

# Cattle Market and Outlook

## Range Beef Cow Symposium XXVI

November 18-20, 2019  
Mitchell, NE

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Senior Economist




**28 US Land Grant Universities:**

**13 Associate Members:**

- AFBF
- ASI
- NCBA
- NPB
- CME-Group
- Canadian Consortium
- Noble Research Institute
- CoBank
- TCFA
- TCU
- NWFCS
- DLR
- Agri-Food and Ag. Canada

**8 USDA Agencies:**

- AMS (Market News), APHIS,
- ERS, GIPSA (Packers & Stock.),
- NASS, FAS, FCA, and WAOB

### Topics: Economic Drivers, Outlook, and ...

- **The Macro Economic Environment**
- **Demand and ....**
  - Domestic U.S. Consumer Beef Demand
  - Beef Exports and Imports
  - Competing Meats -- Chicken and Pork
  - Finney County Plant Fire
- **Forage and Crops**
- **Cattle Cycle Has Turned**
- **More on Cattle Markets and Prices**
  - Where We Are
  - Outlook
- **Comments -- Marketing, Managing, and Financing**

USDA Data Sources -- NASS, AMS, FAS, and ERS  
Forecasts by -- LMIC

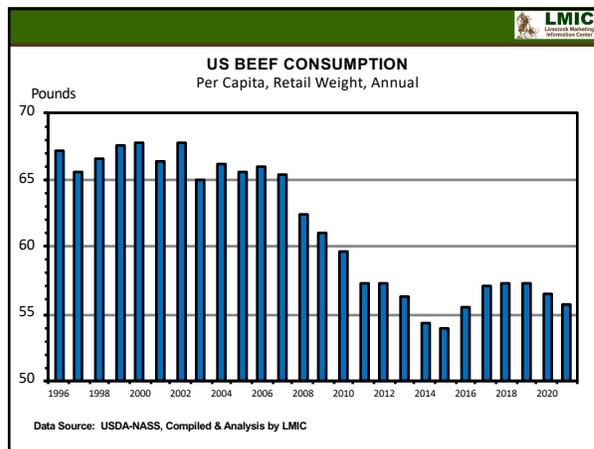
### DOMESTIC U.S. CONSUMER SENTIMENT

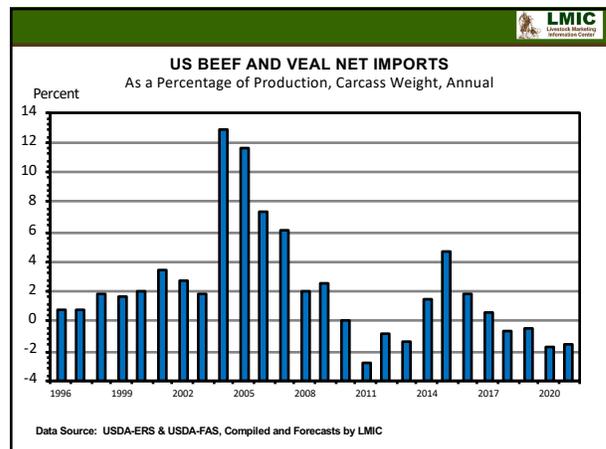
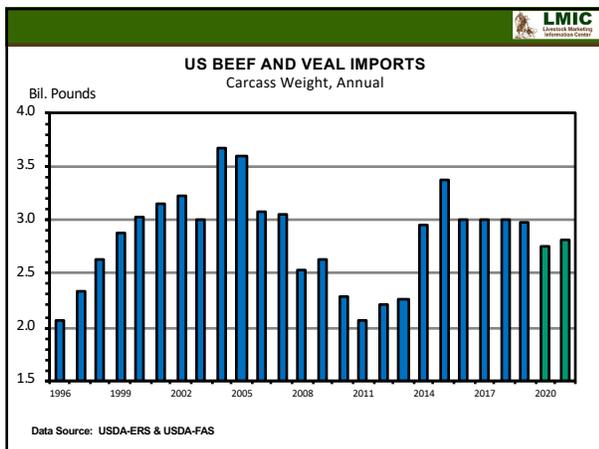
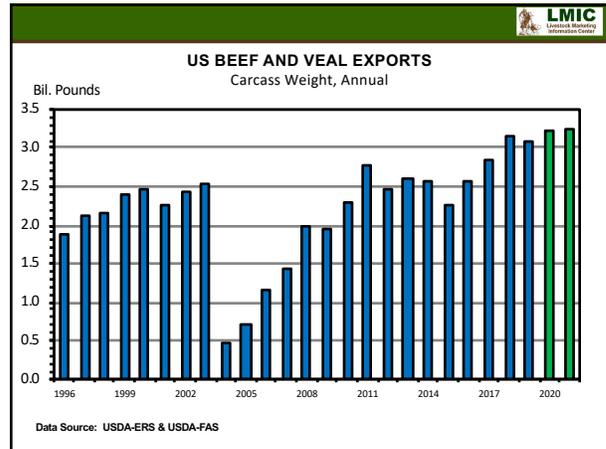
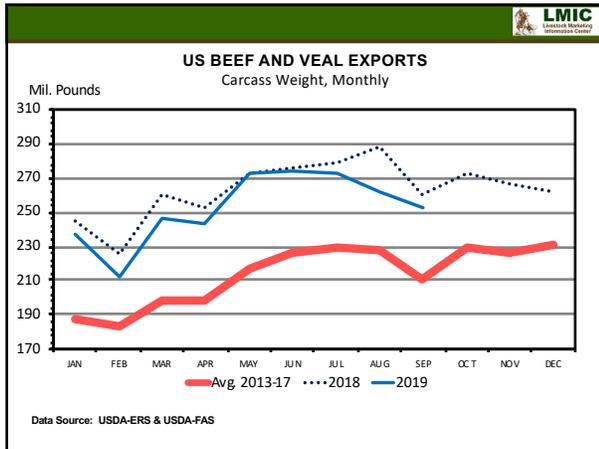
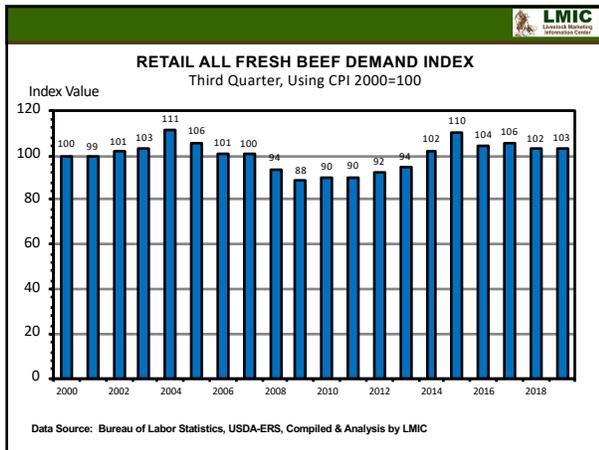
The early November reading on consumer sentiment was nearly identical to last month's and the average 2019 level (95.6). Consumers did voice a slightly more positive outlook for the economy, which was offset by a slightly less favorable outlook for their own personal finances. **Spontaneous negative references to tariffs were still mentioned by one-in-four consumers in early November. References to the impact of impeachment on economic prospects were virtually non-existent ...**

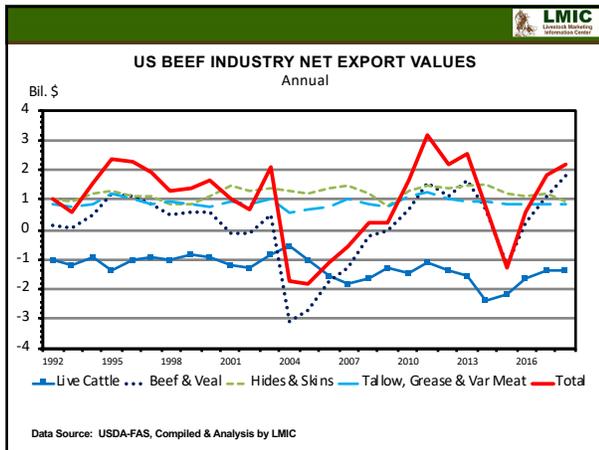
The strongest aspect of the current economy has been job and wage gains. **Although consumers have become somewhat more cautious spenders, they see no reason to engage in the type of retrenchment that causes recessions.**

Data Source: Thomson Reuters/University of Michigan

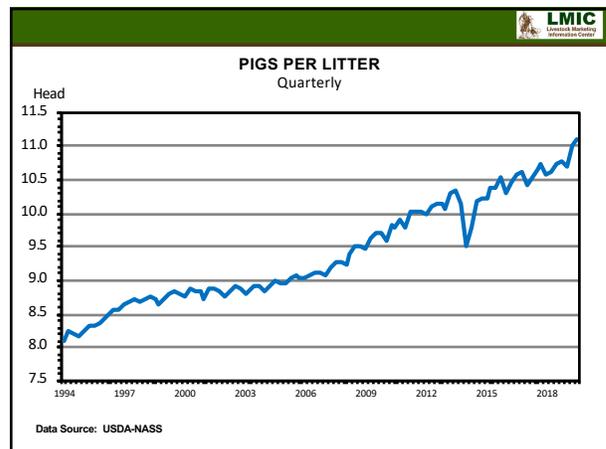
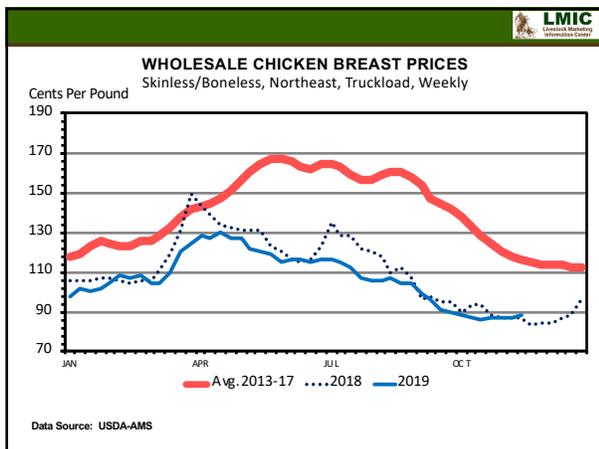
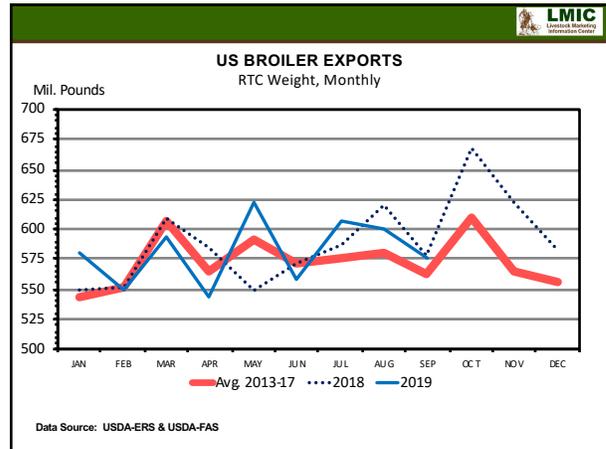
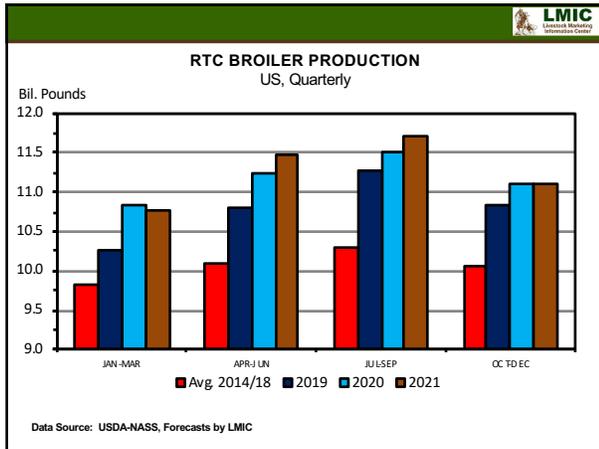
### Demand and The Marketing Chain

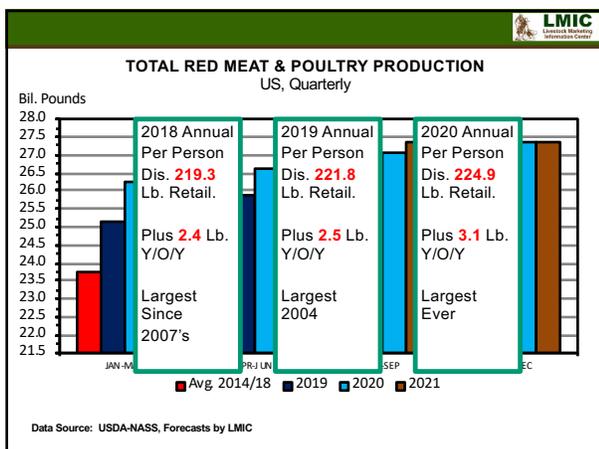
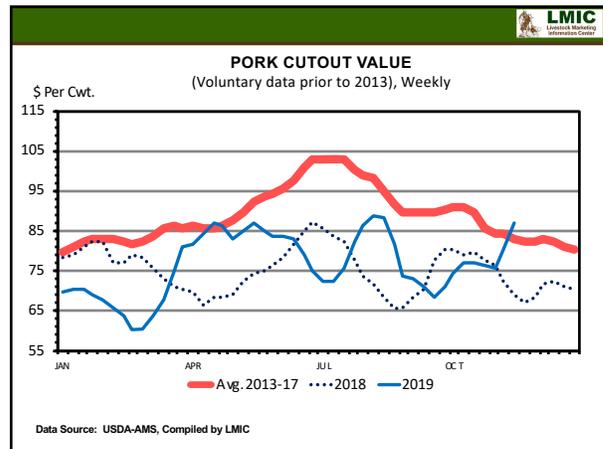
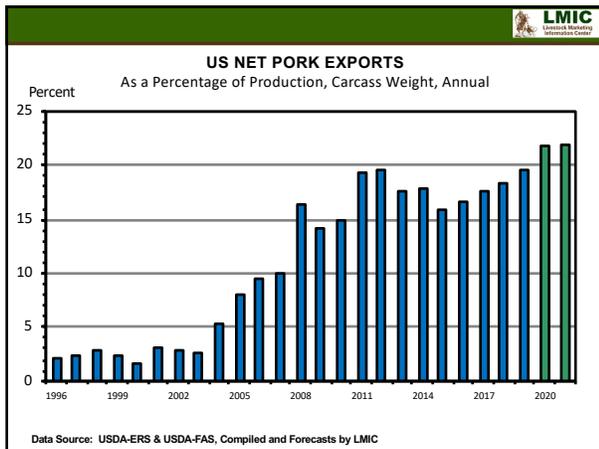
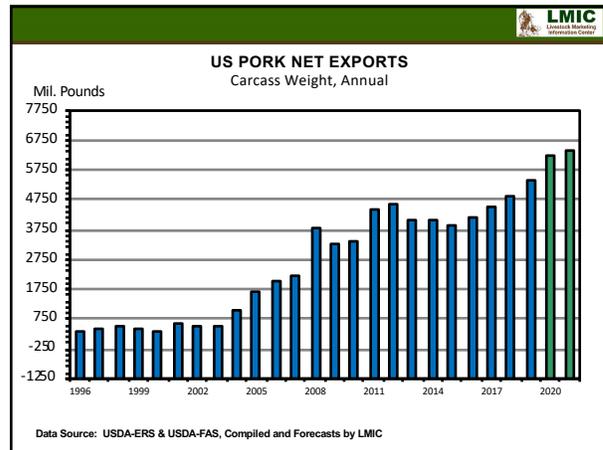
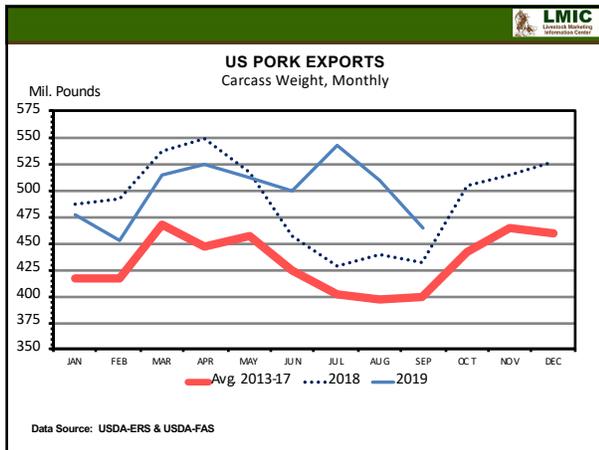



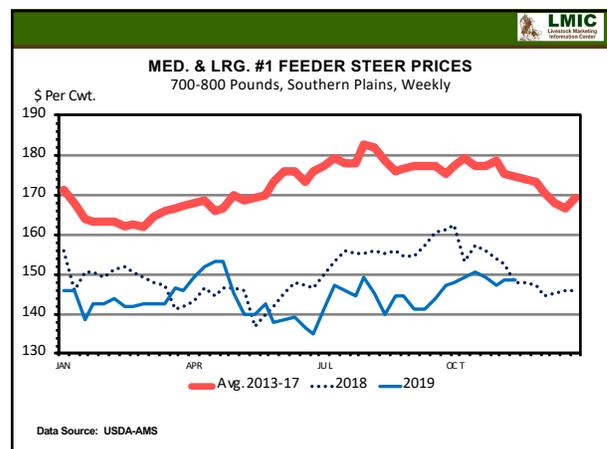
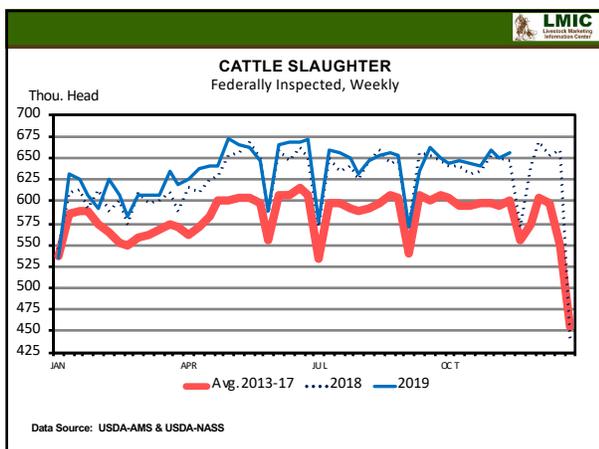
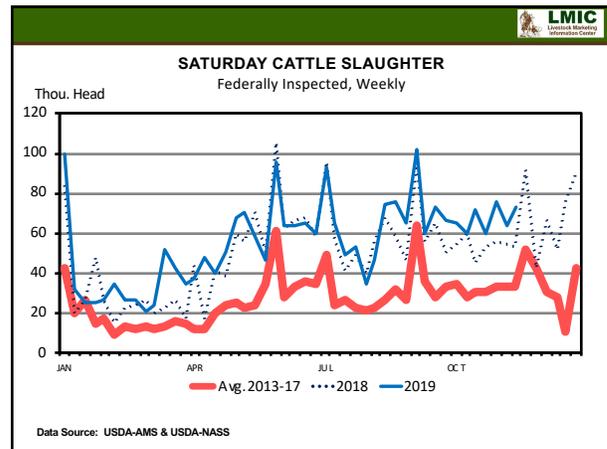
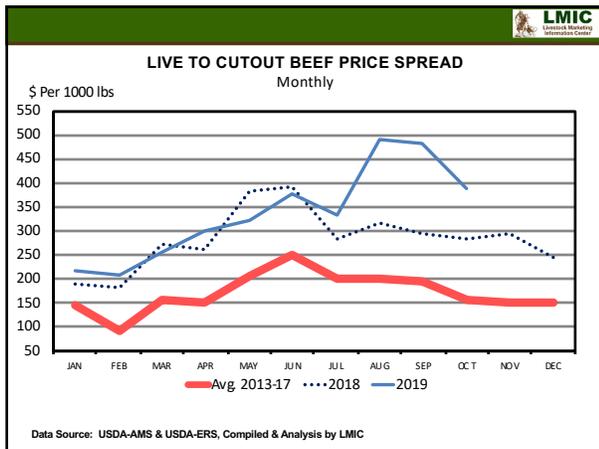
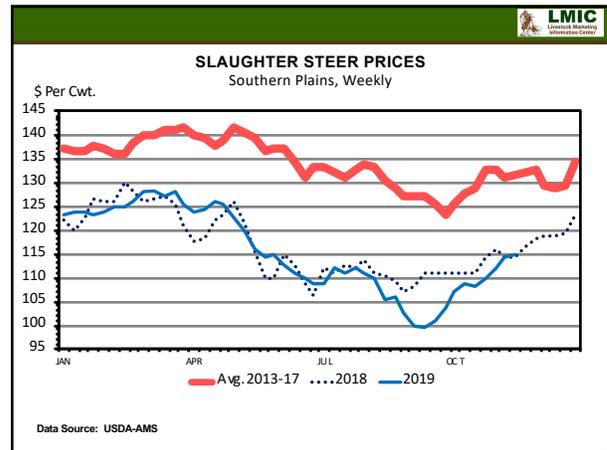
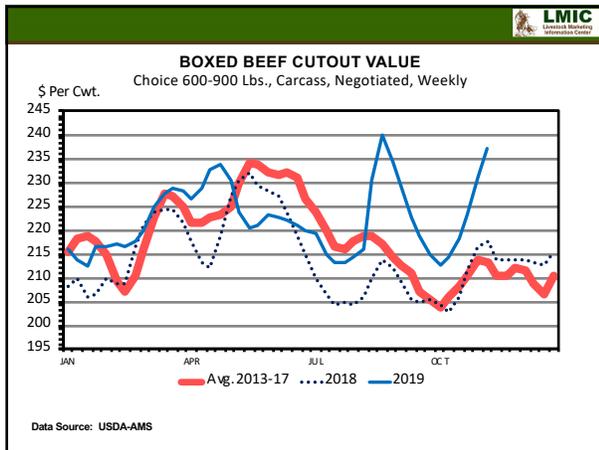


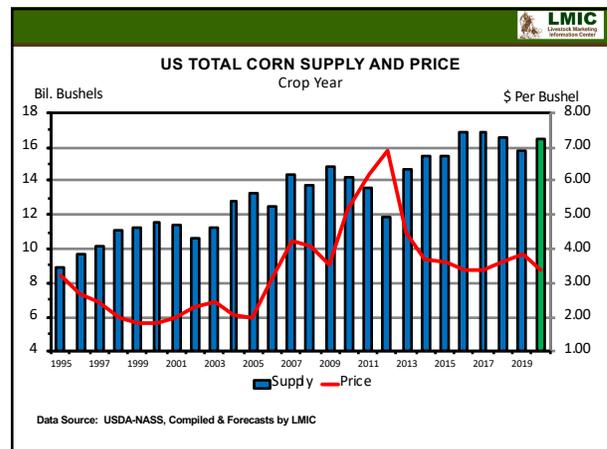
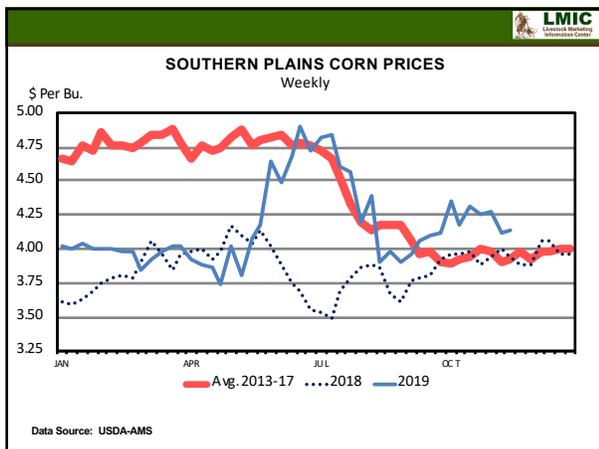
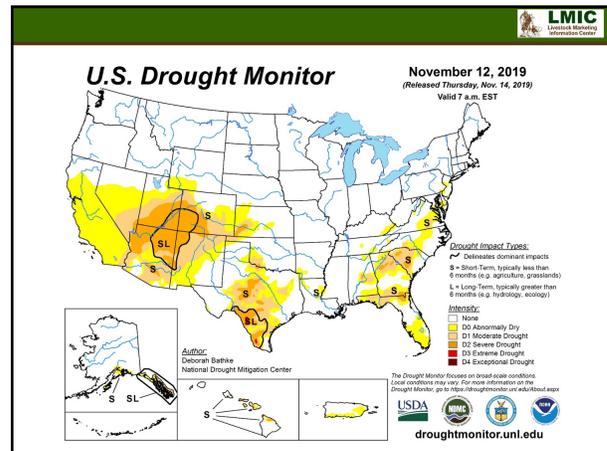
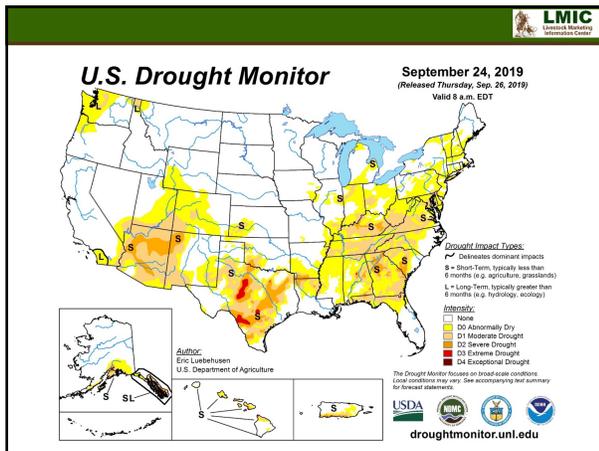
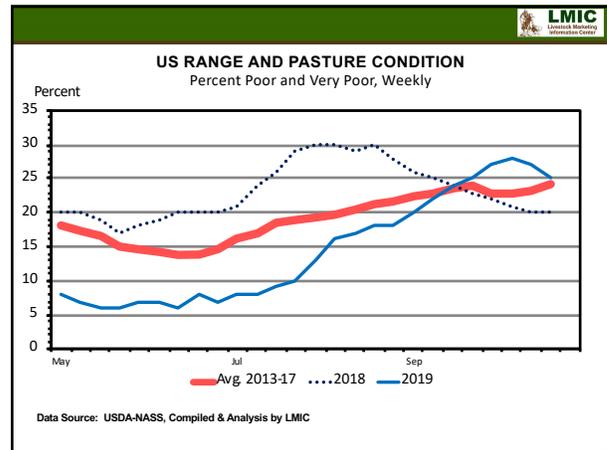


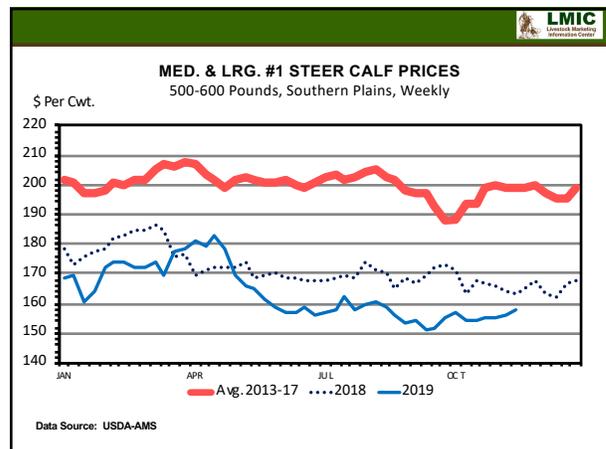
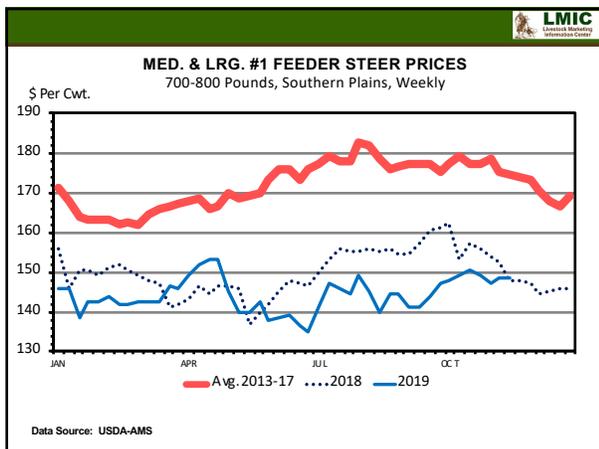
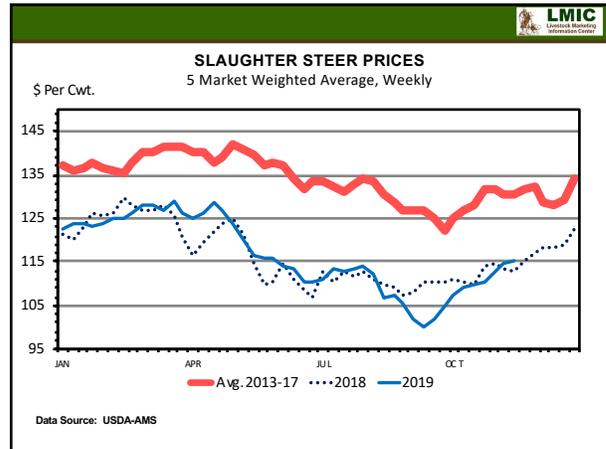
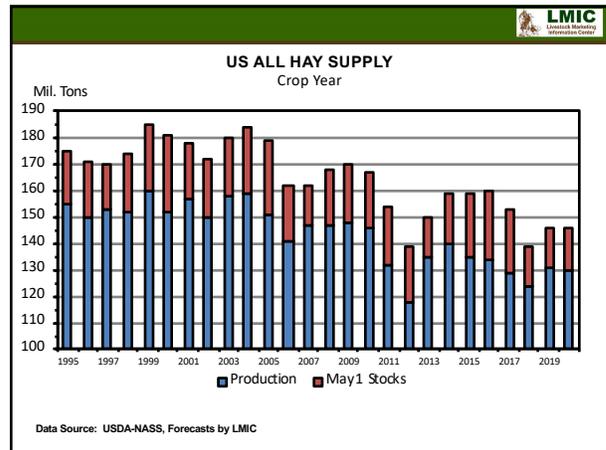
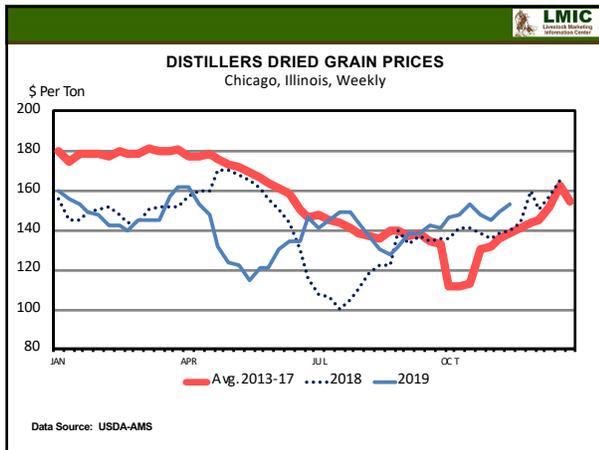
**The Potential Headwind: Competition from Chicken and Pork**

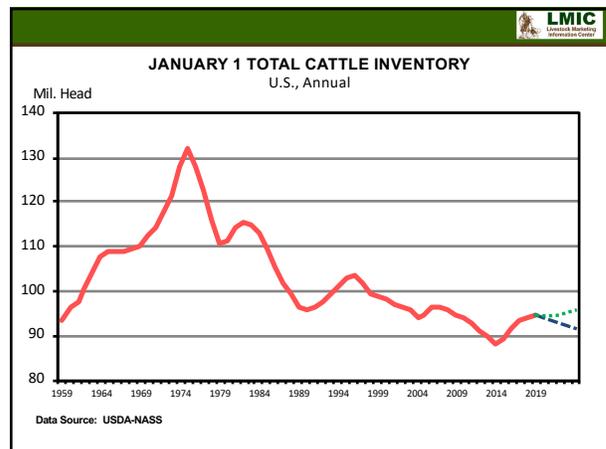
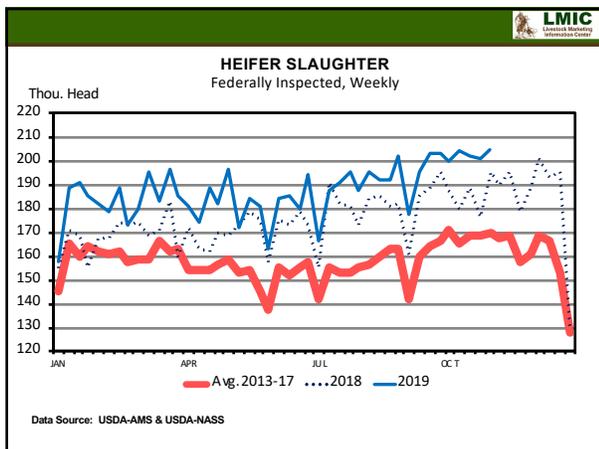
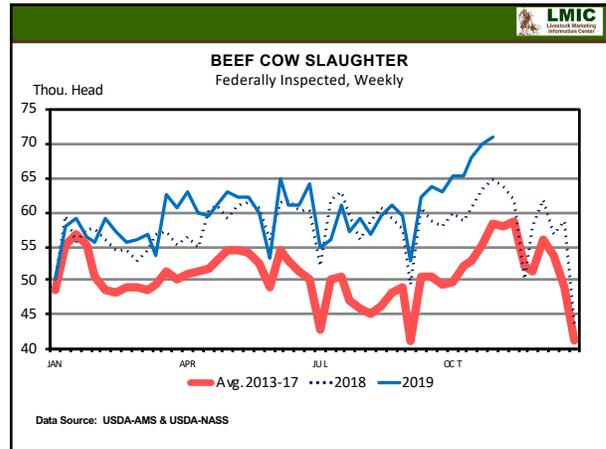
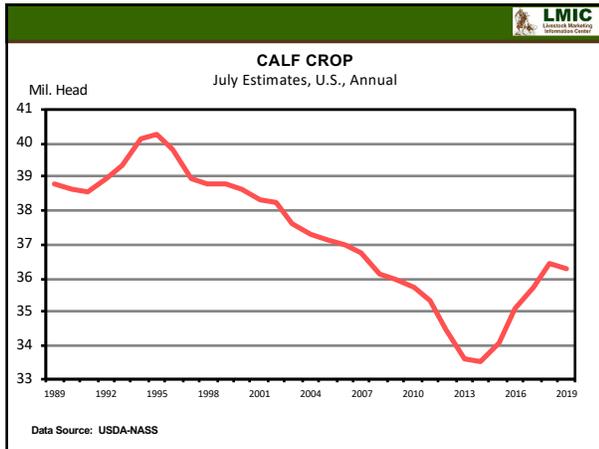
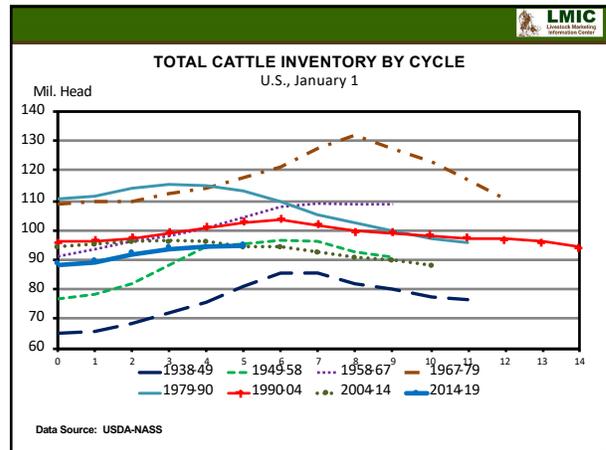
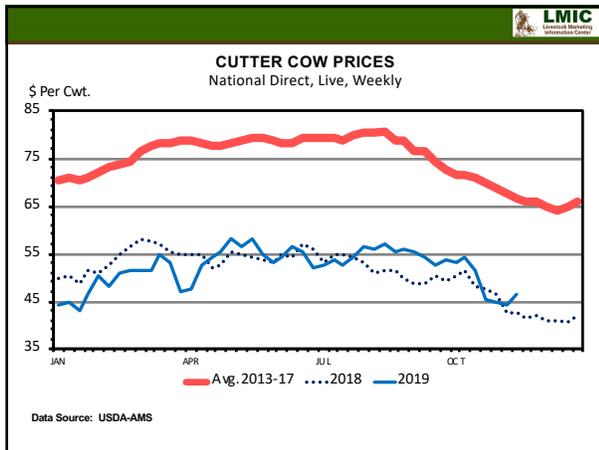


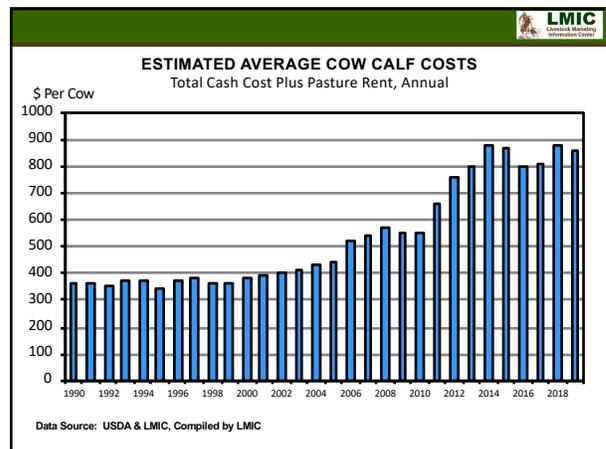
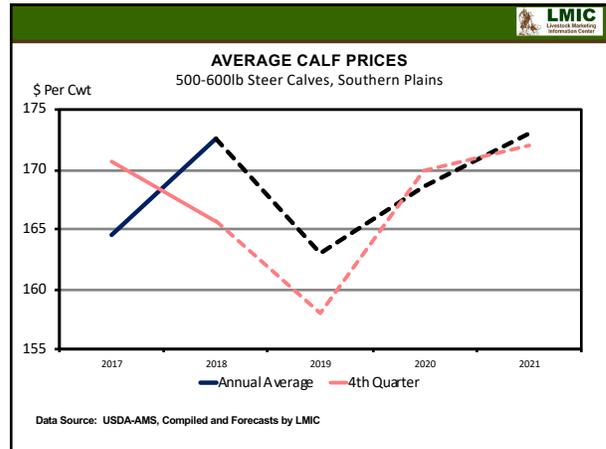
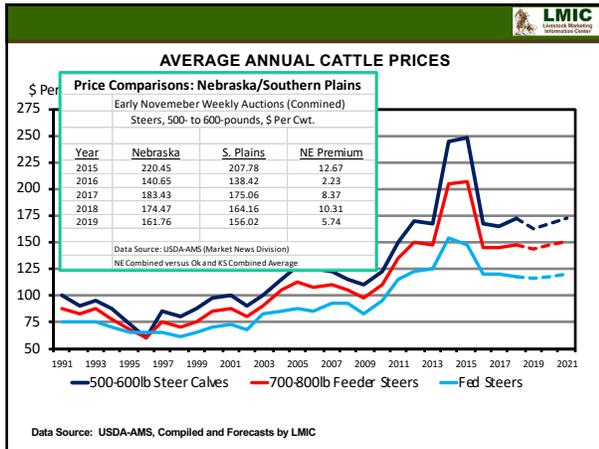
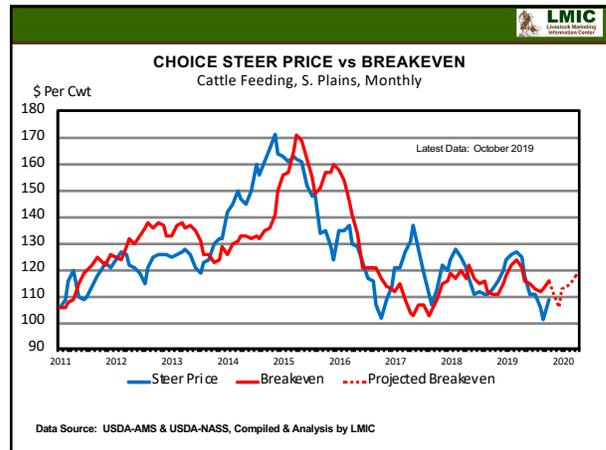
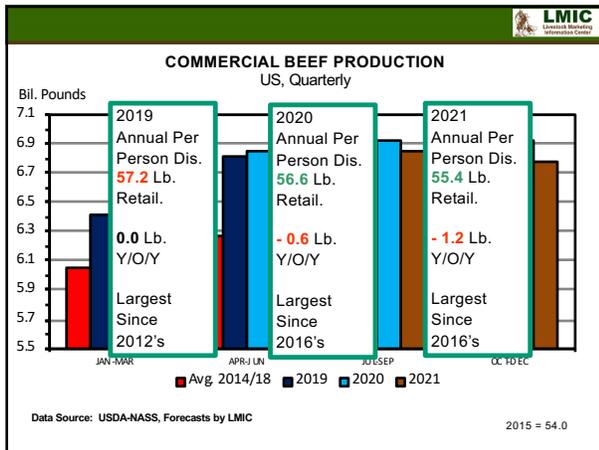


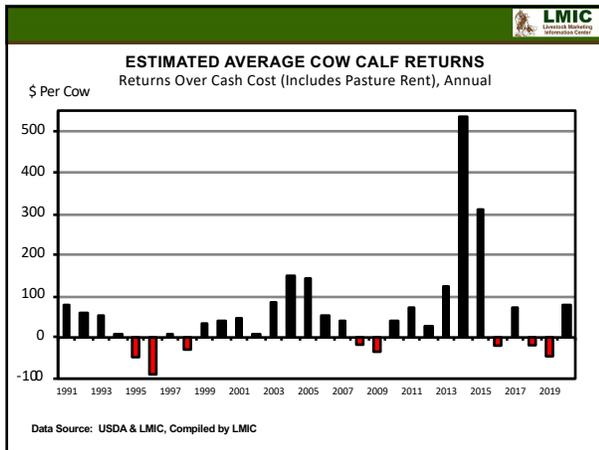












### Marketing, Managing, and Financing (Cow-Calf Perspective from an Economist)

- **Marketing ...**
  - What Did We Learn from DTP, 9-11, BSE, and KS Plant Fire
  - Beyond the Ranch Gate it's a Margin Business (money is made on arbitrage opportunities)
- **Managing ...**
  - Each Year – Sequential Decision Making (Especially Bad and Good Forage Years)
  - Do I Manage by Cattle Cycles? – **Don't Bet A Lot On It**
- **Financing ...**
  - Financial Statements – Cash Flow is Looking Ahead and Links to your Marketing Plan
  - What to Do When You Make Money?



**U.S. BEEF AND VEAL EXPORTS**  
Current (2019) Values

**U.S. Exports of Beef & Pork Remain Strong**

U.S. beef export revenue (adjusted for beef carcass weight increase in the latest data reported by USDA) which fell in 2018, is up 10% from 2017. This is due to the increase in the U.S. beef export volume, which was 10% higher than the U.S. beef export volume in 2017. This increase is due to the increase in the U.S. beef export volume, which was 10% higher than the U.S. beef export volume in 2017.

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**Thank You!**