

Market Outlook

Cattle Prices and Drivers

Range Beef Cow Symposium XXIV

November 17, 2015

James G. Robb
Director



28 Land Grant Universities:



Participating States
Livestock Marketing Information Center

USDA Members:
ERS
APHIS
GIPSA

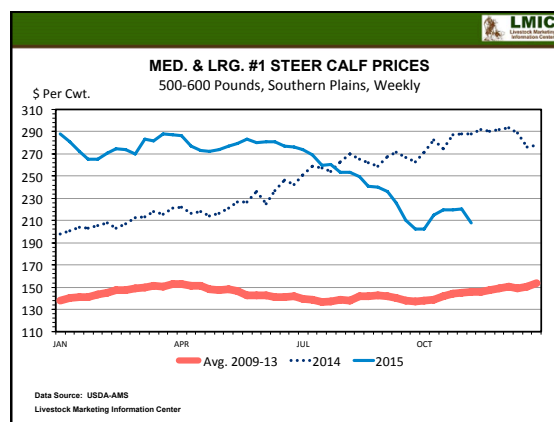
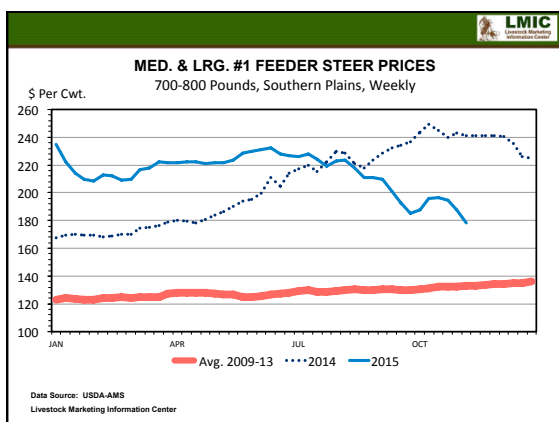
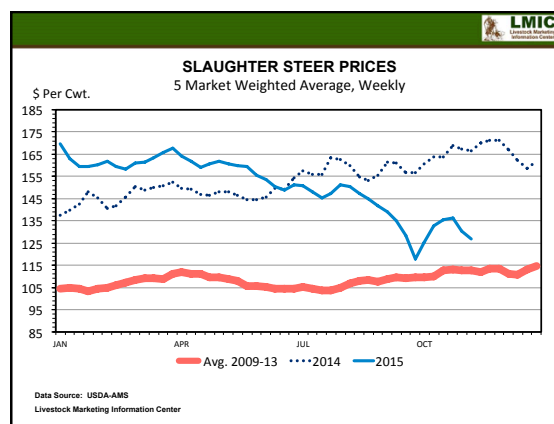
USDA Members:
NASS
WAOB
AMS

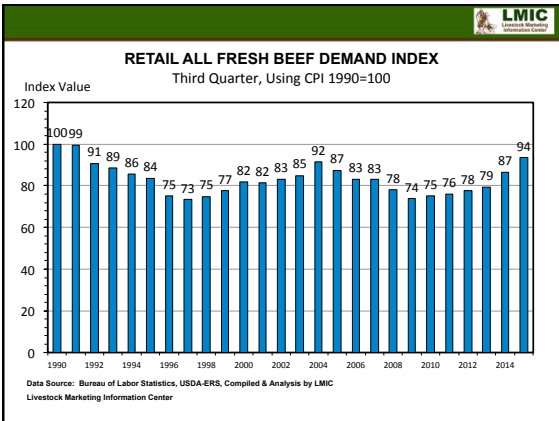
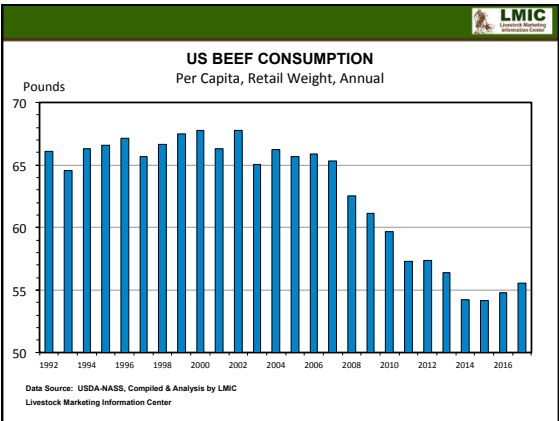
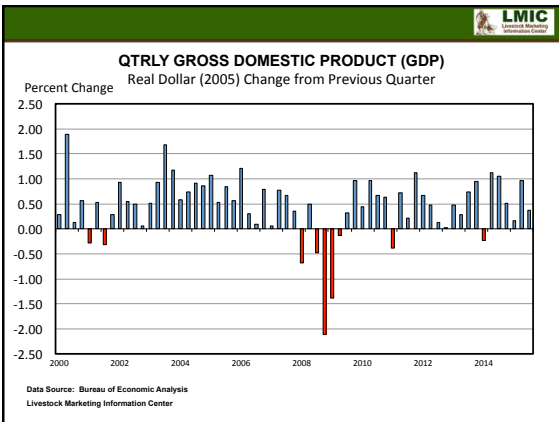
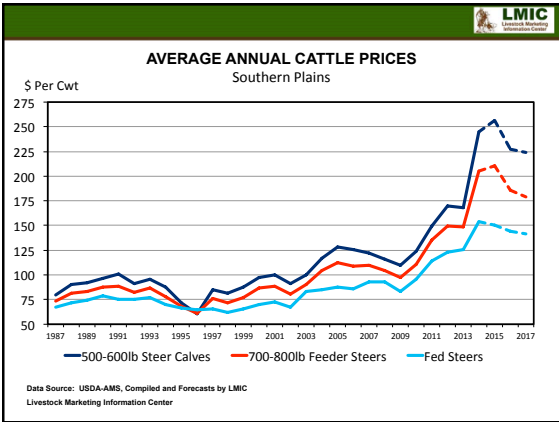
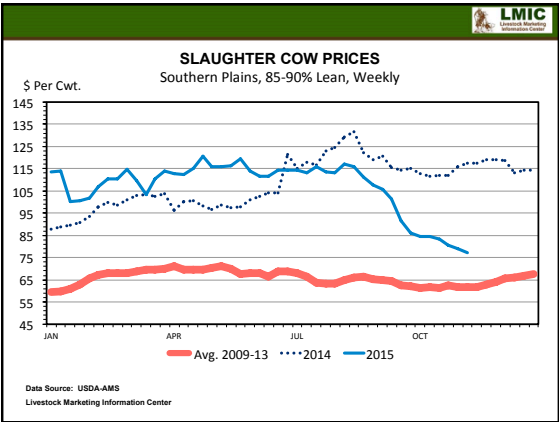
Associate Members:
AFBF
ASI
NCBA
NPB
CME-Group
Canadian Consortium
Noble Foundation
CoBank
TCFA
CWB
TCU
NWFCS
DLR

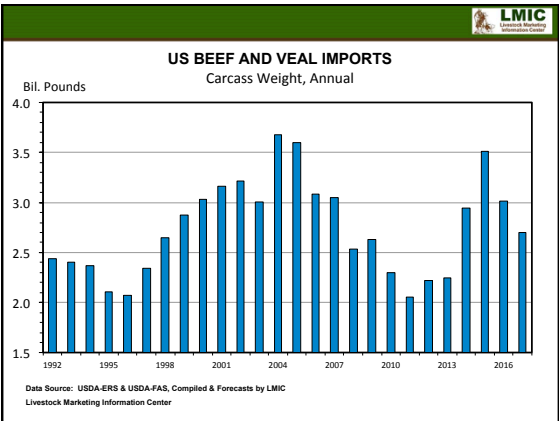
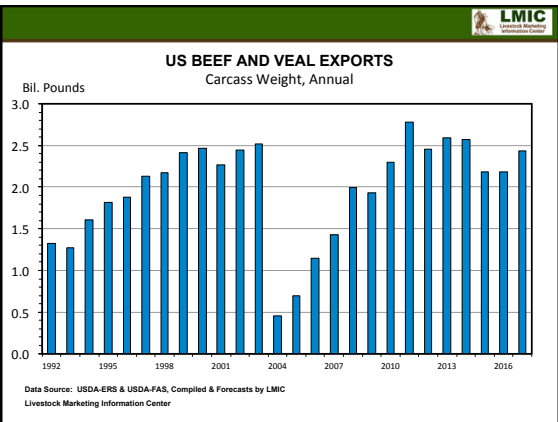
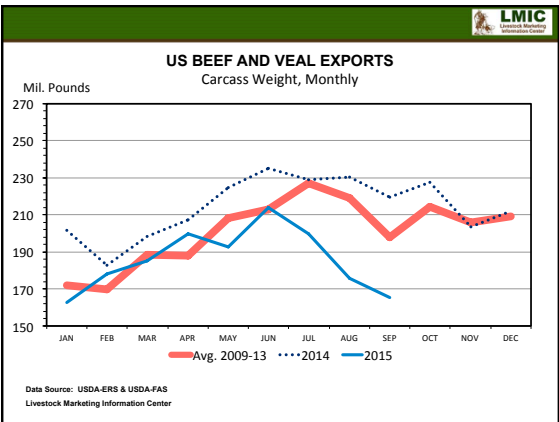
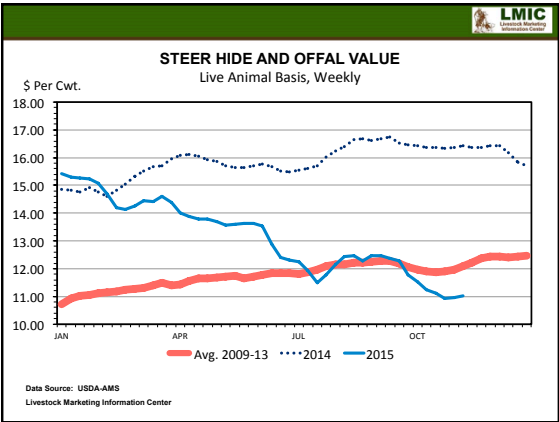
Topics: Price Drivers and ...

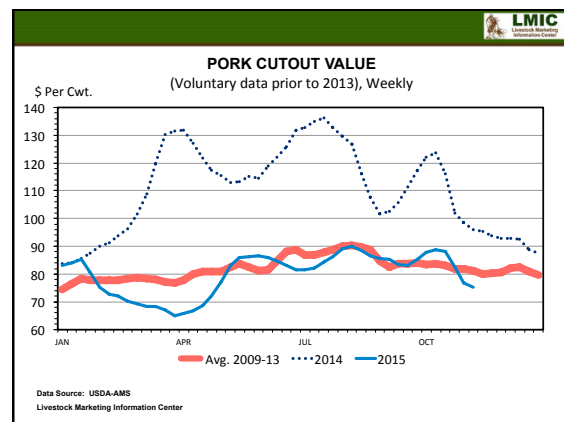
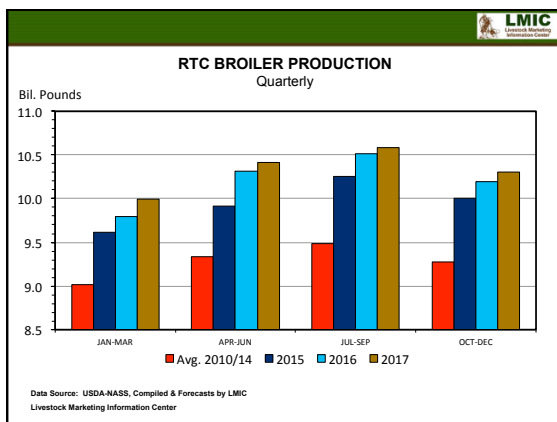
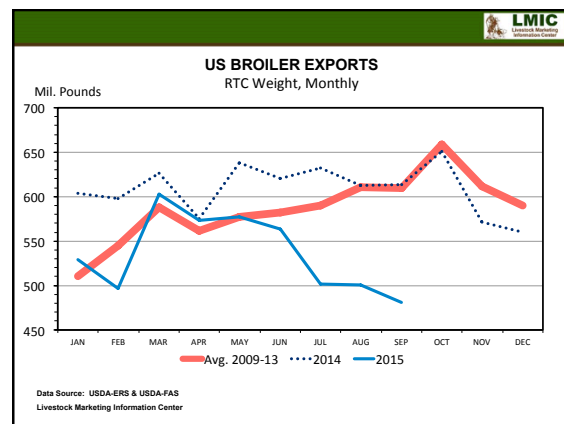
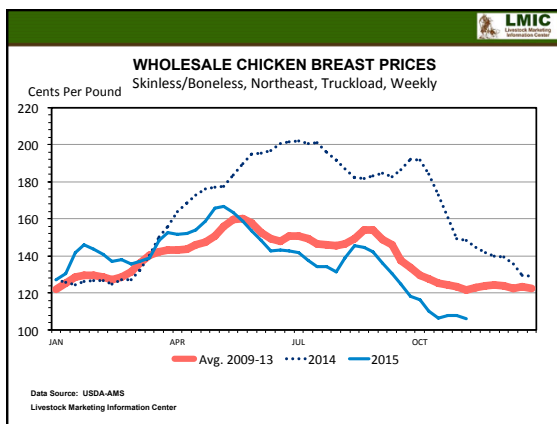
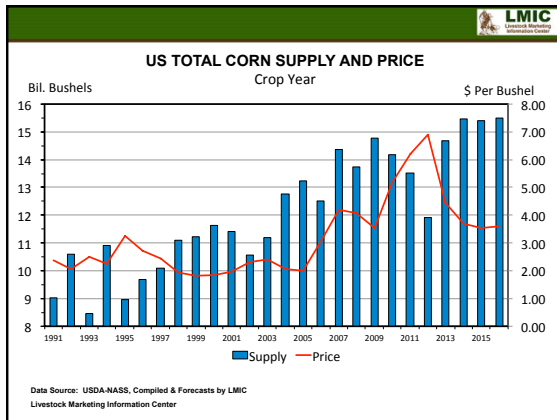
- **Cattle Prices and Forecasts**
- **Dimensions of Beef Demand**
 - The Domestic Consumer
 - Foreign Markets and Competition
- **Some Corn Comments**
- **Poultry and Pork Production**
- **More Cattle Comments**
 - Cattle Inventory
 - Cost and Return Prospects
- **Economic Environment and Planning**

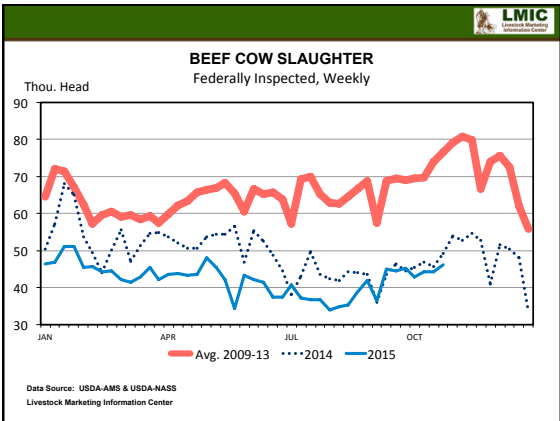
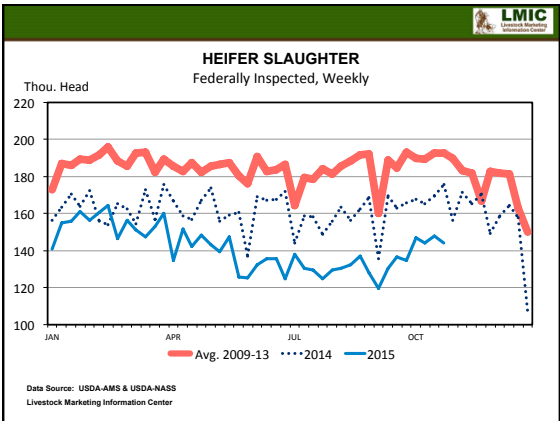
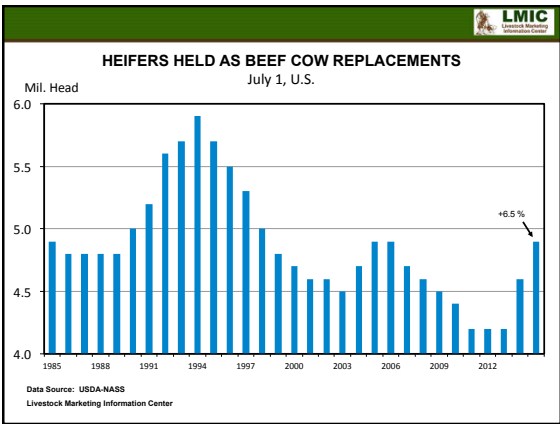
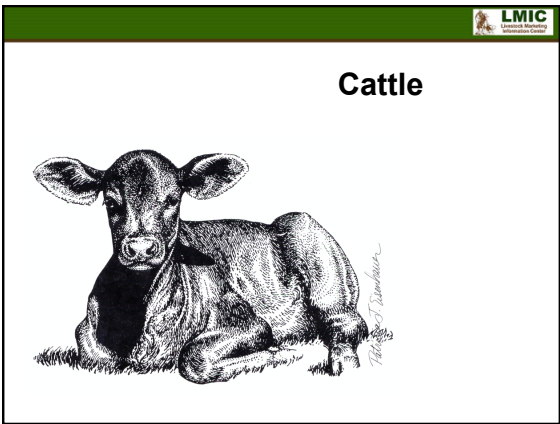
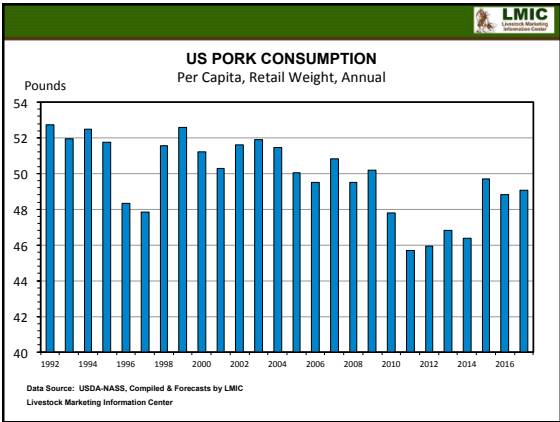
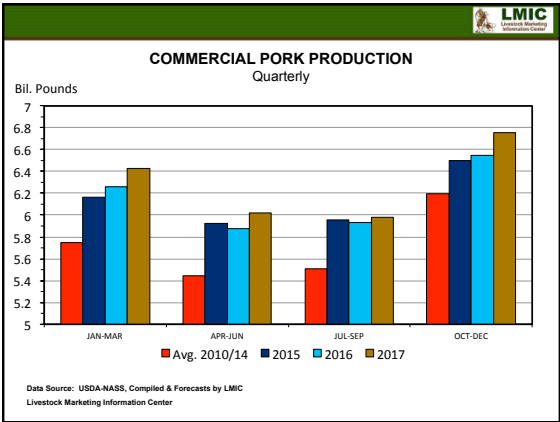
USDA Data Sources – NASS, AMS, FAS, and ERS
Forecasts – LMIC

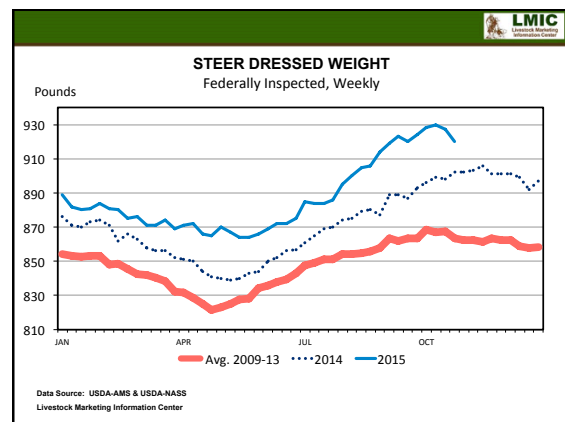
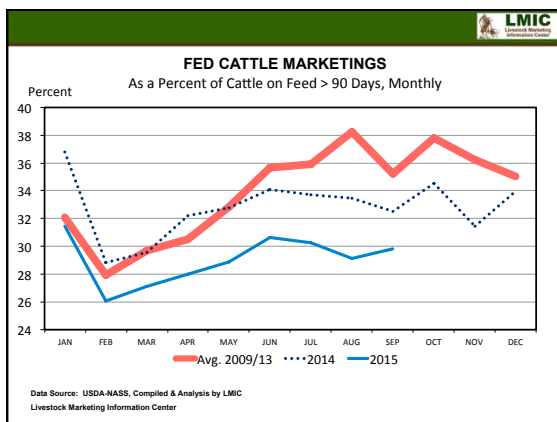
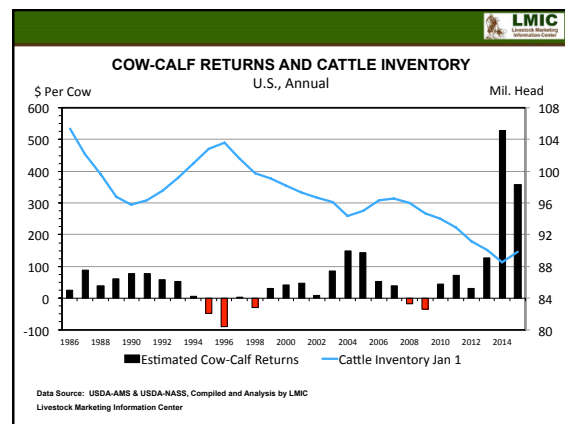
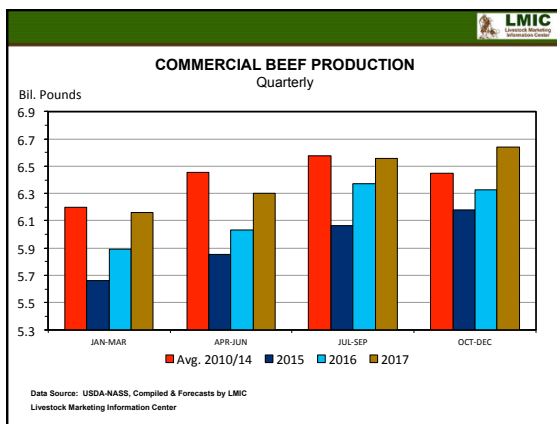
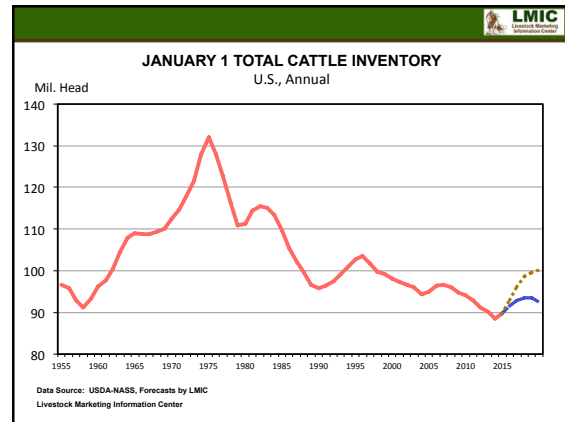
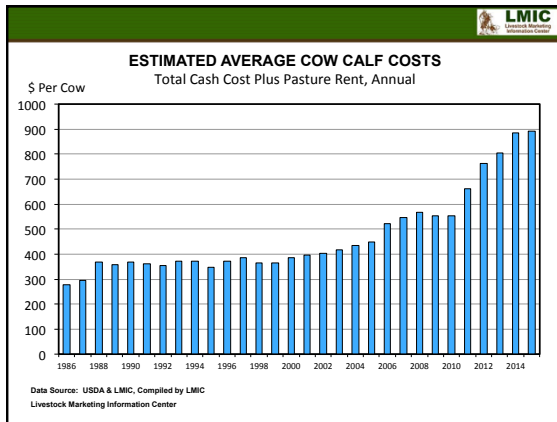


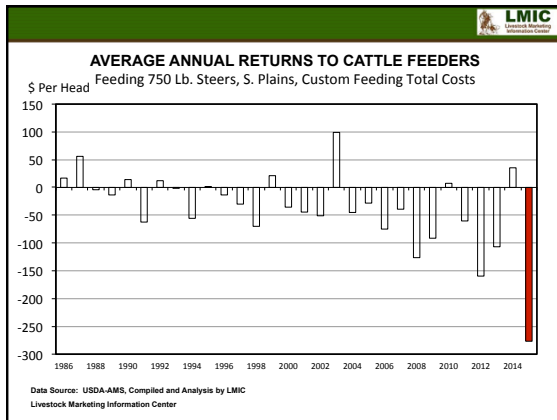












Economic Environment ...

- Domestic Consumer Meat Demand Strong, But ?
- Foreign Demand ???
- Feedstuffs ??
- Chicken and Pork Output Ramping-Up
- Summer of 2014 Began Cyclical Turn-up in U.S. Cattle Numbers
- Quarterly Cattle Price Peak: 4th Quarter 2014
- **Producer Profitability in 2015 Compared to 2014:**
 - Record Profits for Cattle Breeding Stock Providers
 - Very Profitable -- 2nd Highest Ever: Cow-calf
 - Profitable, But Well Less: Hogs, Chicken, and Dairy.
 - Breakeven If Done Right: Summer Stockers
 - Huge Red Ink: Cattle Feeding in 2015 After Very Profitable 2014.

Planning ...

- Biggest Potential Price Drops and Volatility is Heavy Yearlings
- Cyclically Eroding Cattle Pries Likely At Least Through 2018
- Expect **More** Normal Price Seasonality
- Price Calves Realistically, Set Acceptable Bids Early
- Invest 2015 Profits Wisely (A Sound Business Investment Might Be Pasture Improvement)
- Cattle Feeding Business Has and Will Continue to Change
- Know Potential of Your Calves and Costs
- Recognizing and Dealing With Market Price Downdrafts

www.lmic.info

Thank You!