

Current Economic Picture for the Cow-Calf Producer

Range Beef Cow Symposium XXXIII

December 3, 2013

James G. Robb
Director
james.robbs@lmic.info



28 Land Grant Universities:



USDA Members:

ERS
APHIS
GIPSA
NASS
WAOB
AMS

Associate Members:

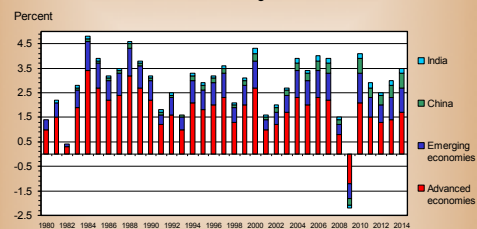
AFBF
ASI
NCBA
NPB
CME-Group
Canadian Consortium
Noble Foundation
CoBank
TCFA
CWB
TCU

Topics: Economic Environment and ...

- Macro Economic Factors Shaping the Picture
 - World Economic Growth
 - U.S. Economy and Domestic Consumer Demand
 - Interest Rates
- Changed Grain Market
- Quick Review -- U.S. Cattle Inventory
- Producer Cost Structure and Return Prospects
- Market Environment & Issues Beyond the Ranch

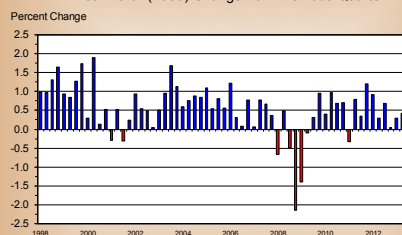
USDA Data Sources – NASS, AMS, FAS, and ERS
All Forecasts – LMIC

WORLD ECONOMIC GROWTH Percent Change, Annual



Data Source: IMF

QTRLY GROSS DOMESTIC PRODUCT (GDP) Real Dollar (2009) Change from Previous Quarter



Livestock Marketing Information Center
Data Source: Bureau of Economic Analysis, Compiled & Analyzed by LMIC

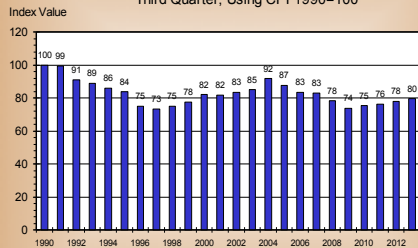
11/30/13

PER CAPITA DISPOSABLE PERSONAL INCOME Quarterly



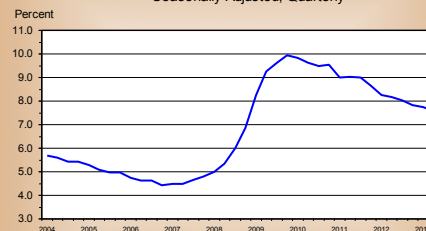
Data Source: Department of Commerce-BEA

RETAIL ALL FRESH BEEF DEMAND INDEX
Third Quarter, Using CPI 1990=100

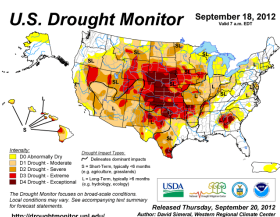


Data Source: Bureau of Labor Statistics, USDA-ERS, and LMIC

U.S. UNEMPLOYMENT RATE
Seasonally Adjusted, Quarterly



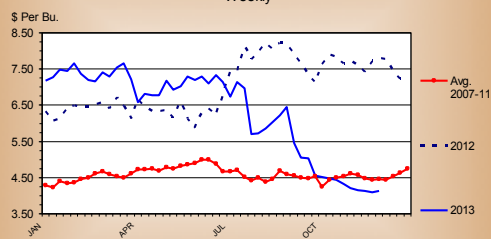
Data Source: Bureau of Labor Statistics



Grain Market

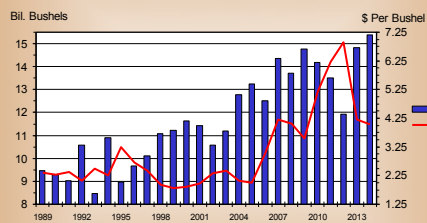


OMAHA CORN PRICES
Weekly



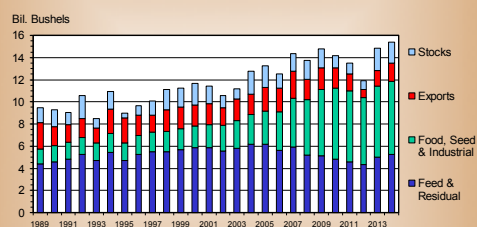
Data Source: USDA-AMS

U S TOTAL CORN SUPPLY AND PRICE
Crop Year



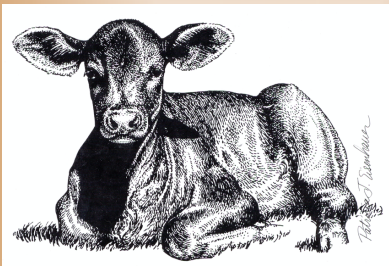
Data Source: USDA-NASS, Forecasts by LMIC

U.S. CORN DISAPPEARANCE AND STOCKS
Crop Year

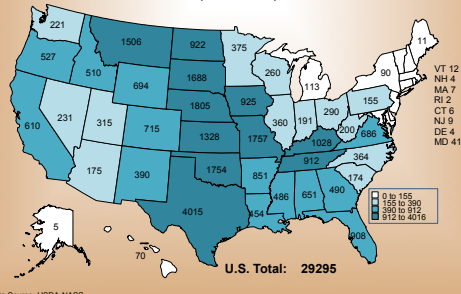


Data Source: USDA-NASS, Forecasts by LMIC

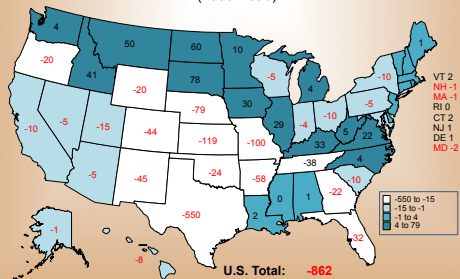
Cattle



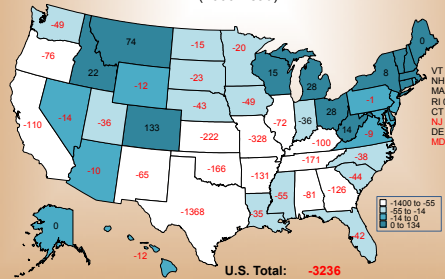
BEEF COWS THAT CALVED JANUARY 1, 2013 (1000 Head)



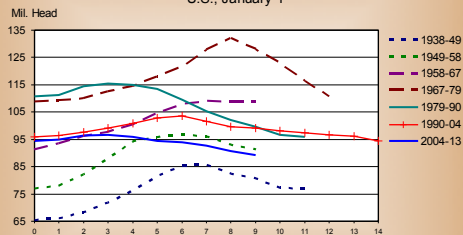
CHANGE IN BEEF COWS NUMBERS JANUARY 1, 2012 TO JANUARY 2013 (1000 Head)



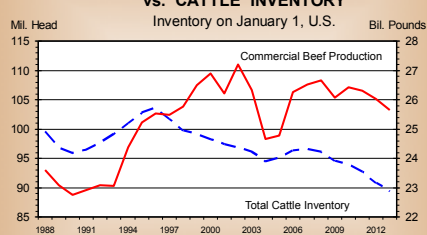
CHANGE IN BEEF COWS NUMBERS JANUARY 1, 2003 TO JANUARY 2013 (1000 Head)

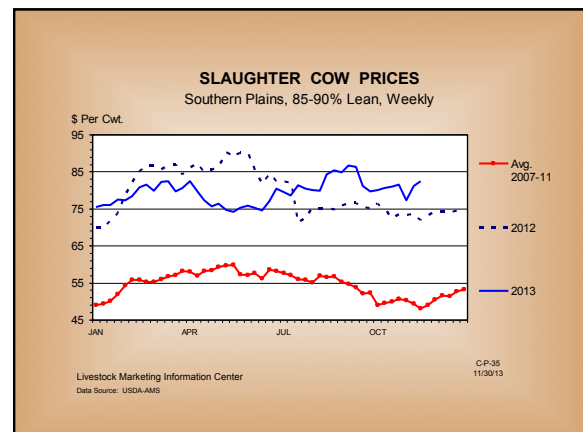
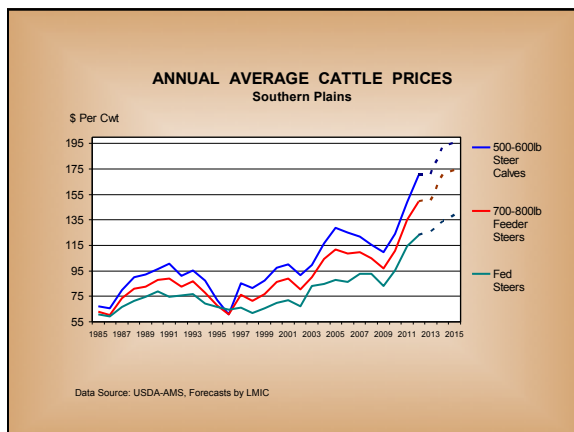
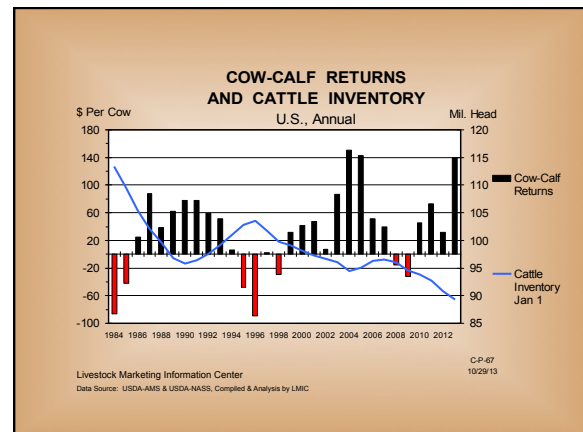
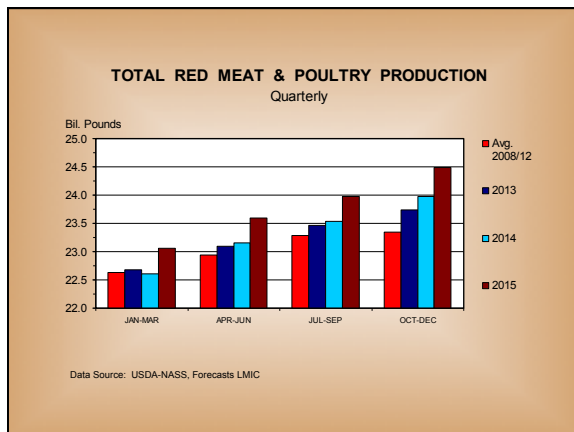
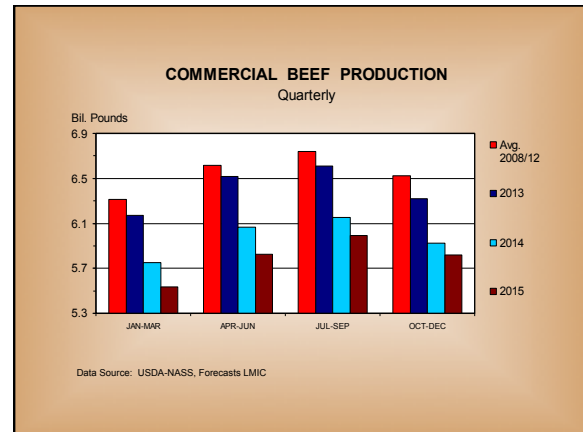
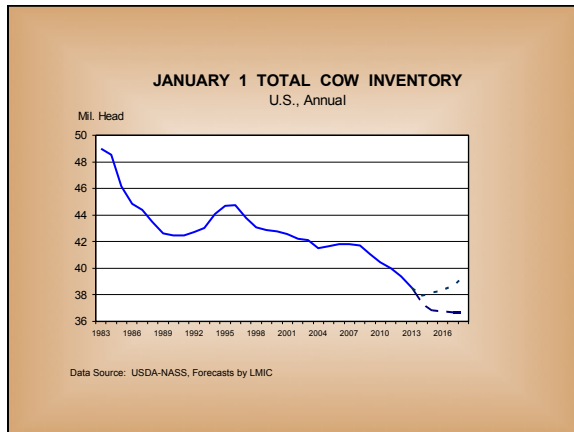


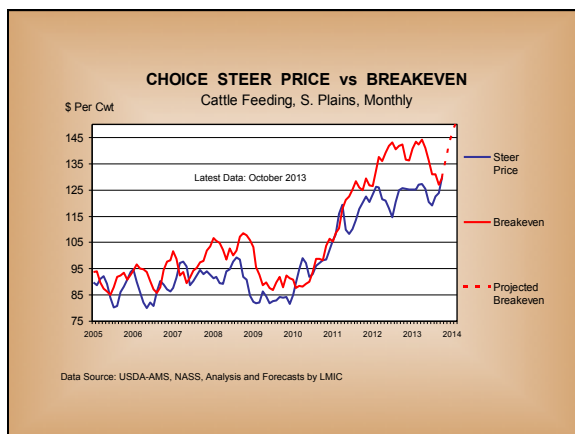
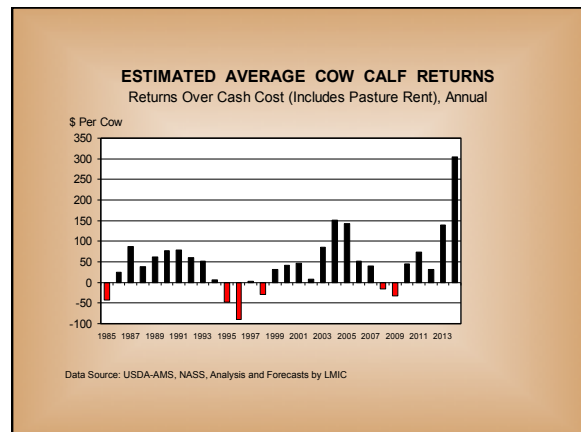
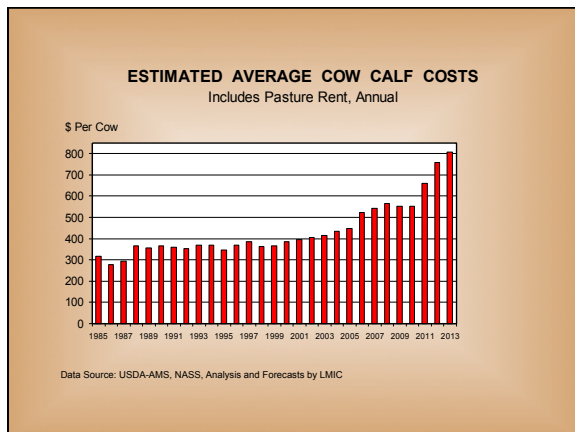
TOTAL CATTLE INVENTORY BY CYCLE U.S., January 1



BEEF PRODUCTION vs. CATTLE INVENTORY Inventory on January 1, U.S.







- Economic Environment....**
- Domestic Consumer Demand Ok
 - Foreign Beef Demand Relatively Strong but May Struggle
 - Price Volatility Will Continue (Globalization, Ethanol, etc.)
 - Market Shocks Will Continue (For Cattle includes: 9-11-2001; BSE; 2008 Credit Crisis)
 - Chicken and Pork Output Ramping-Up
 - Controls Already Set to Dramatically Reduced Beef Output
 - Mistakes Are Costly, Sound Business Practices Required
 - Feedstuff Costs Down But Still High – Forage is Valuable
 - Segmentation of Market Accelerating
 - Cattle Feeding Changing

- Just Beyond the Ranch: Some Market Issues and Considerations**
- Technology
 - Objective Grading of Carcasses
 - Beta-Agonists
 - Individual Animal ID/Management
 - Custom Feeding Model
 - Data Management (“X-ing out”, Feed Efficiency)
 - Where Are Feedlot Placement Weights Headed?
 - How Well Will the Feedlot Shock Absorber Work?
 - Market Price/Quality Relationship is Key

Livestock Marketing Information Center

Welcome to the Livestock Marketing Information Center (LMIC) Website

www.lmic.info

Thank You!