Situation Analysis

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Agricultural Challenges

- More with less
  - Biofuels & global food demand
  - Environmental limitations
  - Anti-science/commercial mentality
- Resource Pressure
  - Competition among crops and with forage and hay for acres
- High & volatile input prices
Beef Industry
Cattle Inventory Report, January 1

- All cattle & calves -2%, 89.3 mil hd
  - NE: -2% at 6.3 mil hd
- Beef cow inventory -3%, 29.3 mil hd
  - NE: -4% at 1.8 mil hd
- Beef replacement heifers +2%, 5.4 mil hd
  - NE: -9%, 350 thousand hd
- Calf crop -2.9%, 34.3 mil hd
  - NE: +2%, 1.7 mil hd
- Cattle & calves on feed for slaughter -5%, 13.4 mil hd
  - NE: -4%, 2.6 mil hd
- Calves grazing small grain pasture (3 state) -16%,
Feedstuffs

- Corn
- Pasture conditions
- Hay
- DDGS
Corn for Food, Seed and Industrial Use

![Chart showing the increase in million bushels of corn used for food, seed, and industrial use from 1980 to 2010. The chart includes two categories: Ethanol and Other. The data shows a significant increase in the use of corn for ethanol from 1996 onwards.](chart.png)
U.S. CORN DISAPPEARANCE AND STOCKS

Crop Year

Livestock Marketing Information Center

Data Source: USDA-NASS, Compiled & Forecasts by LMIC
OMAHA CORN PRICES
Weekly

$ Per Bu.

Avg.
2007-11
2012
2013

Livestock Marketing Information Center
Data Source: USDA-AMS
June 2, 2013: 8.76 million acres unplanted
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

http://droughtmonitor.unl.edu/

Released Thursday, June 6, 2013

Author: David Simmeral, Western Regional Climate Center
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

http://droughtmonitor.unl.edu
Beef Cows in States with 40% Poor to Very Poor
October 2011 ~ 48%
May 2012 ~ 20%
October 2012 ~ 70%
May 2013 ~ 52%

US RANGE AND PASTURE CONDITION
Percent Poor and Very Poor, Weekly
GREAT PLAINS REGION
RANGE AND PASTURE CONDITION
Percent Poor and Very Poor, Weekly

Nebraska June 3rd:
58% Poor and Very Poor

Livestock Marketing Information Center
Data Source: USDA-NASS, Compiled & Analysis by LMIC
G-NP-32
06/03/13
Dec. 1 US Stocks
lowest since 1957

NE Dec 1 Stocks:
2012 – 3.1 mil tons
2011 – 4.3 mil tons
2010 – 4.7 mil tons

May. 1 US Stocks prior low:
15 million tons 2007

NE May 1 Stocks:
2013 – 610 thousand tons
2012 – 1.1 mil tons
2011 – 1.3 mil tons

Livestock Marketing Information Center
Data Source: USDA-NASS, Compiled & Forecasts by LMIC
PERCENT CHANGE DECEMBER 1 HAY STOCKS
(2012-2011)

[Map showing percentage changes in hay stocks across different states, with states like Texas showing a large decrease at 68%, while others like New York show a smaller decrease at 14%.]

Data Source: USDA-NASS
U S ALL HAY SUPPLY
Crop Year

Livestock Marketing Information Center
Data Source: USDA-NASS, Compiled & Forecasts by LMIC

G-NP-19
05/10/13
Livestock Marketing Information Center
Data Source: USDA-NASS

June 3, 2013 Alfalfa Condition:
18% Poor to Very Poor
37% Fair
49% good to excellent
First cutting 9% complete
**OTHER HAY - MONTHLY AVERAGE PRICE**

Received by Farmers, U.S., Crop Year

Livestock Marketing Information Center
Data Source: USDA-NASS

G-P-13
06/03/13

**June 3, 2013 Hay & Forage Supplies:**
75% short to very short
24% adequate
1% surplus

**Other Hay - Monthly Average Price**

Received by Farmers, Nebraska, Crop Year
Distillers Grain Prices
Nebraska, Weekly

$ Per Ton

Jan-12  Mar-12  May-12  Jul-12  Sep-12  Nov-12  Jan-13  Mar-13  May-13

Dried w/Solubles
Modified Wet
Wet
Thoughts

- High & Volatile Prices
- Find alternative feedstuffs
  - Crop residues

- Where is beef industry headed?
Longer-Term Projections (as of Feb. 2013)

[Graph showing projected beef inventory and per capita consumption from 2010 to 2024.]

- Beef cow inventory (1,000 head)
- Per capita, retail weight Pounds

- 2010: Beef cow inventory 30,850
- 2012: Beef cow inventory 29,785
- 2014: Beef cow inventory 29,500
- 2016: Beef cow inventory 30,193
- 2018: Beef cow inventory 31,088
- 2020: Beef cow inventory 32,220
- 2022: Beef cow inventory 33,304
- 2024: Beef cow inventory 33,473

- Per capita consumption (retail weight) 2010: 57.3
- Per capita consumption (retail weight) 2012: 56.8
- Per capita consumption (retail weight) 2014: 54.8
- Per capita consumption (retail weight) 2016: 53.4
- Per capita consumption (retail weight) 2018: 54.0
- Per capita consumption (retail weight) 2020: 55.1
- Per capita consumption (retail weight) 2022: 55.2
- Per capita consumption (retail weight) 2024: 54.7
BEEF PRODUCTION PER COW
1988-2013 (Est.), Annual

Livestock Marketing Information Center
Data Source: USDA-NASS, Compiled & Analysis by LMIC
Calf Crop
U.S., Annual

Livestock Marketing Information Center
Data Source: USDA-NASS

C-N-18A
02/04/13
Livestock Marketing Information Center

Data Source: USDA-NASS
Economic Signals in the Cattle Industry
Stockers

- Historically high Values of Gain (VOG)
- Also historically high Costs of Gain (COG)
Feedlot Cost of Gain
Kansas, $/cwt
KANSAS FEEDLOT CLOSEOUTS
Feeding Costs per Cwt, Steers

Data Source: KSU Focus on Feedlots, Compiled by LMIC

05/06/13
SLAUGHTER STEER PRICES
Southern Plains, Weekly

$ Per Cwt.

Livestock Marketing Information Center
Data Source: USDA-AMS

C-P-52
06/03/13
# Quarterly Forecasts (LMIC 4/28/13)

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<th>Year</th>
<th>Quarter</th>
<th>Comm'l Slaughter</th>
<th>% Chg. From Year Ago</th>
<th>Average Dressed Weight</th>
<th>% Chg. Year Ago</th>
<th>Comm'l From Beef Production</th>
<th>% Chg. Year Ago</th>
<th>Live Sltr. From Steer Price 5-Mkt Avg Year Ago</th>
<th>% Chg. From 7-800# 5-600#</th>
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Nebraska Direct Slaughter Steer Price
Monthly Average 2002-2013

Thru June 2014 all cattle futures contracts are above $120 per cwt
Thru May 2014 all cattle futures contracts are above $145 per cwt
Thank You!

Questions/Comments