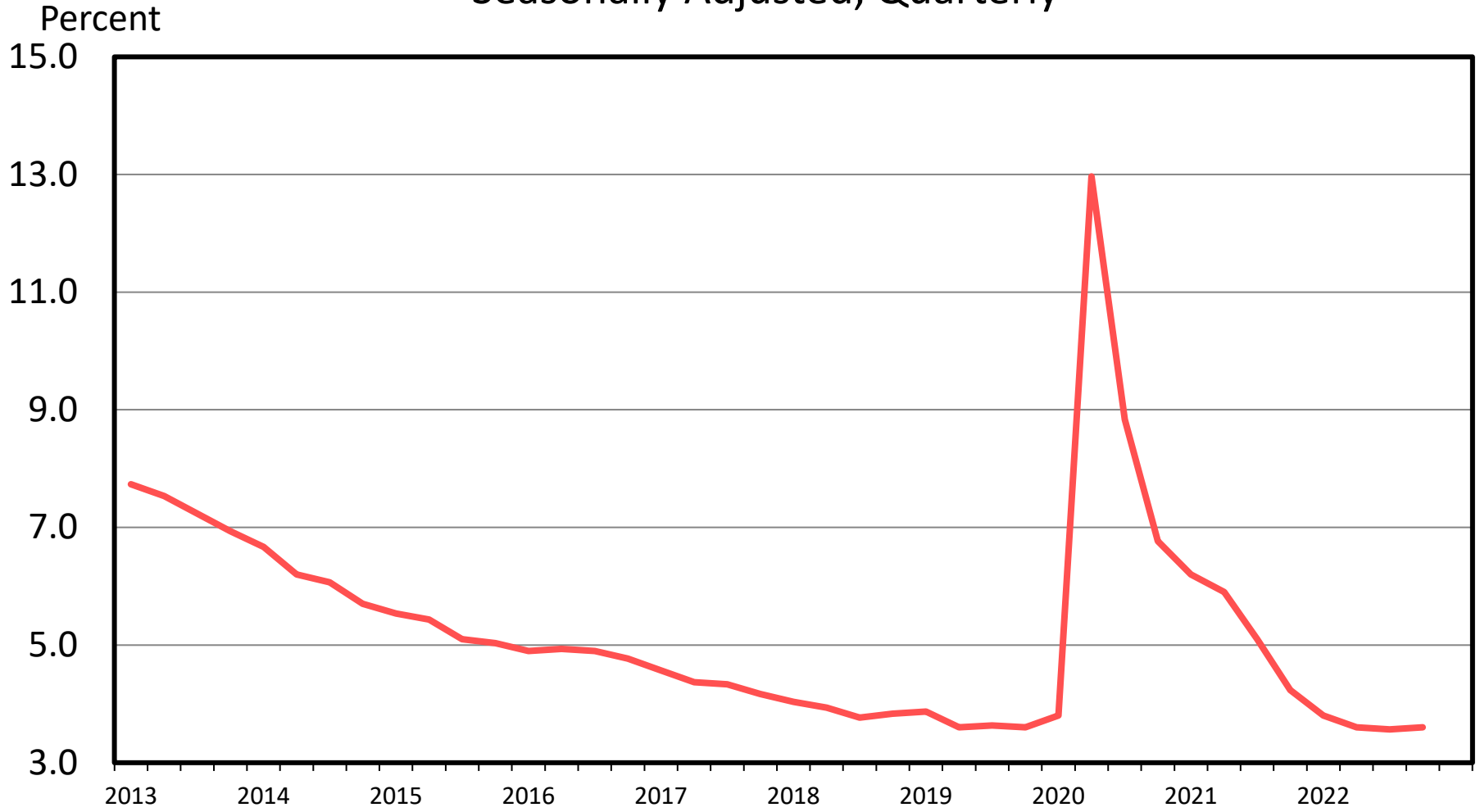
# PERSONAL SAVINGS AS A PERCENT OF DISPOSABLE PERSONAL INCOME

Current Dollars, Quarterly



# U.S. UNEMPLOYMENT RATE

## Seasonally Adjusted, Quarterly



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

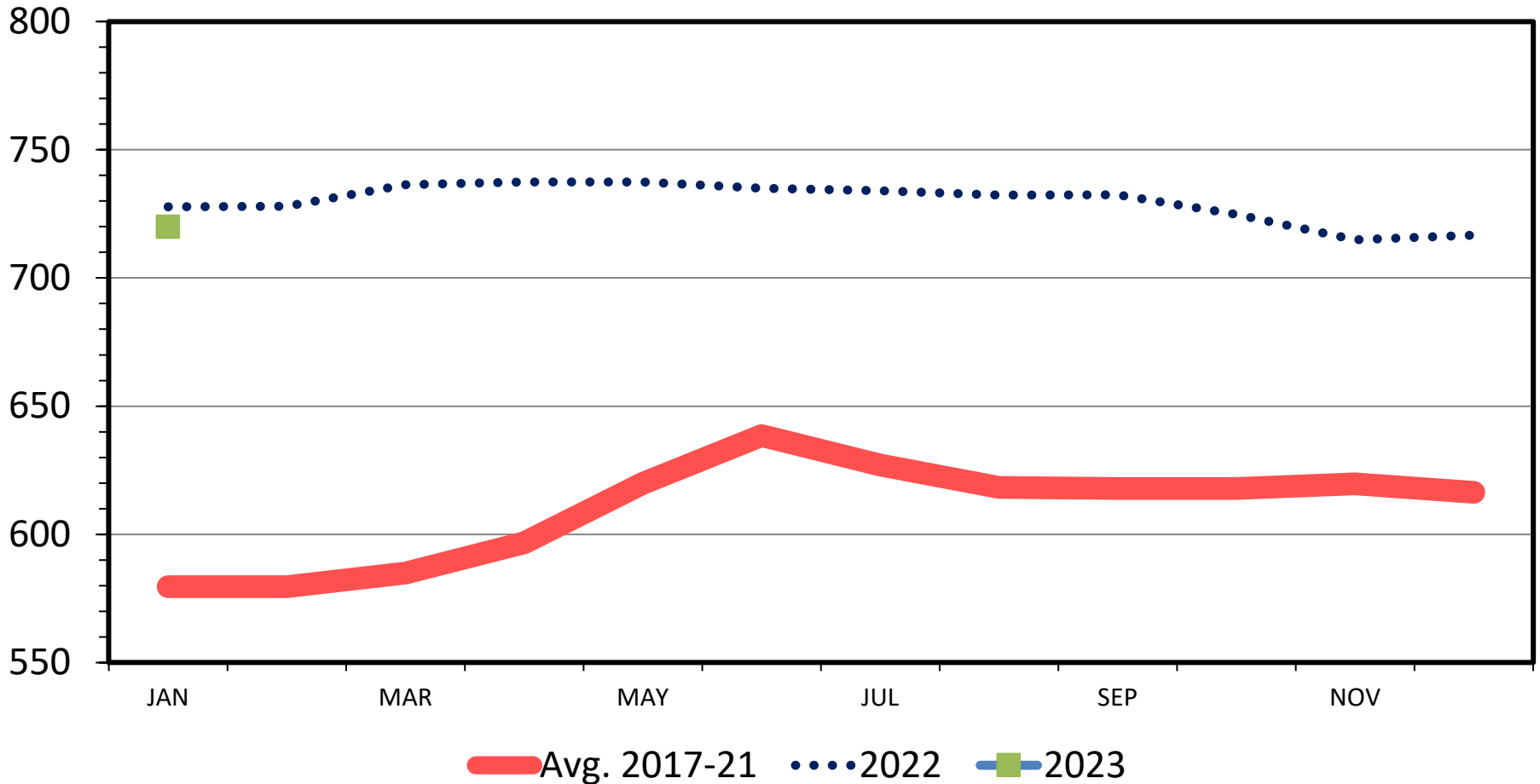
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# RETAIL BEEF PRICE

All Fresh, Monthly

Cents Per Pound



**Data Source: Bureau of Labor Statistics &  
USDA-ERS**

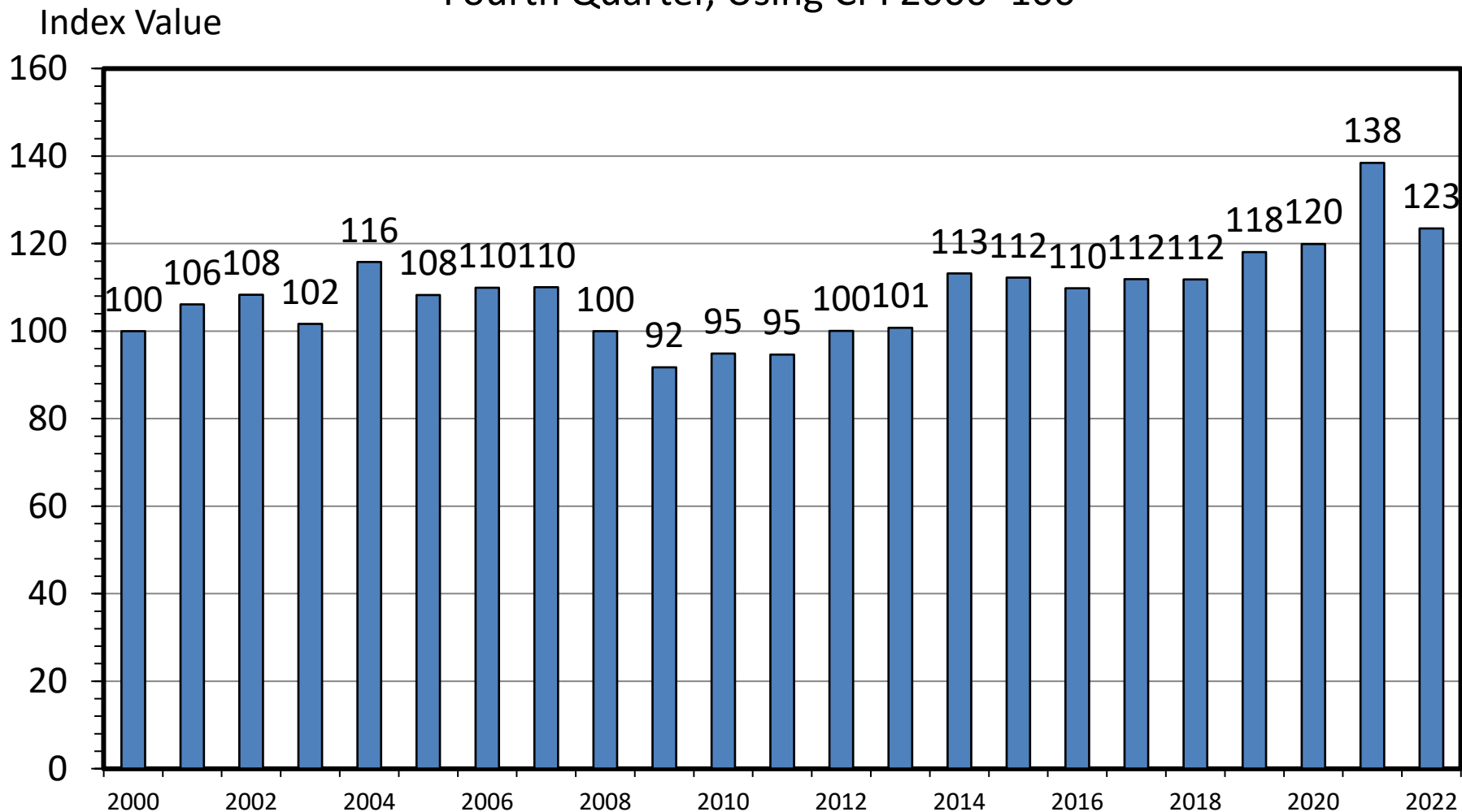
M-P-11  
01/12/23

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# RETAIL ALL FRESH BEEF DEMAND INDEX

Fourth Quarter, Using CPI 2000=100



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

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# Supply

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# Key Supply Side

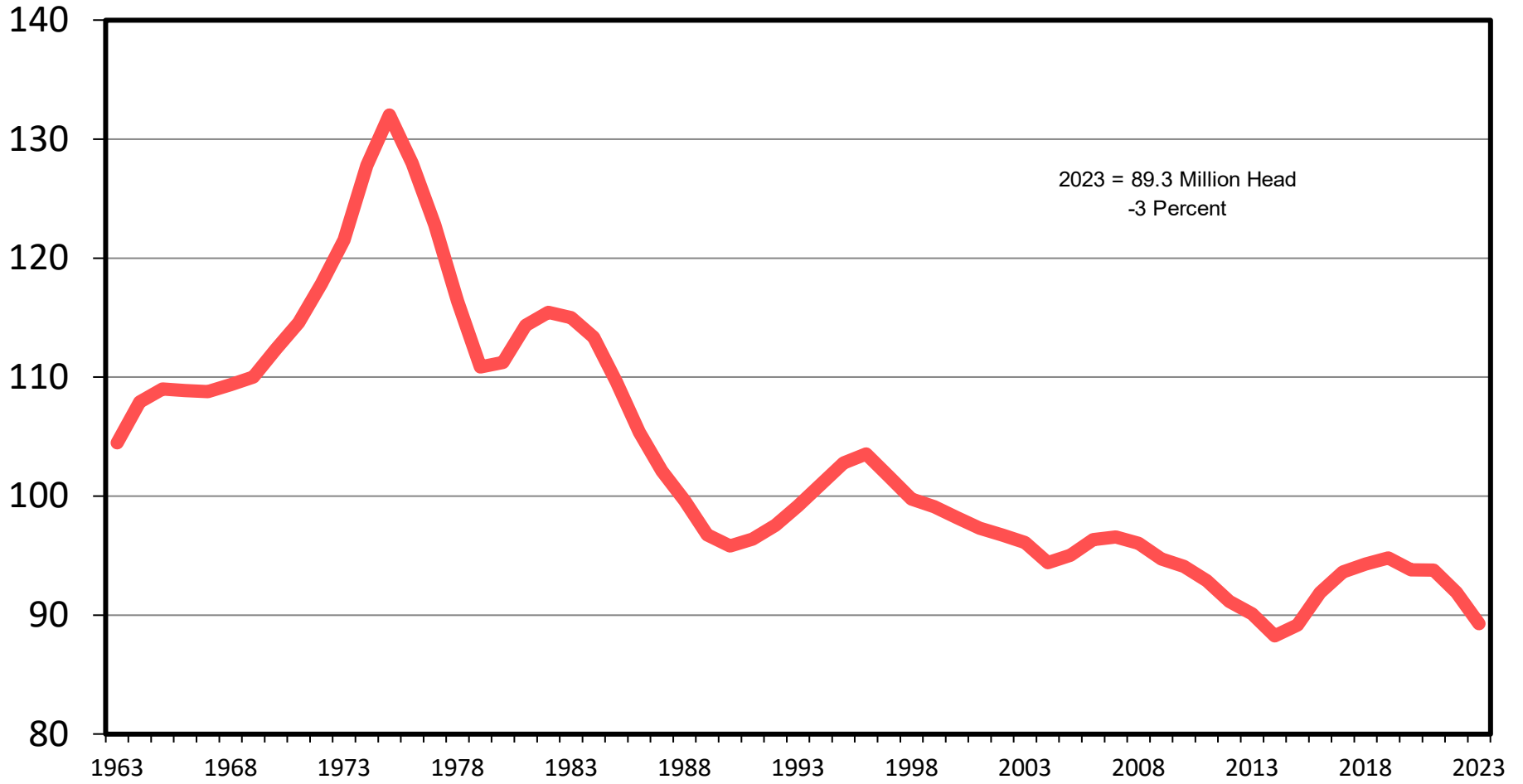
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- Short Term and Long Term
  - 2022 record beef production, but growth is cow beef (and heifers)
  - Longer term pressure for higher prices
- Cow Herd Declining Sharply
  - Drought, low prices relative to costs
- Declining Beef Production
- Tighter Supplies of Calves
- Feed Costs This Year?

# JANUARY 1 TOTAL CATTLE INVENTORY

U.S., Annual

Mil. Head



2023 = 89.3 Million Head  
-3 Percent

**Data Source: USDA-NASS**

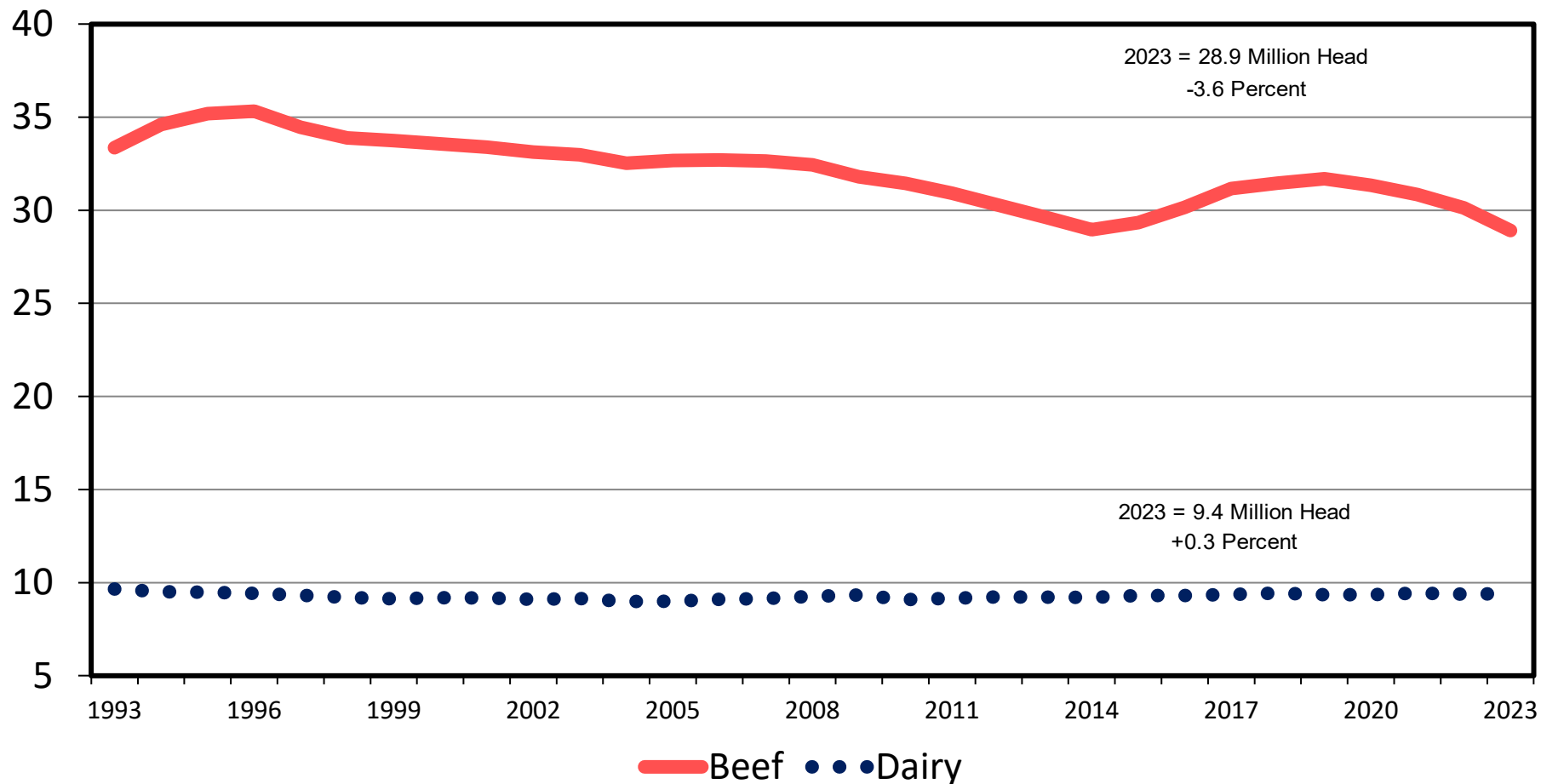
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C-N-01  
01/31/23

# JANUARY 1 COW INVENTORY

U.S., Annual

Mil. Head

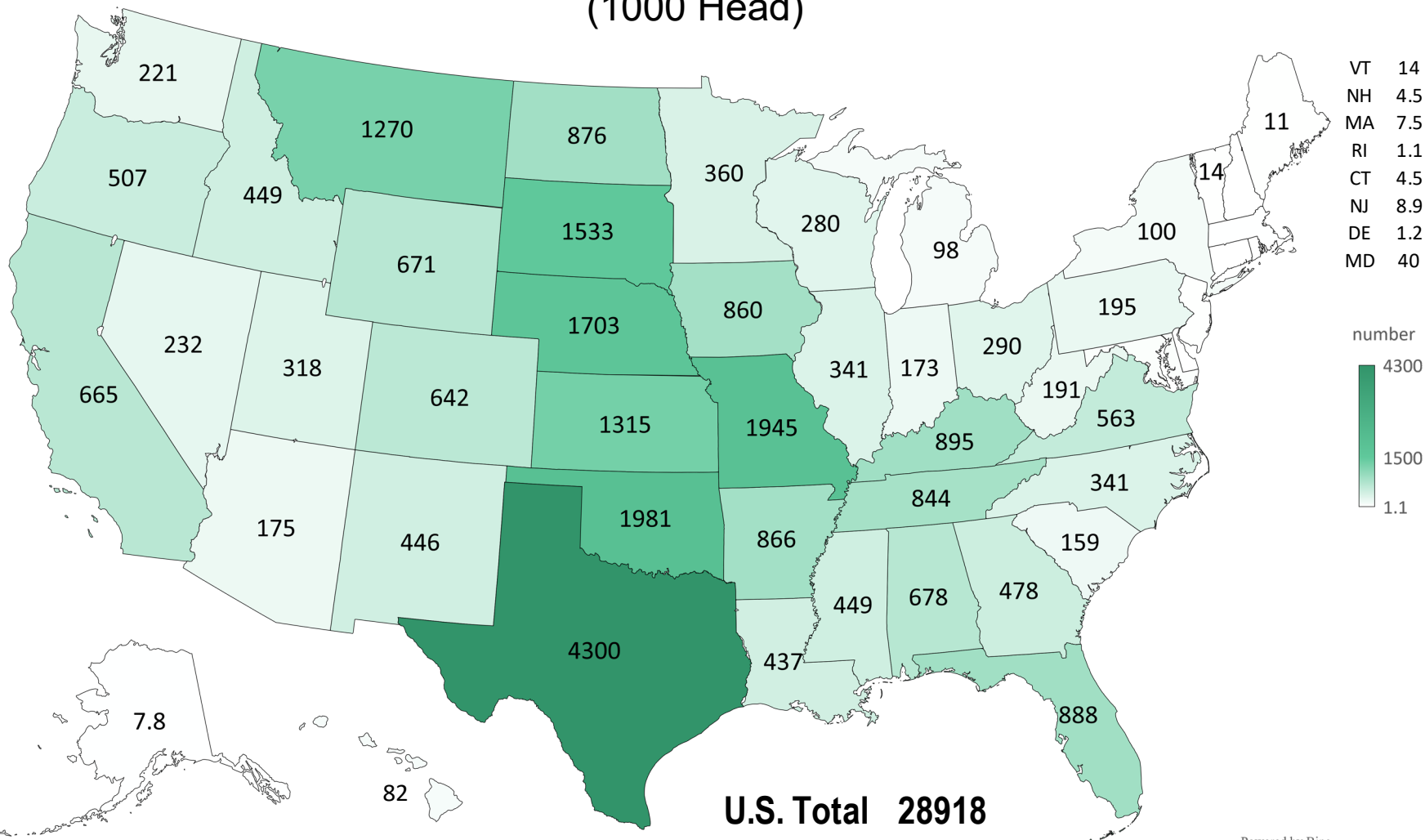


Data Source: USDA-NASS

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C-N-02  
01/31/23

(1000 Head)



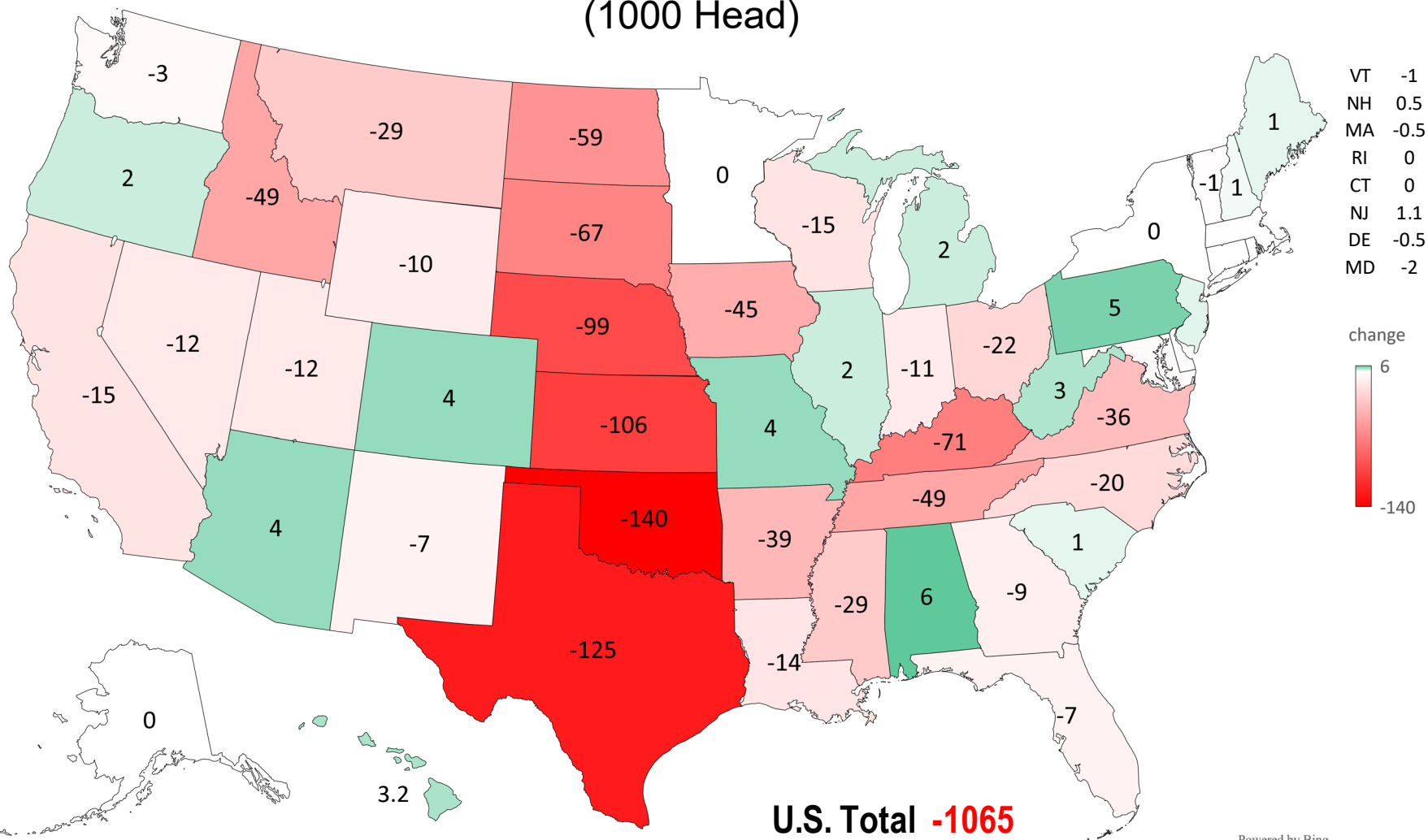
Livestock Marketing Information Center  
Data Source: USDA-NASS

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01/31/23

## CHANGE IN BEEF COWS 2022 TO 2023

(1000 Head)



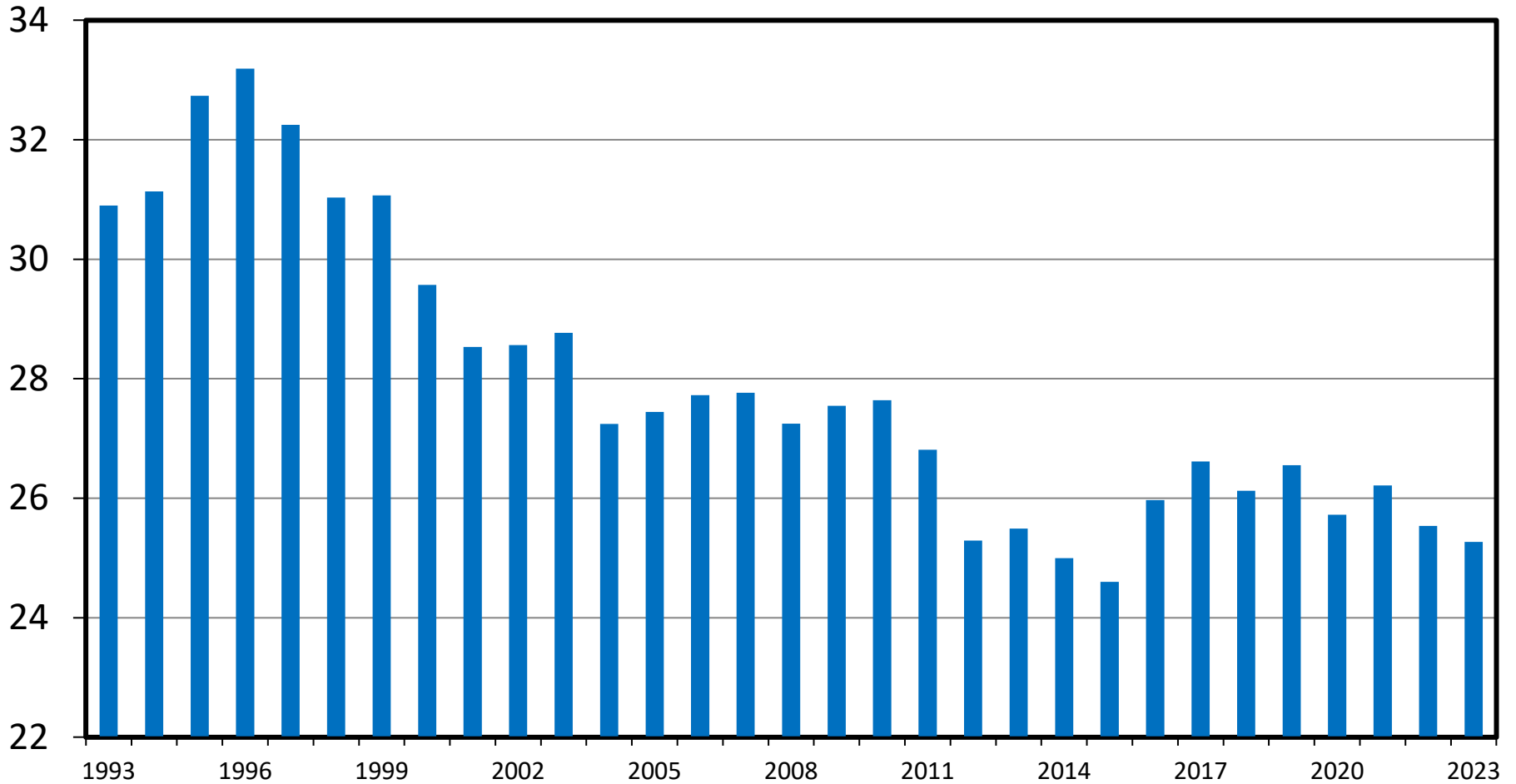
**U.S. Total -1065**

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# JANUARY 1 FEEDER CATTLE SUPPLIES

Residual, Outside Feedlots, U.S.

Mil. Head



**Data Source: USDA-NASS**

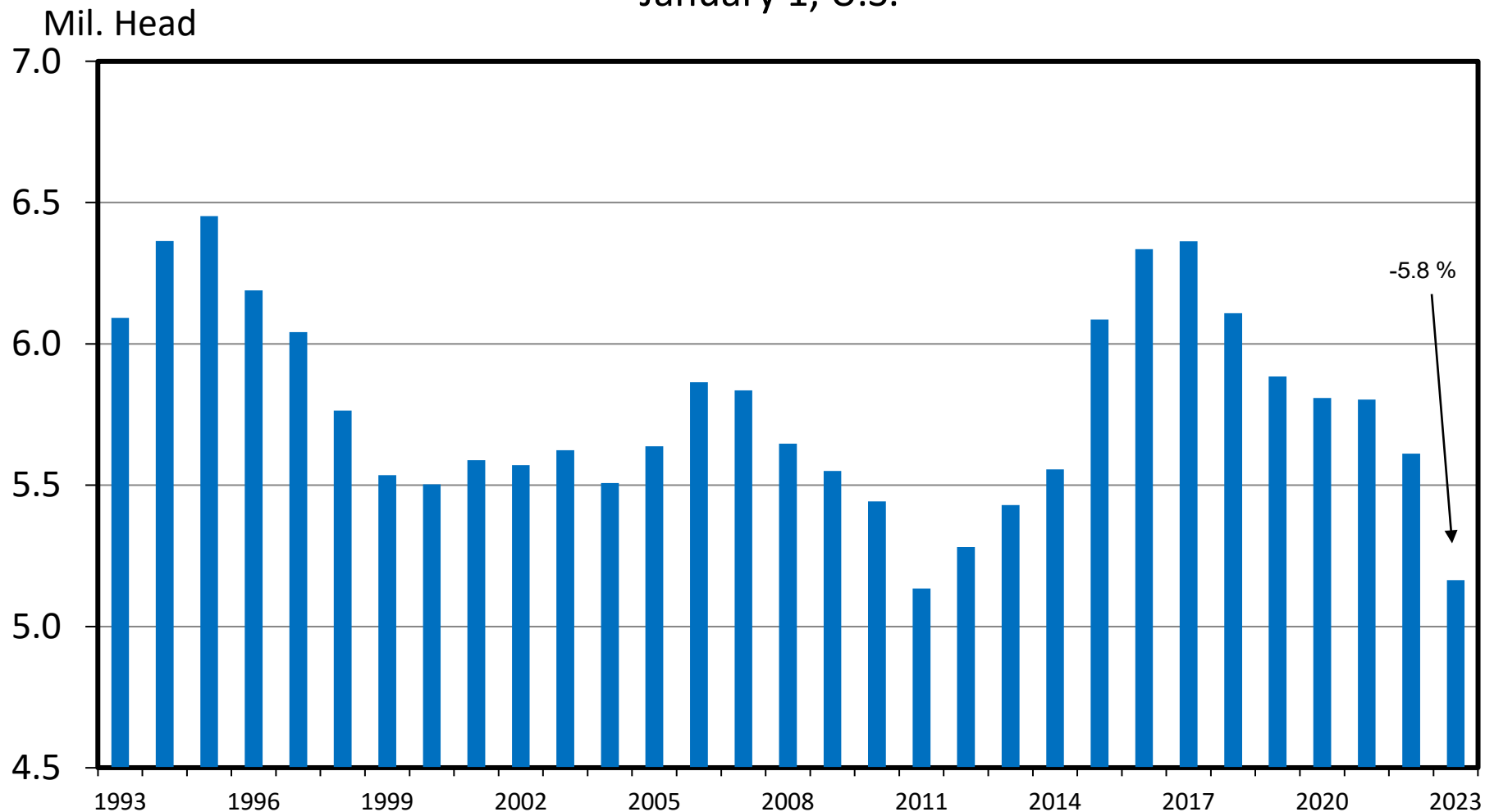
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C-N-30  
01/31/23



# HEIFERS HELD AS BEEF COW REPLACEMENTS

January 1, U.S.



-5.8 %

**Data Source: USDA-NASS**

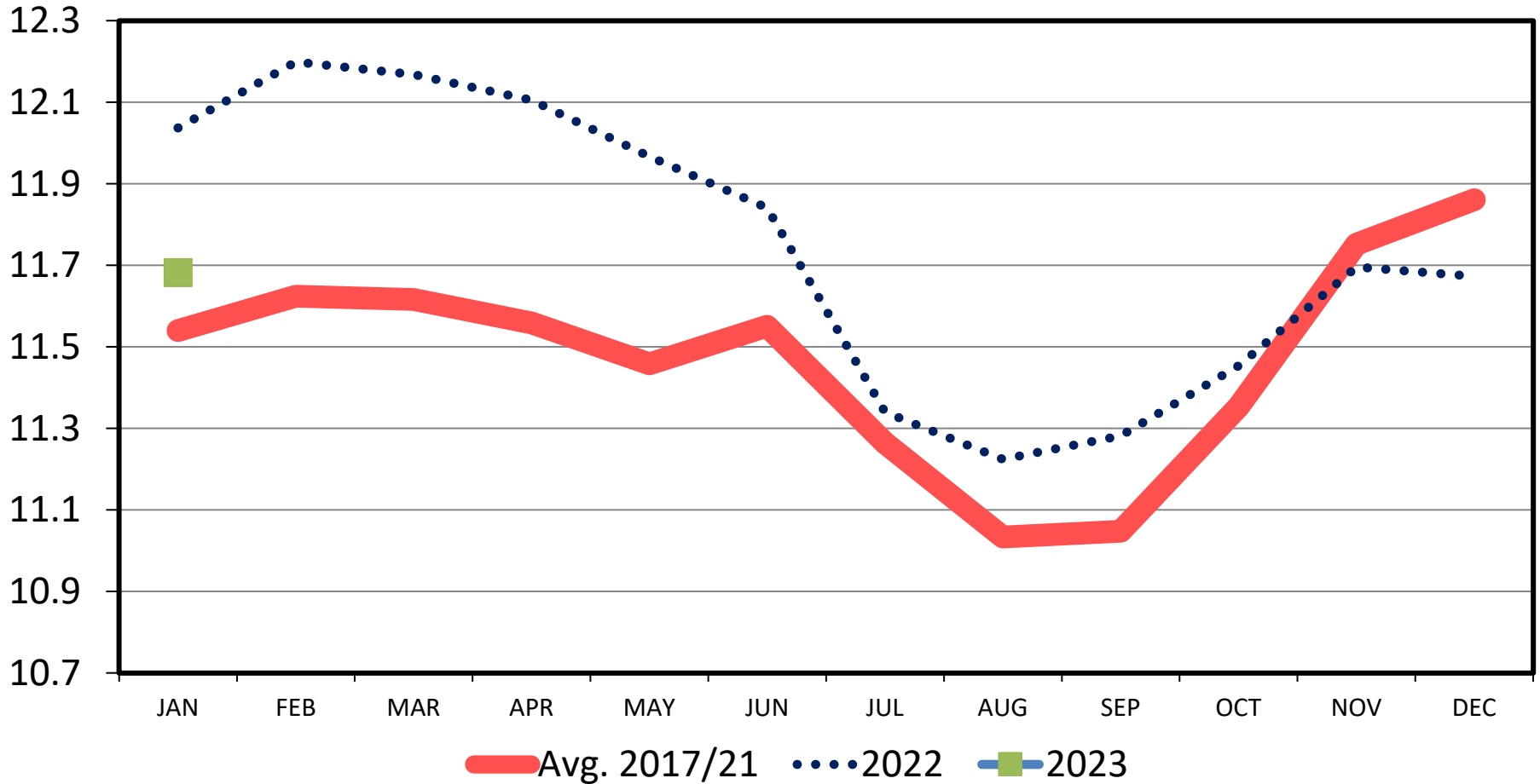
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01/31/23

# CATTLE ON FEED

US Total, Monthly

Mil. Head



**Data Source: USDA-NASS**

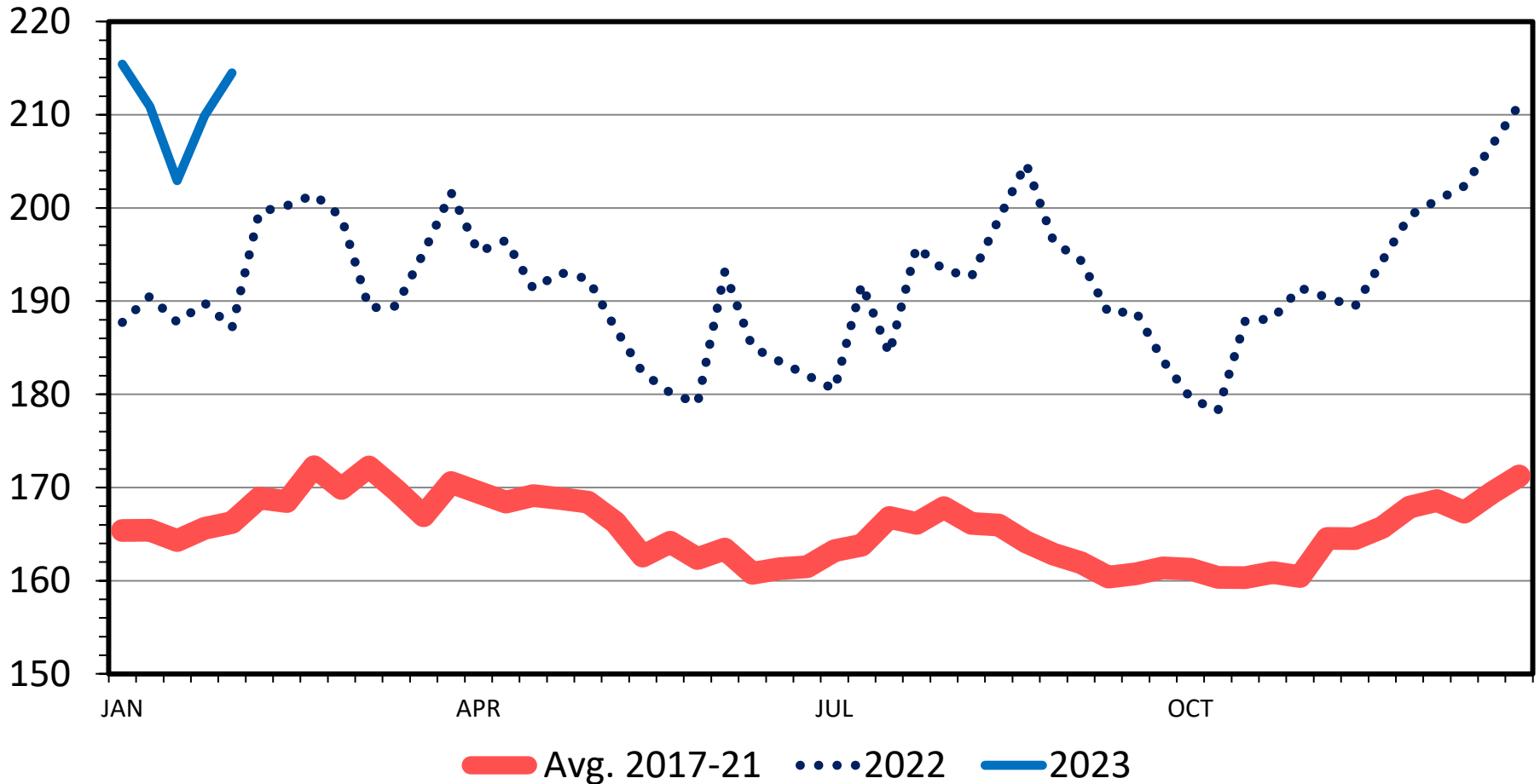
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C-N-10  
01/20/23

# MED. & LRG. #1 STEER CALF PRICES

500-600 Pounds, Southern Plains, Weekly

\$ Per Cwt.



Data Source: USDA-AMS

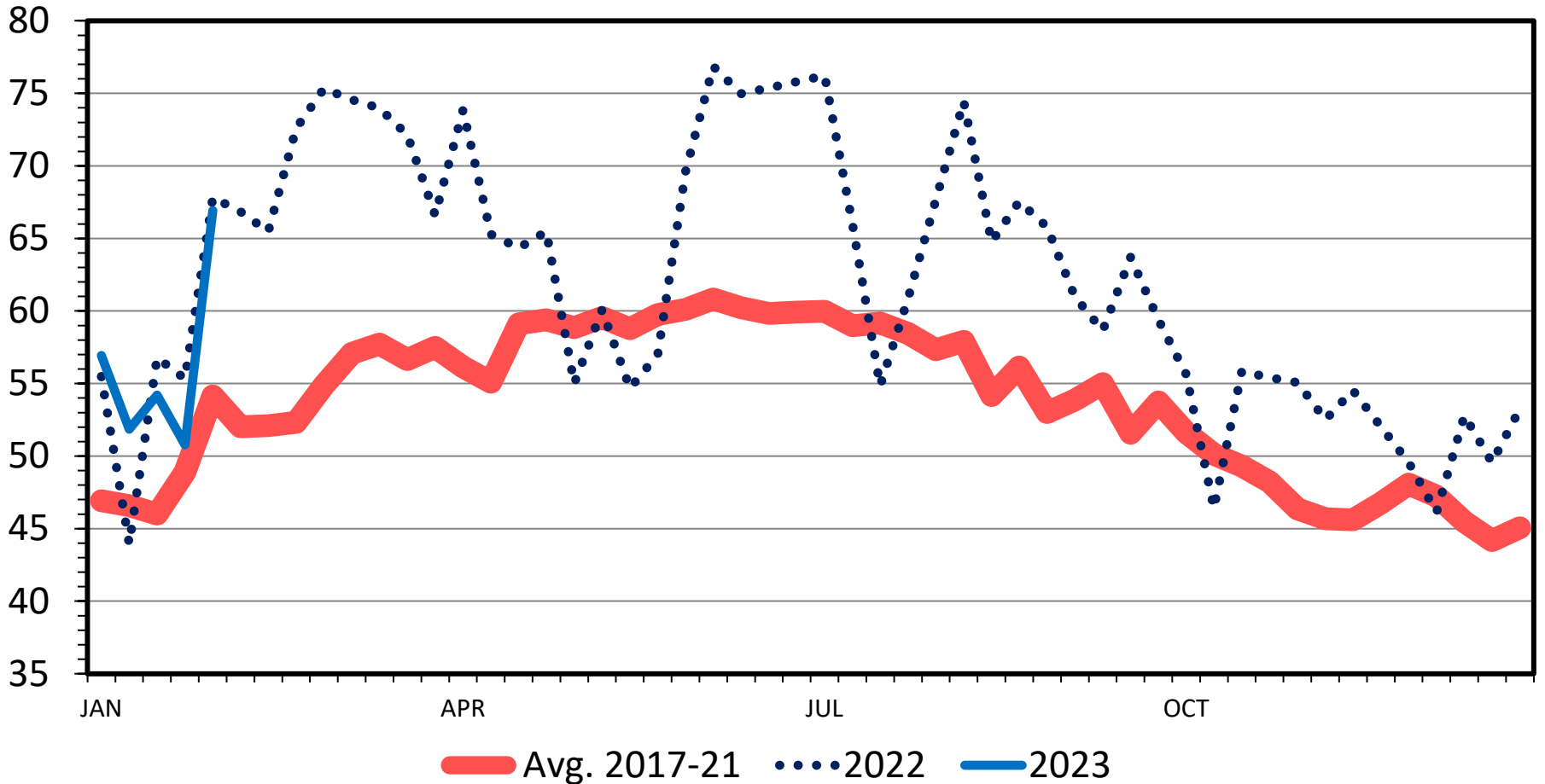
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C-P-54  
02/06/23

# SLAUGHTER COW PRICES

Southern Plains Auction, 85-90% Lean, Weekly

\$ Per Cwt.



Data Source: USDA-AMS

Livestock Marketing Information Center

C-P-35  
02/06/23

# Prices for 2020-2024

|               | 11-1300 | 7-800   | 5-600   |
|---------------|---------|---------|---------|
| <b>2021</b>   | 108.51  | 145.81  | 164.42  |
| <b>2022 I</b> | 139.25  | 158.57  | 181.36  |
| <b>II</b>     | 141.93  | 156.74  | 179.82  |
| <b>III</b>    | 143.42  | 172.75  | 189.37  |
| <b>IV</b>     | 150-151 | 175.01  | 190.89  |
| <b>2023 I</b> | 154-156 | 178-181 | 208-212 |
| <b>II</b>     | 156-161 | 177-181 | 203-208 |
| <b>III</b>    | 152-160 | 180-186 | 199-208 |
| <b>IV</b>     | 154-162 | 181-190 | 210-220 |
| <b>2024 I</b> | 160-170 | 185-197 | 220-230 |
| <b>II</b>     | 164-179 | 184-196 | 211-223 |
| <b>III</b>    | 162-176 | 189-202 | 221-235 |
| <b>IV</b>     | 166-180 | 186-202 | 233-246 |

Texas Combined  
Auction for 5-600  
and 7-800



# Contact

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**THANK YOU!**

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