

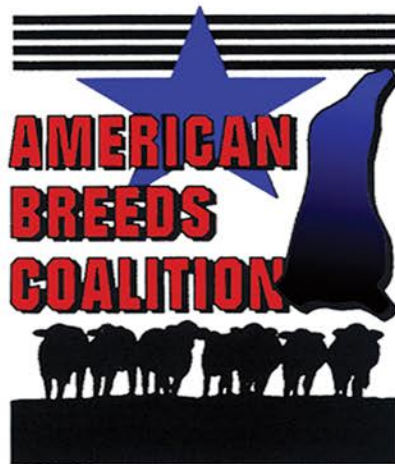
# GENERAL SESSION: THE NEXT 40 YEARS IN THE CATTLE BUSINESS?

MODERATOR: DR. JASON CLEERE

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# An Optimistic Vision of the Cattle Market

**Beef Cattle Short Course**  
**College Station, TX**

**August 7, 2023**

**David P. Anderson**  
**Professor and Extension Economist**



1

## Overview

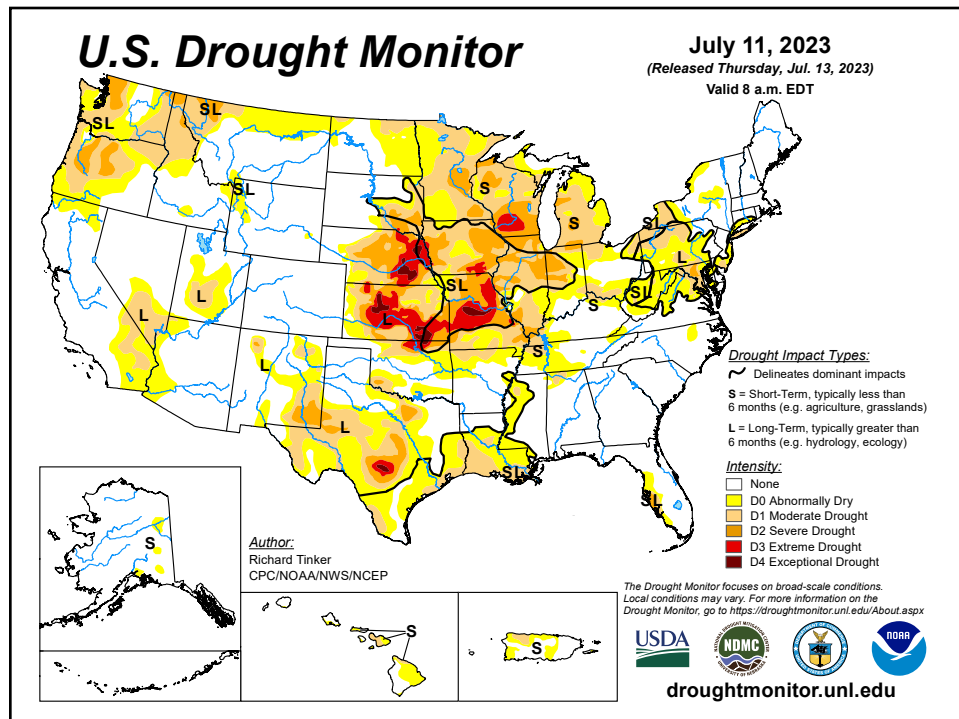
- Supplies
- Demand
- Prices



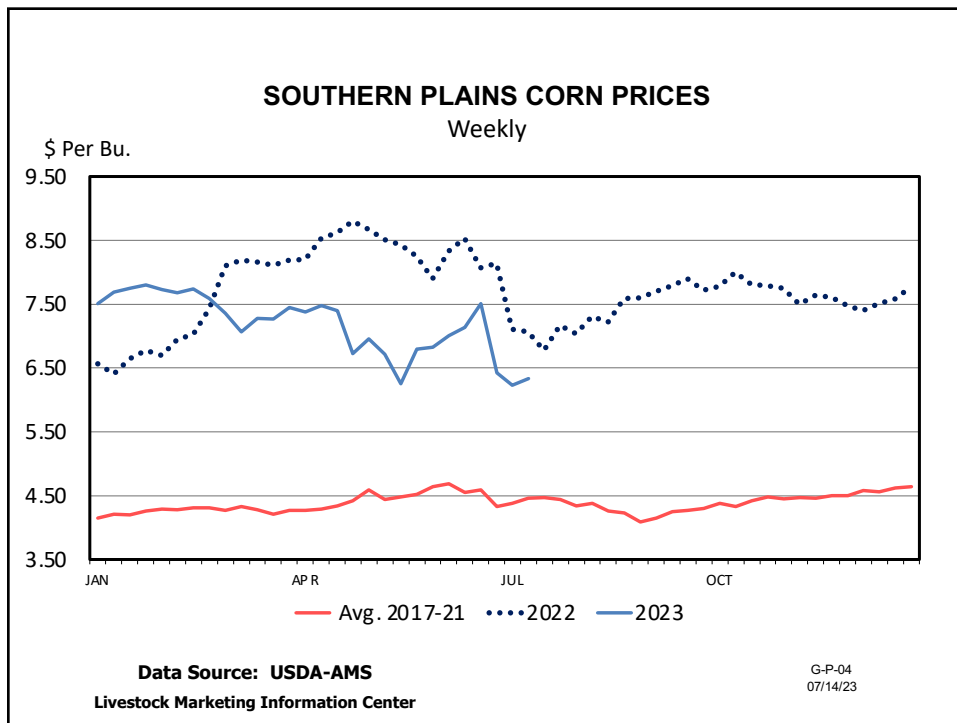
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# Overarching Issues

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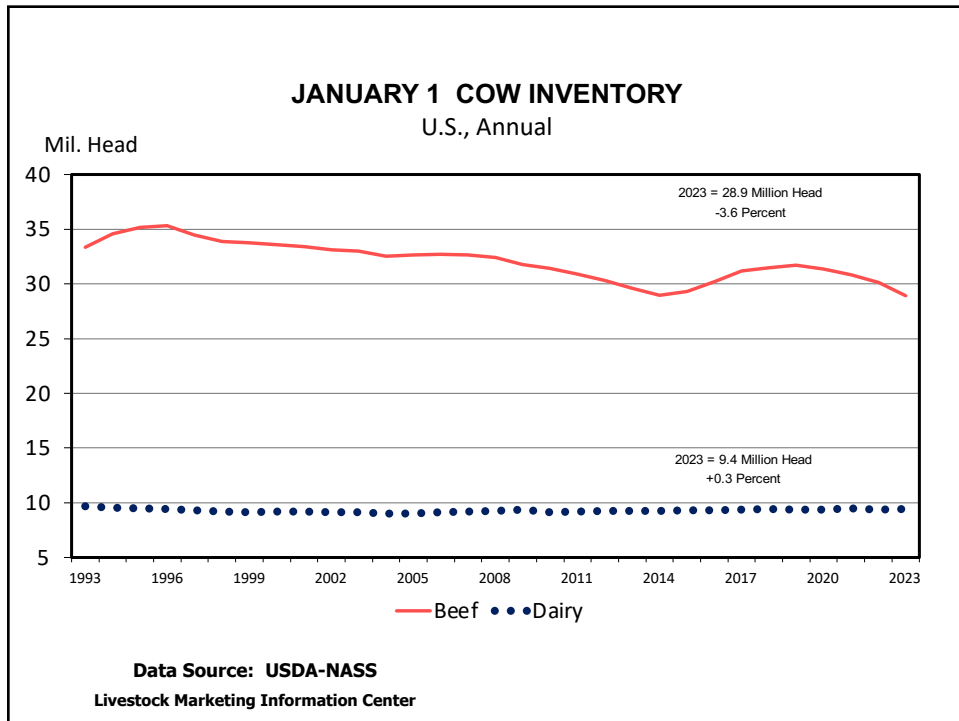


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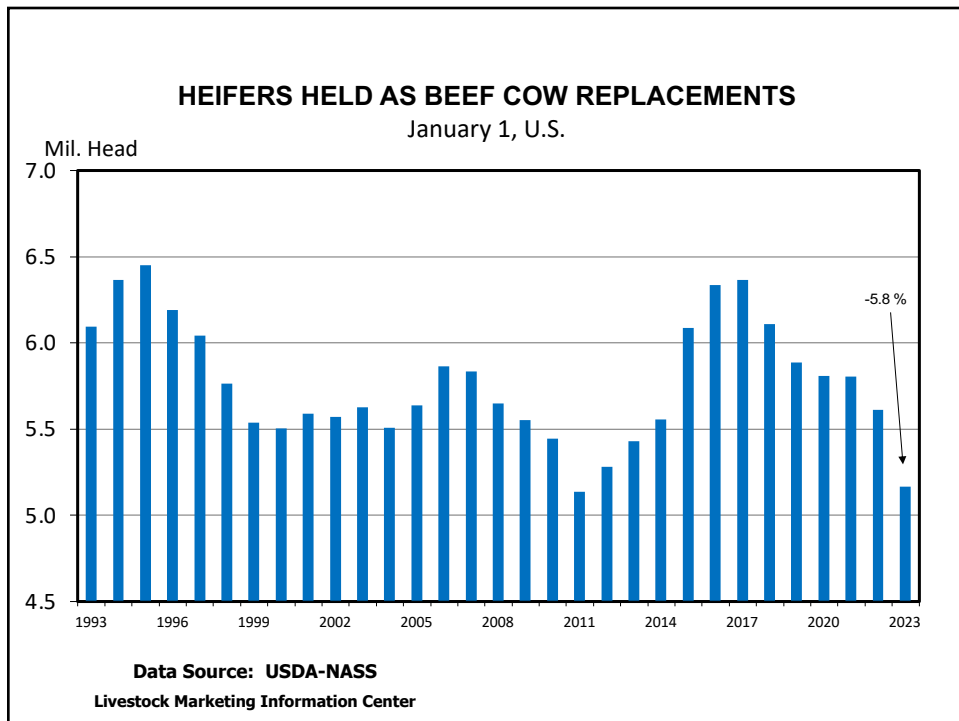
## Key Supply Side

- Tightening Supplies
  - Fewer cattle on feed, declining beef cow slaughter
- Fewer Cows, Calves
- Are Current Prices High Enough to Start Herd Rebuilding?

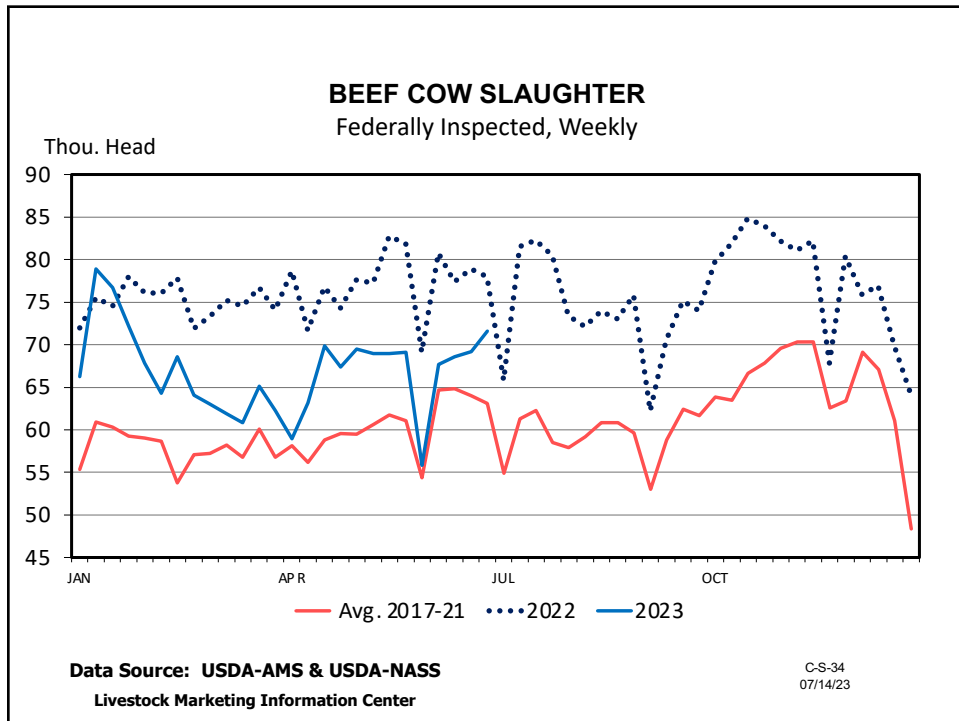
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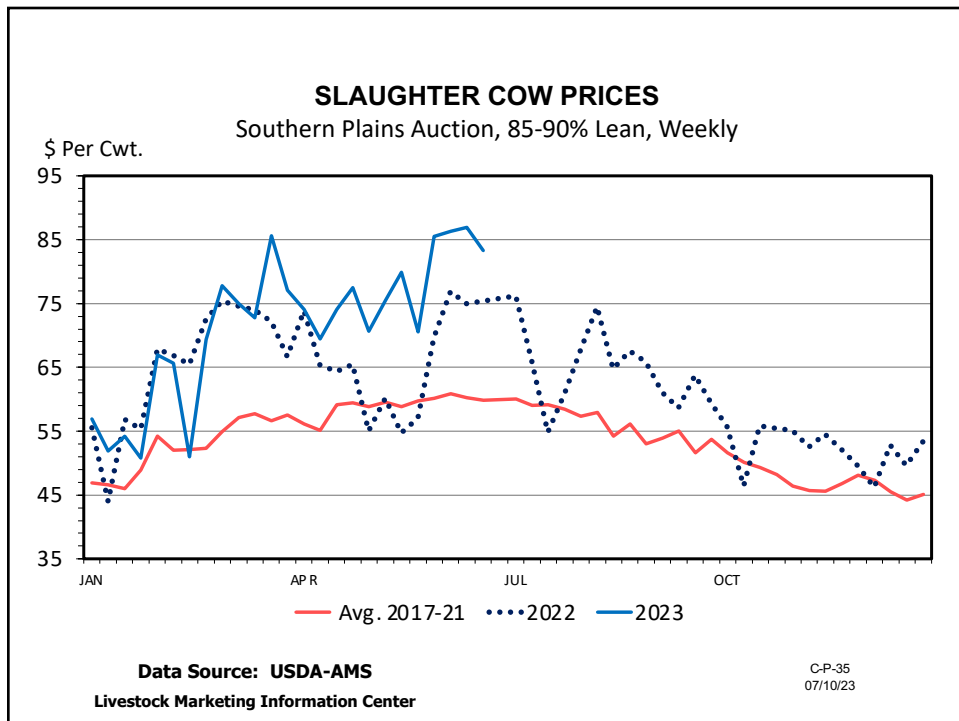
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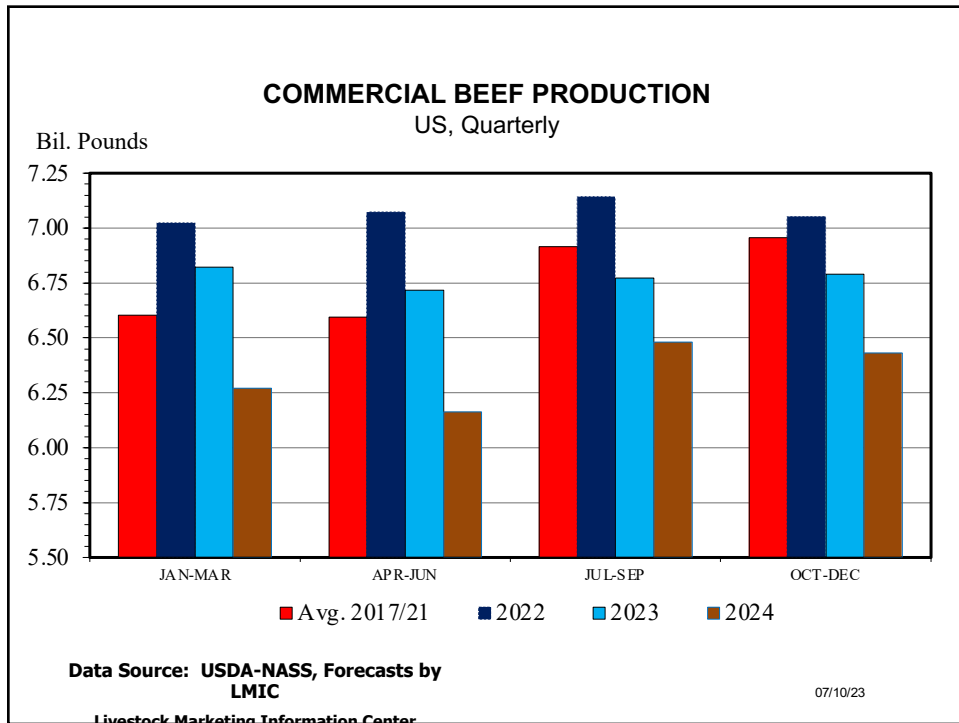
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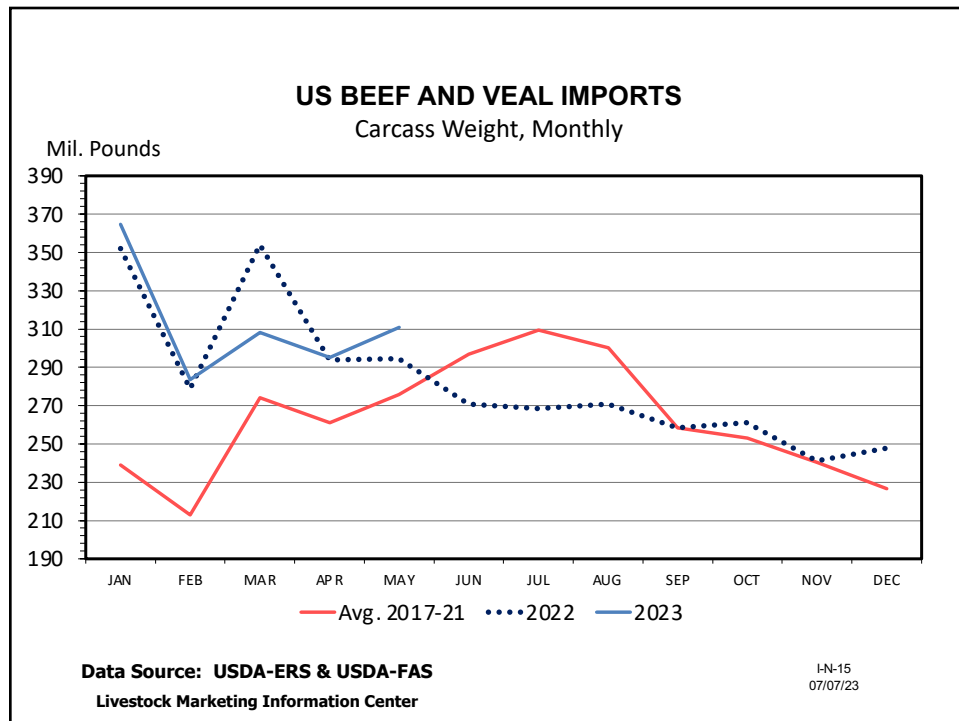
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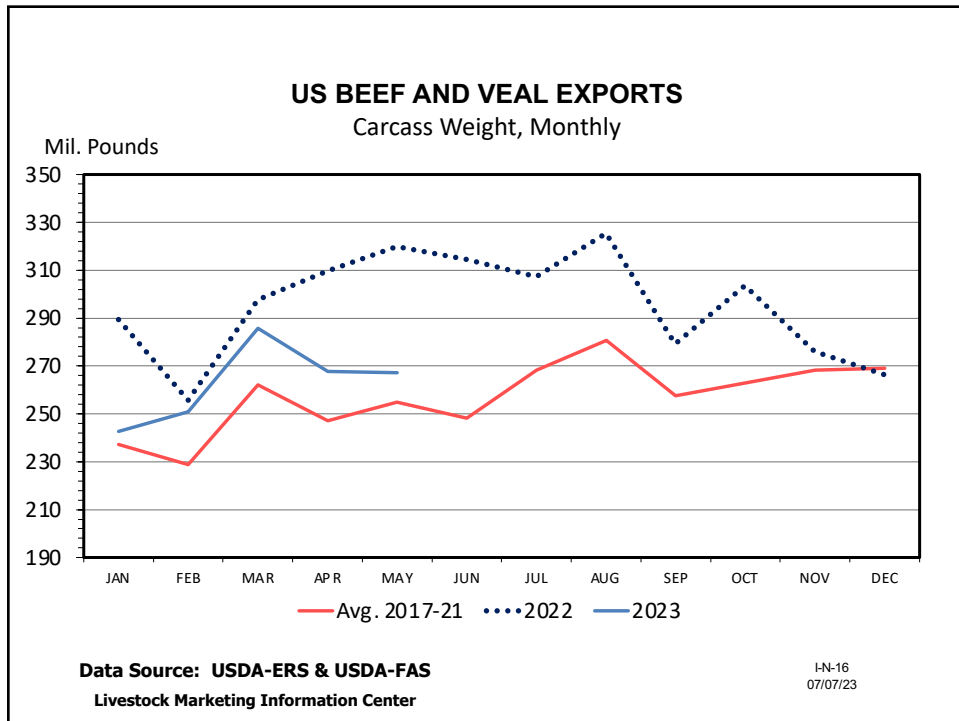
## What to Expect in Trade

- Reduced Exports
- Greater Imports
- Market at Work
  - Higher prices in U.S.
  - Reduced production

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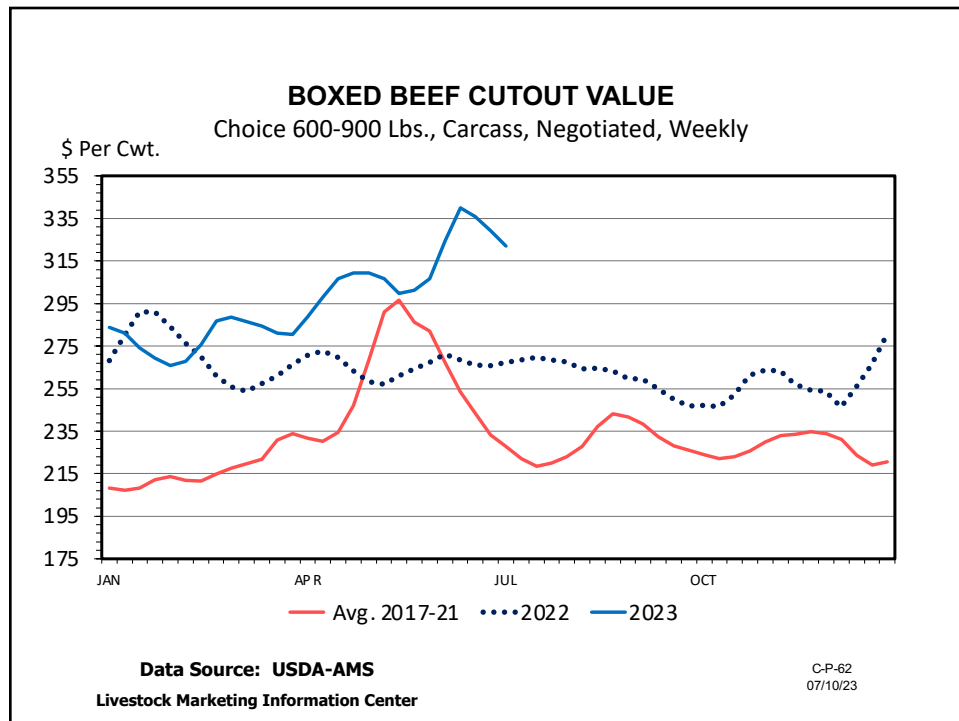


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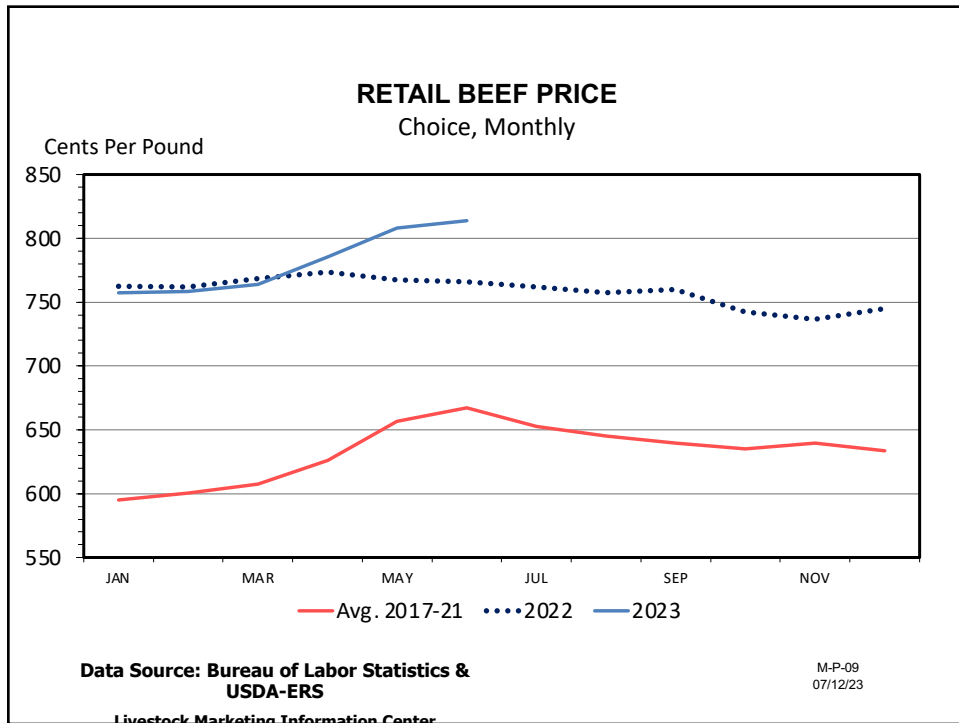
## Key Demand Side

- Demand Has Been Very Good
- Product That is “in Demand”
- Consumers (Economy)
  - People are buying beef
- Record High Retail Prices
- Especially Quality, Brands

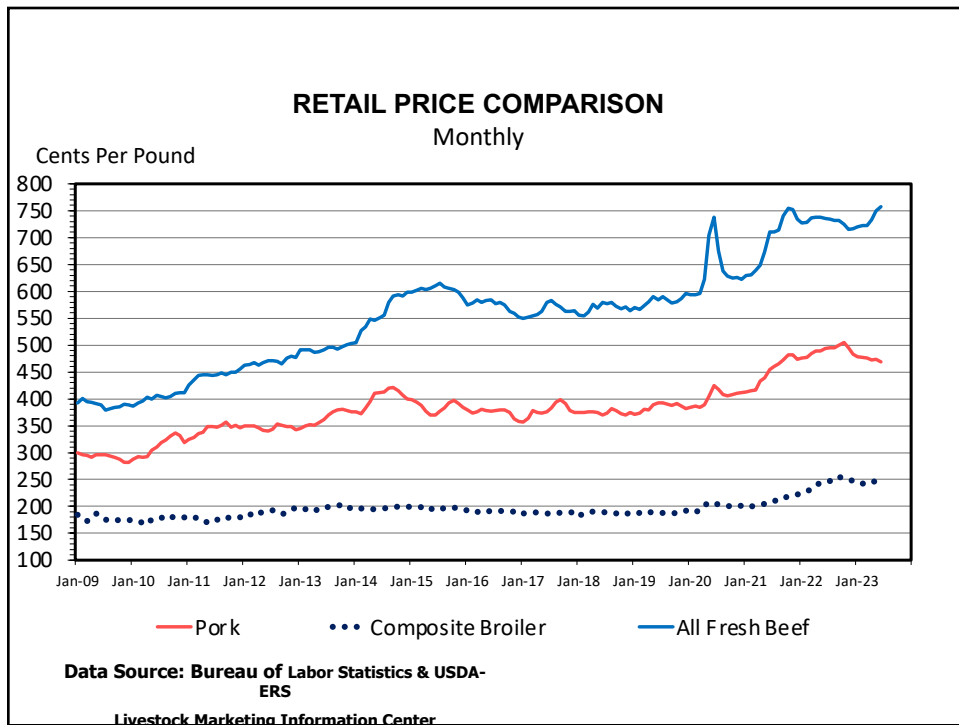
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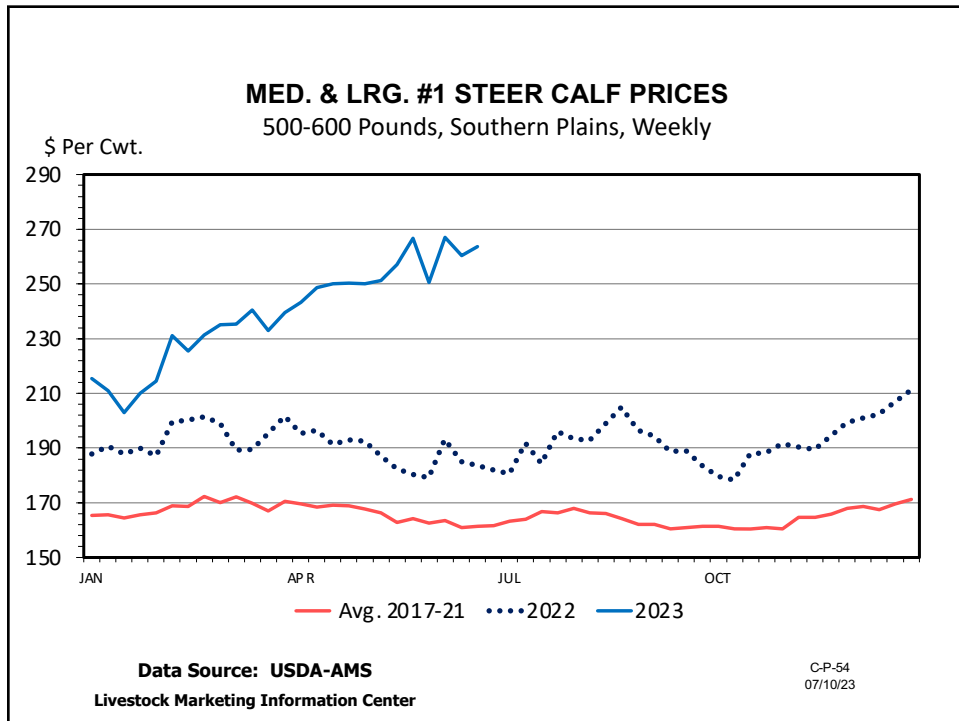
## Prices

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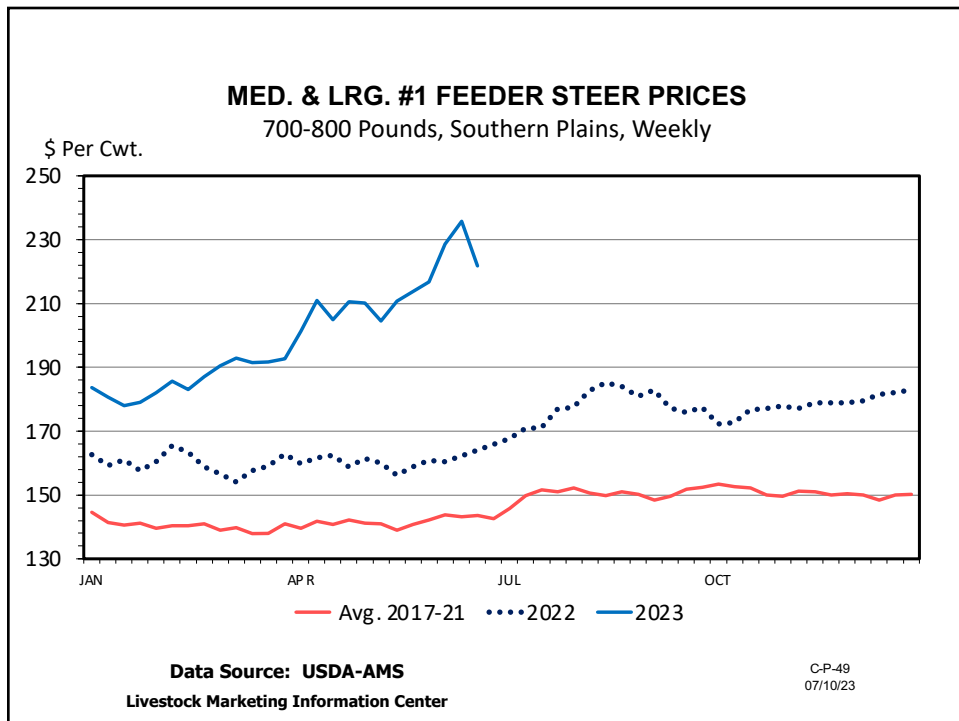
## Prices

- Headed to Record Highs
  - Higher over the next several years
- At This Point, Breeding Stock and Replacements Have Not Increased to the Extent of Feds, Calves
  - Starting to change

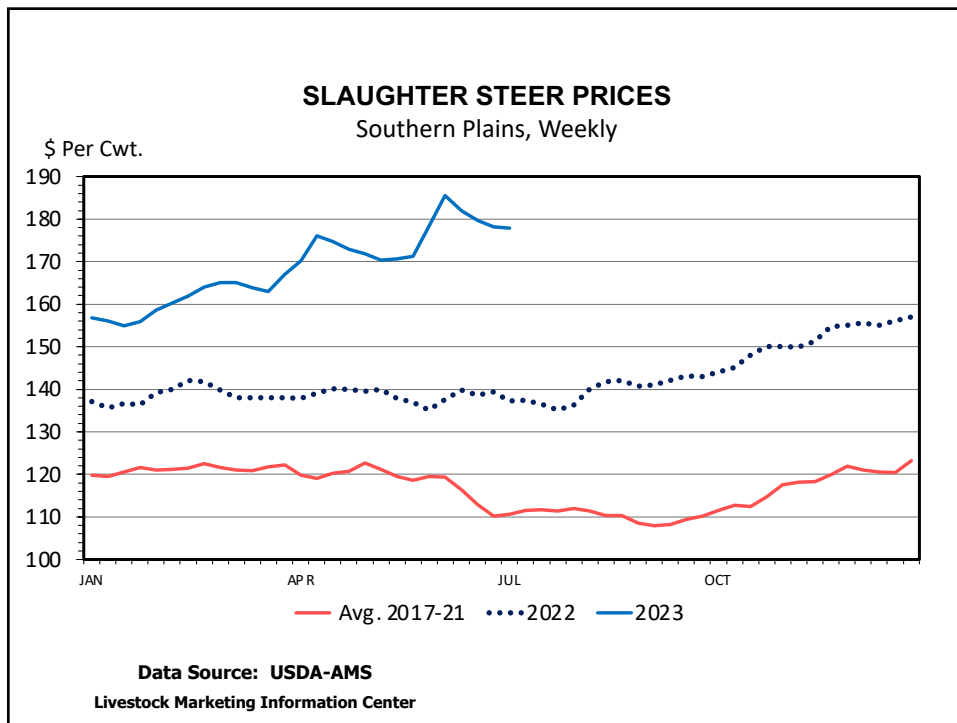
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## Are There Market Negatives?

- Drought
- Costs
- Land Use Pressures
- Change

26

## **Reasons for Optimism**

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- Prices Increasing
- Consumers Want Your Product
- Change
- On Balance, the Positives outweigh the Negatives

27

**THANK YOU!**

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# EL NIÑO DETAILS AND THE WEATHER OUTLOOK FROM 2023 INTO 2024

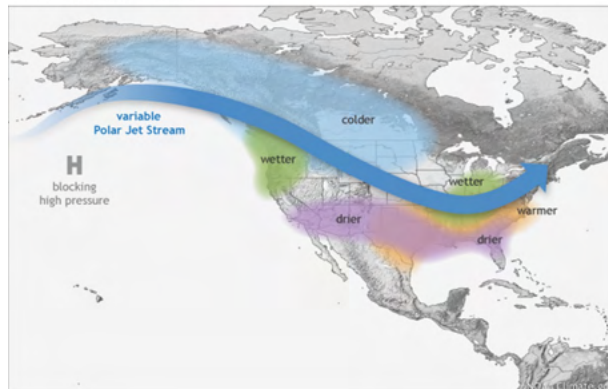
MATT MAKENS  
MAKENS WEATHER  
[makensweather.com](http://makensweather.com)

8/7/2023  
MAKENS WEATHER, LLC

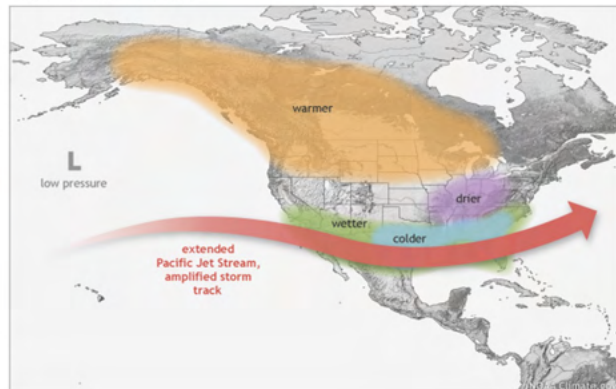


## EL NIÑO VERSUS LA NIÑA JETSTREAM (STORM PATTERNS)

WINTERTIME LA NIÑA PATTERN



WINTERTIME EL NIÑO PATTERN



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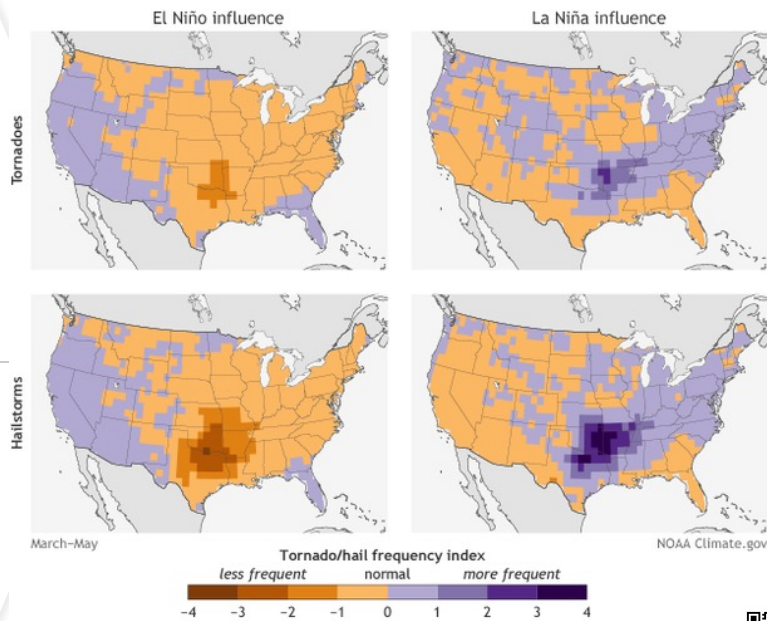


# RISKS OF TORNADOES/HAIL DURING BOTH EL NIÑO AND LA NIÑA

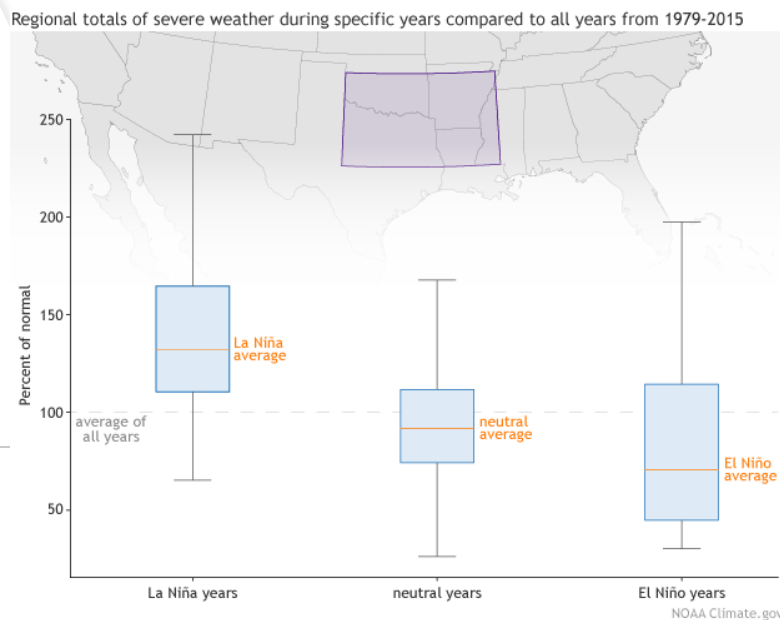
In much of the U.S., La Niña conditions are associated with increases in environmental factors and in tornado and hail reports. The largest signal is present in the south and southeast (including parts of Texas, Oklahoma, Kansas, Louisiana, Arkansas, and Missouri). Positive values indicate increased activity, and negative values indicate decreased activity compared to the long-term average (1979-2015).



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# RISKS OF TORNADOES/HAIL DURING BOTH EL NIÑO AND LA NIÑA



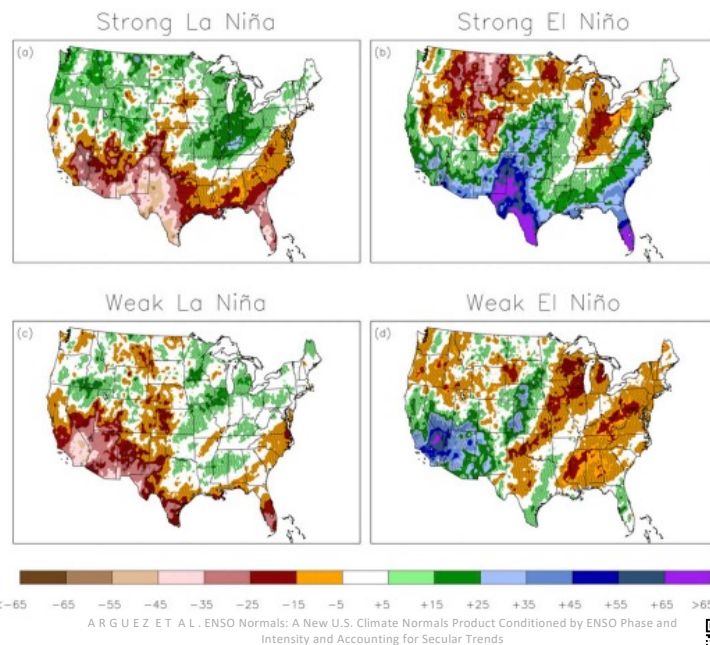
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# ENSO STRENGTH DOES MATTER WHEN IT COMES TO WINTER-TIME PRECIPITATION



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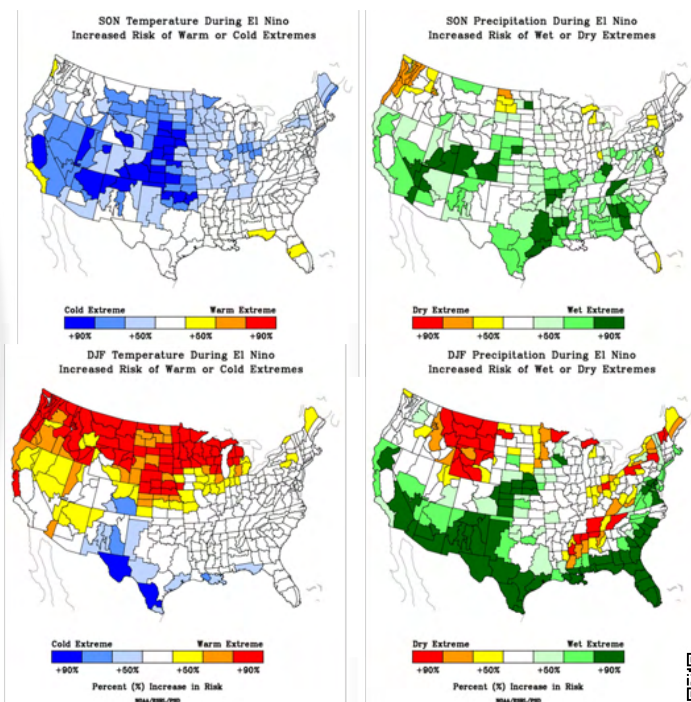


# RISKS OF EXTREMES DURING EL NIÑO FALLS AND WINTERS

## TEMPERATURES AND PRECIPITATION



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## SUPER LONG-RANGE-SEASONAL FORECASTING: FREQUENCY ANALYSIS FOR REGIONS/STATES/COUNTIES CAN BE A HELPFUL TOOL IN WORKING THROUGH PRF RAINFALL WORKSHEETS

When key climate pattern drivers are tracked and forecast, you can create a historically based frequency (*analog forecast = finding the best-fit years to match the incoming pattern*) of wet and dry years for application toward weather forecasts/trends a year in advance.

Grid Number: 27426											
	Jan-Feb	Feb-Mar	Mar-Apr	Apr-May	May-Jun	Jun-Jul	Jul-Aug	Aug-Sep	Sep-Oct	Oct-Nov	Nov-Dec
Best-Fit Years (Analog Forecast)*	DRY	NEUTRAL	WET	WET	WET	NEUTRAL	DRY	NEUTRAL	WET	DRY	DRY
Computer Model Projections**	NEUTRAL	DRY	DRY	DRY	DRY	DRY	DRY	NEUTRAL	NEUTRAL	No Data	No Data
Considerations									Caution: Potential El Niño		
*19 years were used with varying weights throughout the year for these projections											
**Data available as of 7 November 2022											
Best-Fit Years (Analog Forecast)											
What is the average precipitation percentage historically?	106%	80%	119%	113%	108%	100%	95%	83%	100%	90%	110%
What was the driest year's precipitation percentage?	17%	37%	82%	72%	45%	31%	35%	29%	7%	19%	35%
What was the wettest year's precipitation percentage?	204%	117%	150%	146%	162%	144%	165%	137%	191%	208%	201%
How frequently were analog years wet?	33%	50%	67%	67%	67%	50%	33%	50%	55%	45%	45%
Consensus:	DRY	NEUTRAL	WET	WET	WET	NEUTRAL	DRY	NEUTRAL	WET	DRY	DRY



8/7/2023  
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