



DIVISION OF AGRICULTURE
RESEARCH & EXTENSION

University of Arkansas System

Cattle Market Situation and Outlook

**Tri-County Forage Conference
(Faulkner, Perry, and Conway)**

James L. Mitchell

Assistant Professor & Extension Livestock Economist
Department of Agricultural Economics and Agribusiness

jlmitch@uark.edu | (479) 575-3253

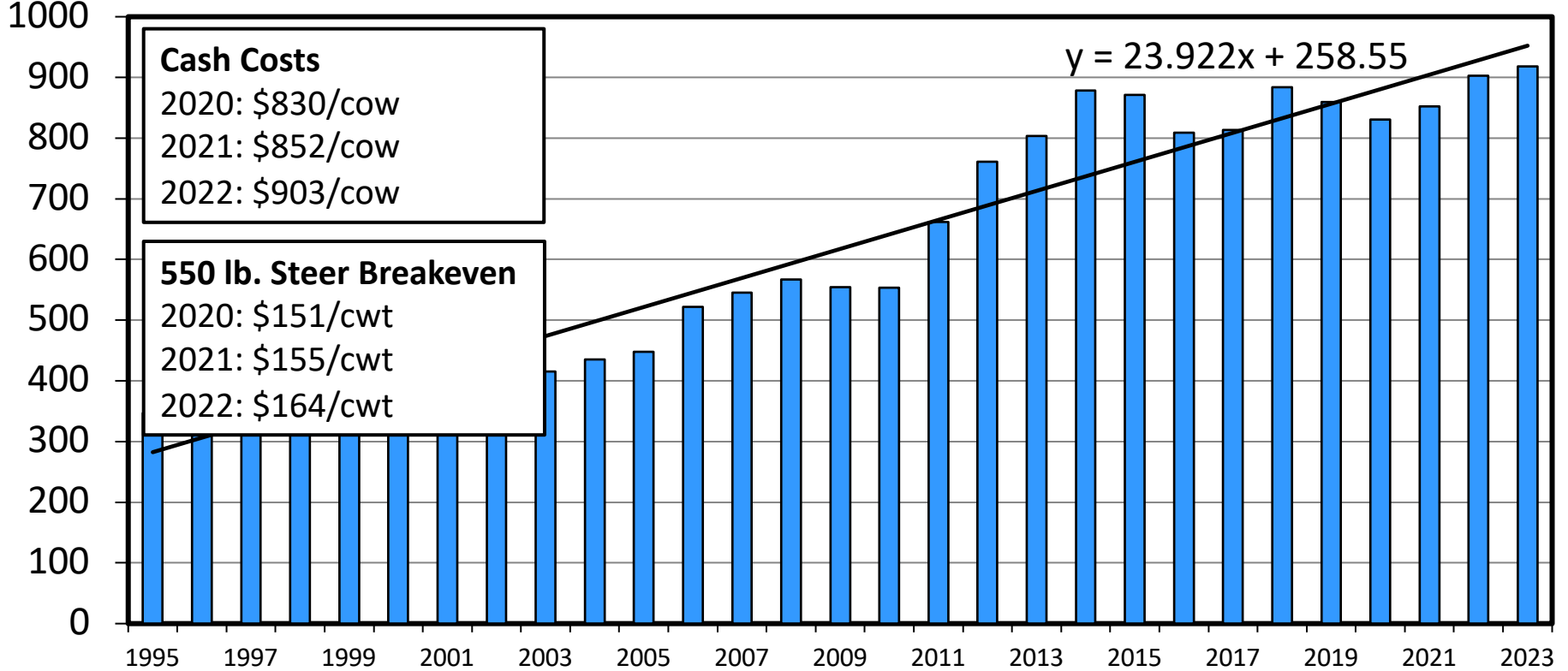
Today's Outline

- Cost of production
- Cattle cycle
- Supply, demand, and cattle markets
- Price and profitability outlook

ESTIMATED AVERAGE COW CALF COSTS

Total Cash Cost Plus Pasture Rent, Annual

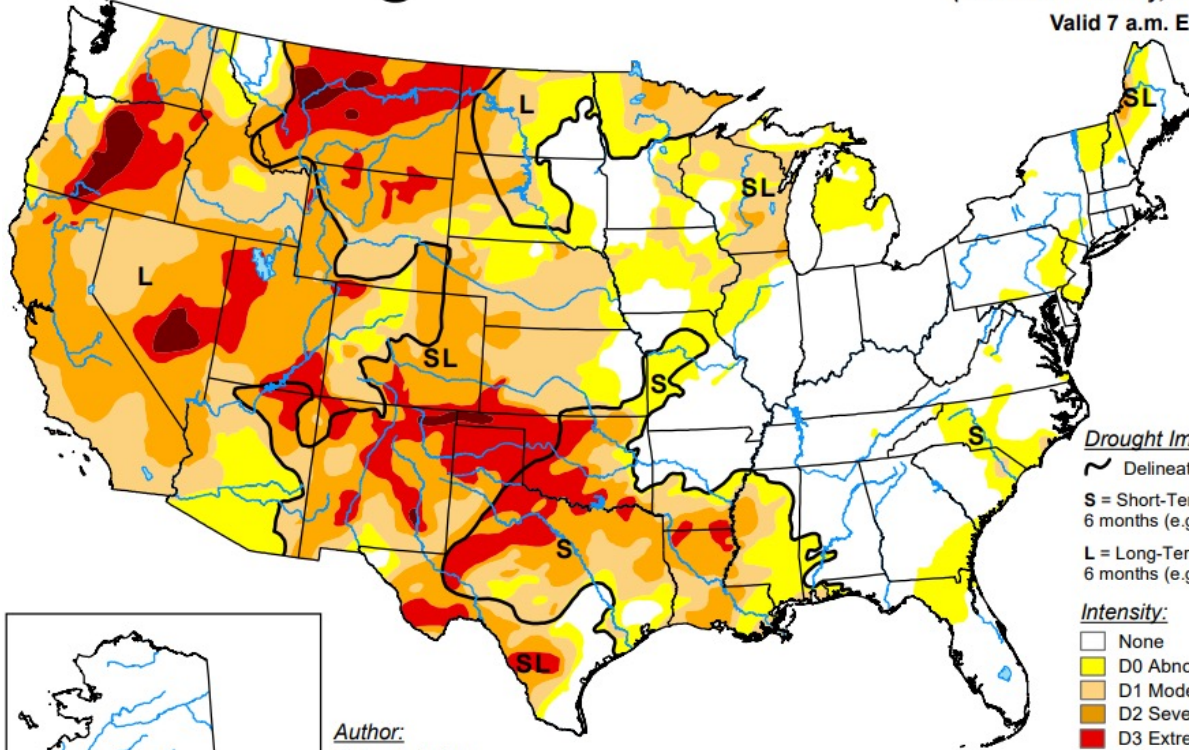
\$ Per Cow



U.S. Drought Monitor

February 8, 2022
(Released Thursday, Feb. 10, 2022)

Valid 7 a.m. EST

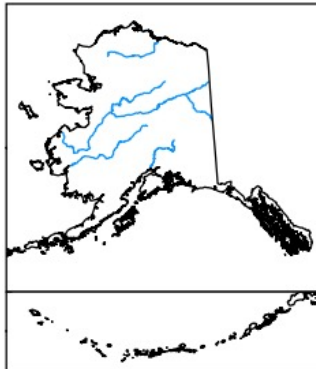


Drought Impact Types:

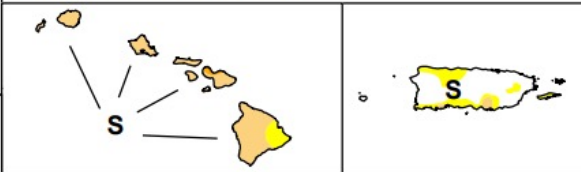
- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

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



Author:
Deborah Bathke
National Drought Mitigation Center

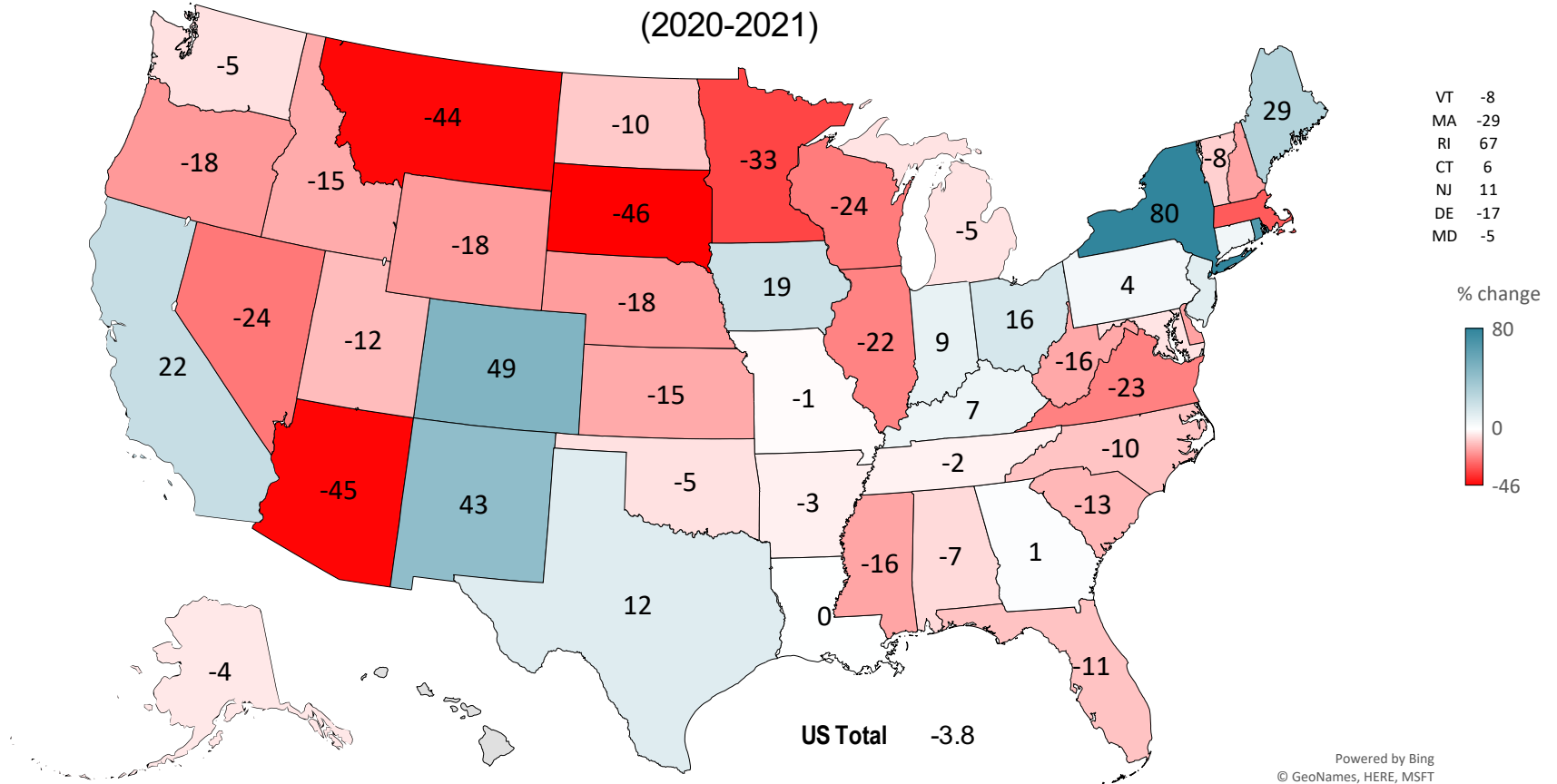


The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



droughtmonitor.unl.edu

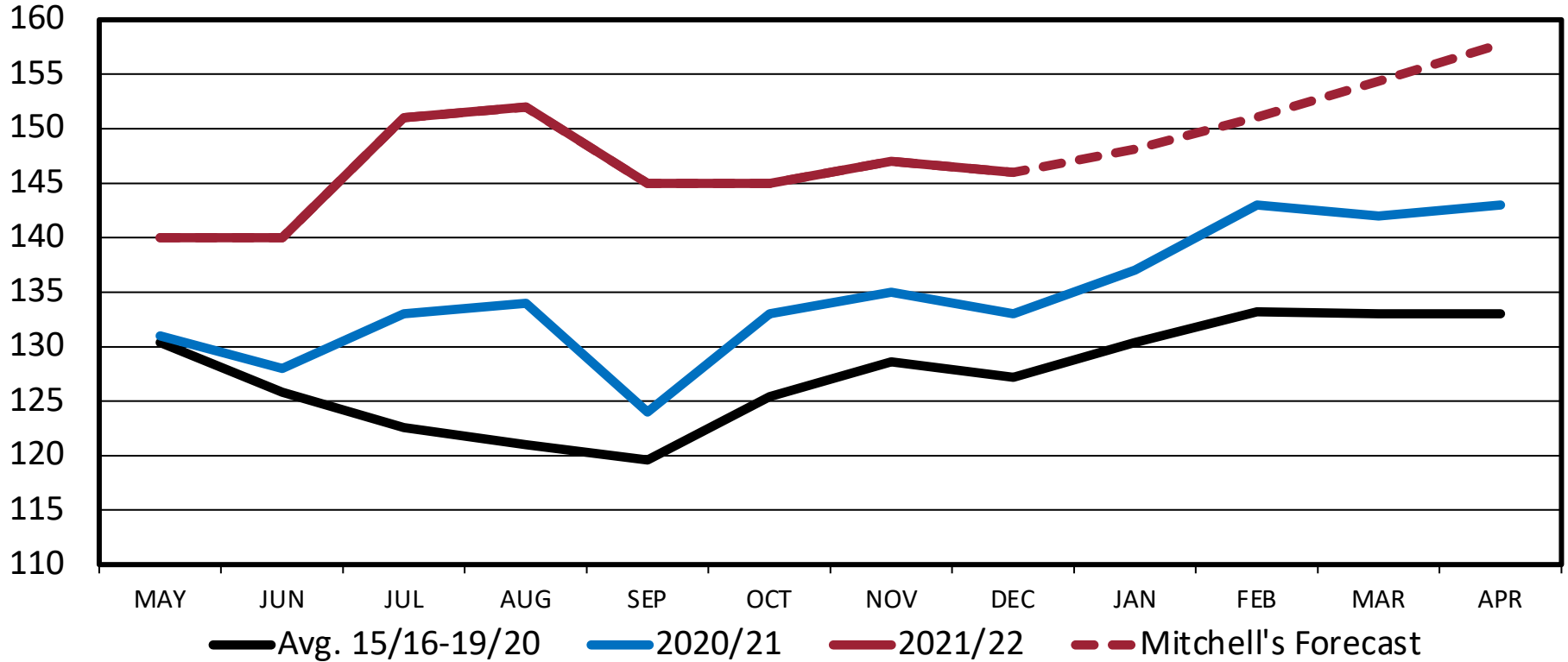
PERCENT CHANGE OTHER HAY PRODUCTION (2020-2021)



OTHER HAY – MONTHLY AVERAGE PRICE

Received by Farmers, U.S., Crop Year

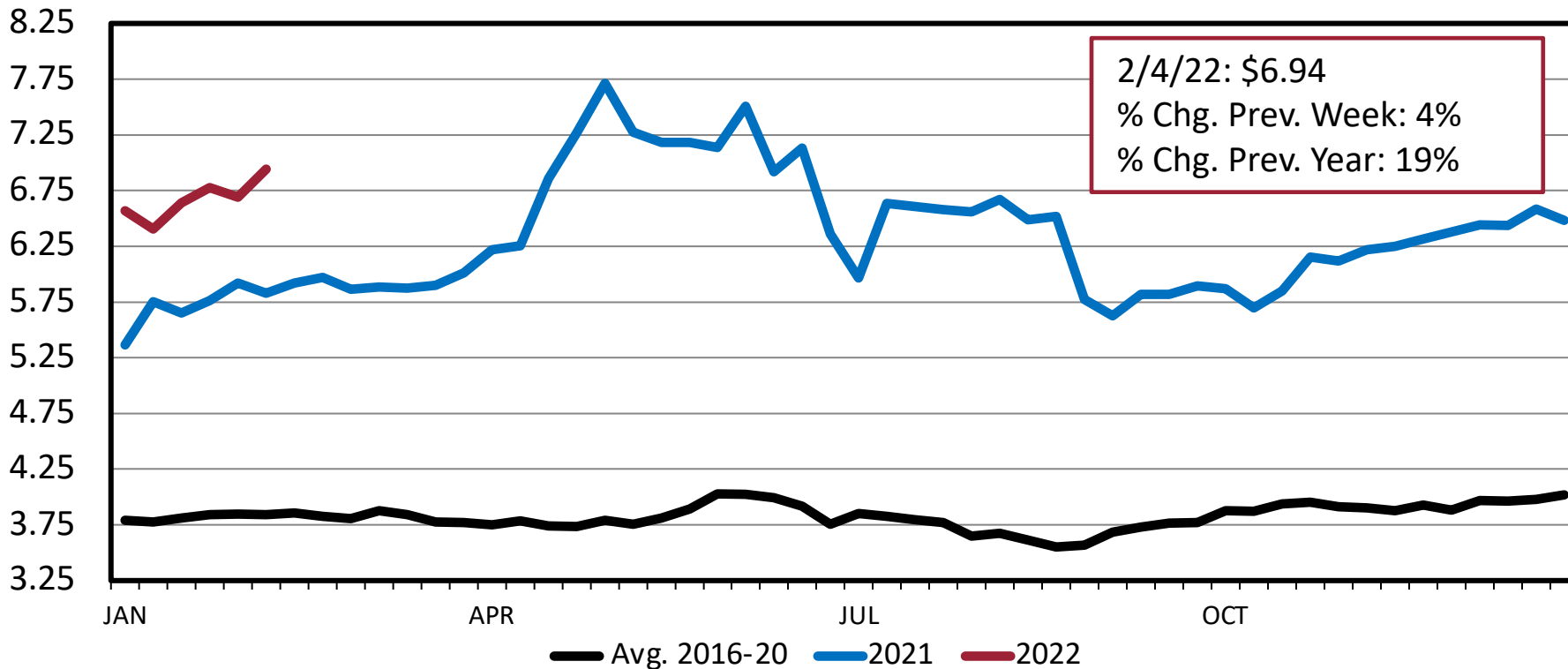
\$ Per Ton



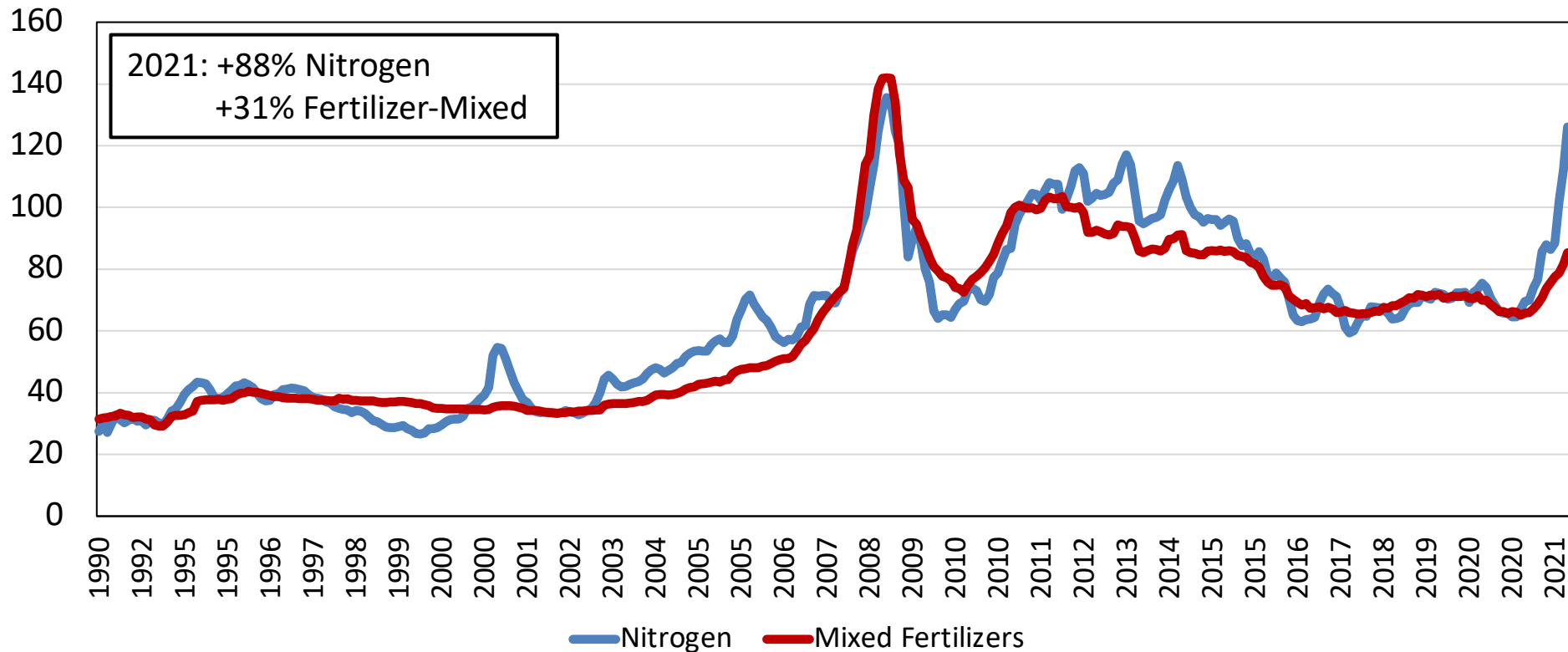
SOUTHERN PLAINS CORN PRICES

Weekly

\$ Per Bu.



Price Index for Nitrogen and Mixed Fertilizers, Jan 1990 - Dec 2021



Number of unemployed persons per job opening, seasonally adjusted

Dec 2006 - Dec 2021



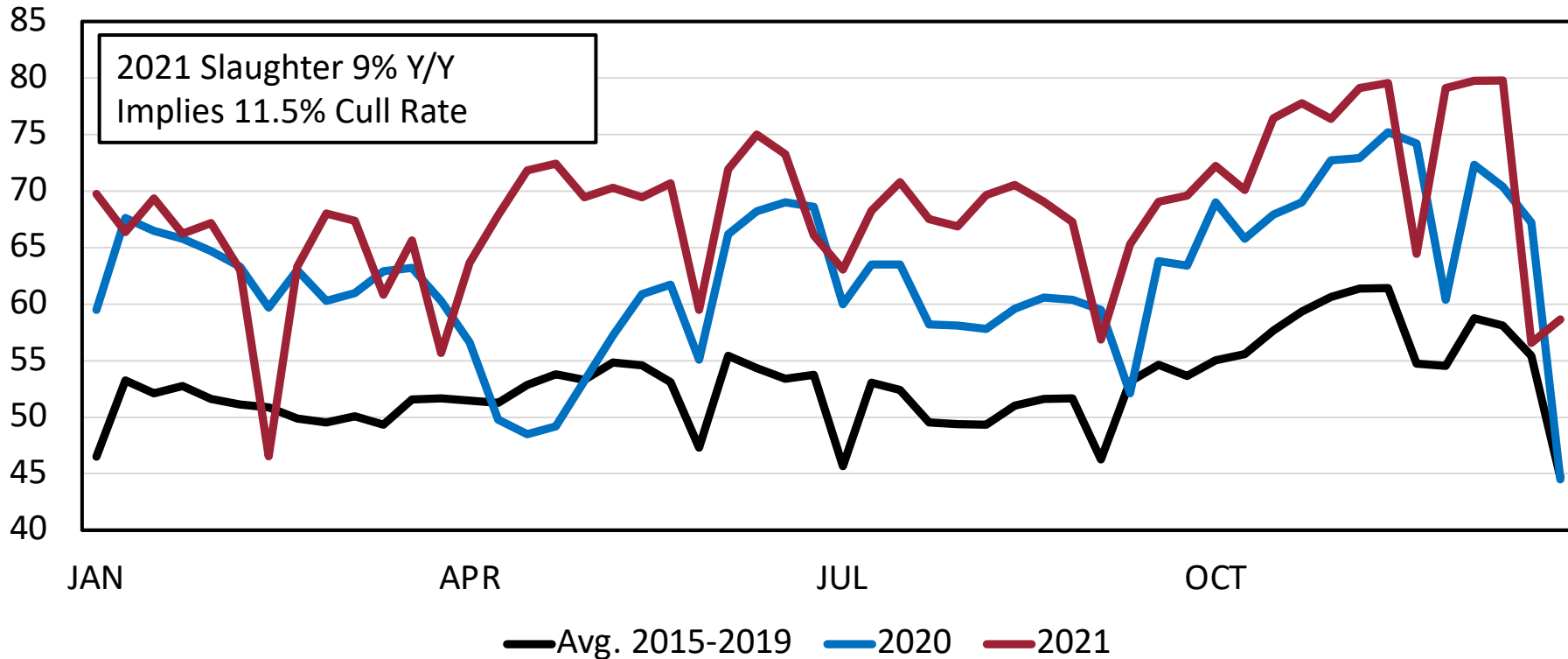
Apr 2020: 5 persons/job
Dec 2021: 0.6 persons/job

Cattle Cycle

USDA-NASS January 1, 2022 Estimates	U.S. Total		Arkansas	
(1,000 head)	2022	% Chg. Y/Y	2022	% Chg. Y/Y
All Cattle and Calves	91,902	-2.0%	1,690	-5.1%
Beef Cows and Heifers That Have Calved	30,125	-2.3%	905	-2.2%
Heifers 500 Pounds and Over	19,776	-2.1%	215	-6.5%
For Beef Cow Replacement	5,612	-3.3%	145	-5.2%
Other Heifers	9,714	-0.8%	67	-9.5%
Steers 500 Pounds and Over	16,580	-1.2%	110	-12.0%
Bulls 500 Pounds and Over	2,110	-4.6%	55	-8.3%
Calves Under 500 Pounds	13,936	-2.6%	400	-8.0%
Feeder Cattle Supplies Outside Feedlots	25,537	-2.6%	577	-9.0%
Calf Crop	35,085	-1.2%	770	-2.5%

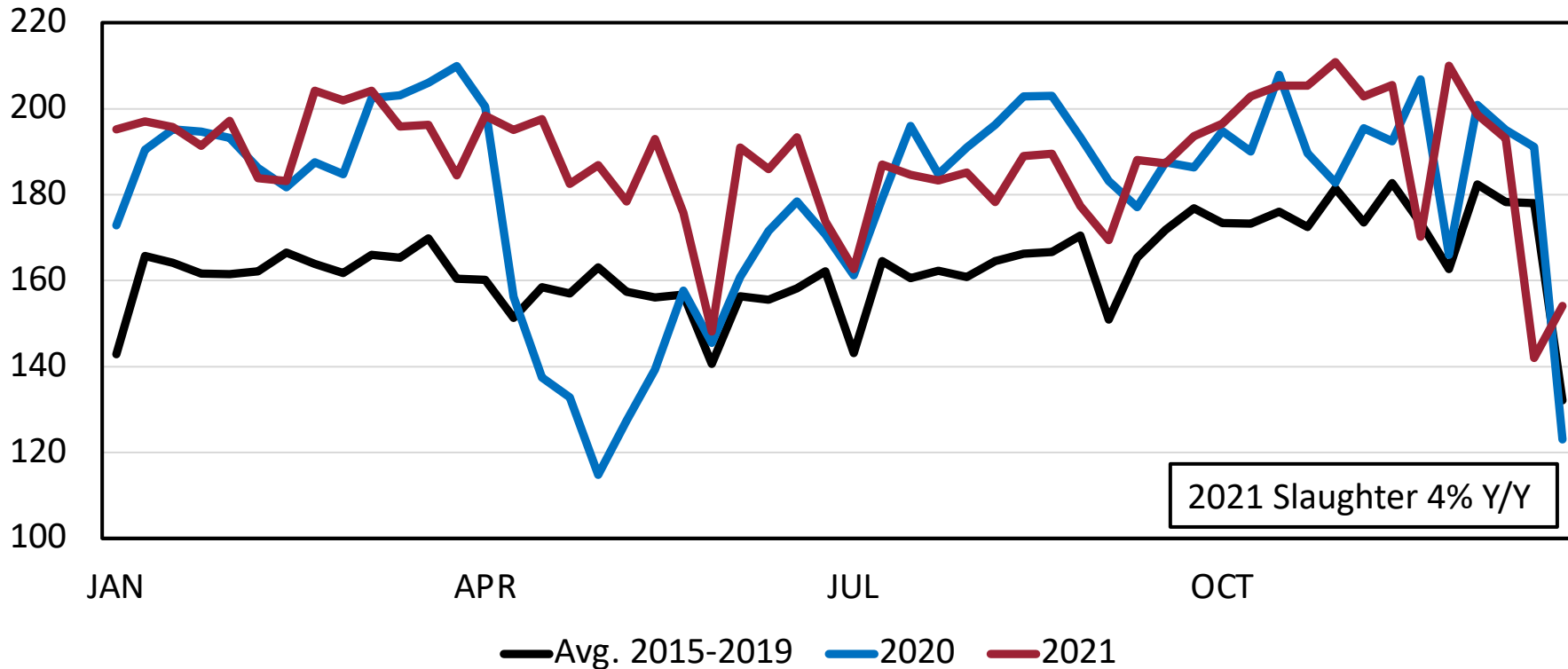
Beef Cow Slaughter Federally Inspected, Weekly

Thou. Head



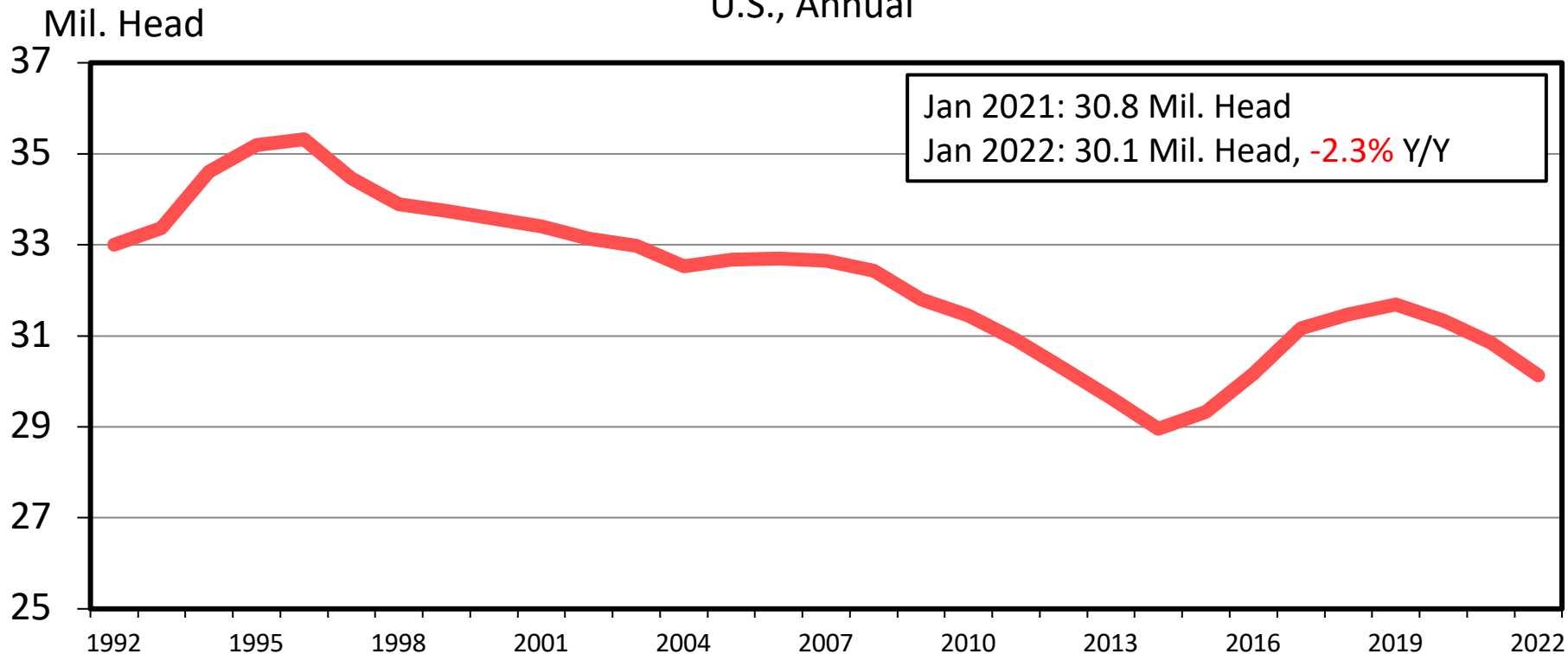
Heifer Slaughter Federally Inspected, Weekly

Thou. Head



JANUARY 1 BEEF COW INVENTORY

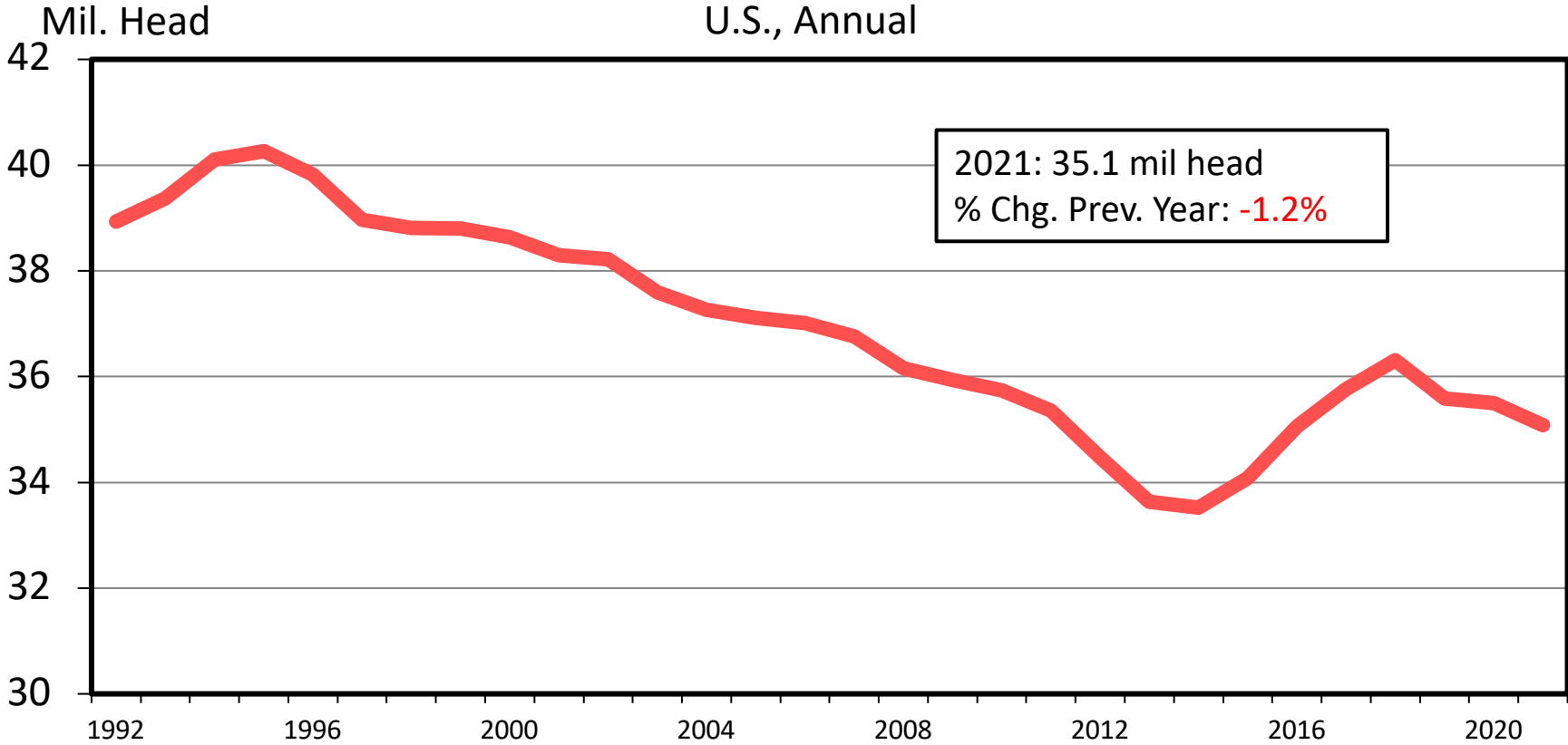
U.S., Annual



Supply

CALF CROP

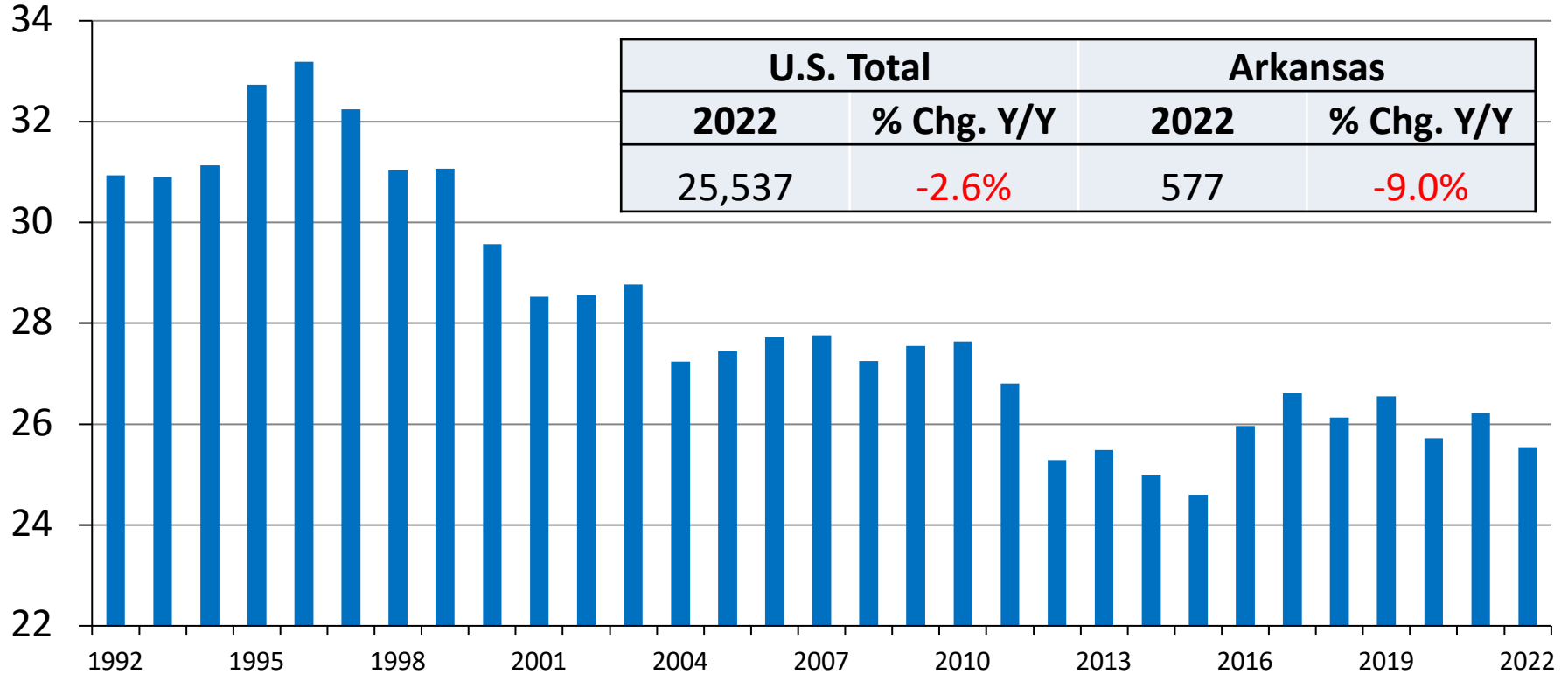
U.S., Annual



JANUARY 1 FEEDER CATTLE SUPPLIES

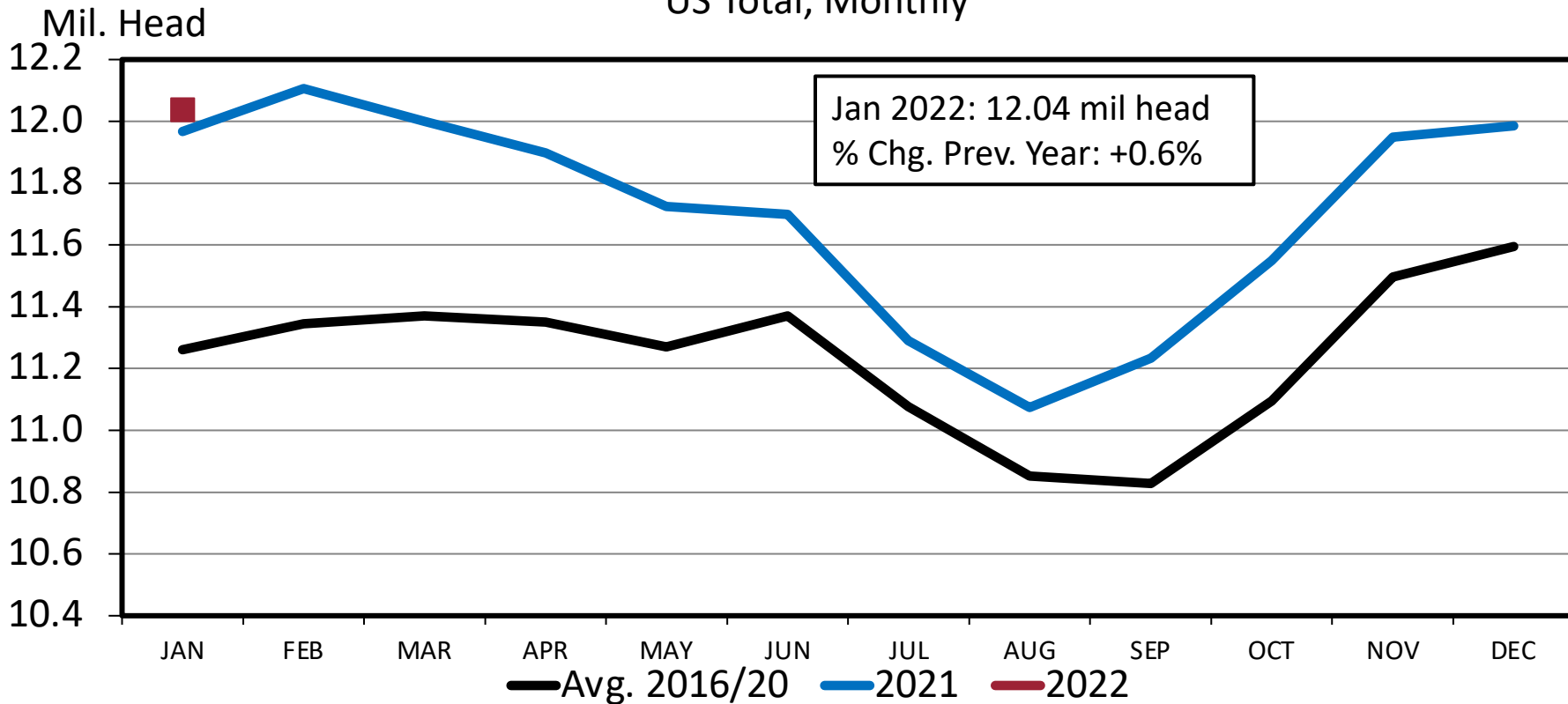
Residual, Outside Feedlots, U.S.

Mil. Head



CATTLE ON FEED

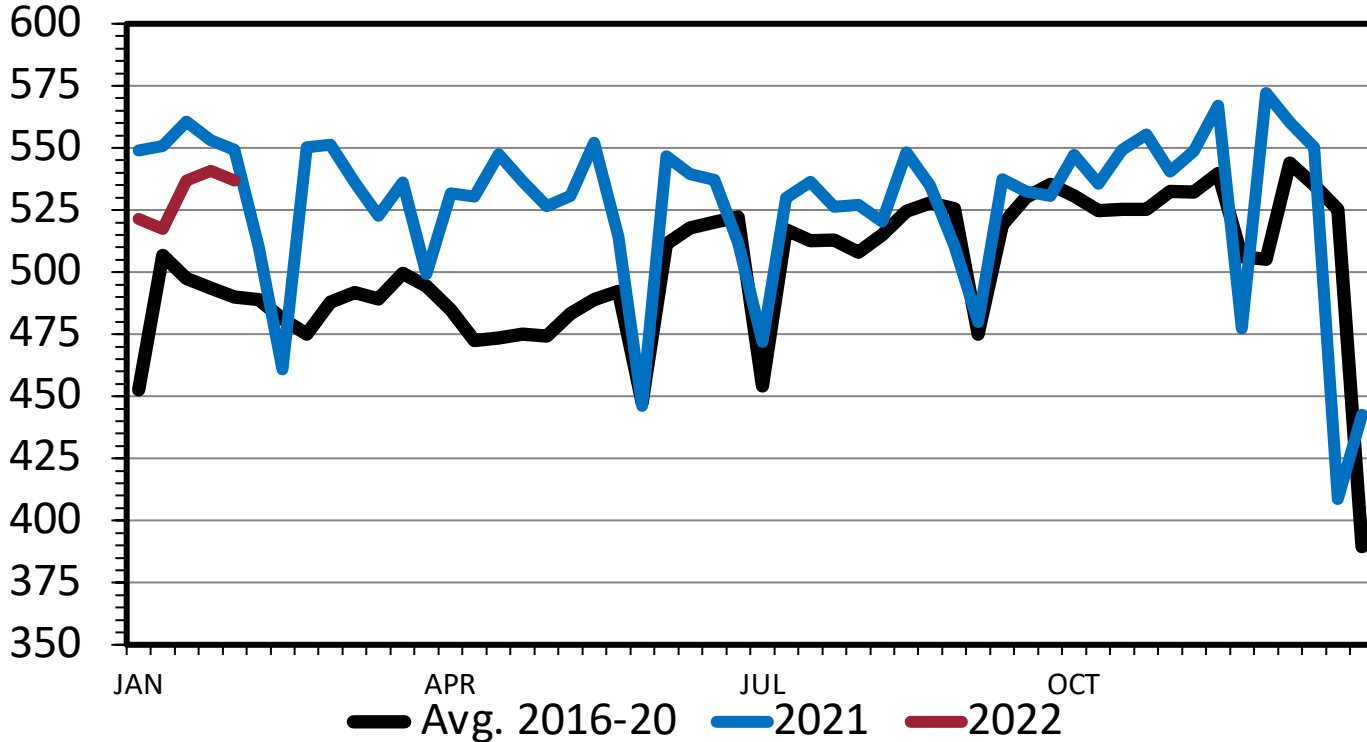
US Total, Monthly



BEEF PRODUCTION

Federally Inspected, Weekly

Mil. Pounds



Forecast: 1/24/2022

	Beef Prod (Mil. Lbs.)	% Chg Year Ago
2017	26,187	3.8%
2018	26,872	2.6%
2019	27,155	1.1%
2020	27,174	0.1%
2021	27,937	2.8%
2022	27,149	-2.8%

Demand

Food Price Inflation Jan 2022 vs. Jan 2021

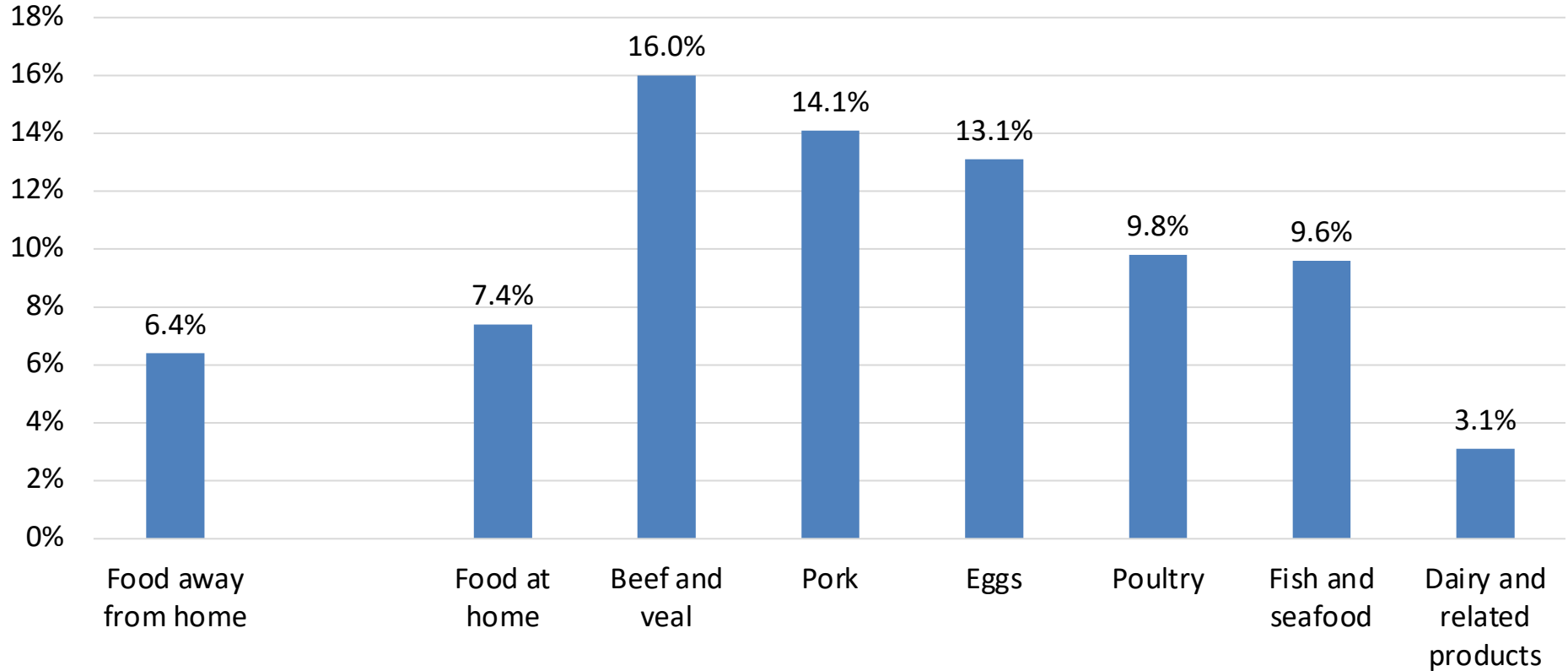
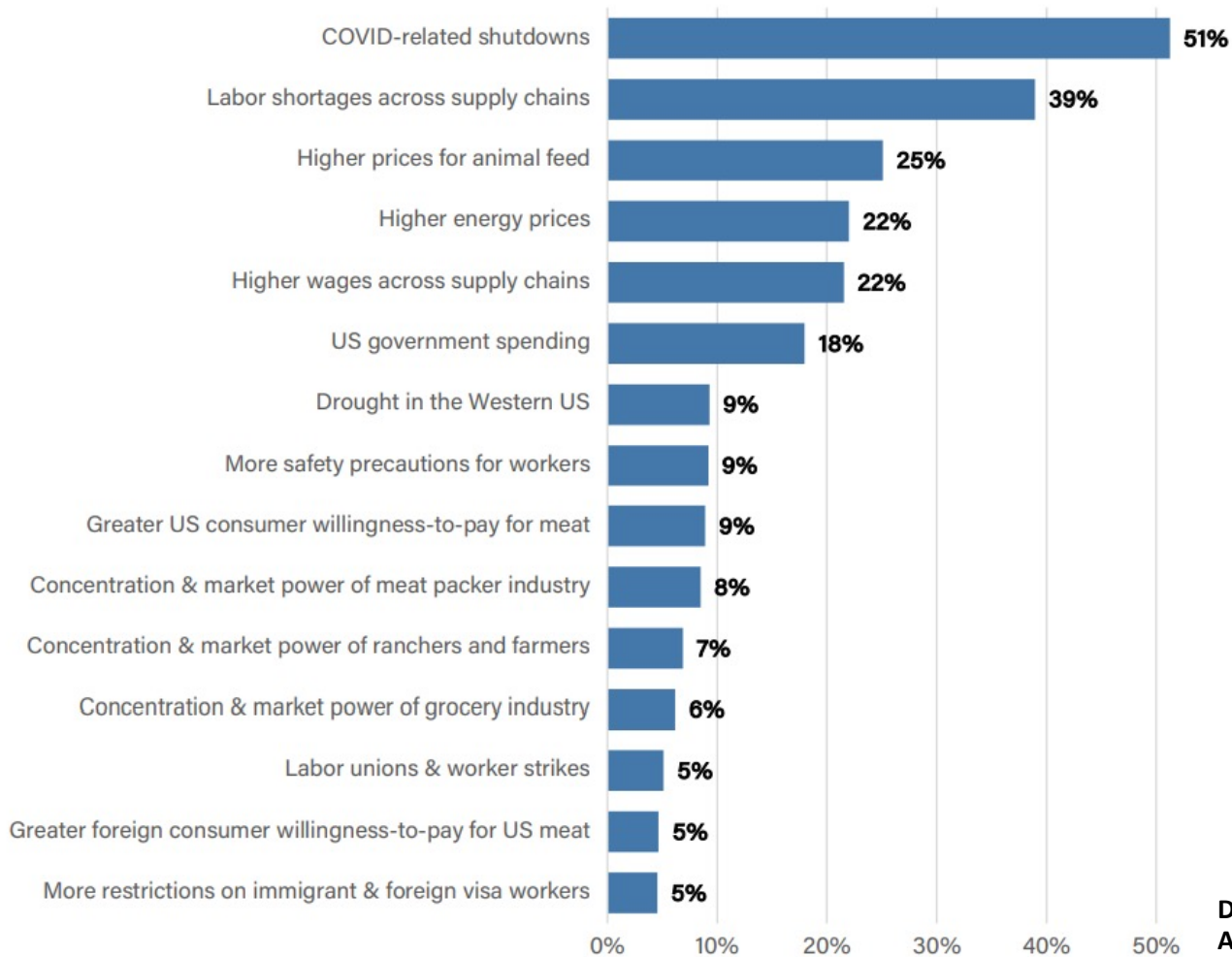
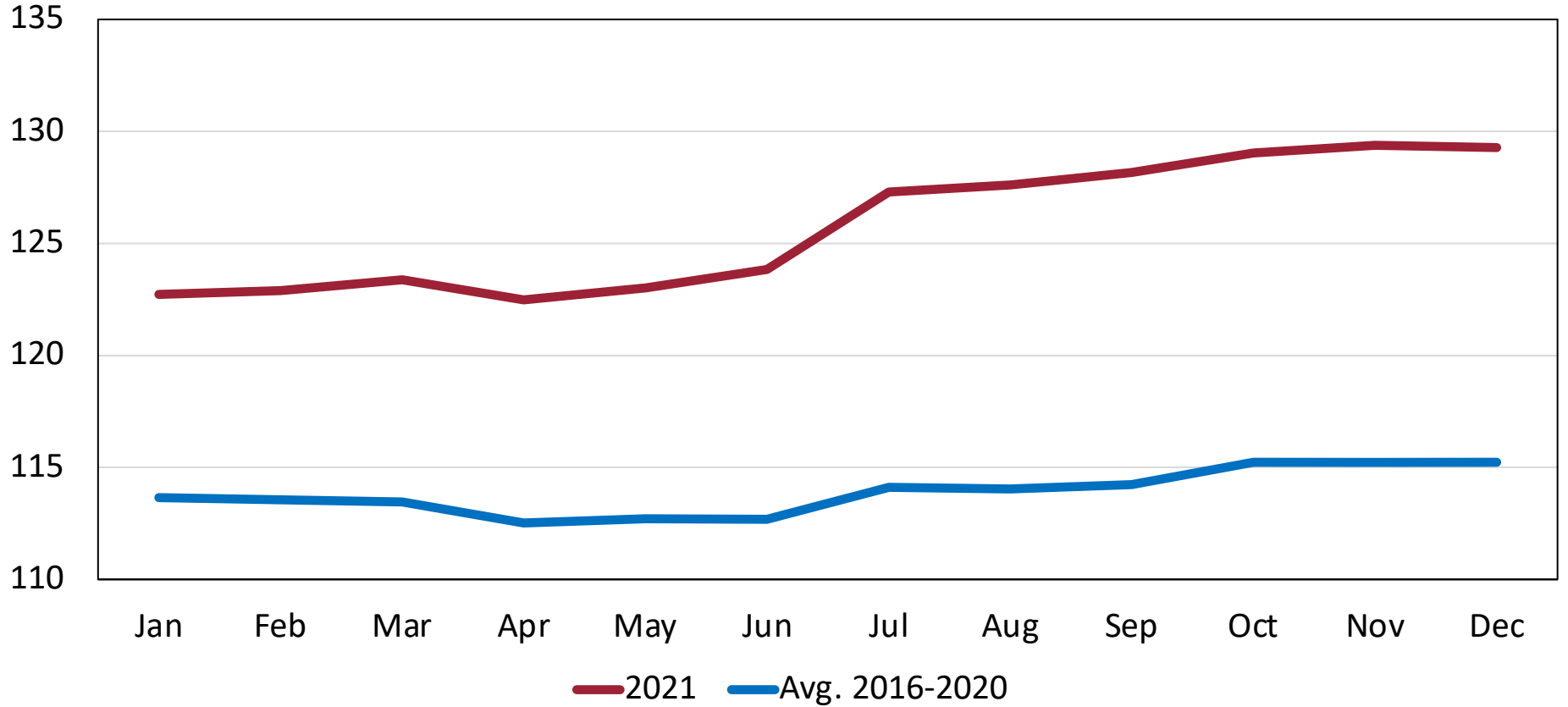


Figure 18. Causes of Meat Price Inflation as Chosen by Respondents*



**Data Source: Center for Food Demand
Analysis and Sustainability, Purdue University**

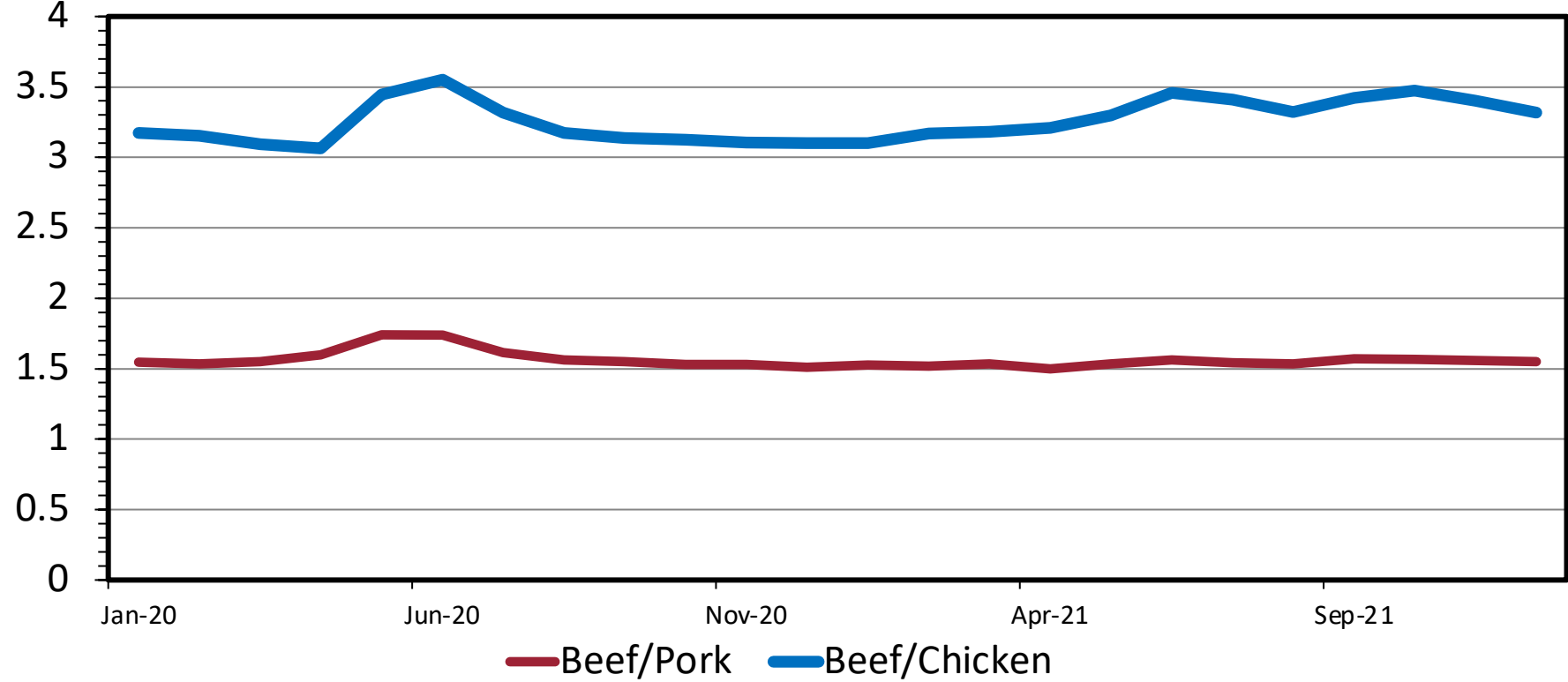
Food Marketing Cost Index



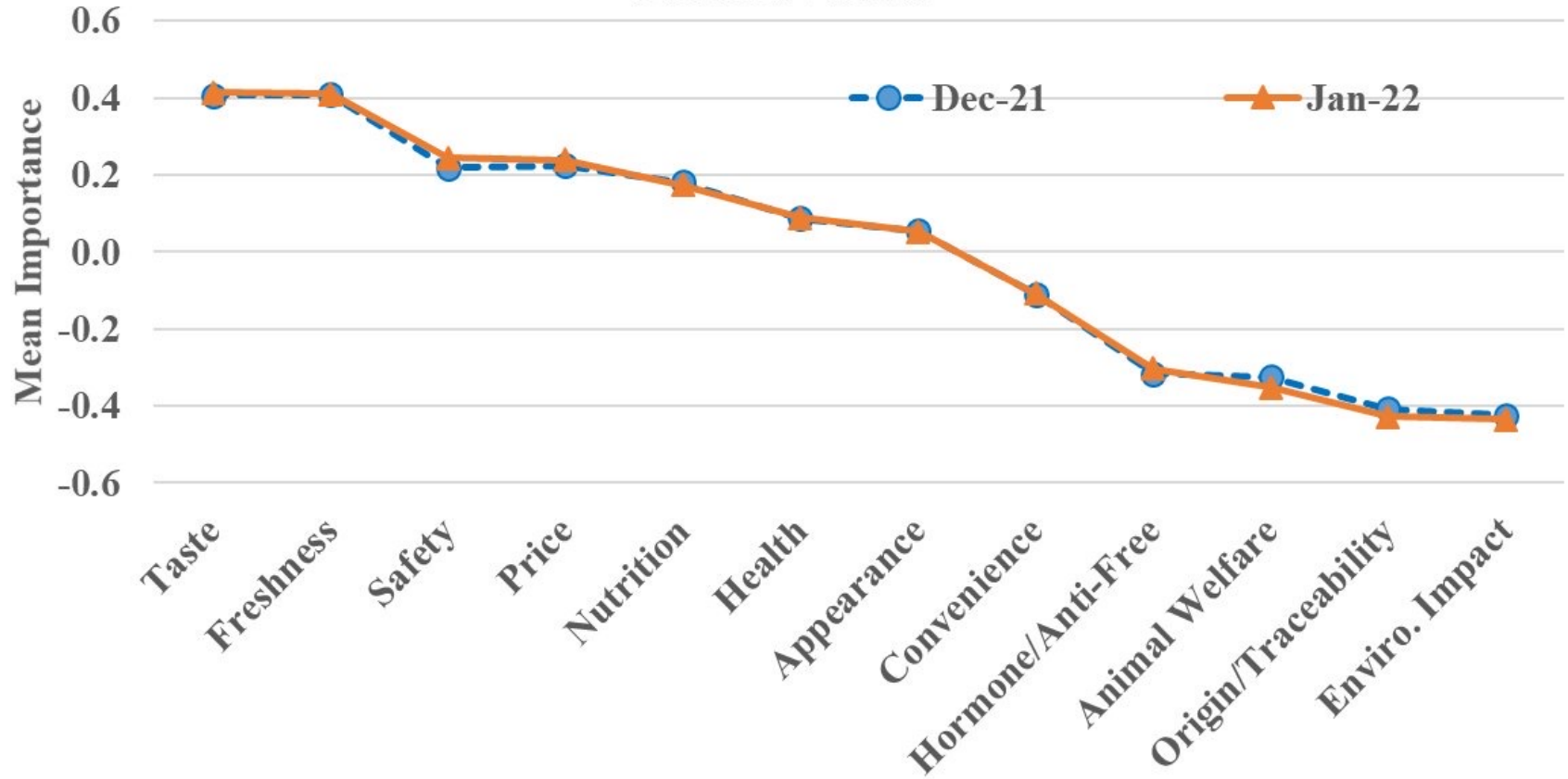
RELATIVE MEAT PRICES

Jan 2020 - Dec 2021

Price Ratio



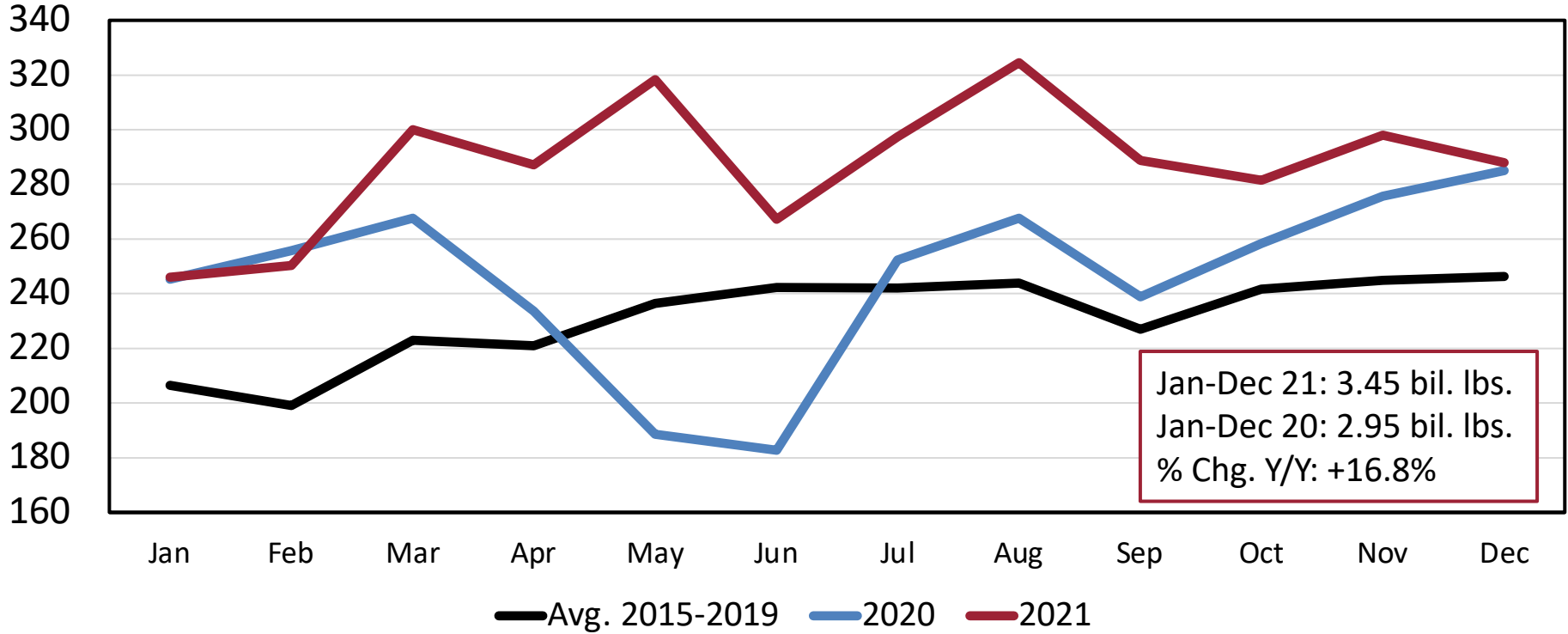
Protein Values



Trade

US Beef and Veal Exports, Carcass Weight, Monthly

Mil. Pounds

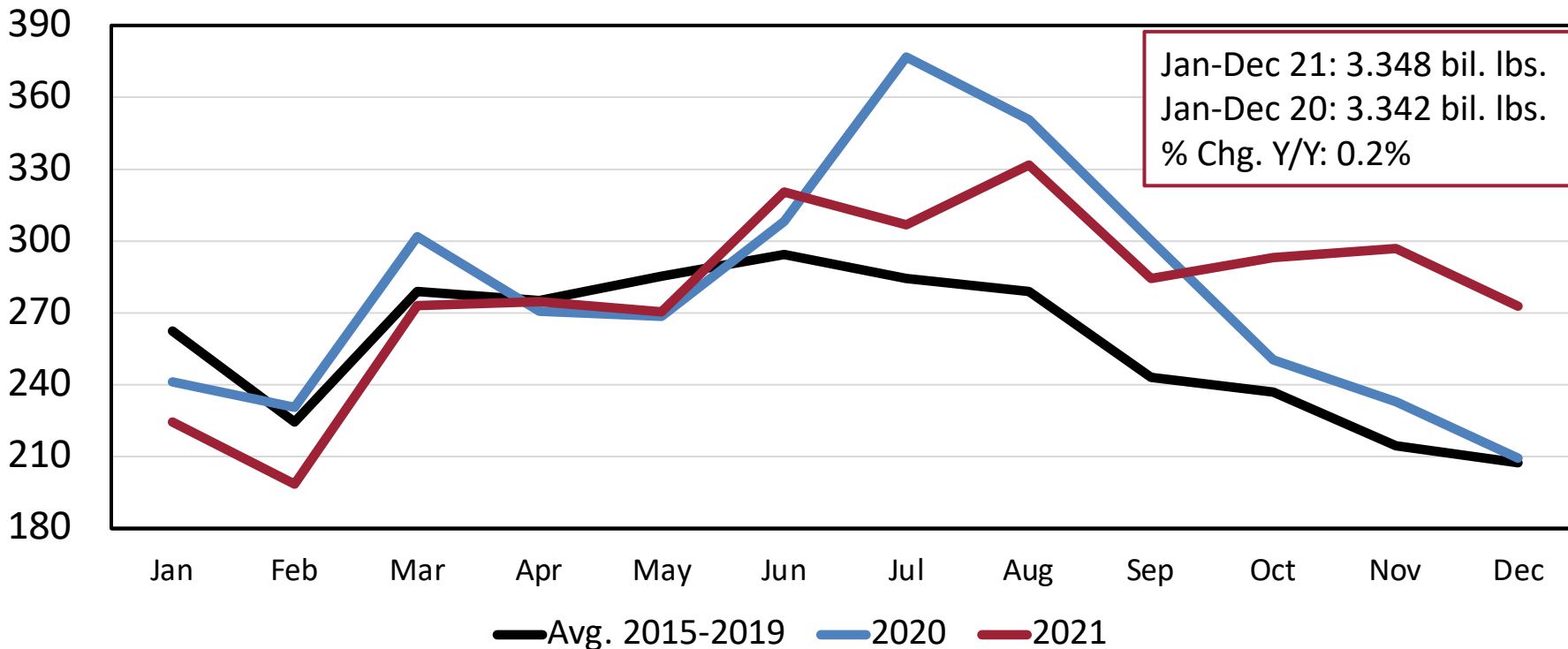


US YTD Beef Exports (Mil. Pounds)

	Canada	China	Japan	Mexico	South Korea	Total
Jan-Dec 2021	279	541	826	316	786	3,447
Jan-Dec 2020	286	119	827	320	667	2,951
Jan-Dec 2019	268	32	799	424	684	3,026
% Chg. Year Ago	-3%	354%	0%	-1%	18%	17%
% Chg. Two Years Ago	4%	1586%	3%	-26%	15%	14%

US Beef and Veal Imports, Carcass Weight, Monthly

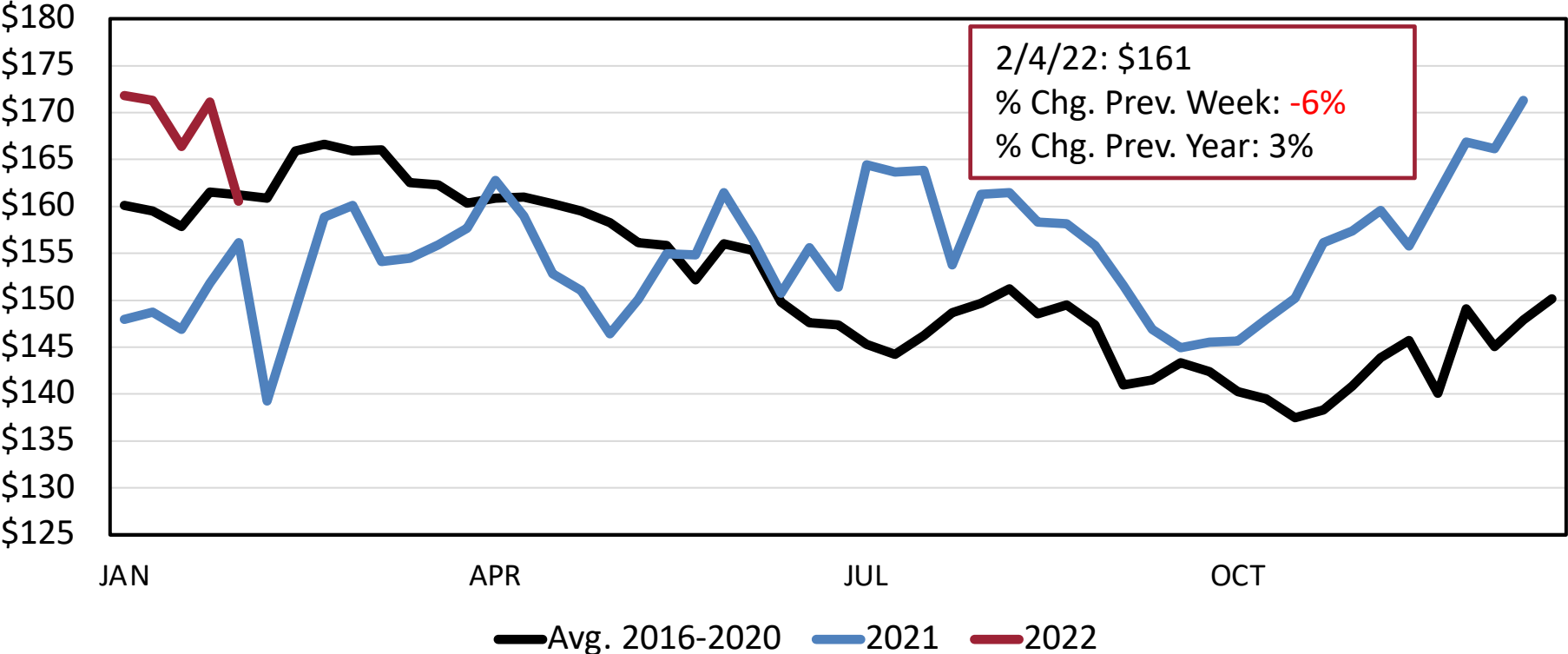
Mil. Pounds



Cattle Markets

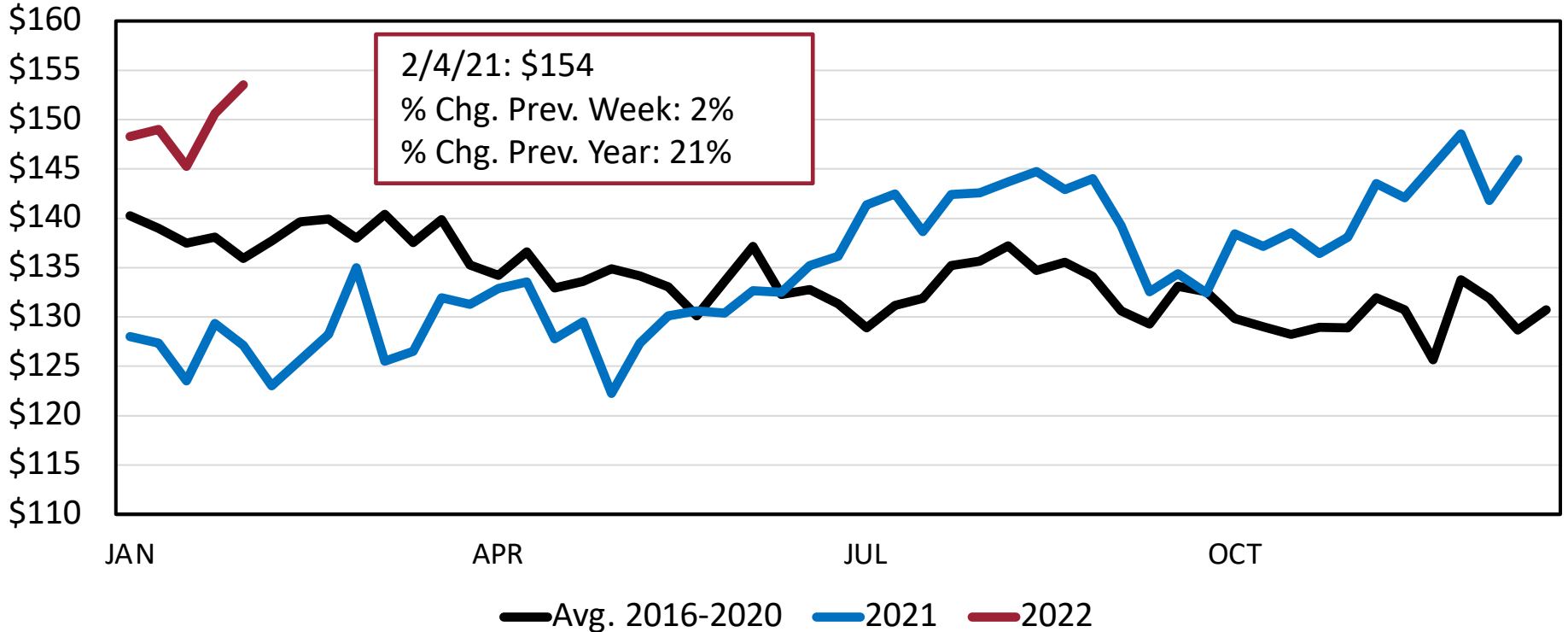
Arkansas Steer Calf - Medium & Large #1 500-600 Pounds

\$ Per Cwt.



Arkansas Feeder Steers - Medium & Large #1 700-800 Pounds

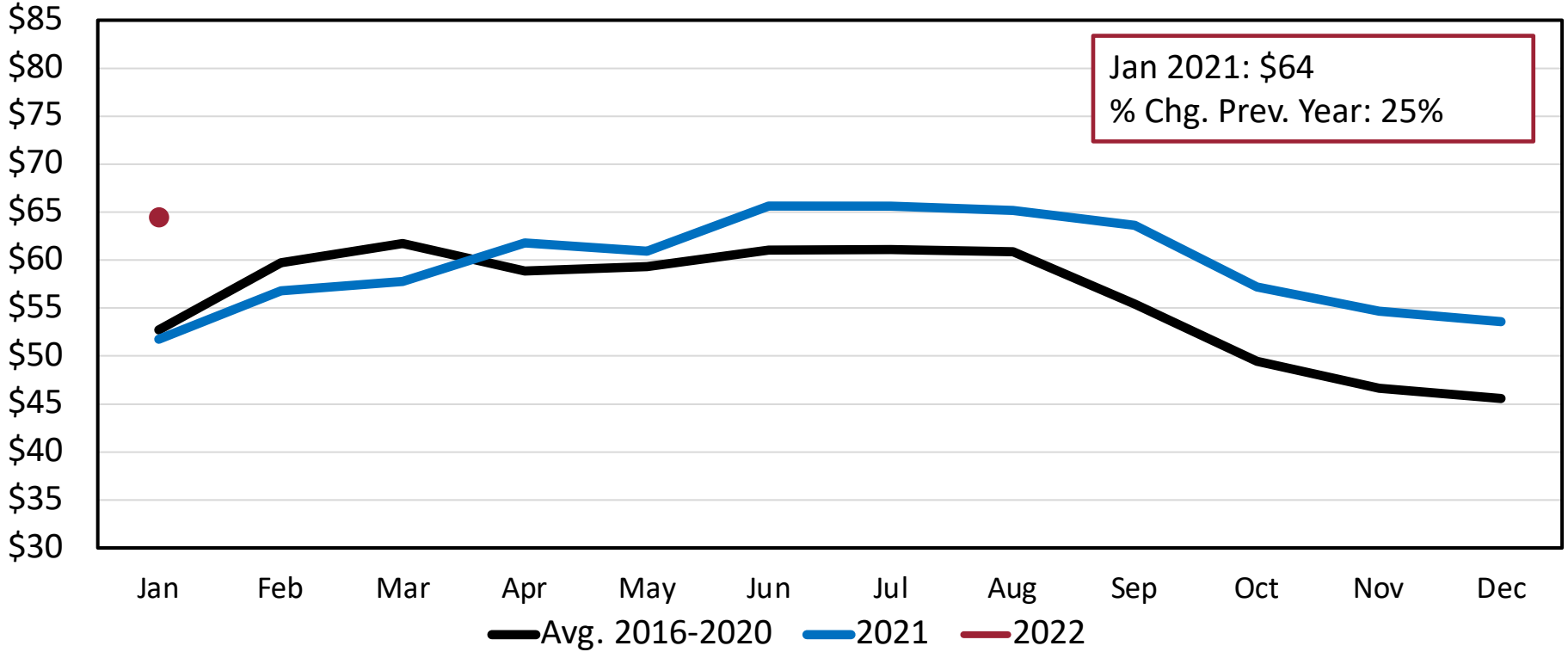
\$ Per Cwt.



Arkansas Monthly Breaking Cow Prices

Monthly

\$ Per Cwt.



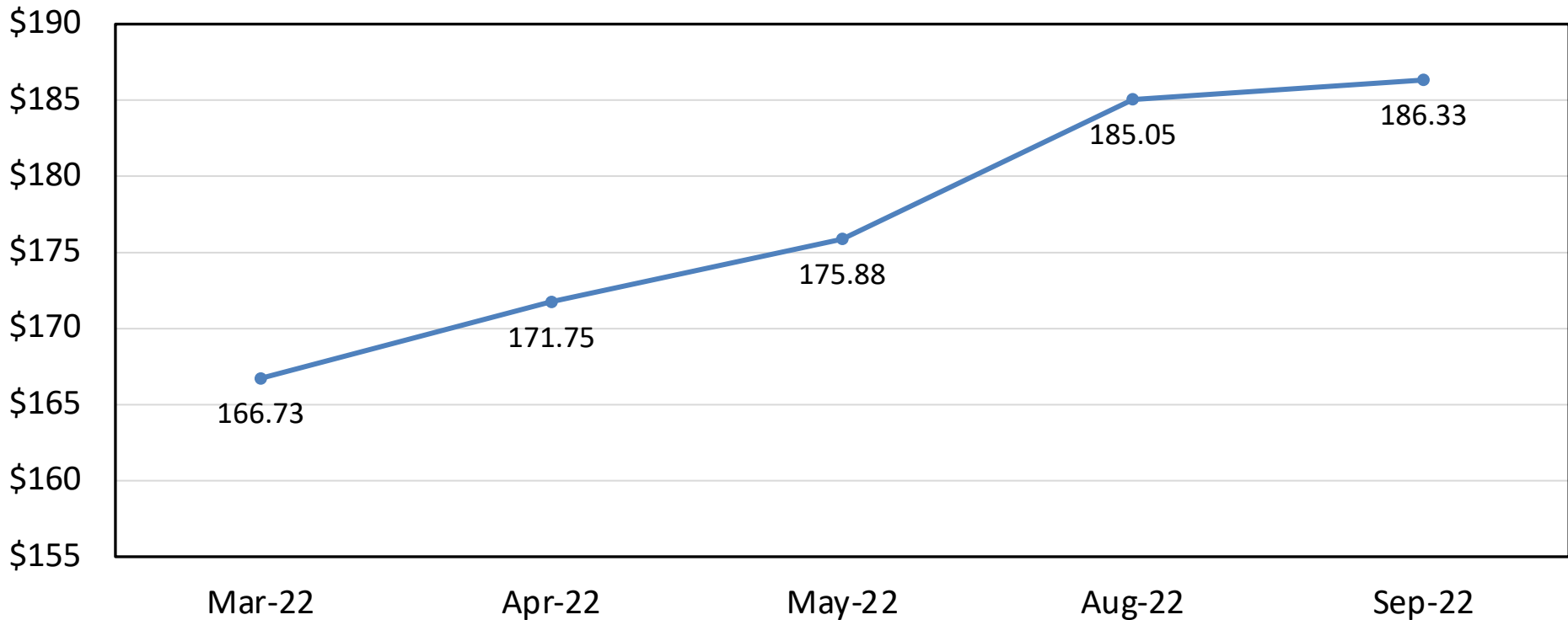
Outlook

Forecasts: 2/4/2022

Mitchell's Forecast (\$/CWT)	2022 QTR1	2022 QTR2	2022 QTR3
AR 5-600 lb. Feeder Steers	176-183	188-193	182-189
AR 7-800 lb. Feeder Steers	157-162	166-171	168-174
LMIC's Forecast (\$/CWT)			
SP 5-600 lb. Feeder Steers	188-189	187-192	185-195
SP 7-800 lb. Feeder Steers	161-162	159-162	170-175
SP Fed Steers	137-138	137-140	130-134

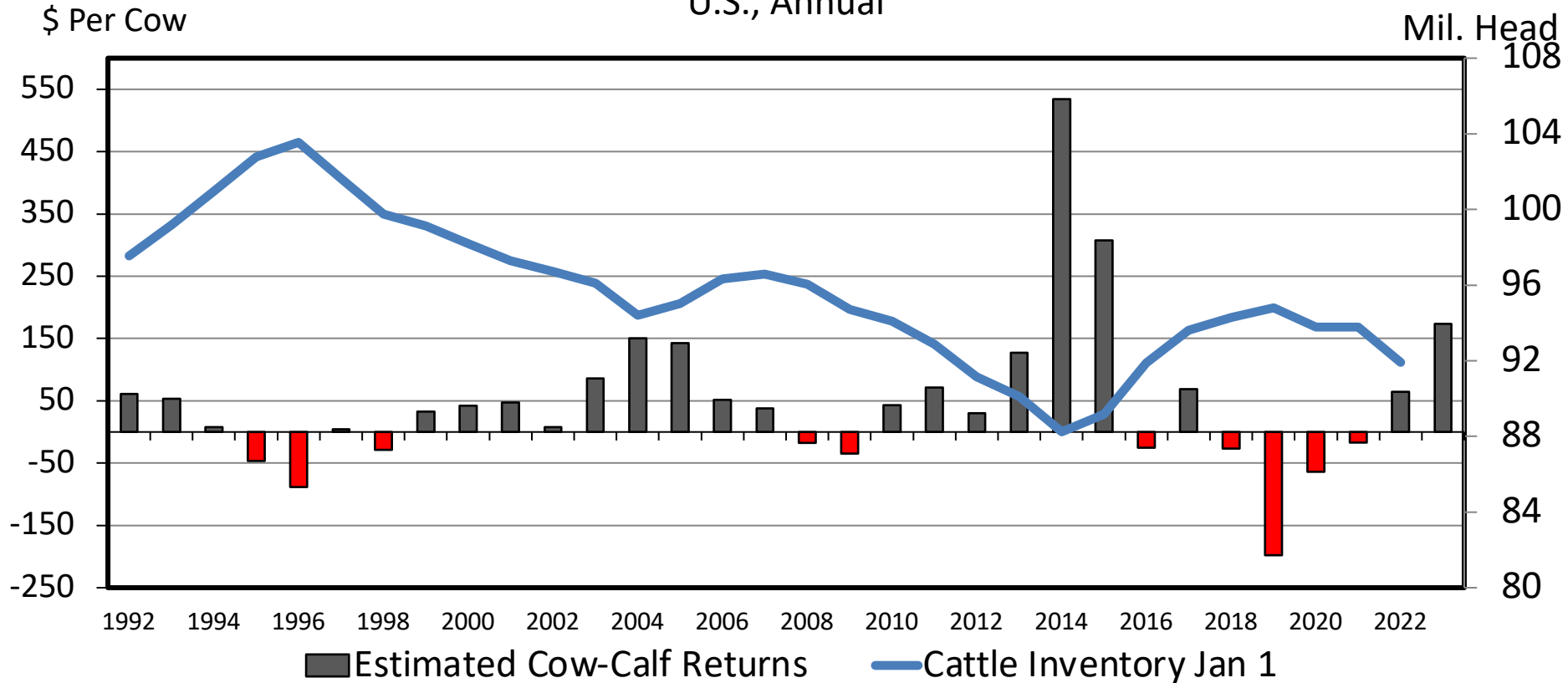
Feeder Cattle Futures Prices (as of 2/10/22) By Contract Month

\$ Per Cwt.



COW CALF RETURNS AND CATTLE INVENTORY

U.S., Annual



Cattle Market Notes Weekly

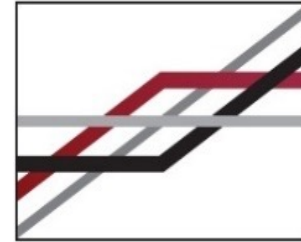
Josh Maples



James Mitchell



Kenny Burdine



FRYAR
PRICE RISK
MANAGEMENT
CENTER OF EXCELLENCE



PDF copy of slides available:

<https://fryar-risk-center.uada.edu/>

James L. Mitchell

jlmitch@uark.edu | (479) 575-3253