



DIVISION OF AGRICULTURE
RESEARCH & EXTENSION

University of Arkansas System

Cattle Market Situation and Outlook

AR Farm Bureau Division Meetings
March 1, 2022

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Overview: Take Home Message

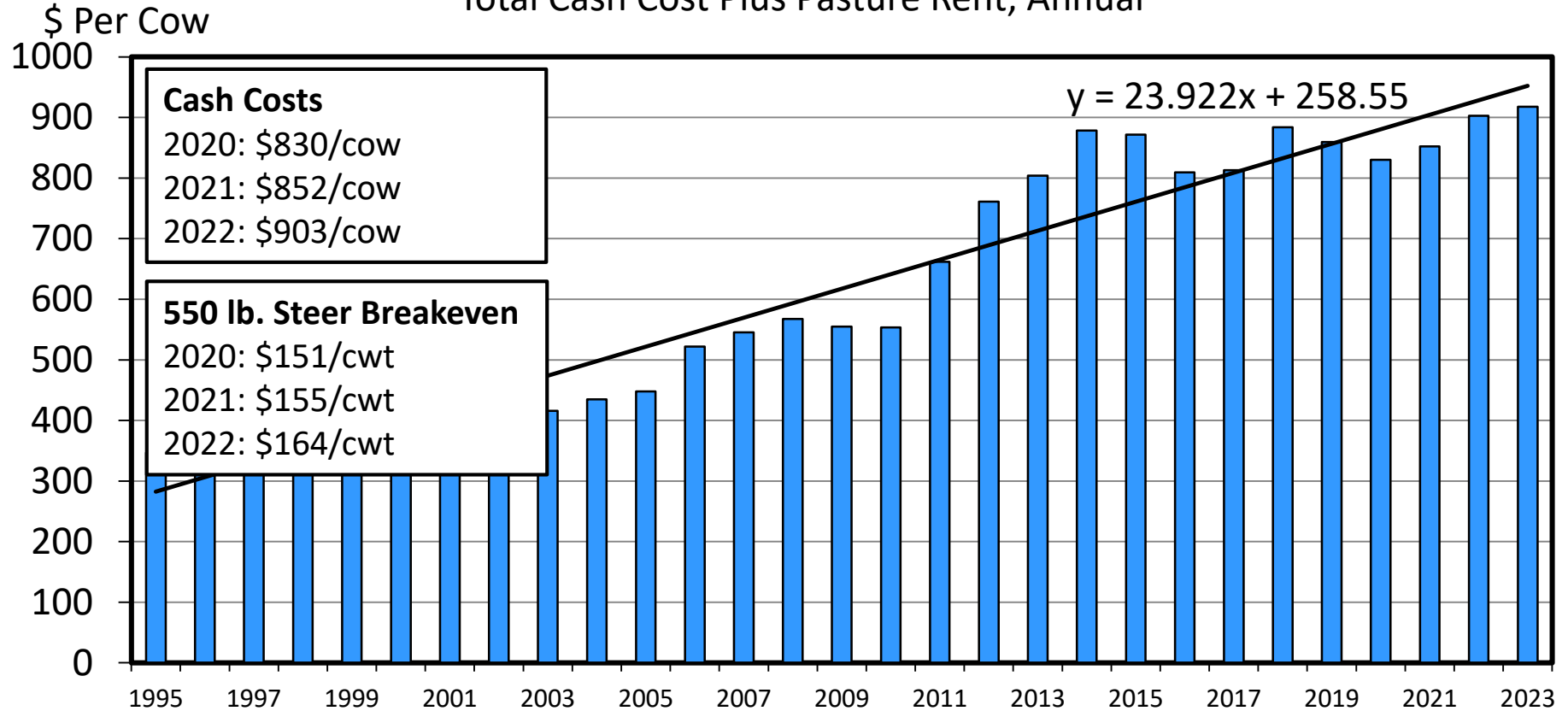
- Supplies are tight and will get tighter
 - Improving feedlot situation in coming months
- Will strong beef demand continue in 2022?
 - Inflation will challenge consumer spending
 - The relevant factor is beef price relative to chicken and pork prices
- We have the cattle prices to be profitable
 - Managing costs and marketing will determine the extent of profitability
- Market volatility

Ukraine-Russia

- Uncertainty=volatility
- Grain markets
 - Ukraine is the breadbasket of Europe
 - 5th and 1st in wheat exports
 - 4th and 6th in corn exports
- Fertilizer situation will escalate
- Inflation is main concern
- Expect revisions to everyone's forecasts

ESTIMATED AVERAGE COW CALF COSTS

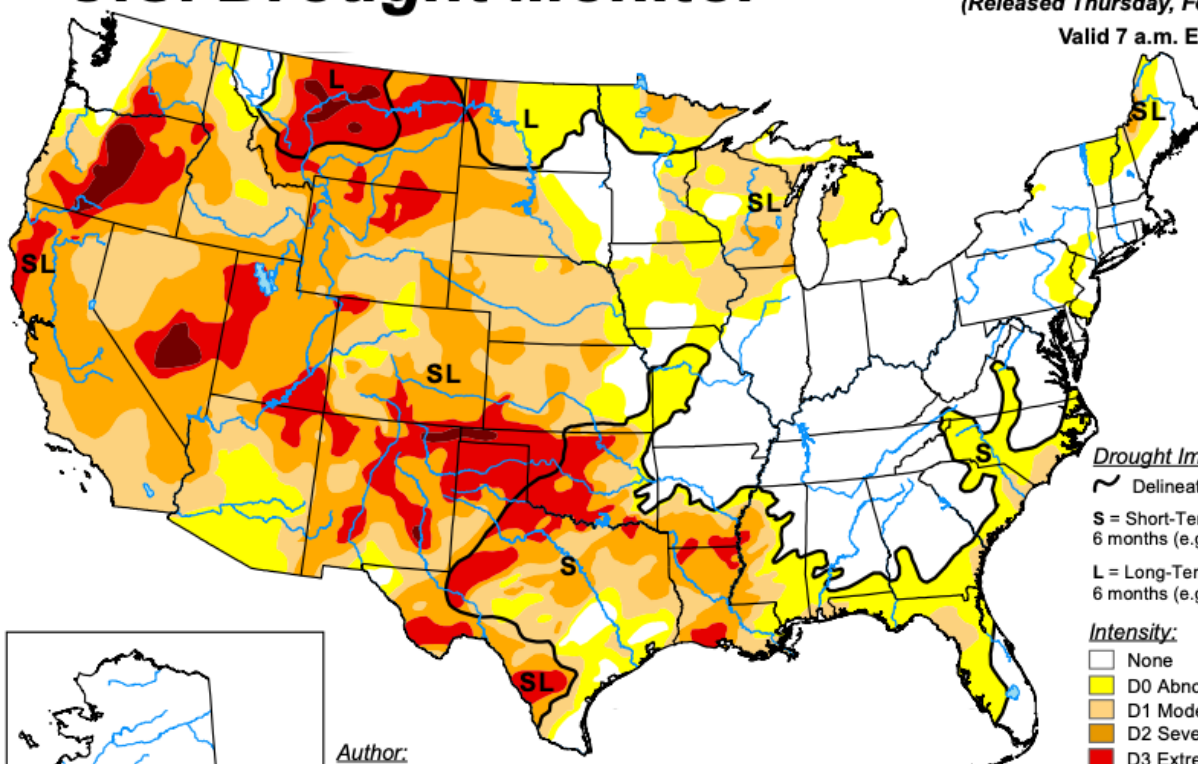
Total Cash Cost Plus Pasture Rent, Annual



U.S. Drought Monitor

February 22, 2022
(Released Thursday, Feb. 24, 2022)

Valid 7 a.m. EST



Drought Impact Types:

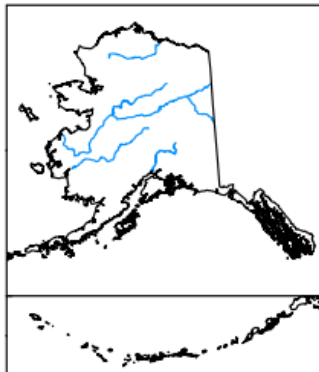
~ Delineates dominant impacts

S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)

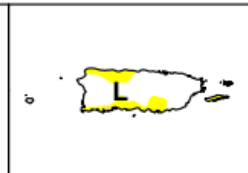
L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

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



Author:
Brad Pugh
CPC/NOAA



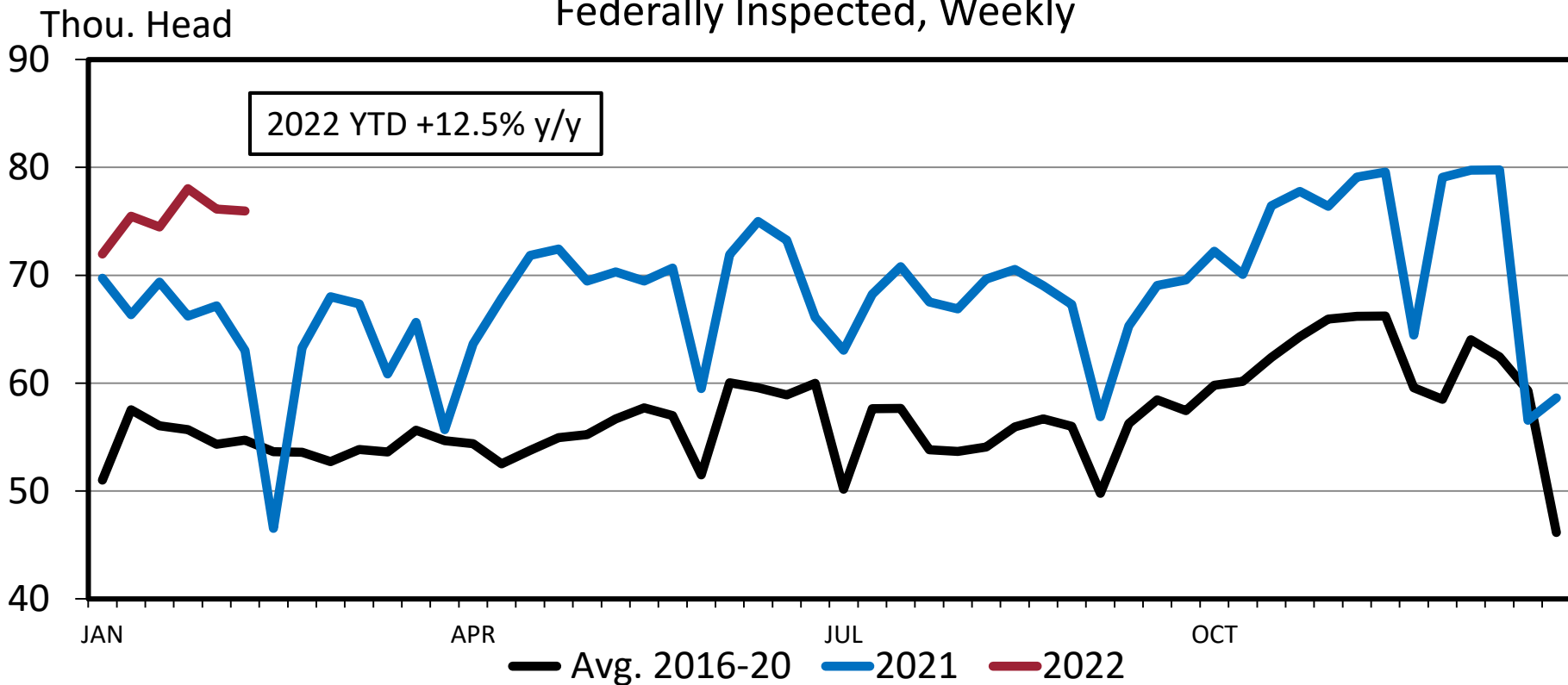
The Drought Monitor focuses on broad-scale conditions.
Local conditions may vary. For more information on the
Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



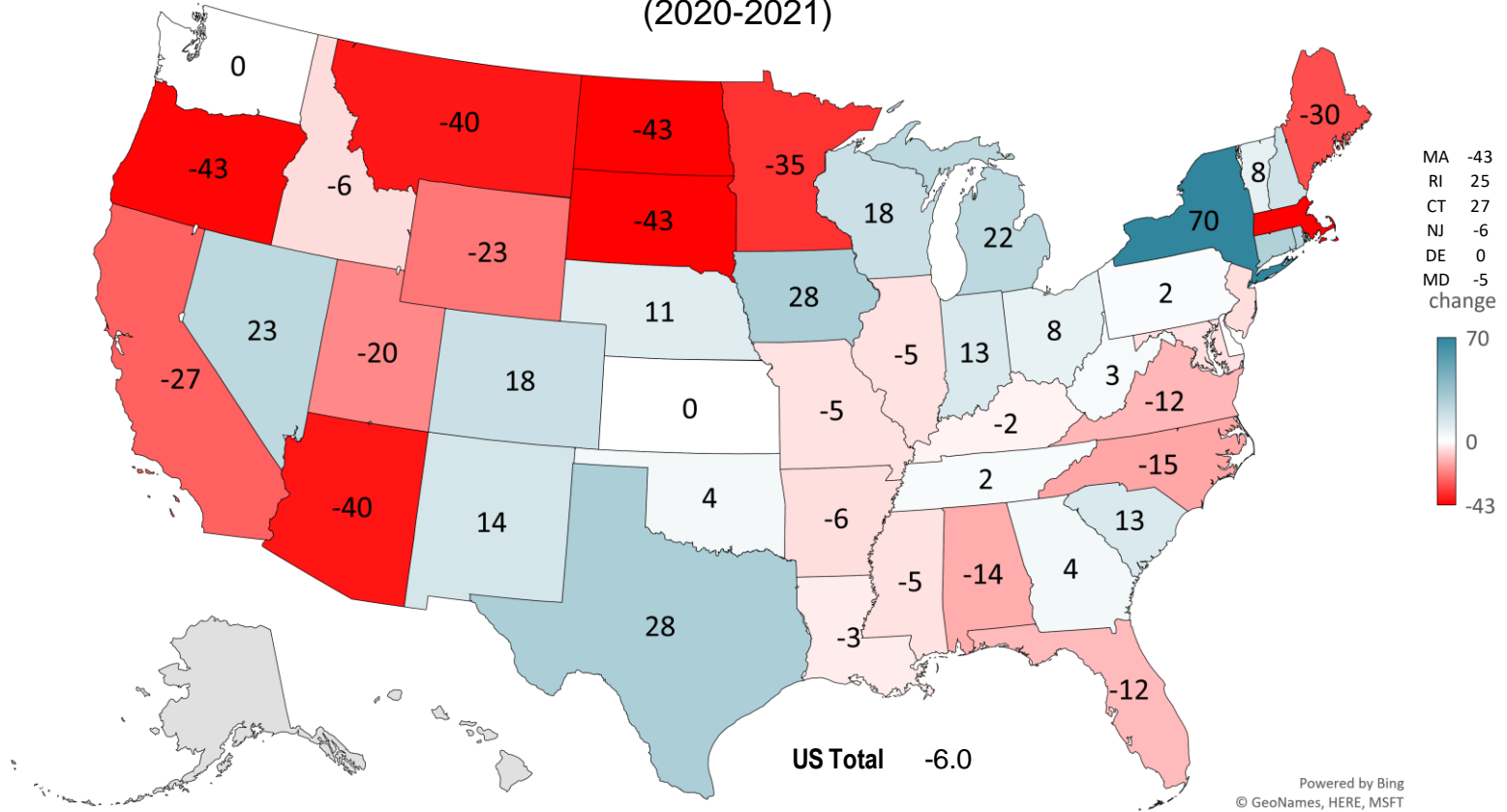
droughtmonitor.unl.edu

BEEF COW SLAUGHTER

Federally Inspected, Weekly



PERCENT CHANGE DECEMBER 1 HAY STOCKS (2020-2021)

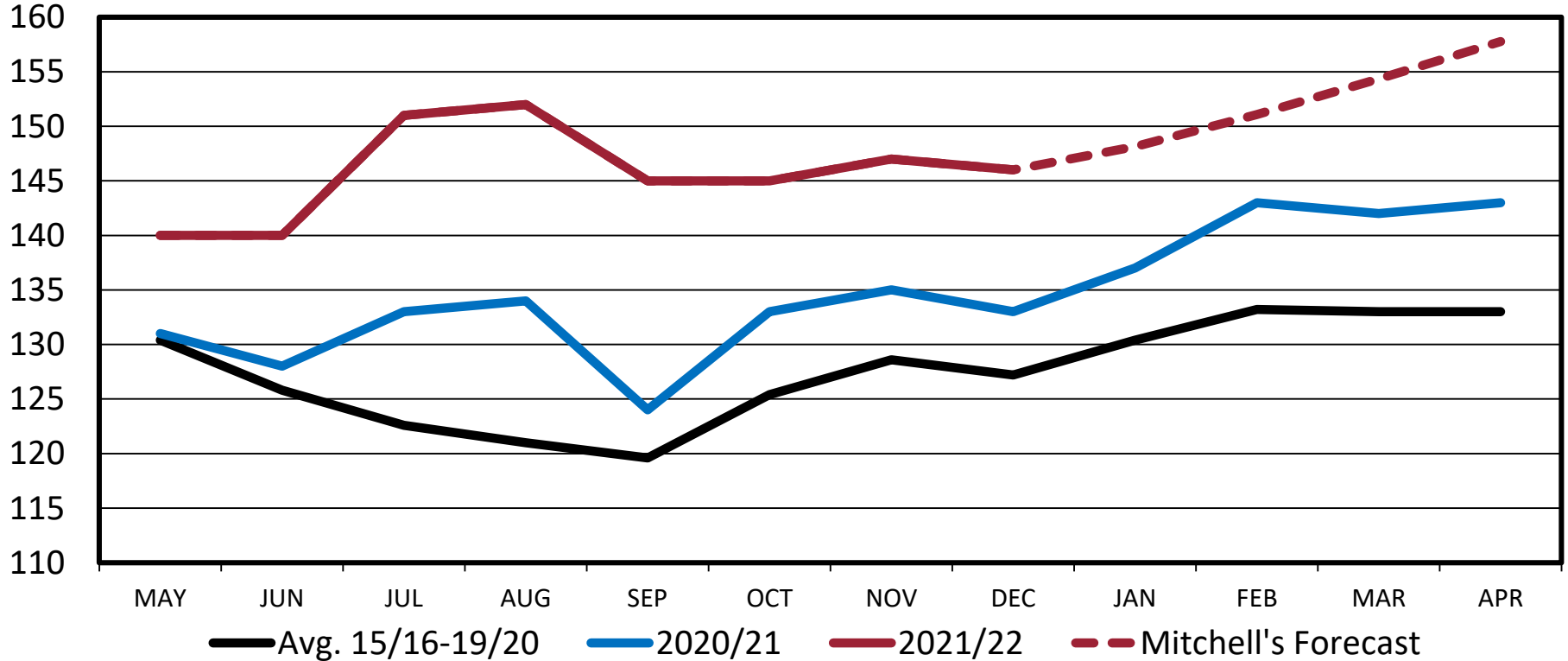


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OTHER HAY – MONTHLY AVERAGE PRICE

Received by Farmers, U.S., Crop Year

\$ Per Ton



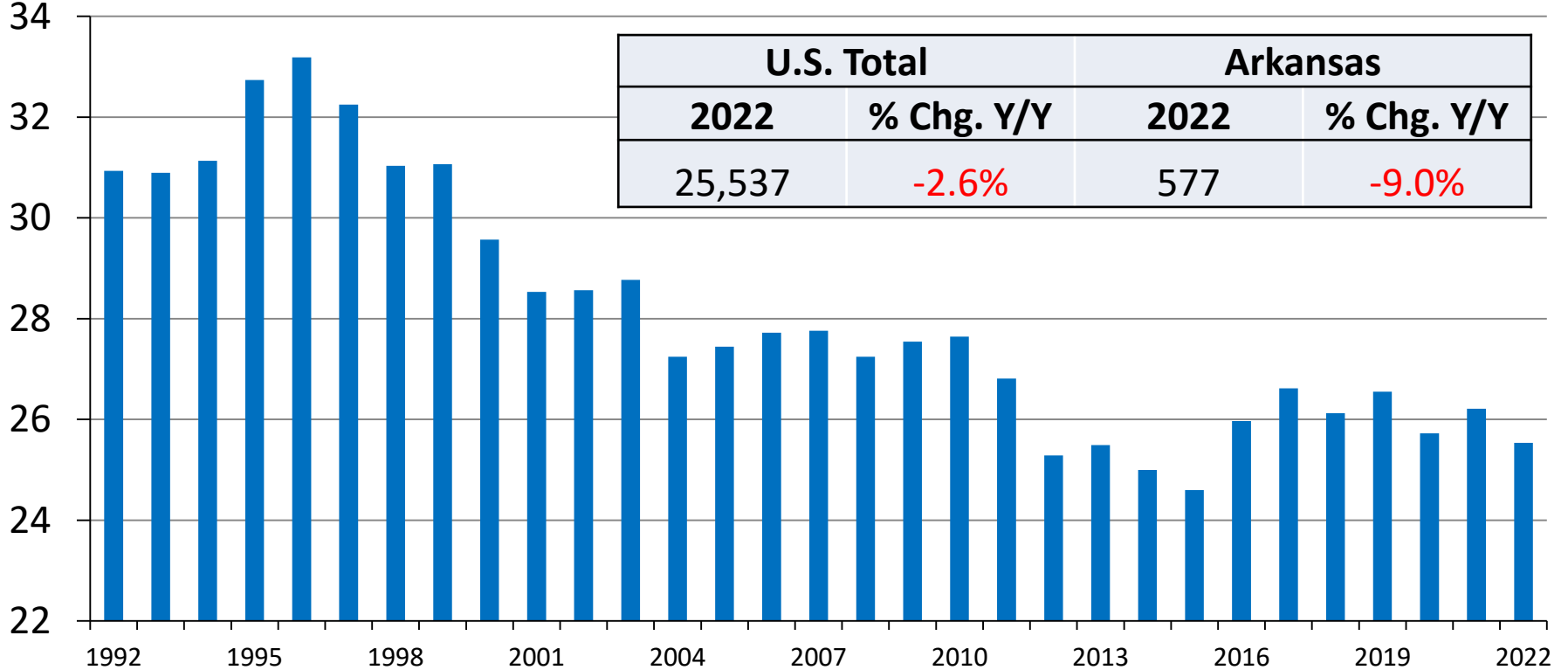
Supply

USDA-NASS January 1, 2022 Estimates (1,000 head)	U.S. Total		Arkansas	
	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%

JANUARY 1 FEEDER CATTLE SUPPLIES

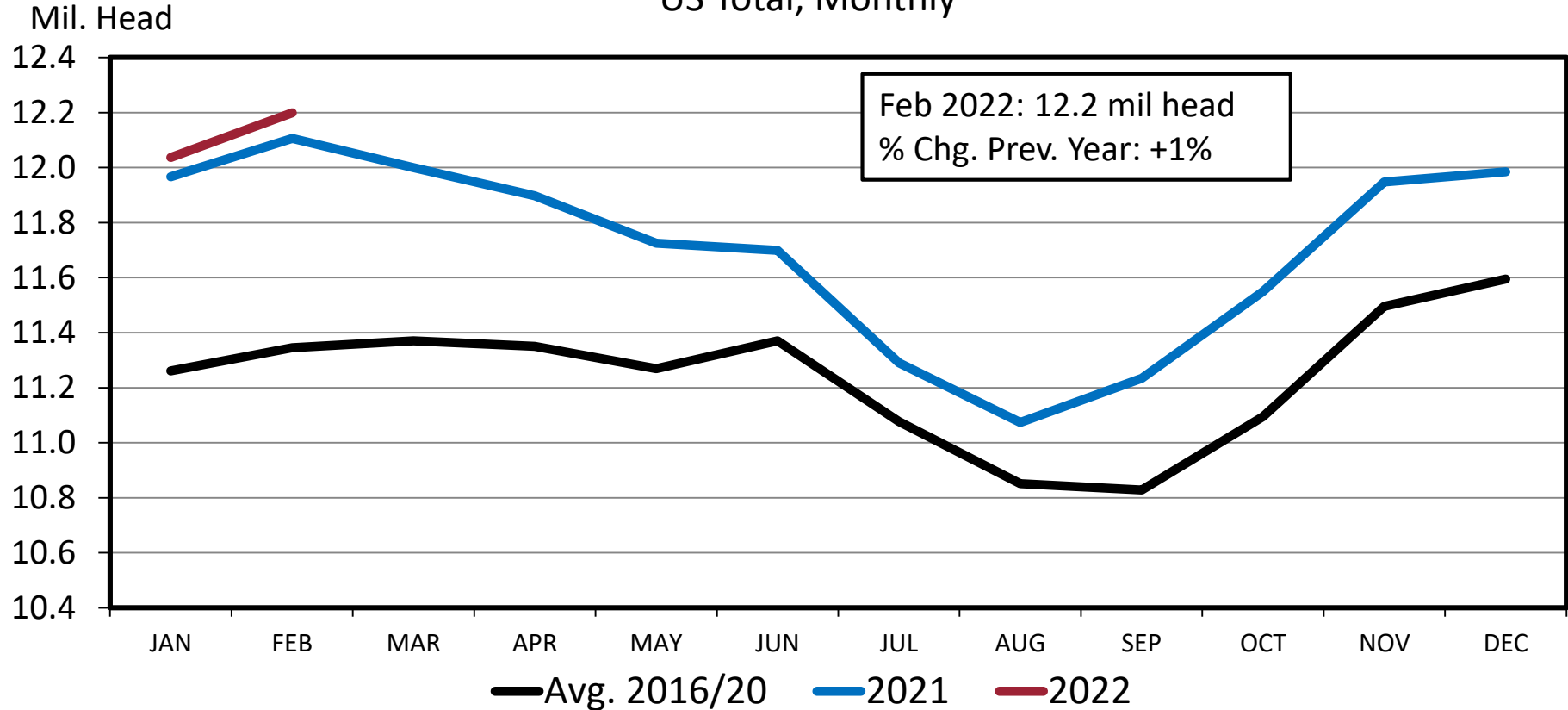
Residual, Outside Feedlots, U.S.

Mil. Head



CATTLE ON FEED

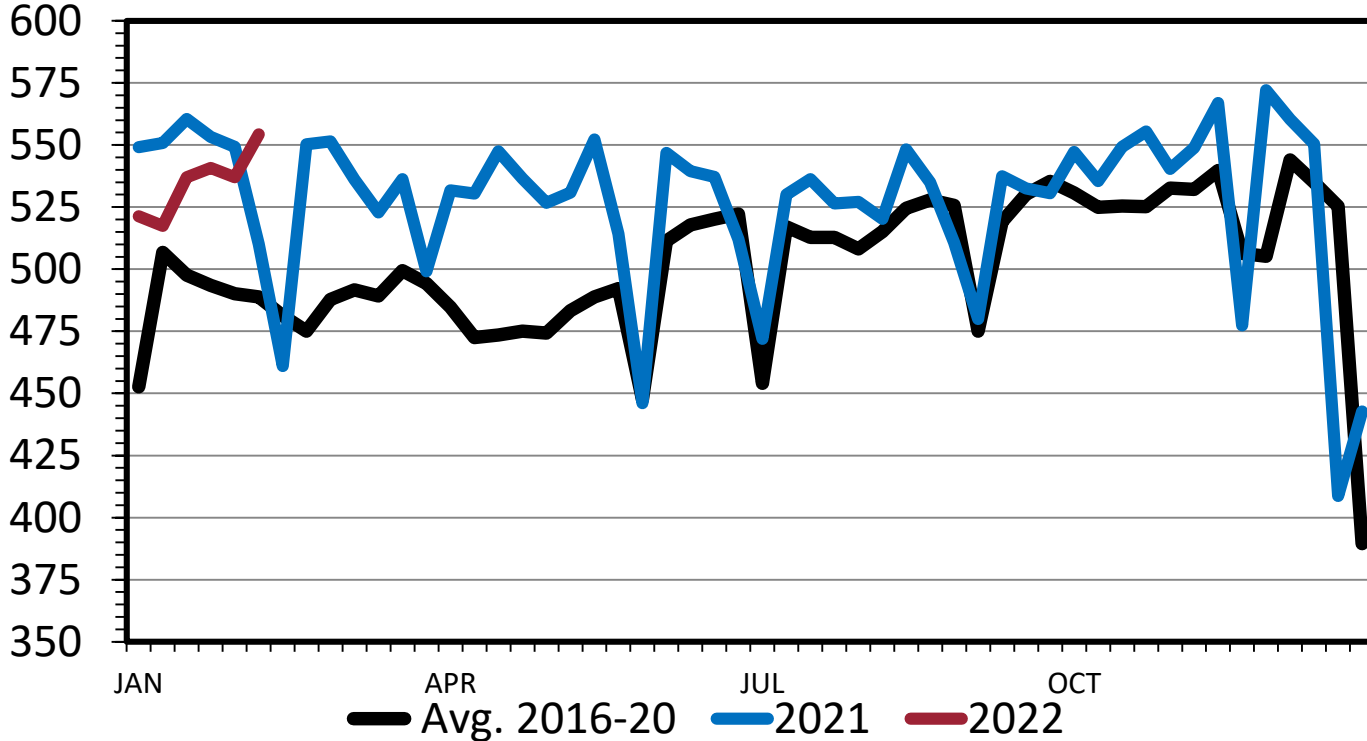
US Total, Monthly



BEEF PRODUCTION

Federally Inspected, Weekly

Mil. Pounds

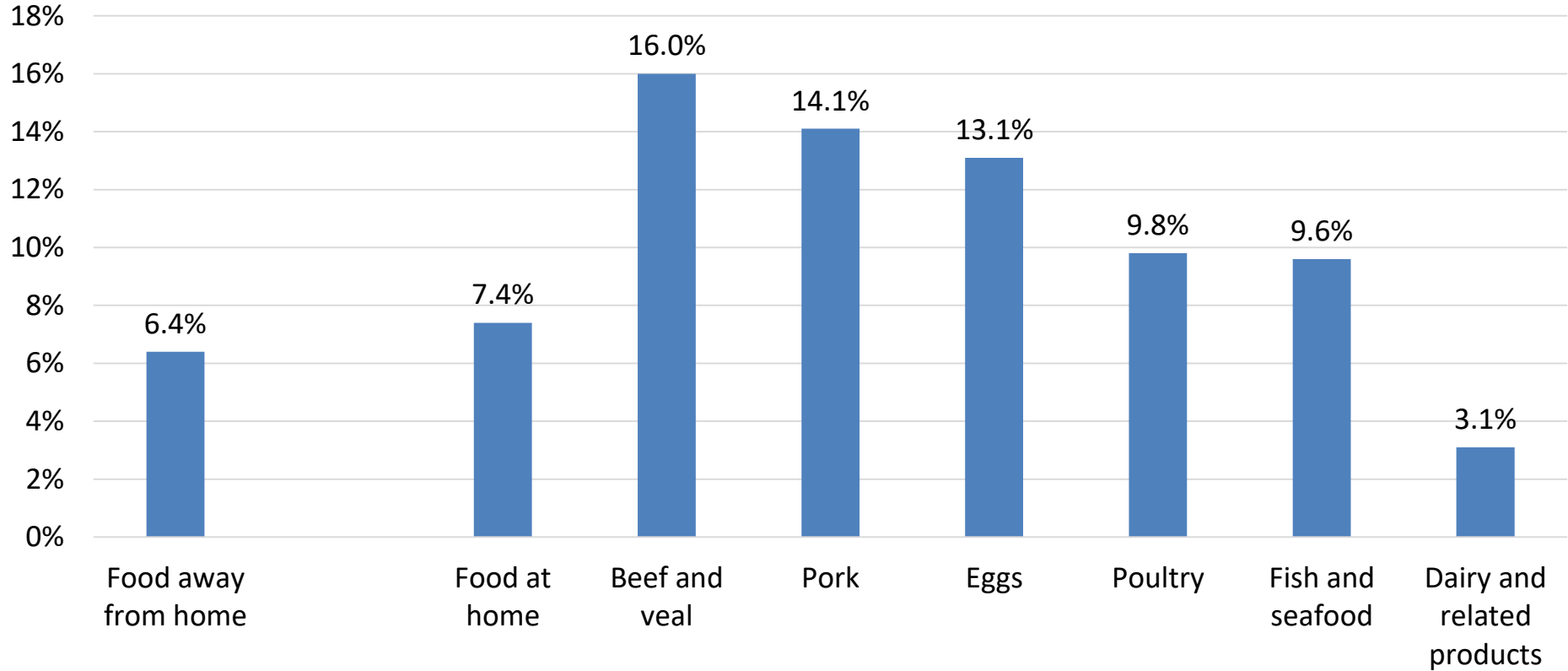


Forecast: 1/24/2022

	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

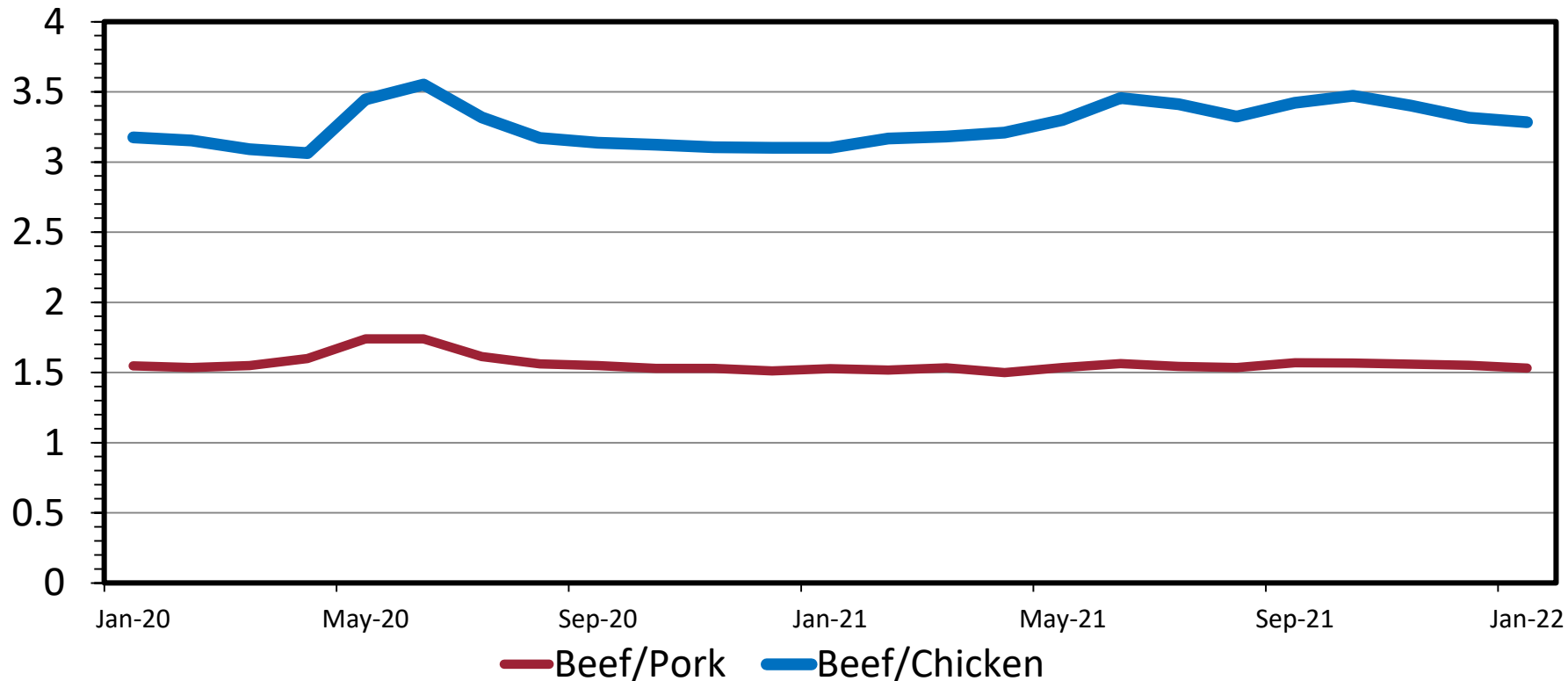
Food Price Inflation Jan 2022 vs. Jan 2021



RELATIVE MEAT PRICES

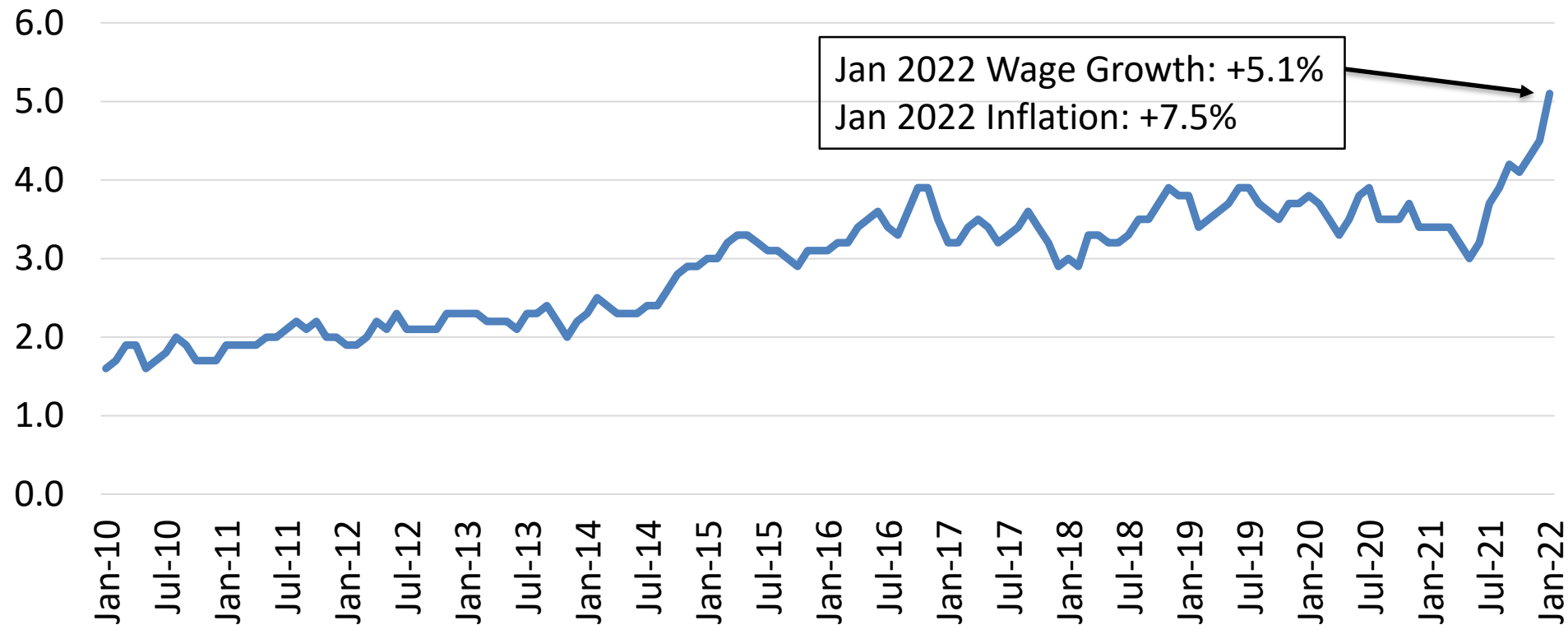
Jan 2020 - Jan 2022

Price Ratio

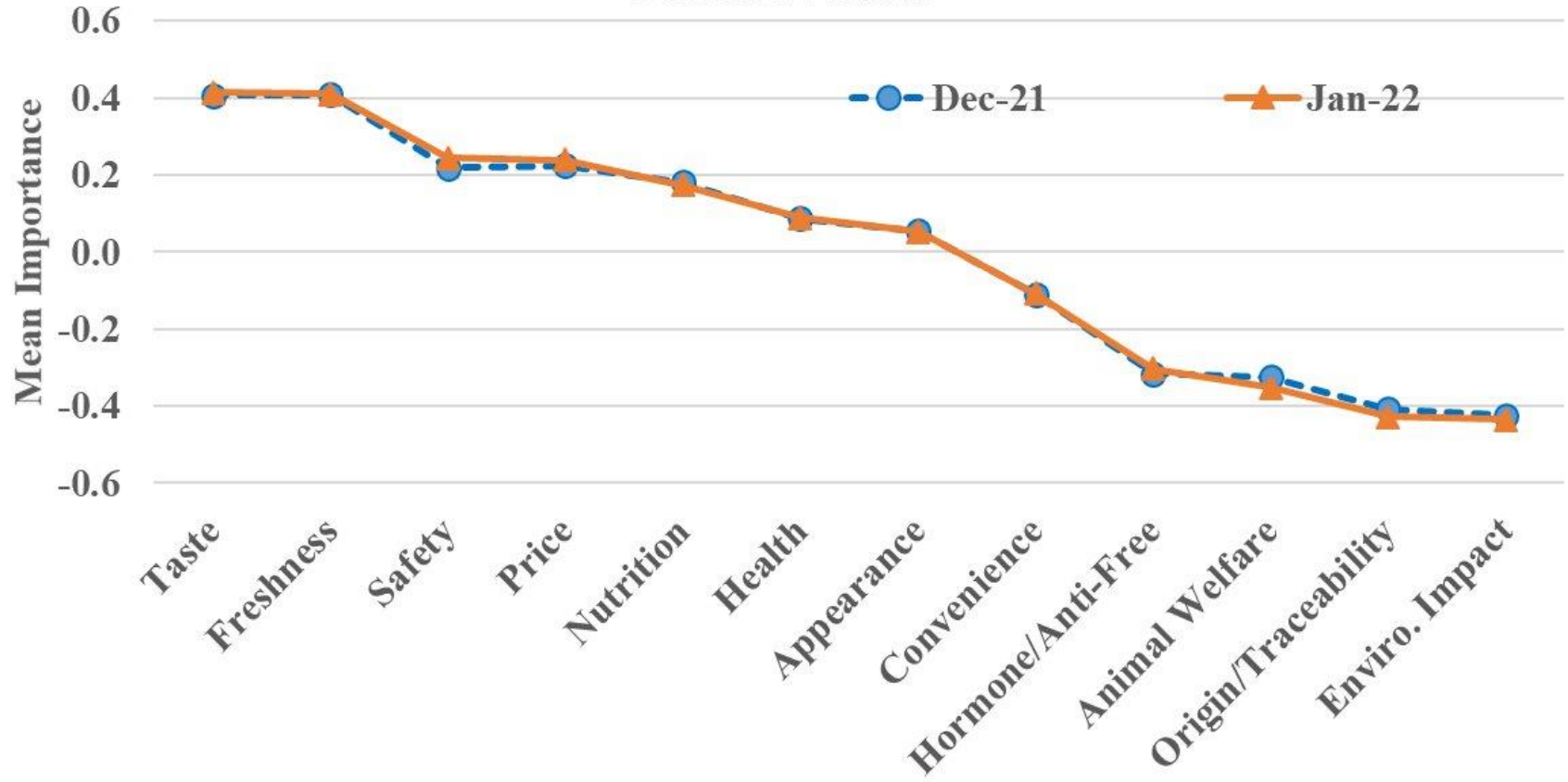


Wage Growth Tracker

three-month moving average of median year-over-year wage growth



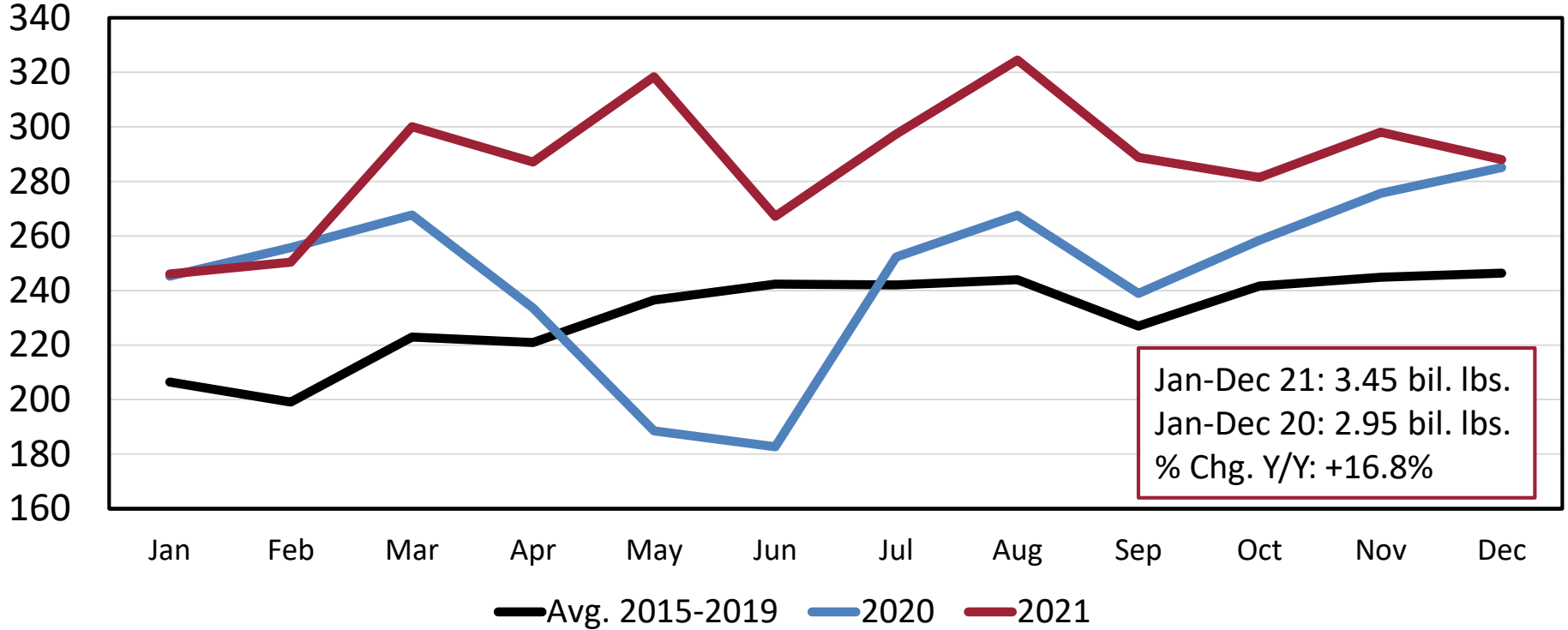
Protein Values



Trade

US Beef and Veal Exports, Carcass Weight, Monthly

Mil. Pounds



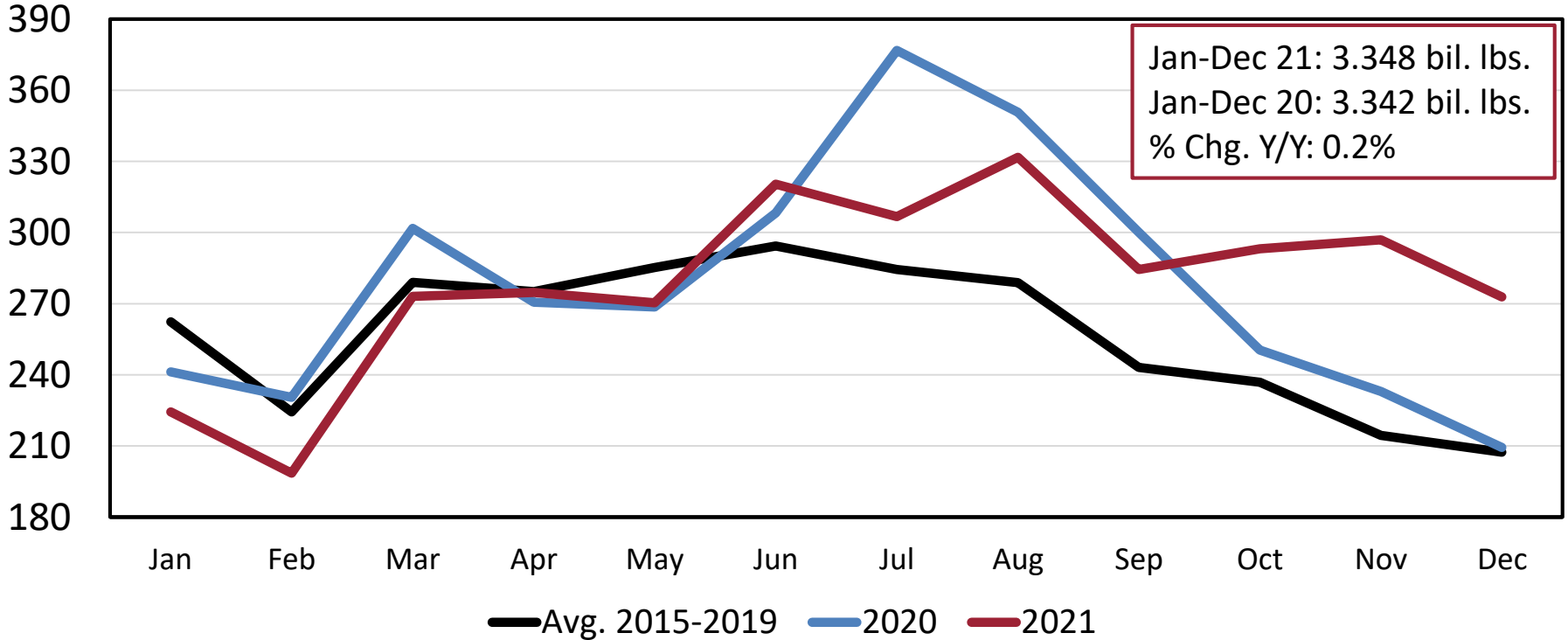
US YTD Beef Exports (Mil. Pounds)

	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%

USMEF: Export value \$407 per steer/heifer slaughtered, +35% y/y

US Beef and Veal Imports, Carcass Weight, Monthly

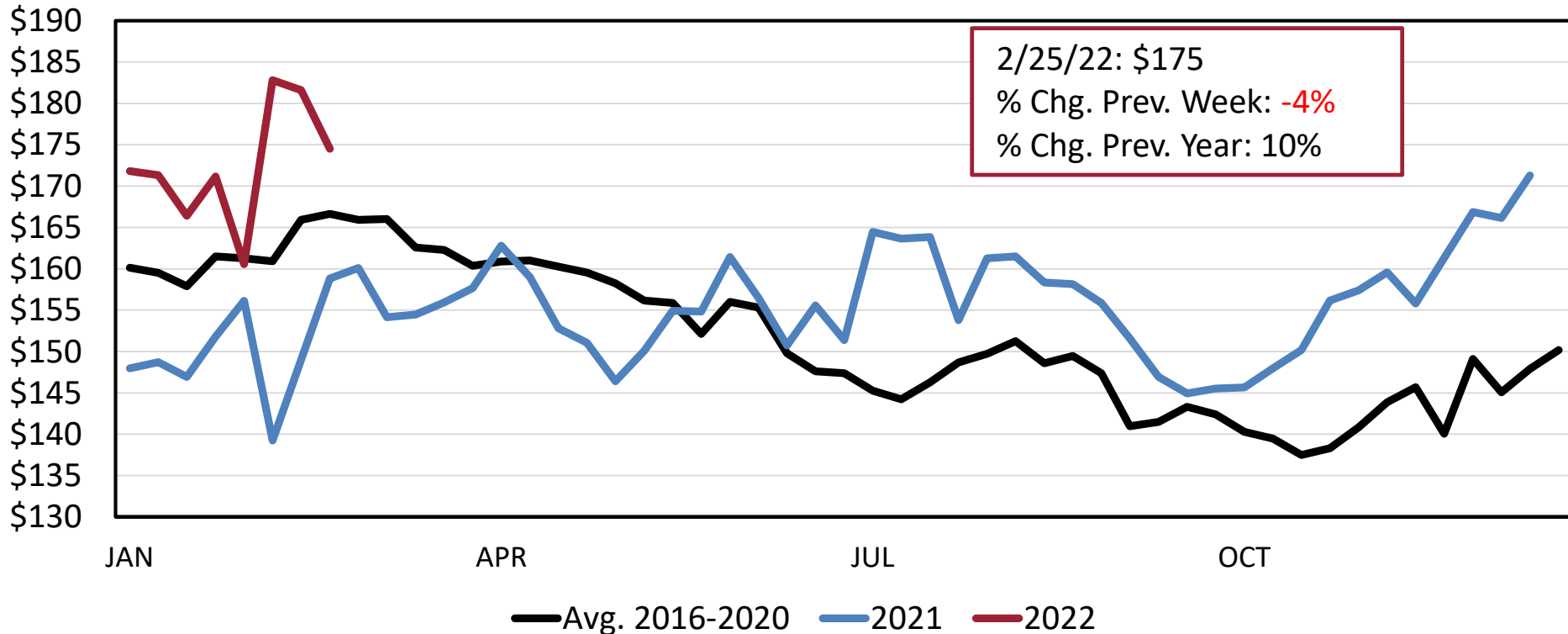
Mil. Pounds



Cattle Markets

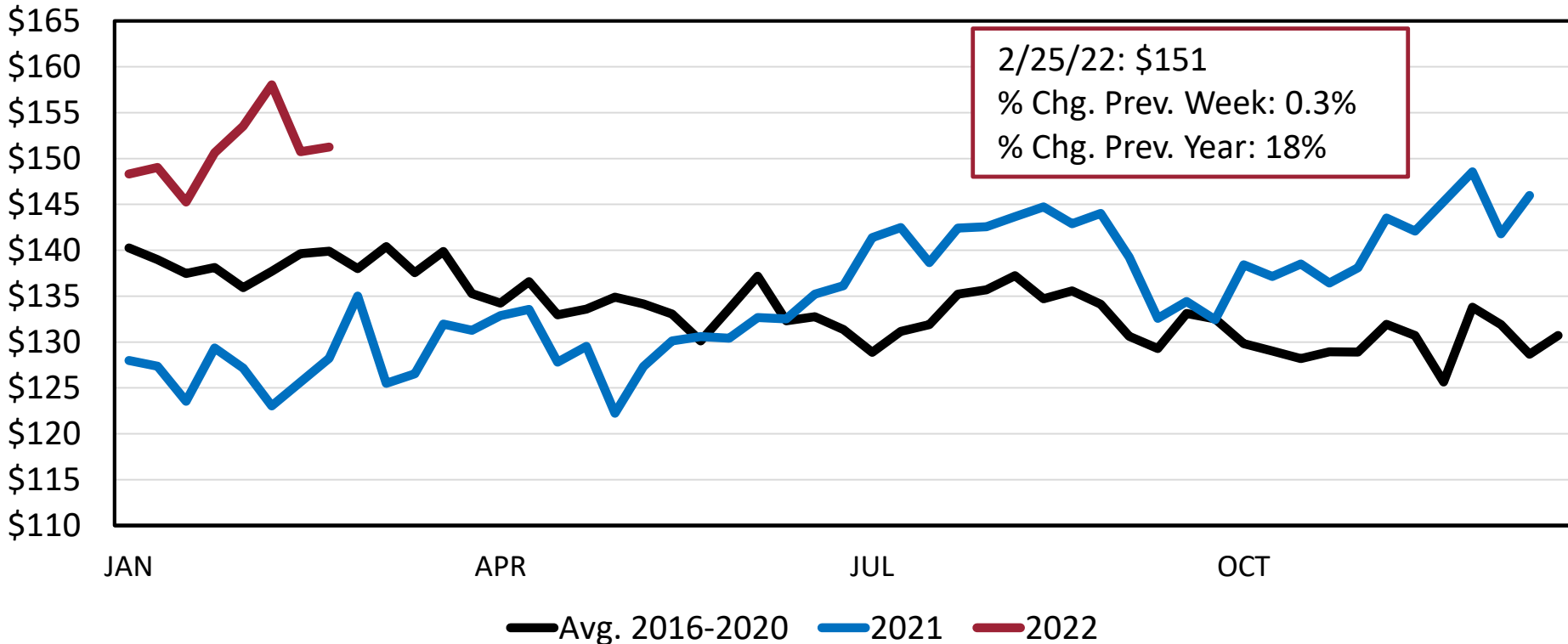
Arkansas Steer Calf - Medium & Large #1 500-600 Pounds

\$ Per Cwt.



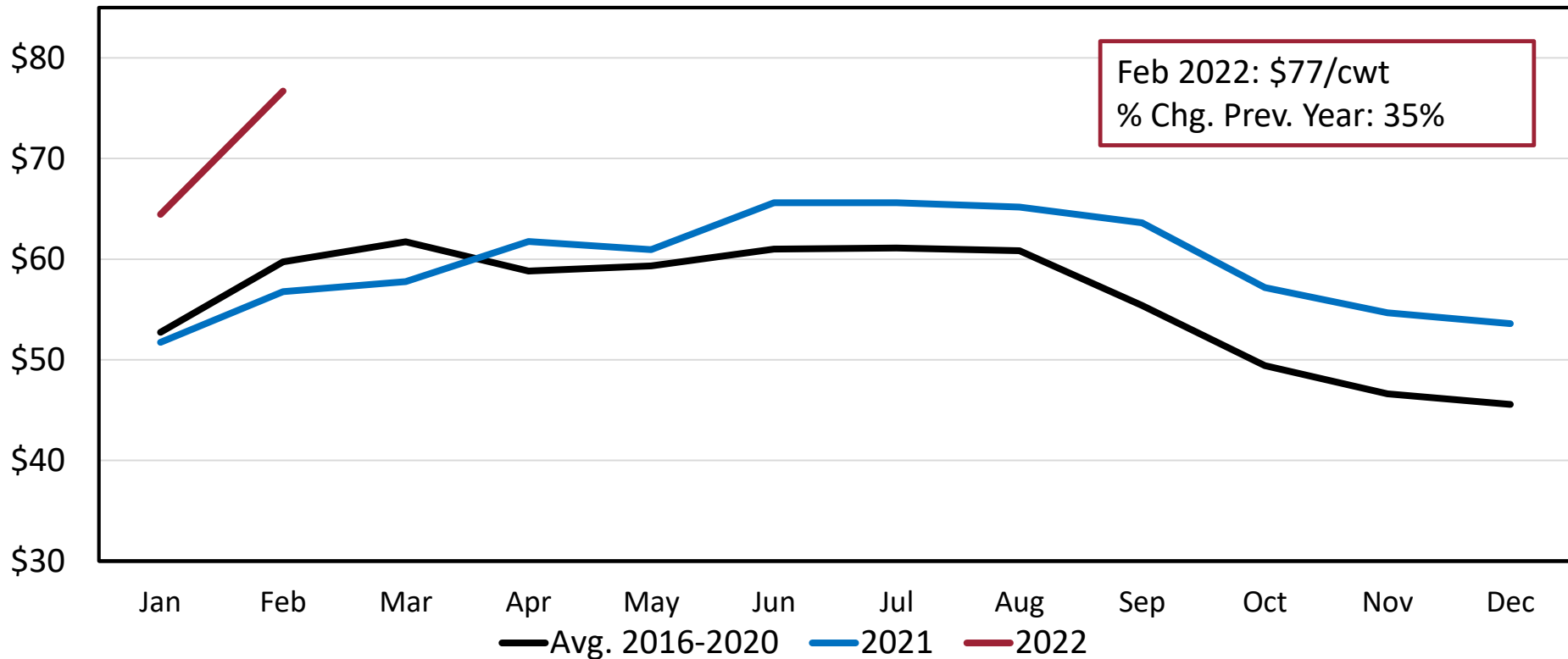
Arkansas Feeder Steers - Medium & Large #1 700-800 Pounds

\$ Per Cwt.



Arkansas Monthly Breaking Cow Prices 2015-2021

\$ Per Cwt.



Outlook

Forecasts: FEB 2022

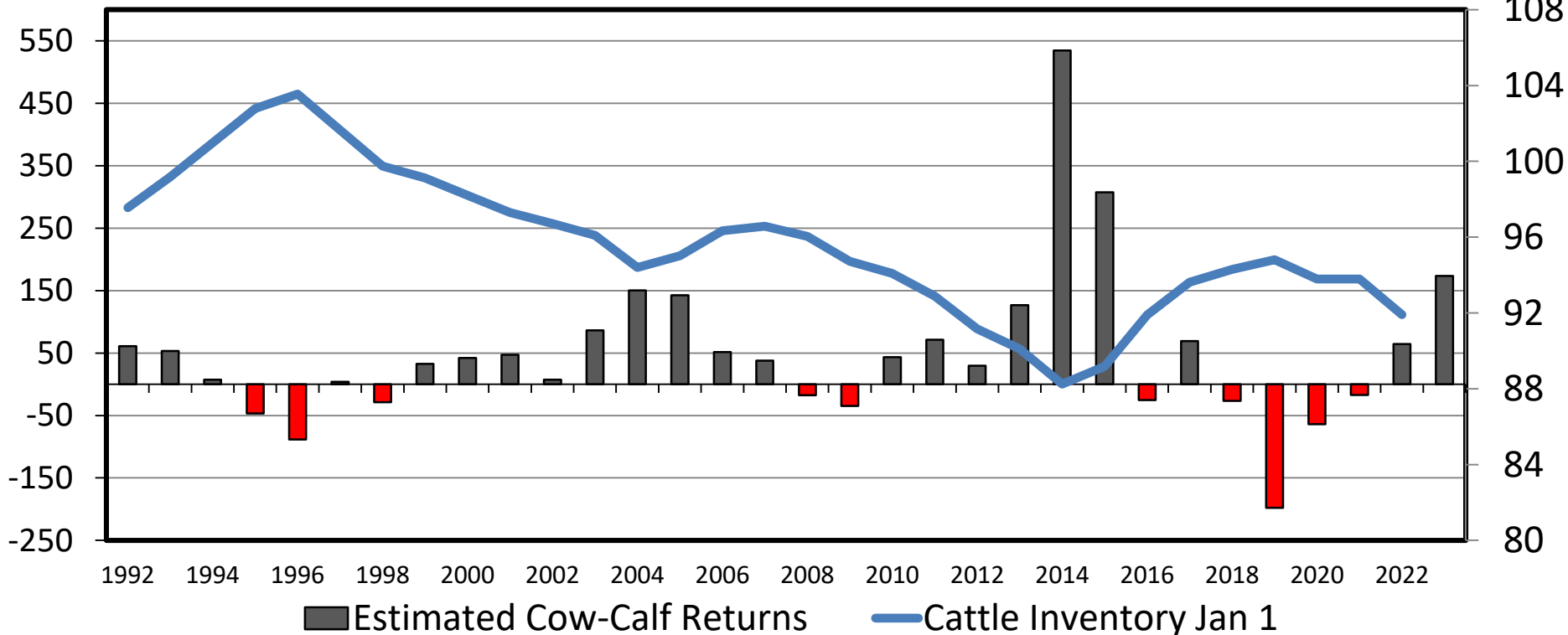
Mitchell's Forecast (\$/CWT)	2022 QTR1	2022 QTR2	2022 QTR3
AR 5-600 lb. Feeder Steers	176-183	188-193	182-189
AR 7-800 lb. Feeder Steers	157-162	166-171	168-174
LMIC's Forecast (\$/CWT)			
SP 5-600 lb. Feeder Steers	188-189	187-192	185-195
SP 7-800 lb. Feeder Steers	161-162	159-162	170-175
SP Fed Steers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

COW CALF RETURNS AND CATTLE INVENTORY

U.S., Annual

\$ Per Cow

Mil. Head



Cattle Market Notes Weekly

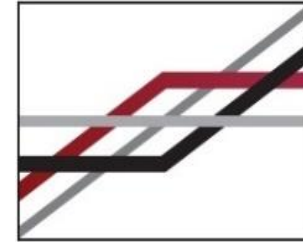
Josh Maples



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PDF copy of slides available:

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

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