

# **Market Outlook for 2004 and Beyond**

*Prepared for:*

***University of  
Florida***

***May 5th, 2004***

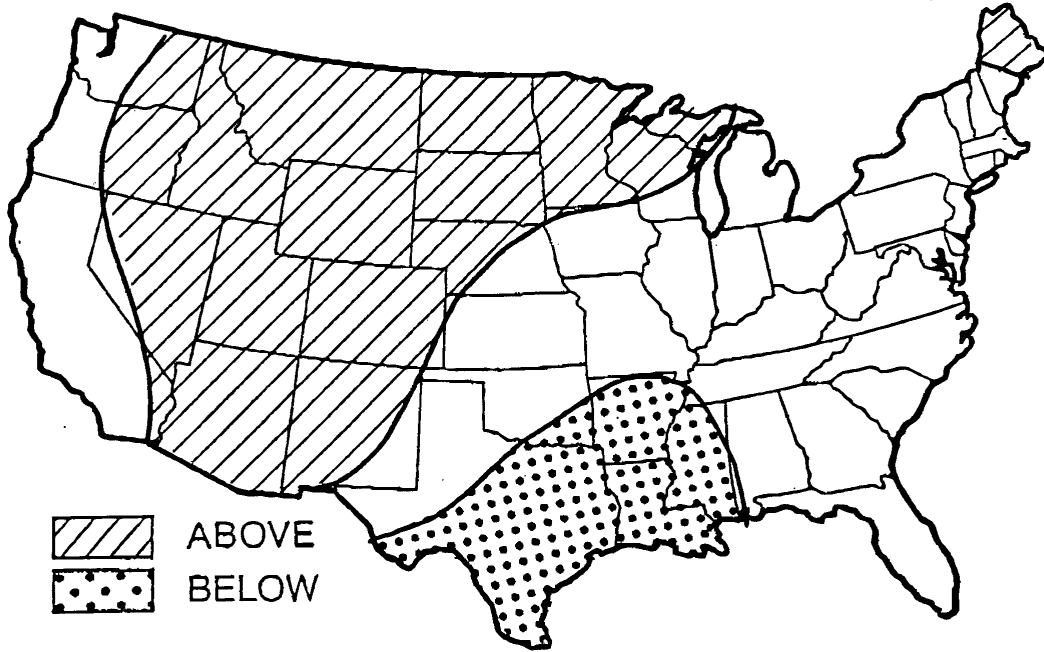
*Presented by:*



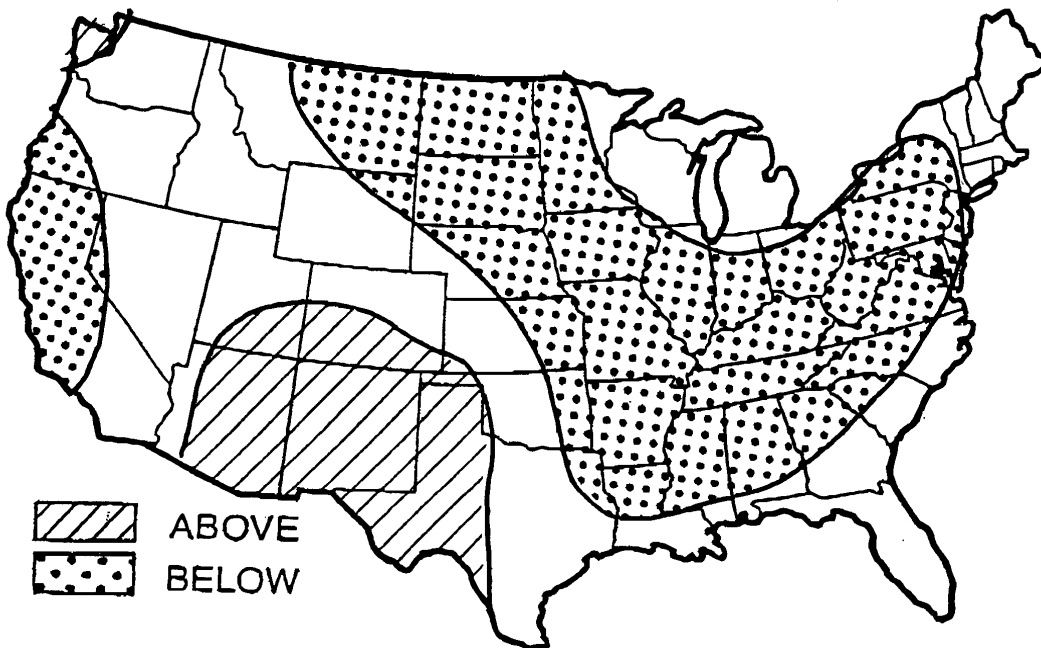
Randy Blach  
9110 East Nichols Ave  
Centennial, CO 80112  
1-800-825-7525  
[www.cattle-fax.com](http://www.cattle-fax.com)

# **Feed Grains**

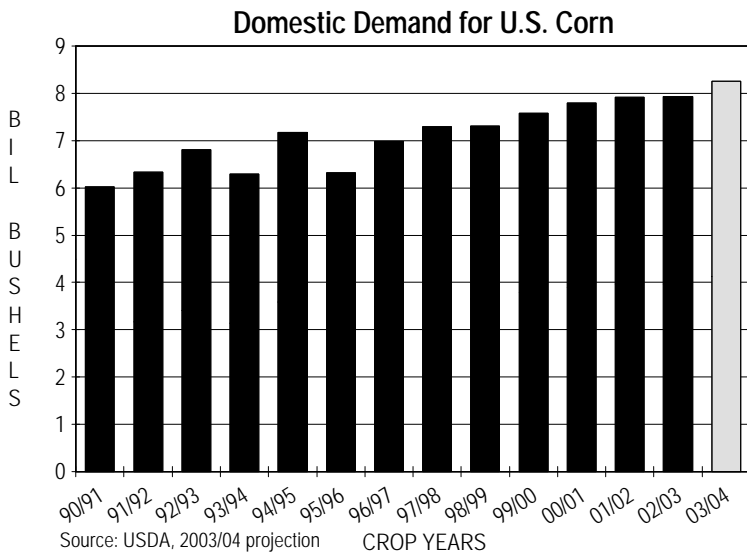
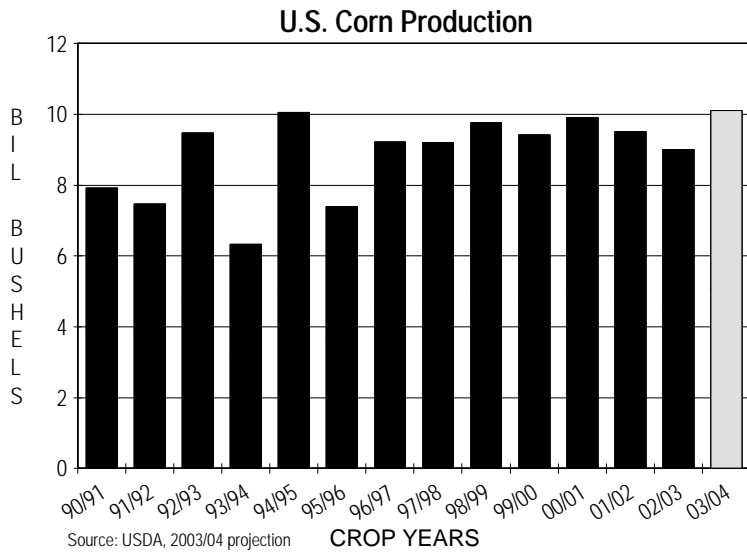
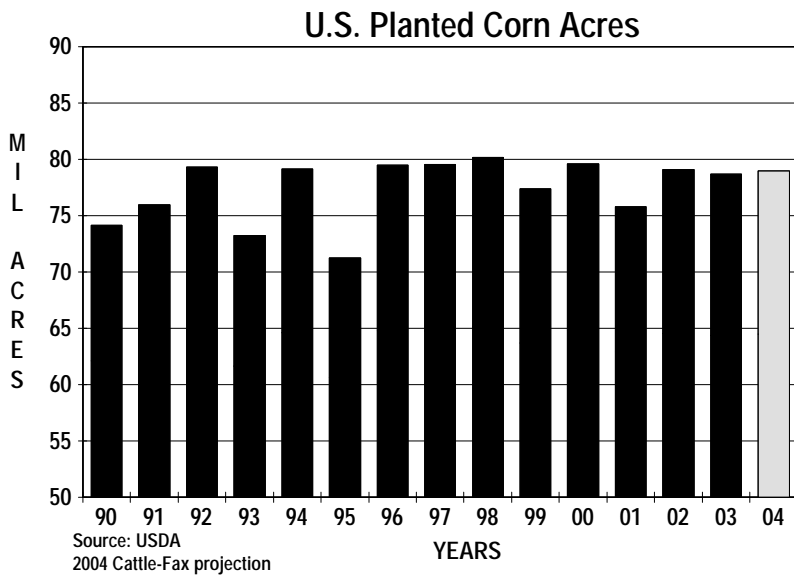
## Temperature Outlook April through June 2004



## Precipitation Outlook April through June 2004

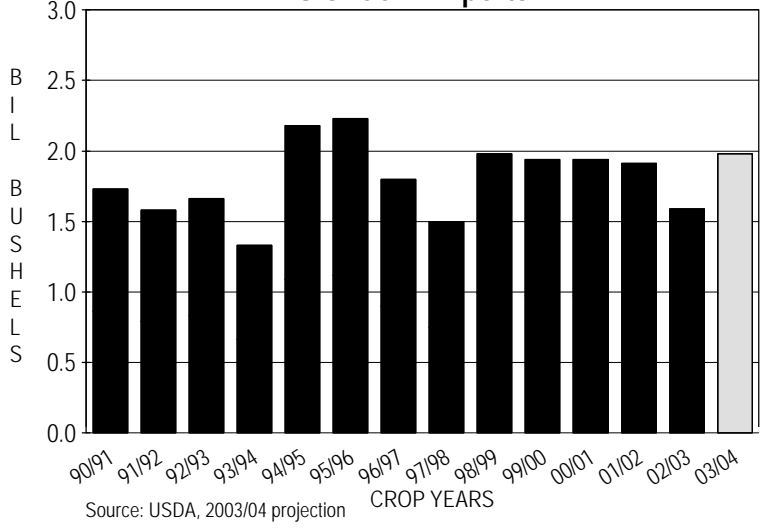


**Notes**

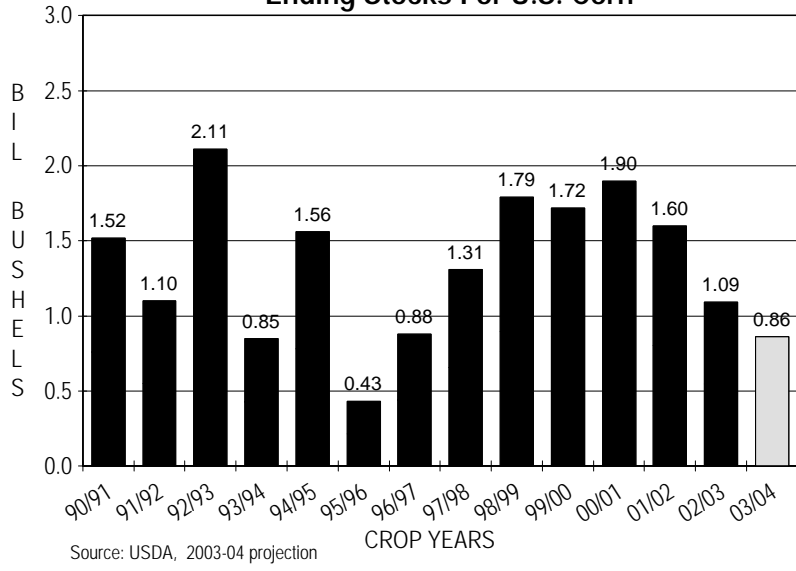


**Notes**

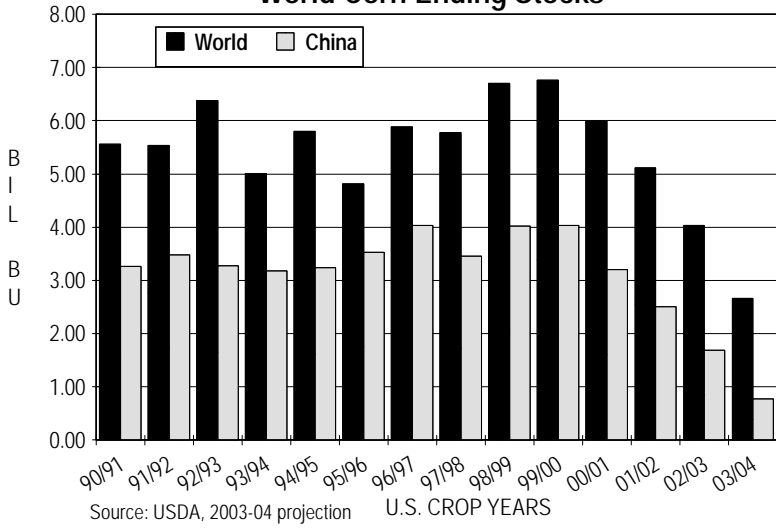
**U.S. Corn Exports**



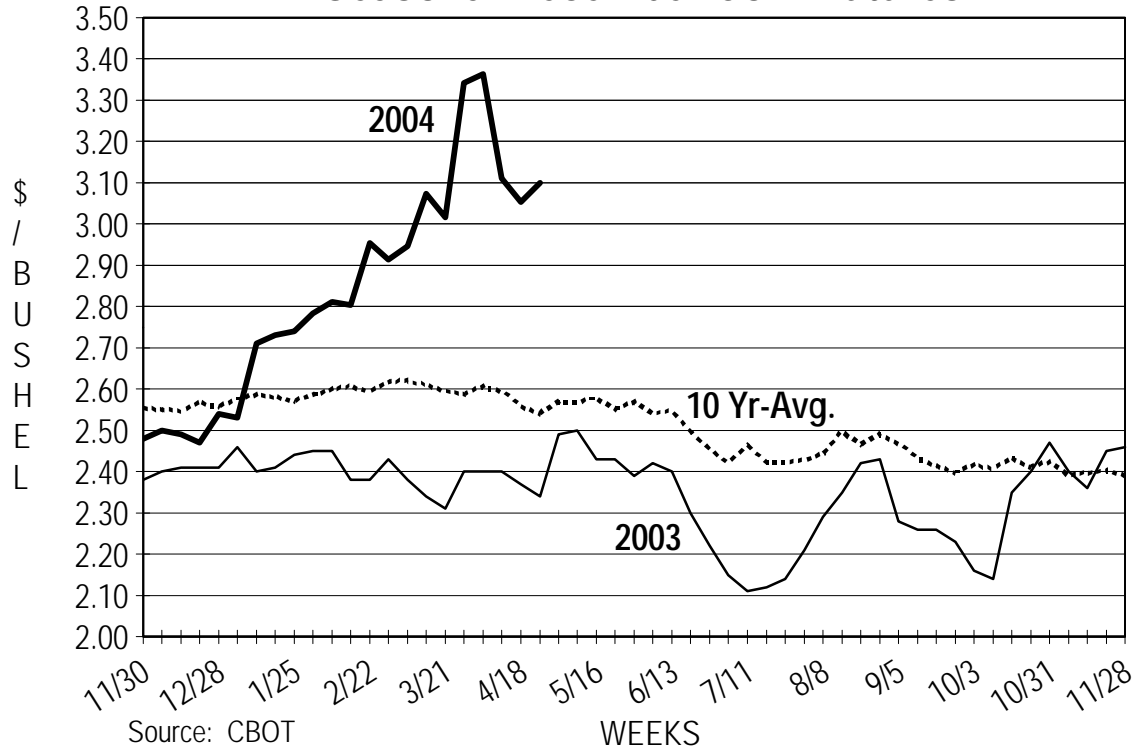
**Ending Stocks For U.S. Corn**



**World Corn Ending Stocks**



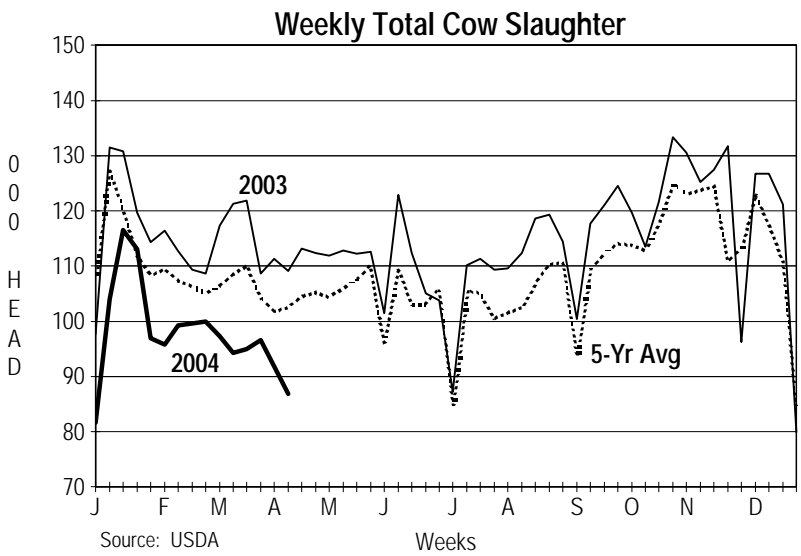
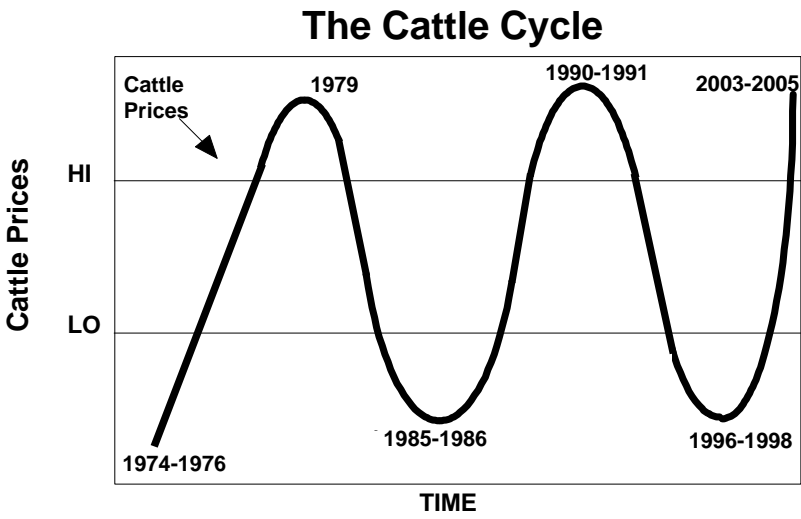
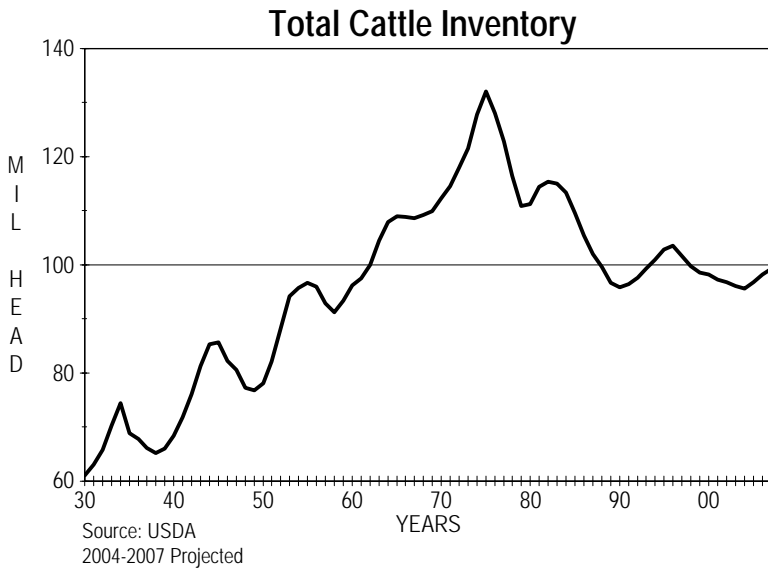
## Seasonal December Corn Futures



December 2004 corn futures are already building a weather premium into this summer's corn market. With the need for such a large corn crop, volatility will be significant during the planting and growing season. Higher corn prices are very possible this spring and summer. If so they will have a negative impact on fed cattle profitability and thus could have a significant impact on feeder cattle prices and to a lesser extent, calf prices in 2004.

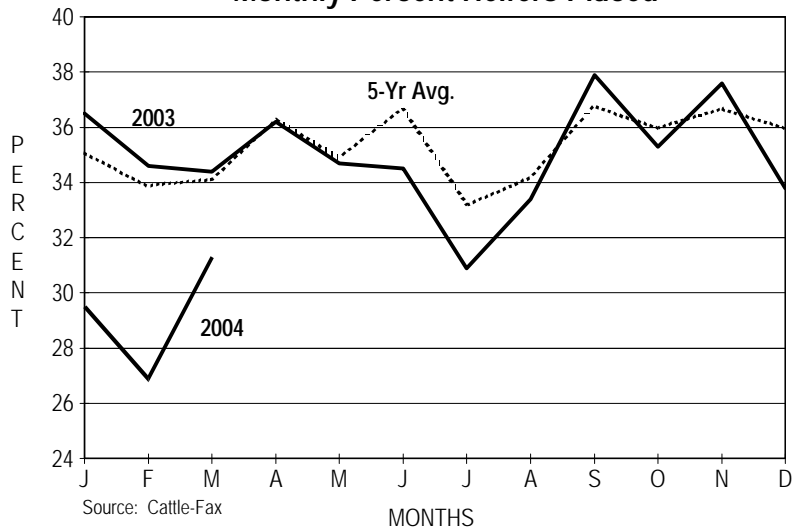
# **Cattle Numbers & Beef Supply**

**Notes**



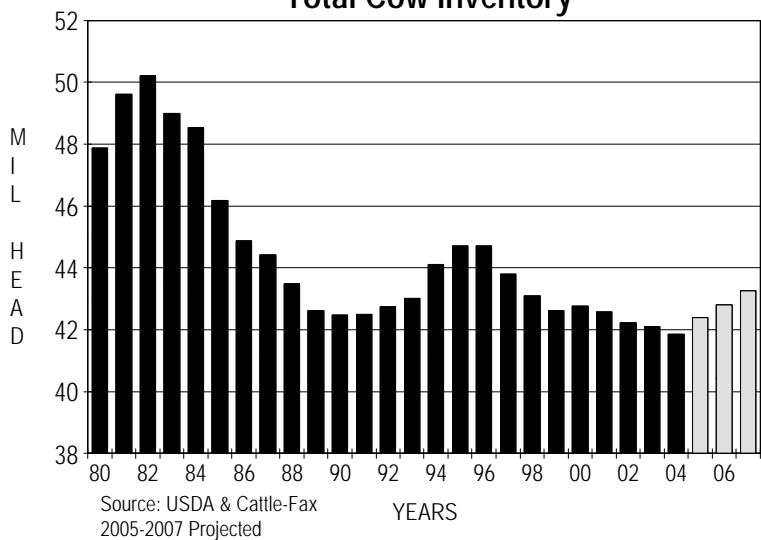


**Monthly Percent Heifers Placed**

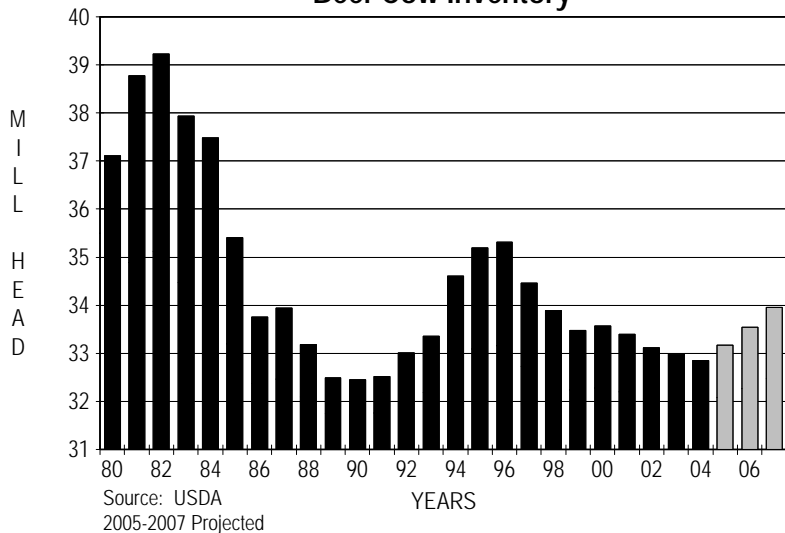


**Notes**

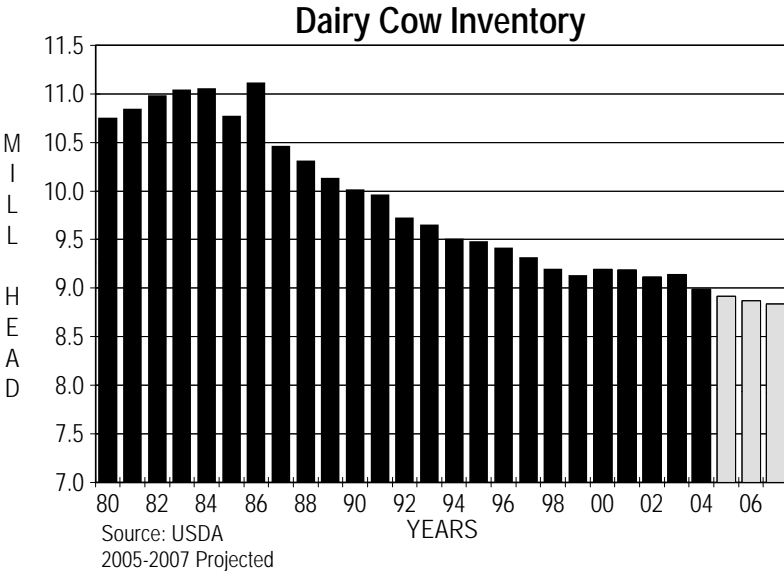
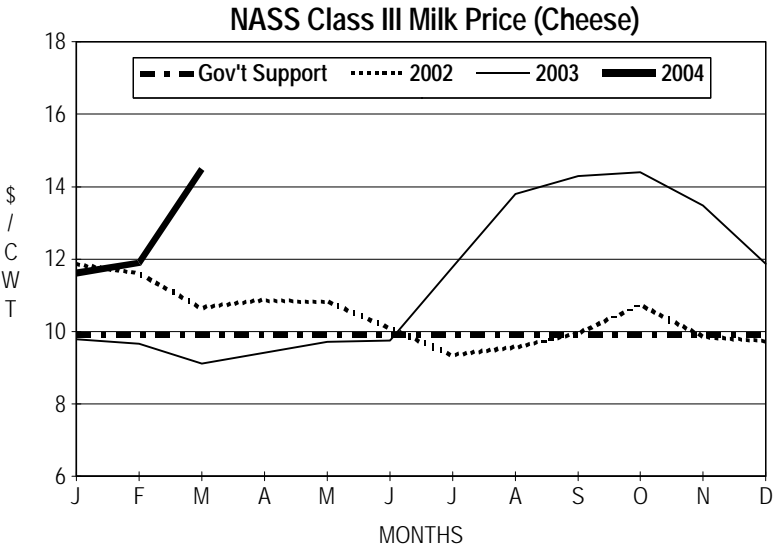
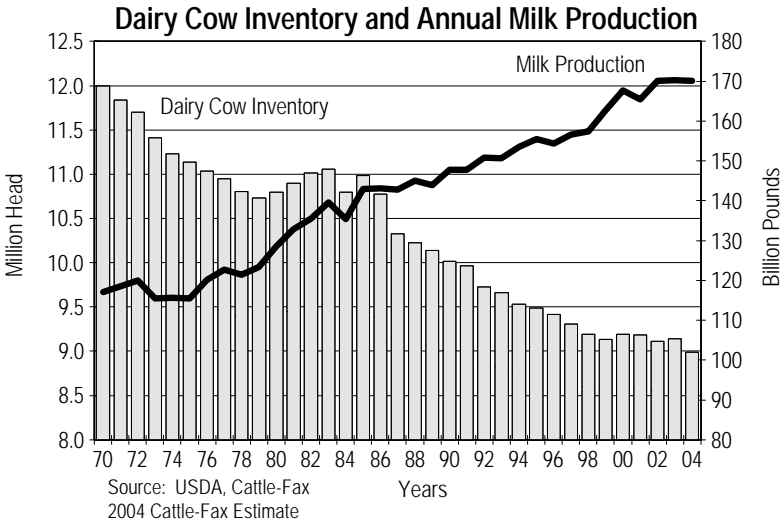
**Total Cow Inventory**



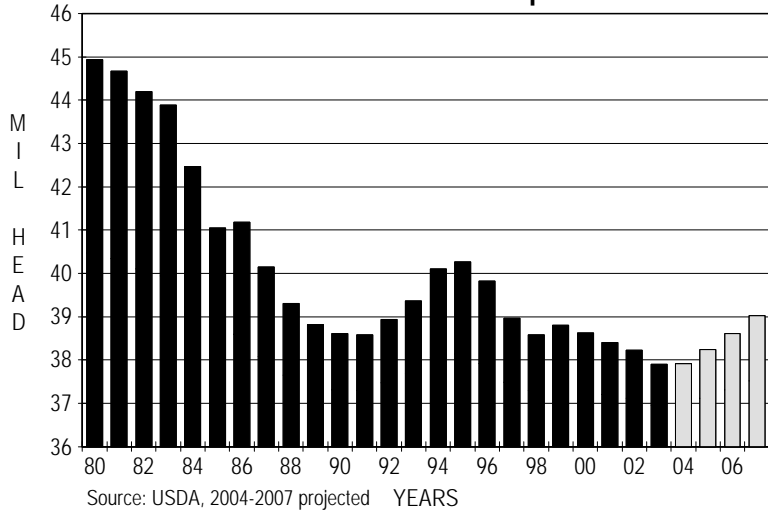
**Beef Cow Inventory**



**Notes**

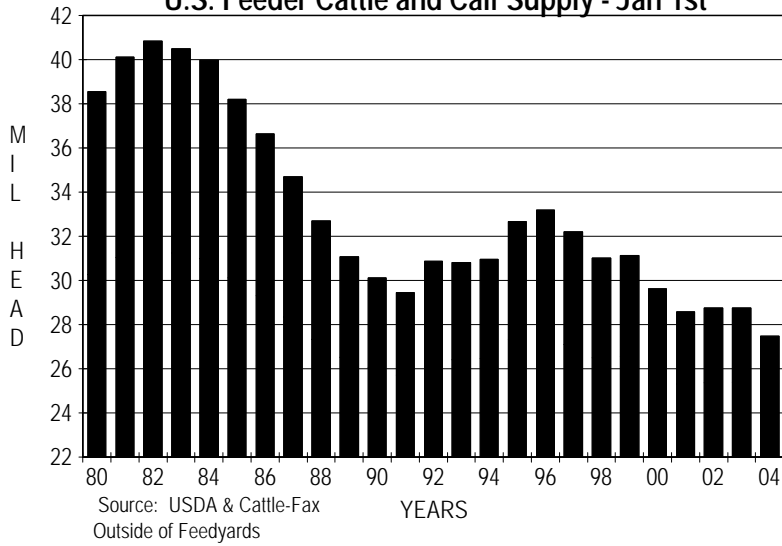


### Annual Calf Crop



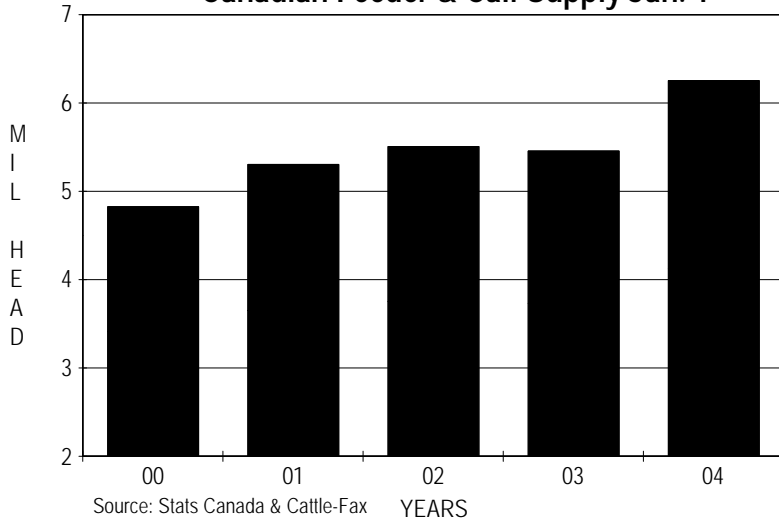
### Notes

### U.S. Feeder Cattle and Calf Supply - Jan 1st

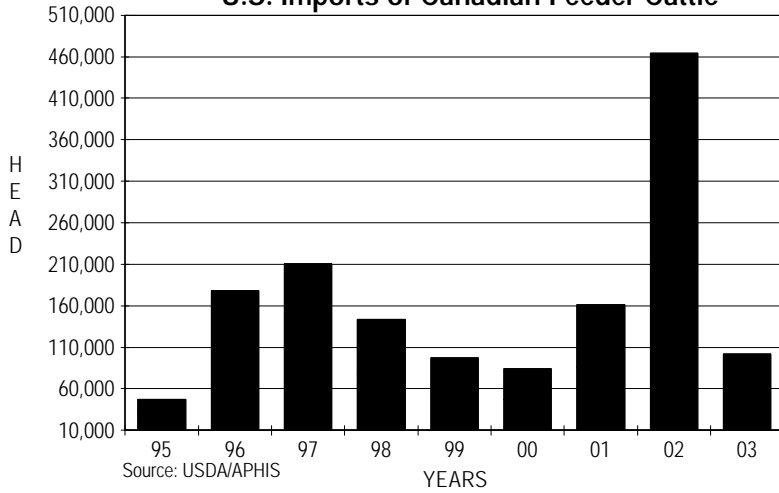


**Notes**

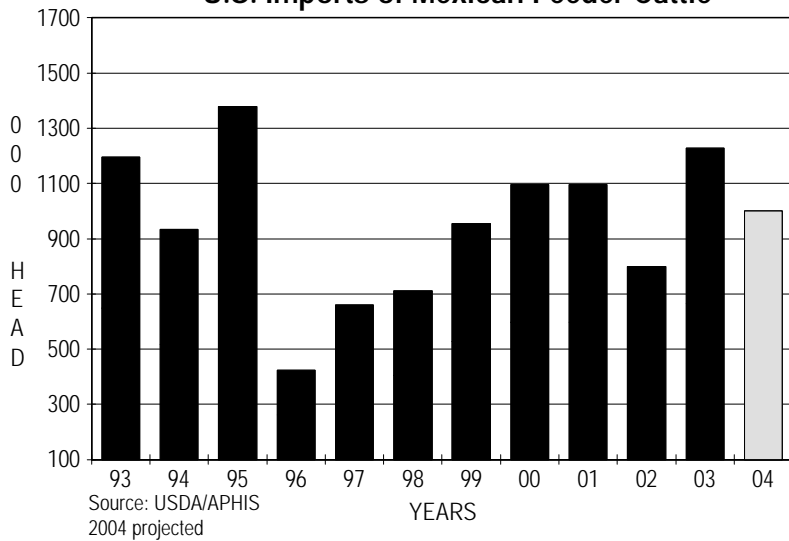
**Canadian Feeder & Calf Supply Jan. 1**



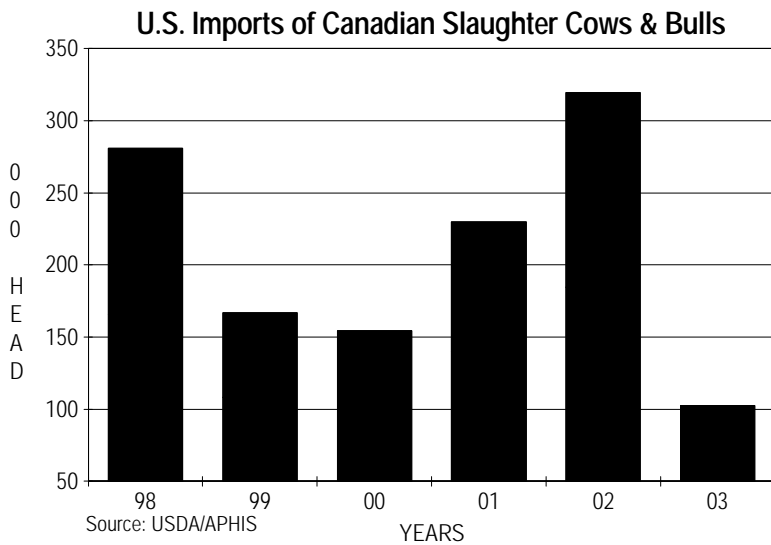
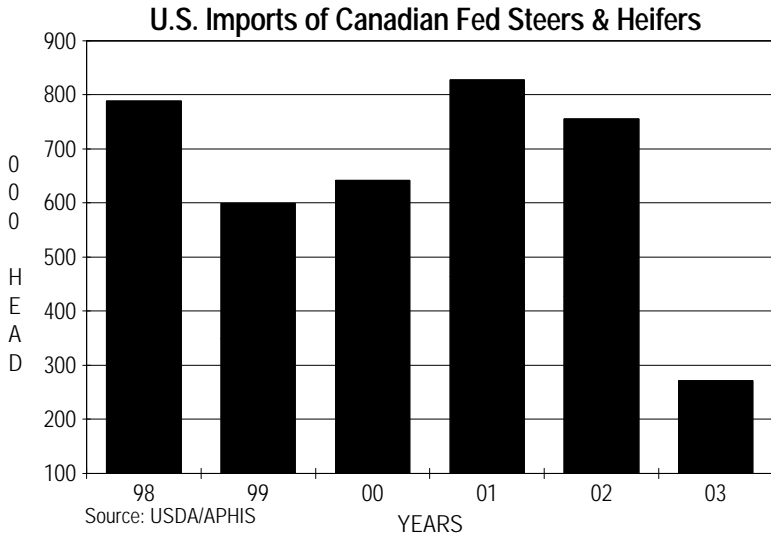
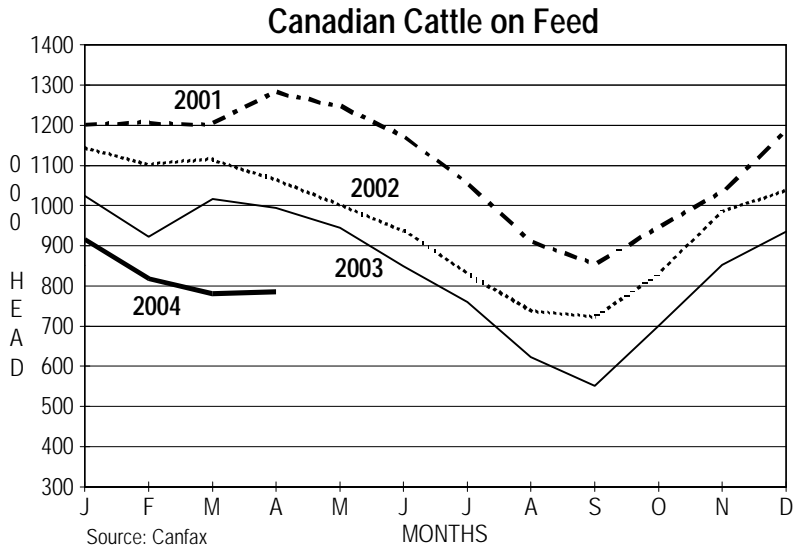
**U.S. Imports of Canadian Feeder Cattle**



**U.S. Imports of Mexican Feeder Cattle**

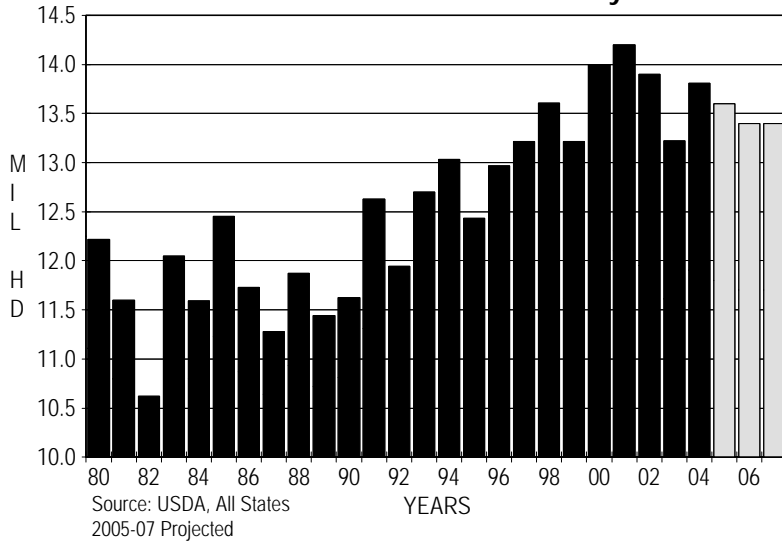


**Notes**

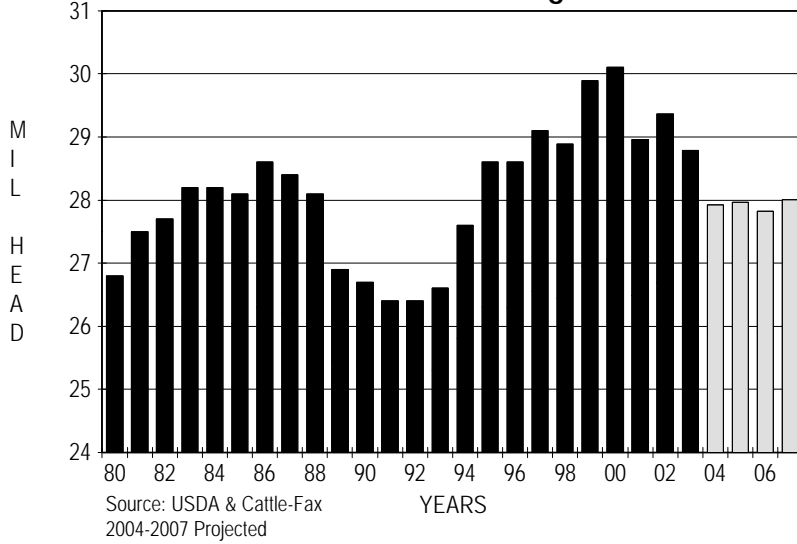


**Notes**

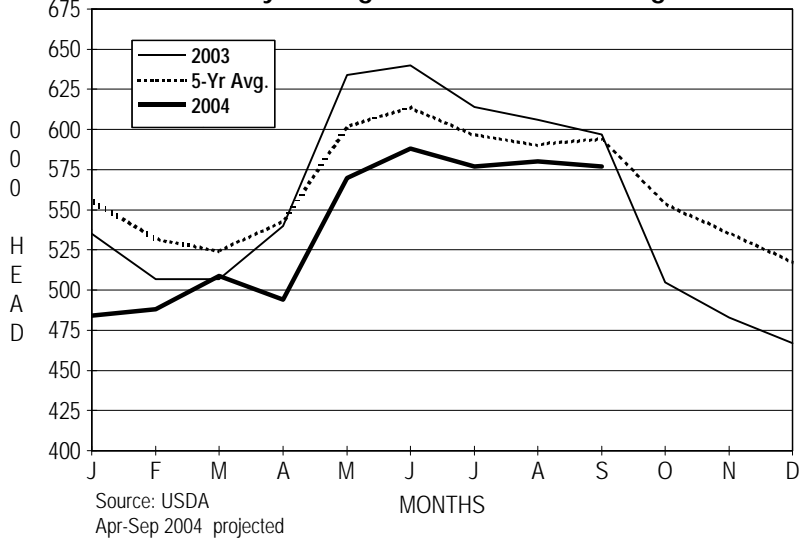
**Total Cattle on Feed January 1**



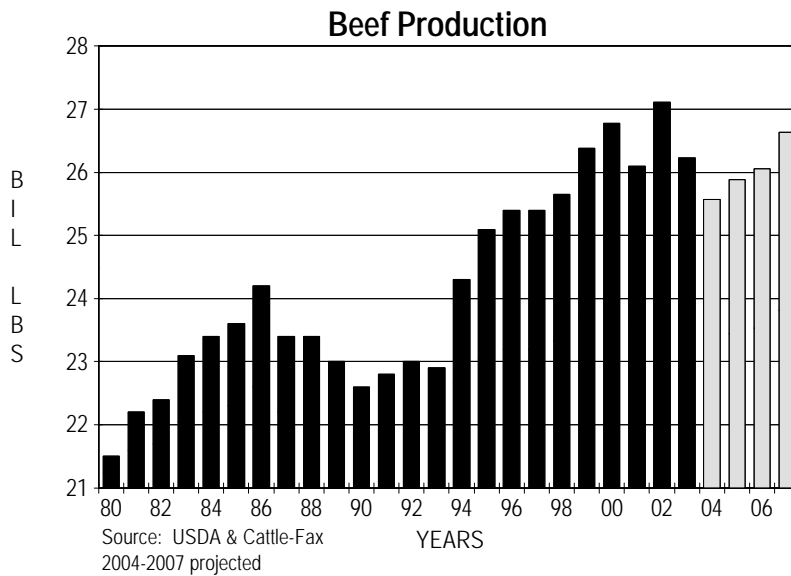
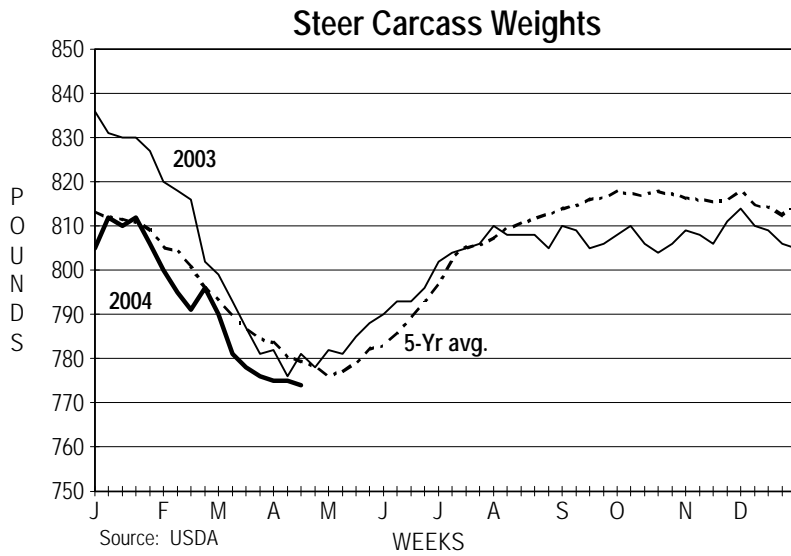
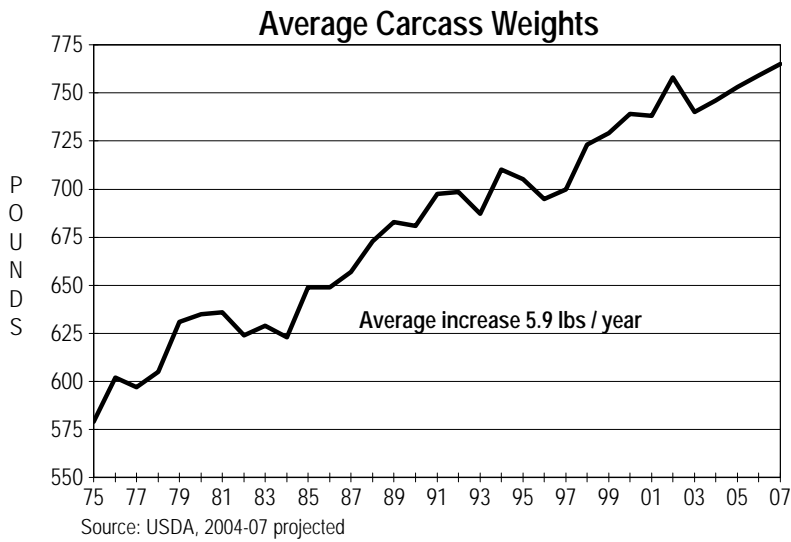
**Steer and Heifer Slaughter**



**Weekly Average F.I. Steer/Heifer Slaughter**



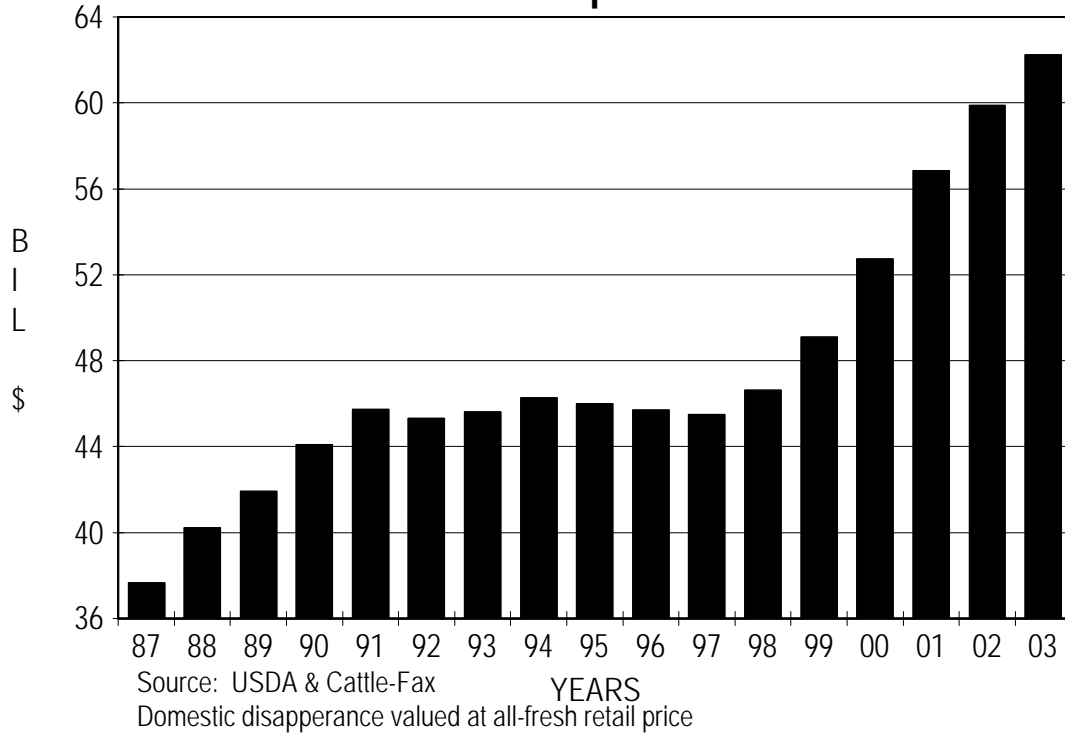
**Notes**



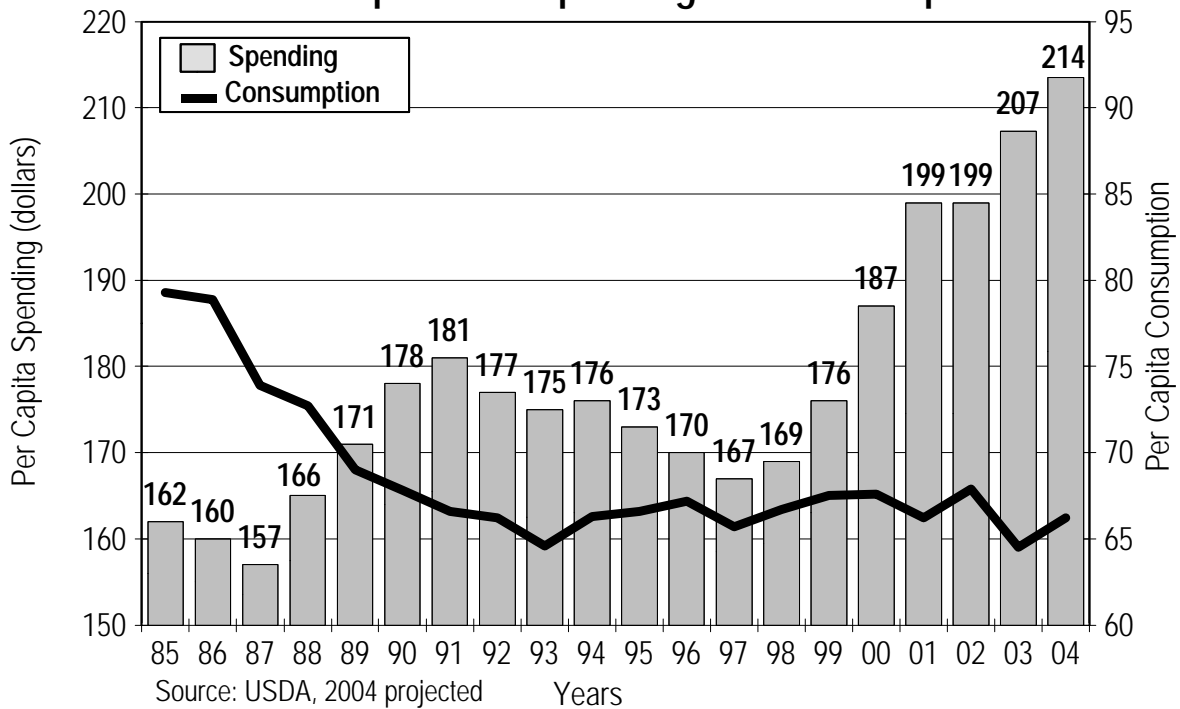
# Demand & Trade

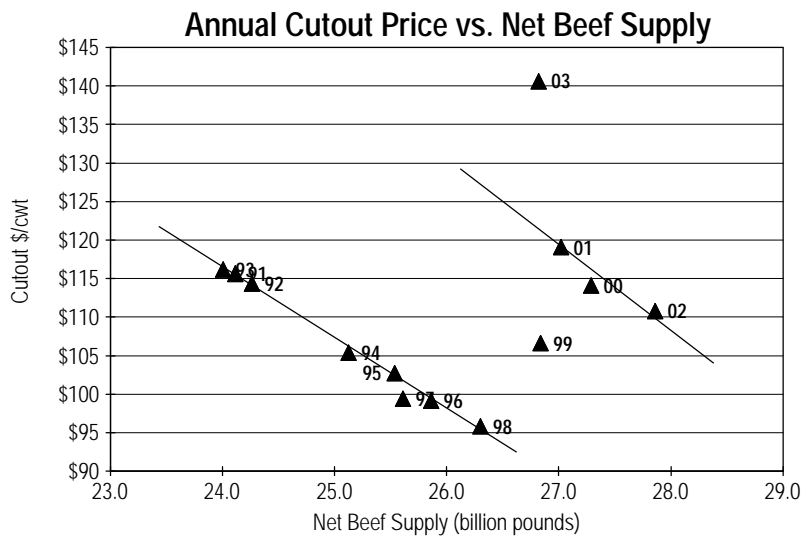


## U.S. Consumer Expenditures on Beef



## Per Capita Beef Spending and Consumption



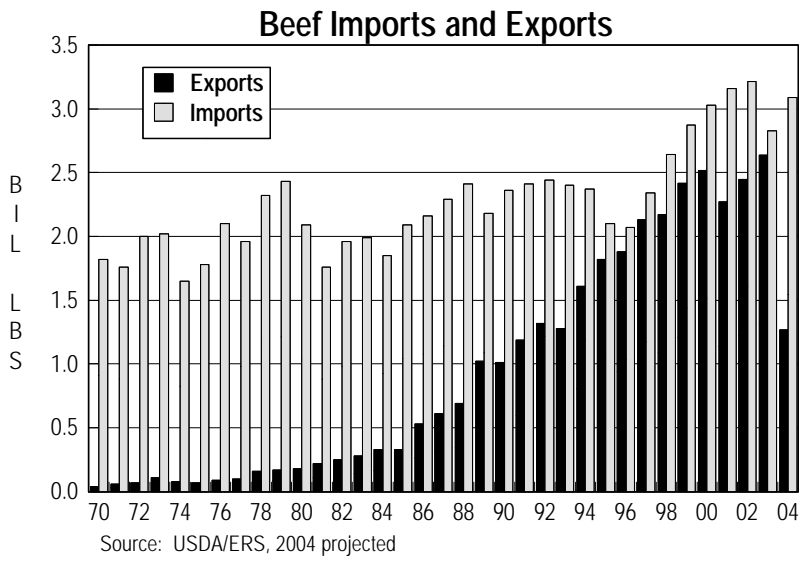


## Beef Primal Values

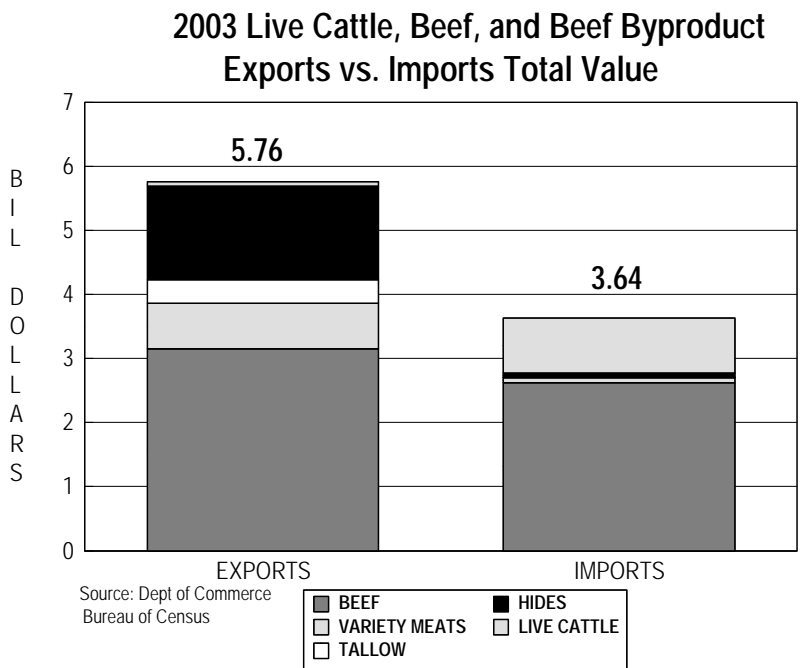
	<u>1992</u>	<u>1998</u>		
Rib	1.58	1.59	↑	1%
Chuck	.93	.68	↓	27%
Round	1.20	.88	↓	26%
Loin	1.54	1.58	↑	3%

## Beef Primal Values

	<u>1998</u>	<u>2003</u>		
Rib	1.59	2.37	↑	49%
Chuck	.68	1.08	↑	59%
Round	.88	1.16	↑	32%
Loin	1.58	2.15	↑	36%

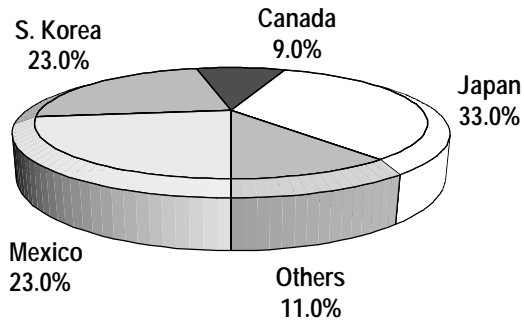


## Notes

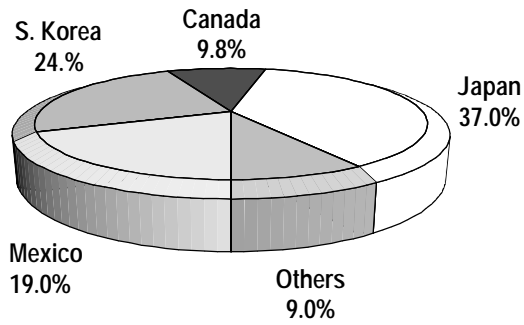


**Notes**

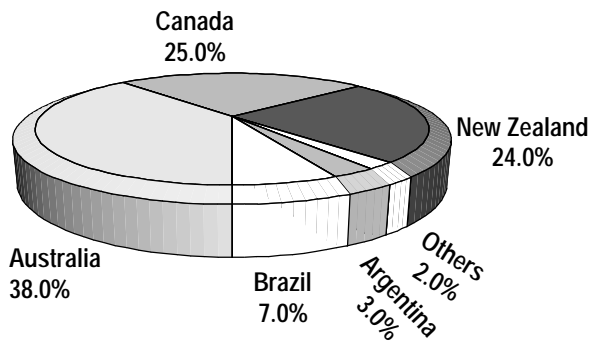
**U.S. Beef Export Volume by Country  
2003**



**U.S. Beef Export Value by Country  
2003**

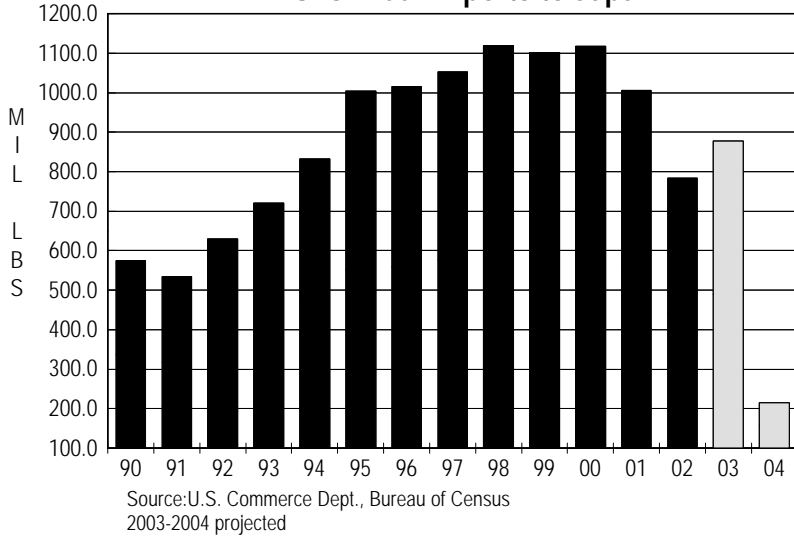


**U.S. Beef Import Volume by Country  
2003**

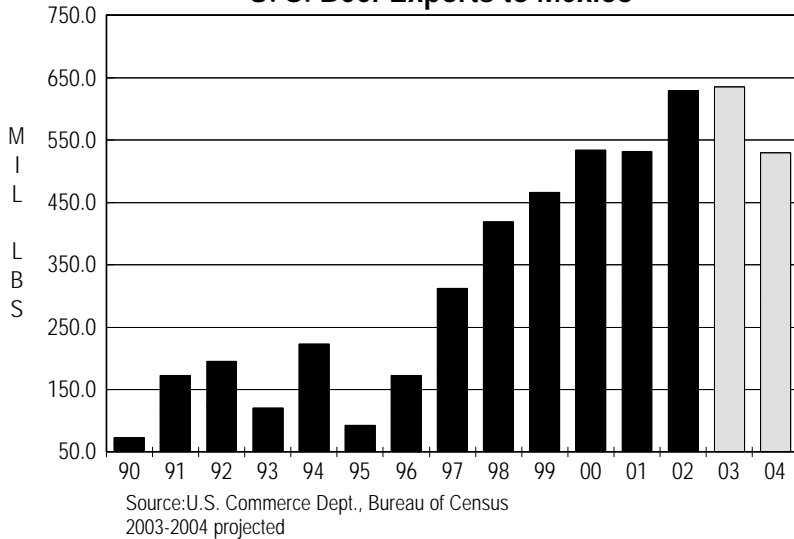


**Notes**

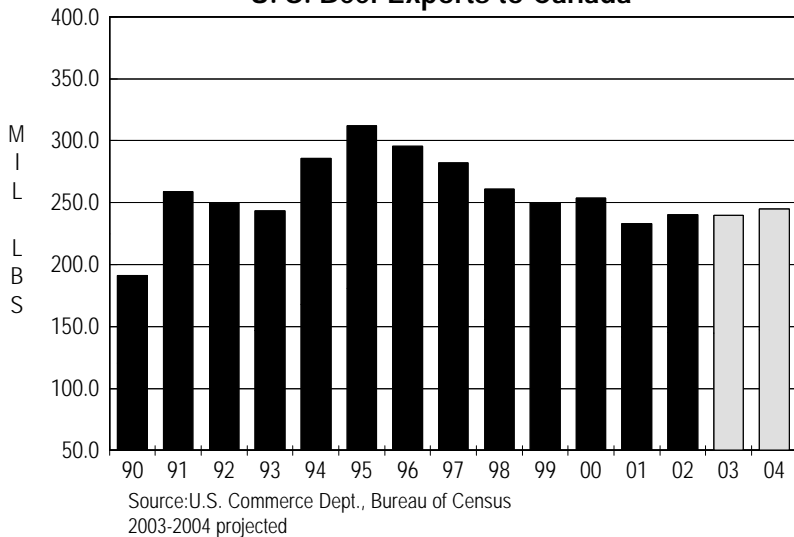
**U. S. Beef Exports to Japan**



**U. S. Beef Exports to Mexico**

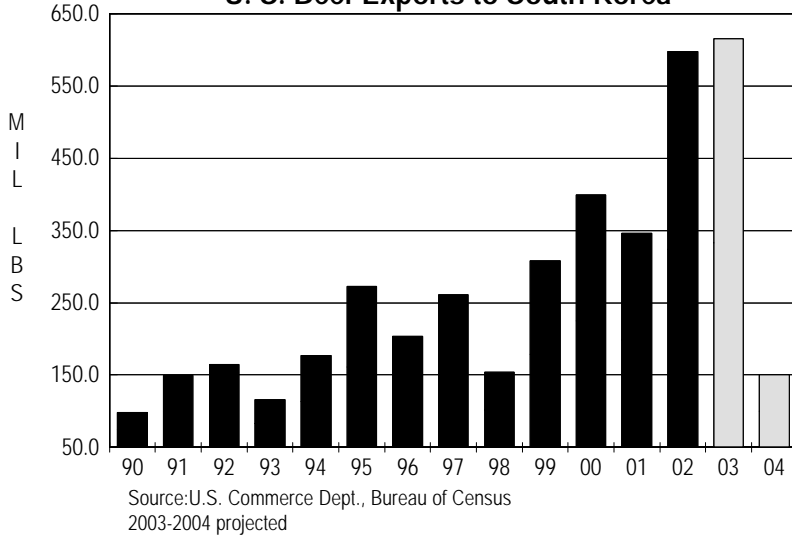


**U. S. Beef Exports to Canada**

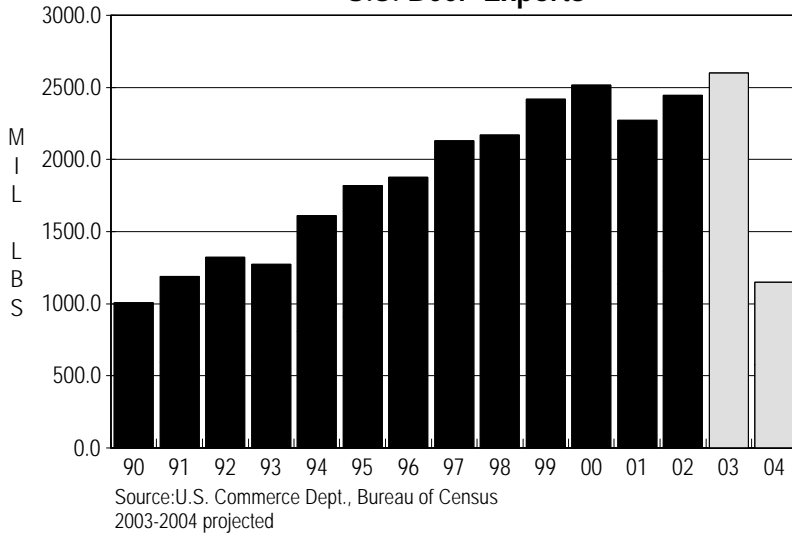


**Notes**

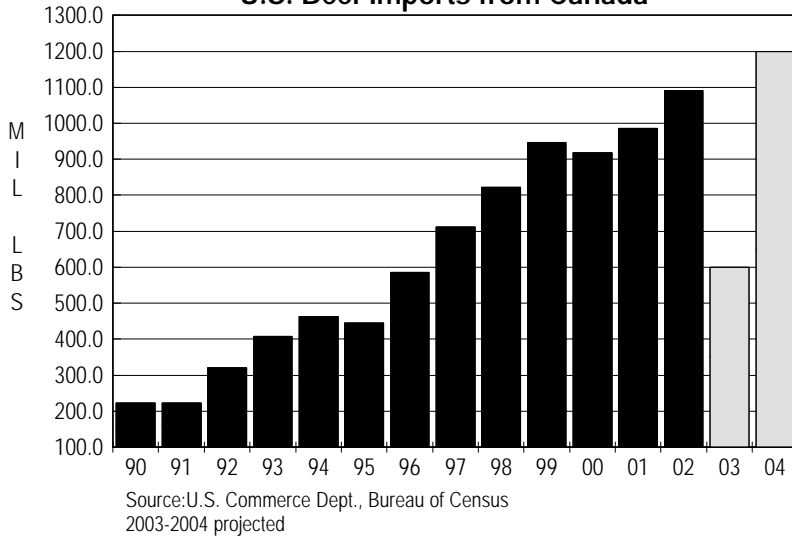
**U. S. Beef Exports to South Korea**



**U.S. Beef Exports**

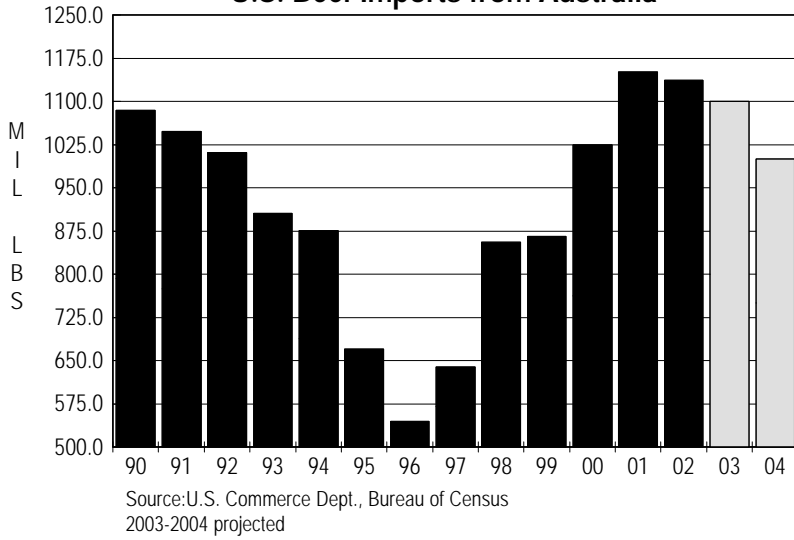


**U.S. Beef Imports from Canada**

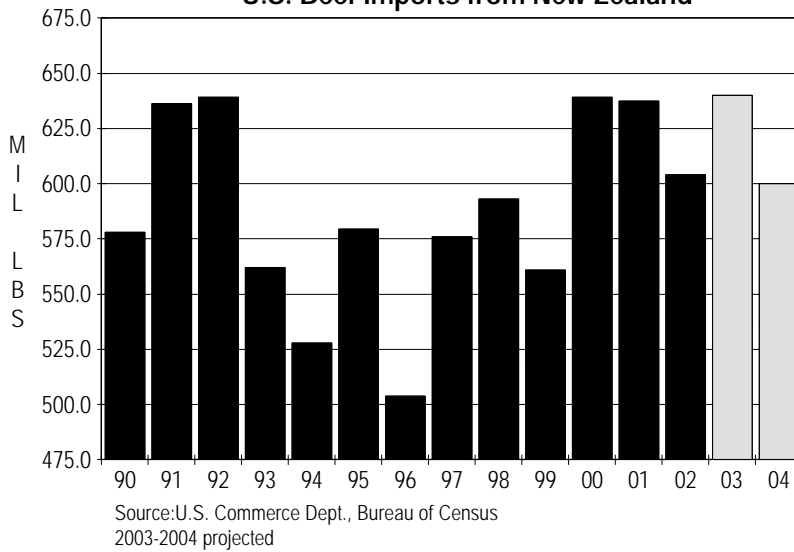


**Notes**

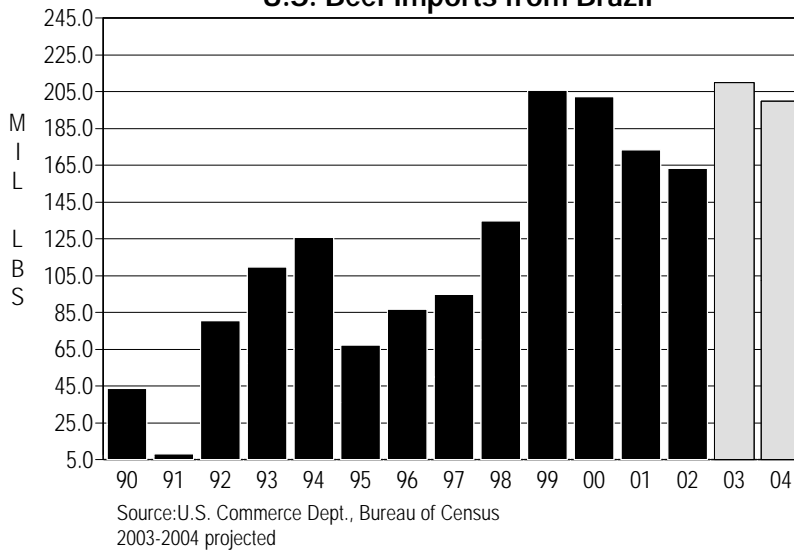
**U.S. Beef Imports from Australia**



**U.S. Beef Imports from New Zealand**

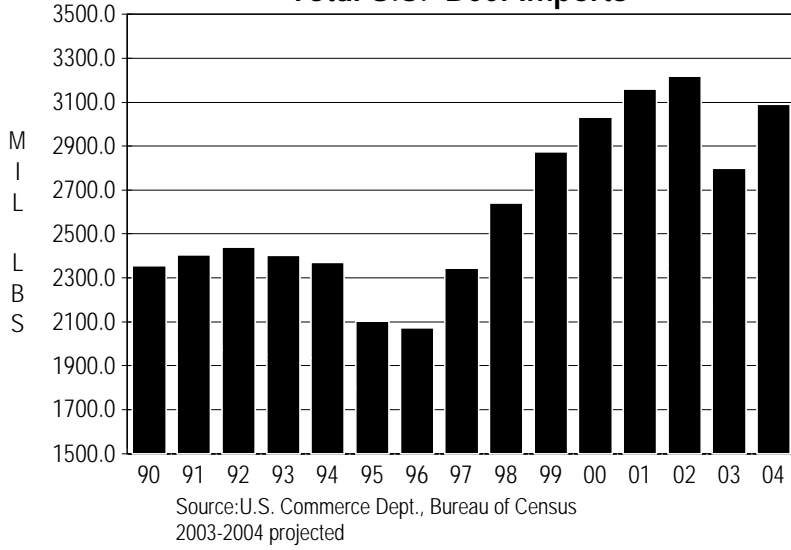


**U.S. Beef Imports from Brazil**

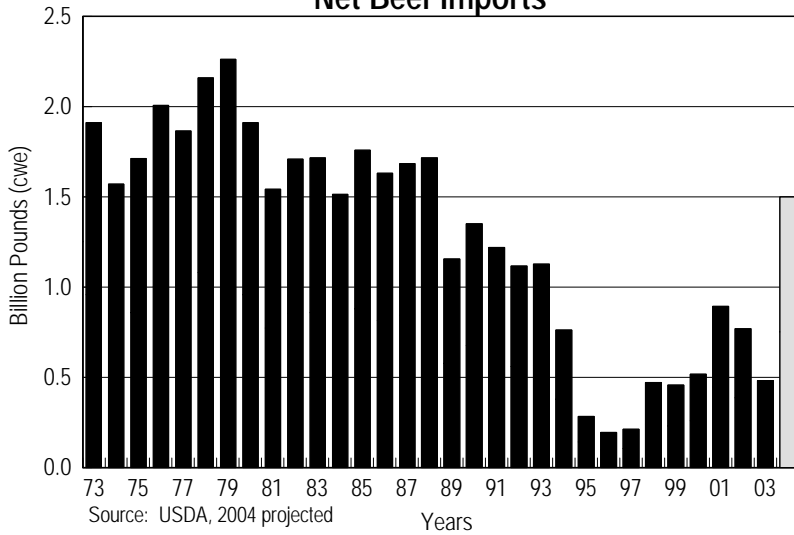


**Notes**

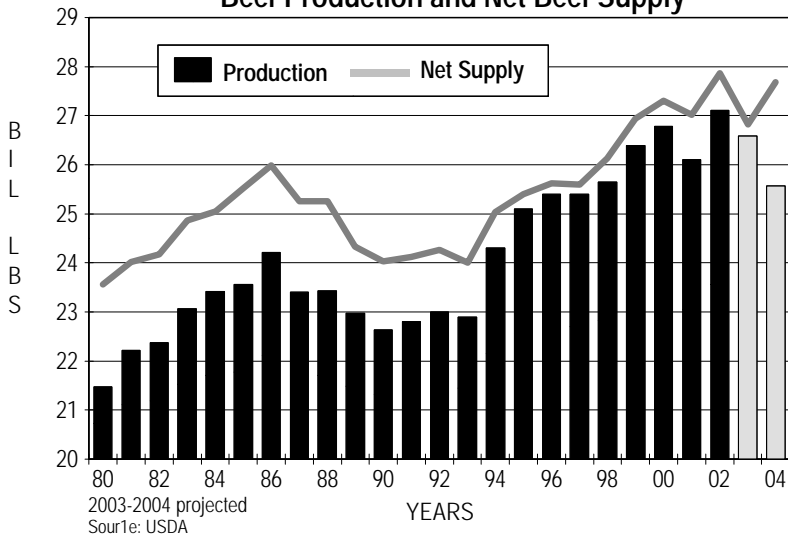
**Total U.S. Beef Imports**



**Net Beef Imports**

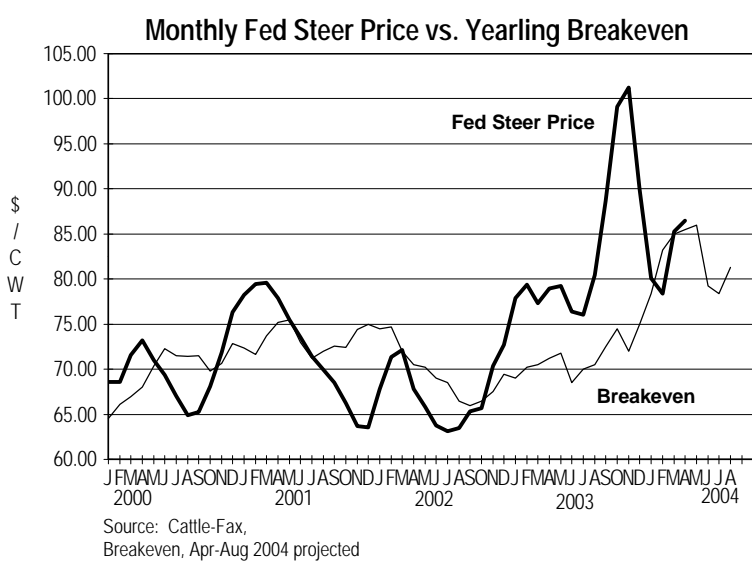
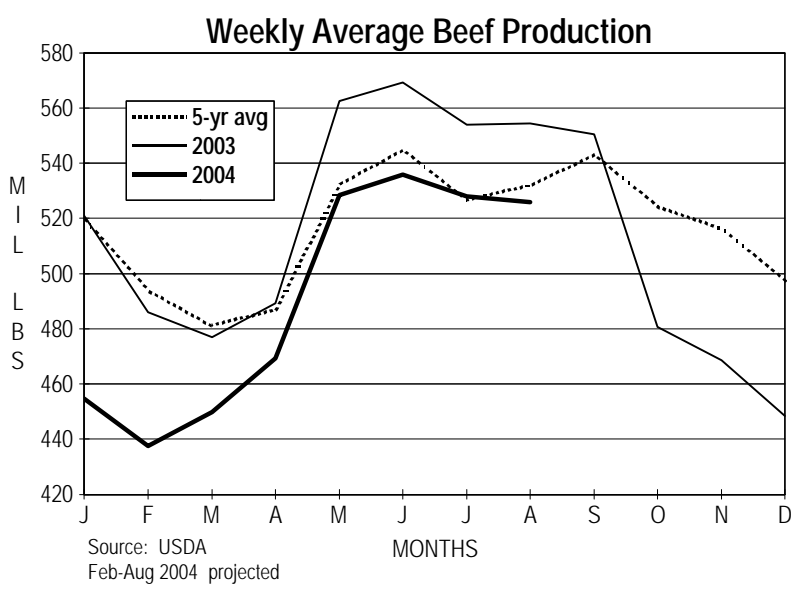
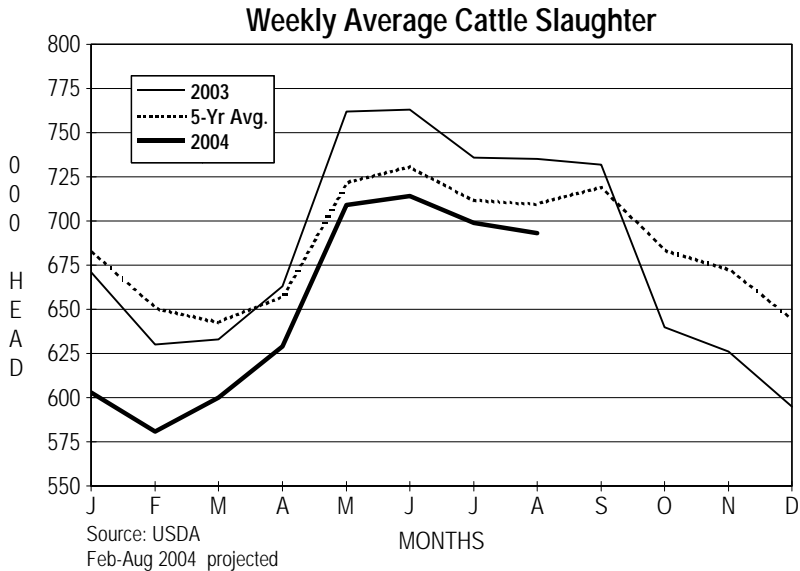


**Beef Production and Net Beef Supply**





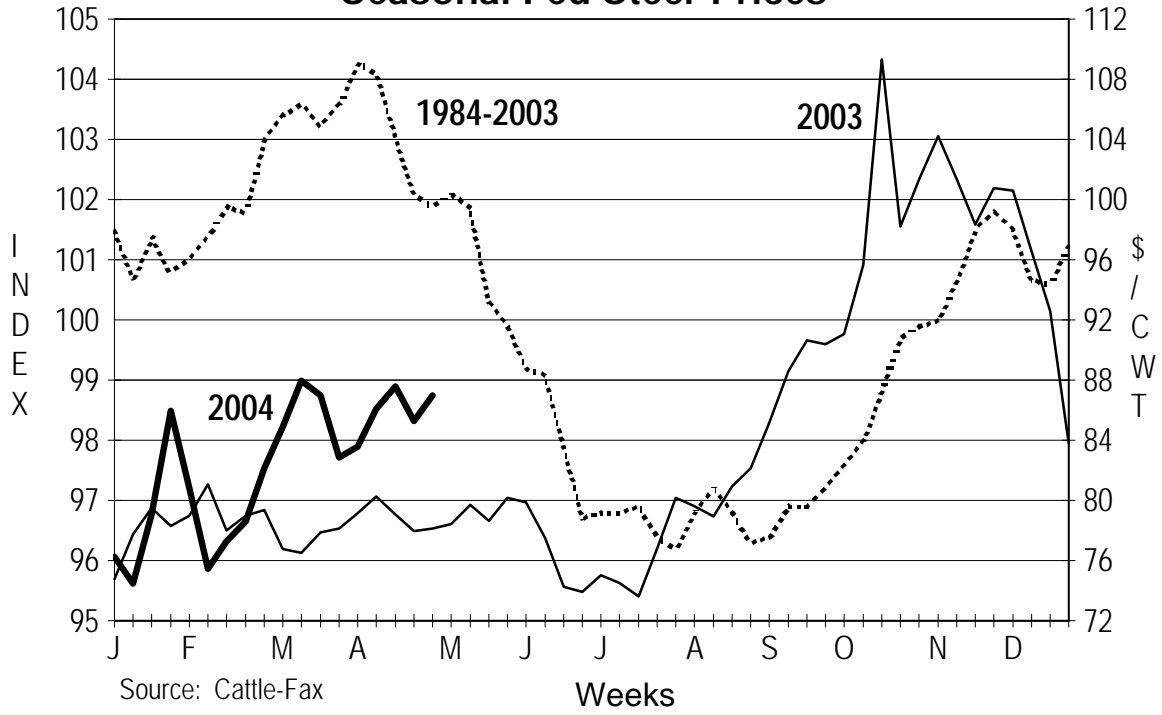
# 2004 Outlook



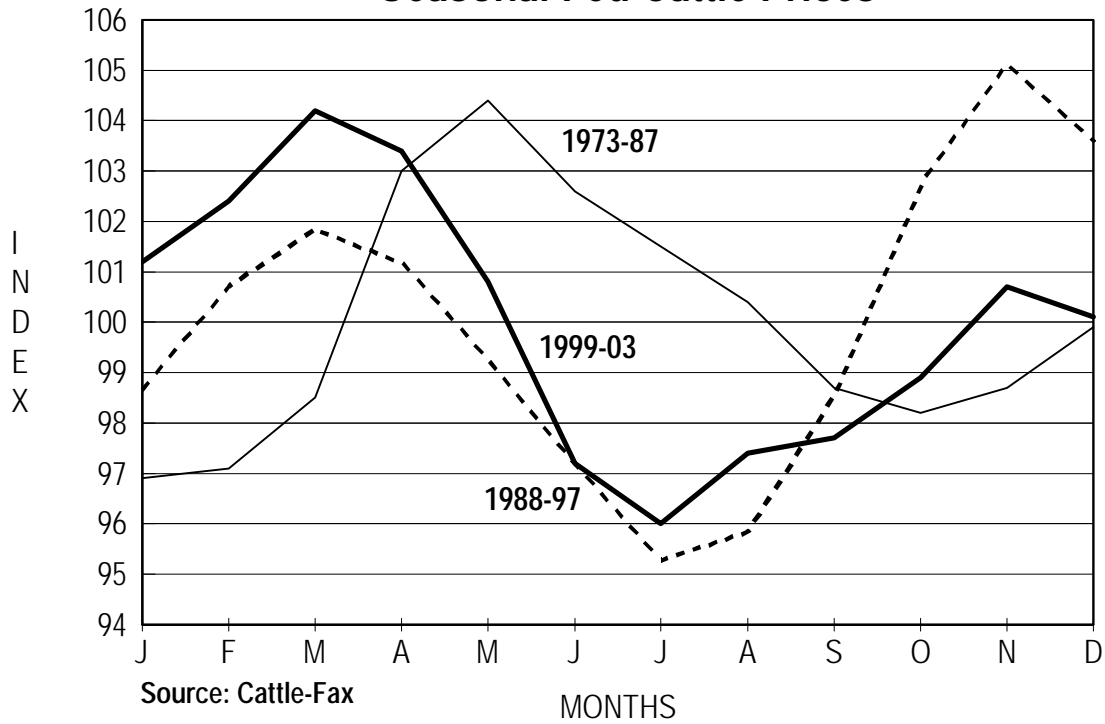
## Notes

Notes section for the 2004 Outlook report, currently blank.

### Seasonal Fed Steer Prices

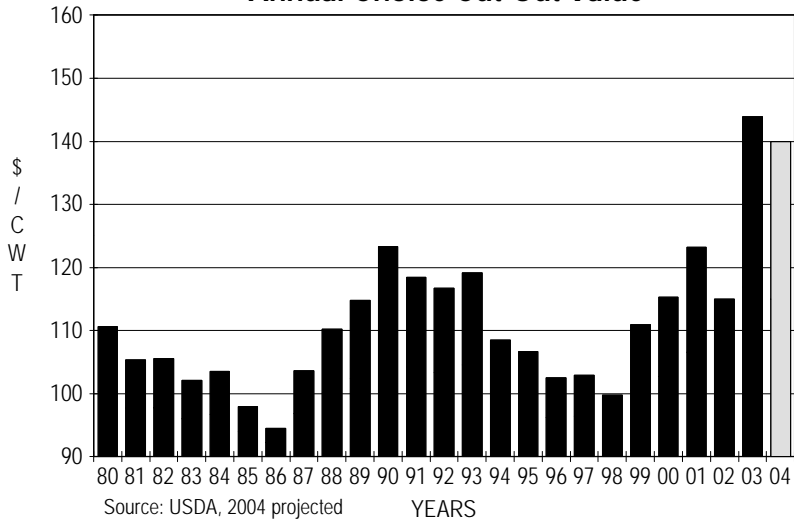


### Seasonal Fed Cattle Prices

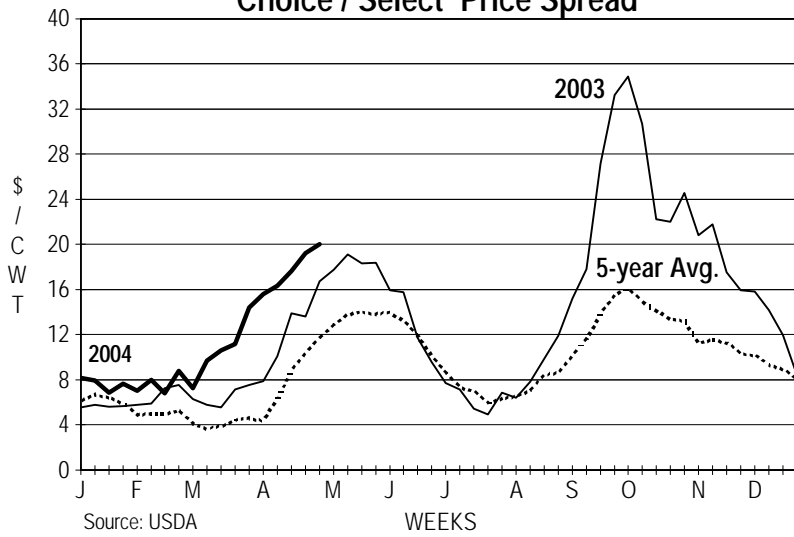


**Notes**

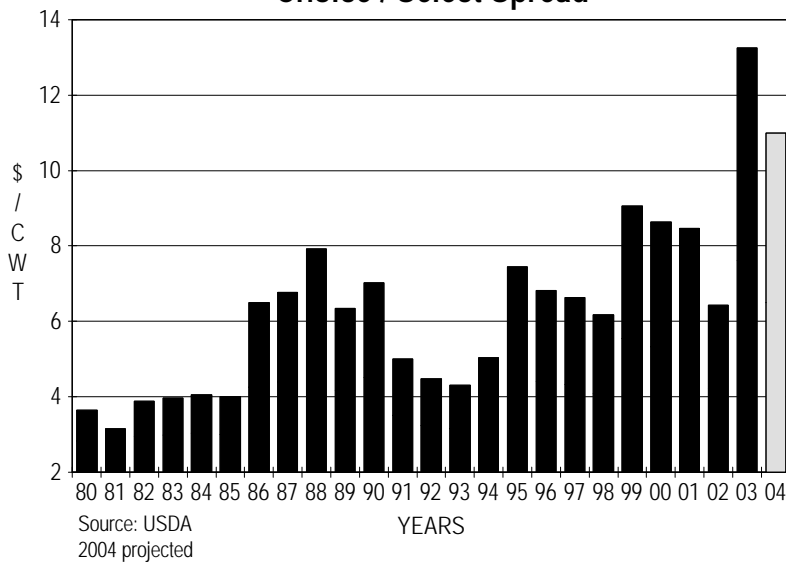
**Annual Choice Cut-Out Value**



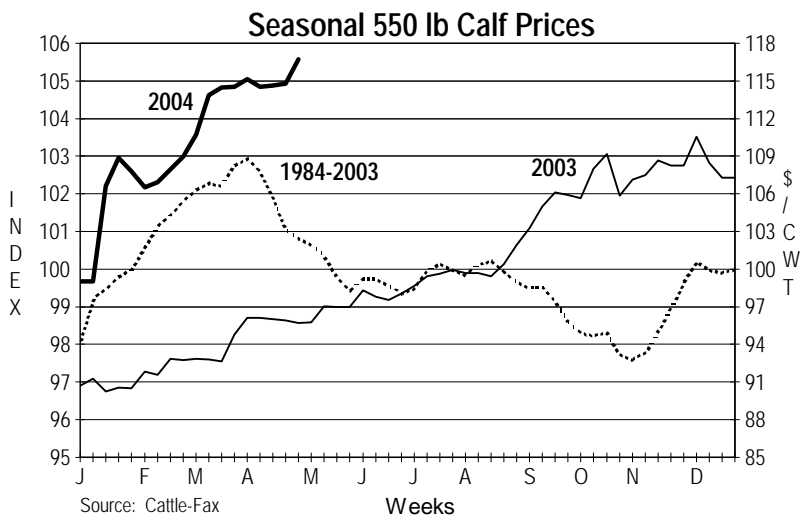
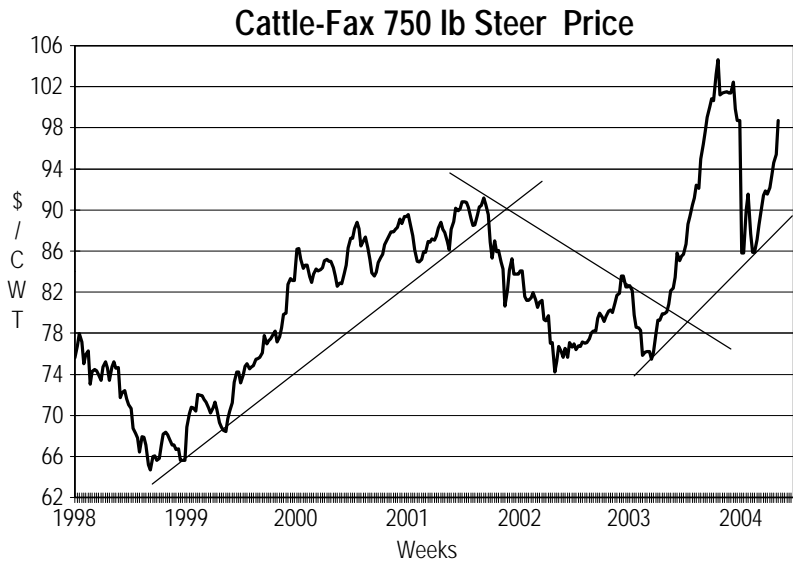
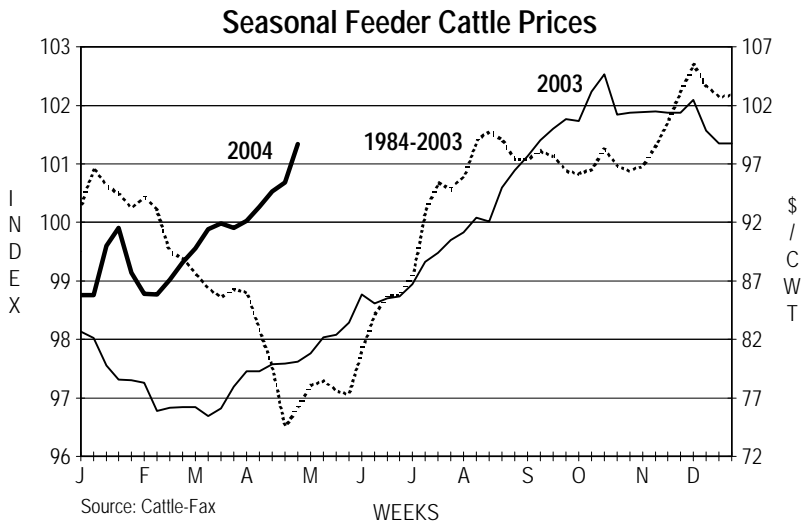
**Choice / Select Price Spread**



**Choice / Select Spread**



**Notes**



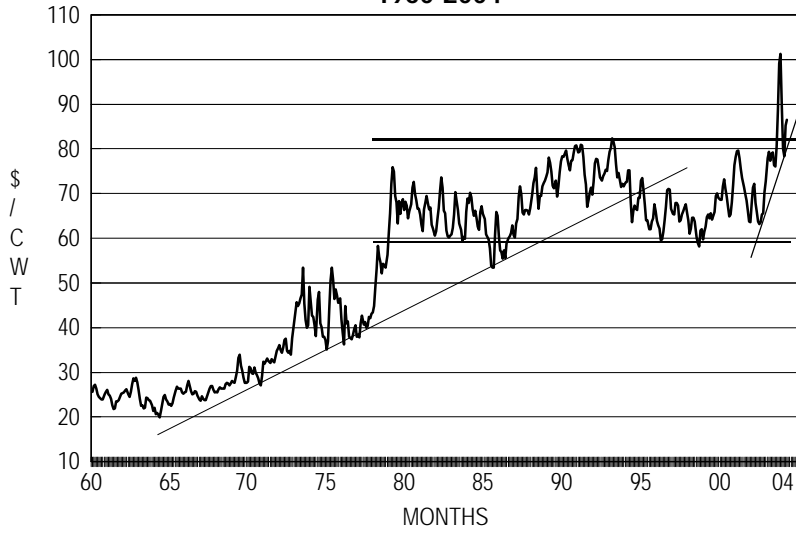
## Breakeven Purchase Price 550 lb Steer

Fed Price	Corn Price \$/bu							
	<u>2.20</u>	<u>2.40</u>	<u>2.60</u>	<u>2.80</u>	<u>3.00</u>	<u>3.20</u>	<u>3.40</u>	<u>3.60</u>
60.00	70.25	67.23	64.21	61.19	58.17	55.15	52.13	49.11
62.00	74.00	70.98	67.96	64.94	61.92	58.90	55.88	52.86
64.00	77.75	74.73	71.71	68.69	65.67	62.65	59.63	56.61
66.00	81.50	78.48	75.46	72.44	69.42	66.40	63.38	60.36
68.00	85.25	82.23	79.21	76.19	73.17	70.15	67.13	64.11
70.00	89.00	85.98	82.96	79.94	76.92	73.90	70.88	67.86
72.00	92.75	89.73	86.71	83.69	80.67	77.65	74.63	71.61
74.00	96.50	93.48	90.46	87.44	84.42	81.40	78.38	75.36
76.00	100.25	97.23	94.21	91.19	88.17	85.15	82.13	79.11
78.00	104.00	100.98	97.96	94.94	91.92	88.90	85.88	82.86
80.00	107.75	104.73	101.71	98.69	95.67	92.65	89.63	86.61
82.00	111.50	108.48	105.46	102.44	99.42	96.40	93.38	90.36
84.00	115.25	112.23	109.21	106.19	103.17	100.15	97.13	94.11
86.00	119.00	115.98	112.96	109.94	106.92	103.90	100.88	97.86
88.00	122.75	119.73	116.71	113.69	110.67	107.65	104.63	101.61
90.00	126.50	123.48	120.46	117.44	114.42	111.40	108.38	105.36
92.00	130.25	127.23	124.21	121.19	118.17	115.15	112.13	109.11
94.00	134.00	130.98	127.96	124.94	121.92	118.90	115.88	112.86
96.00	137.75	134.73	131.71	128.69	125.67	122.65	119.63	116.61
98.00	141.50	138.48	135.46	132.44	129.42	126.40	123.38	120.36

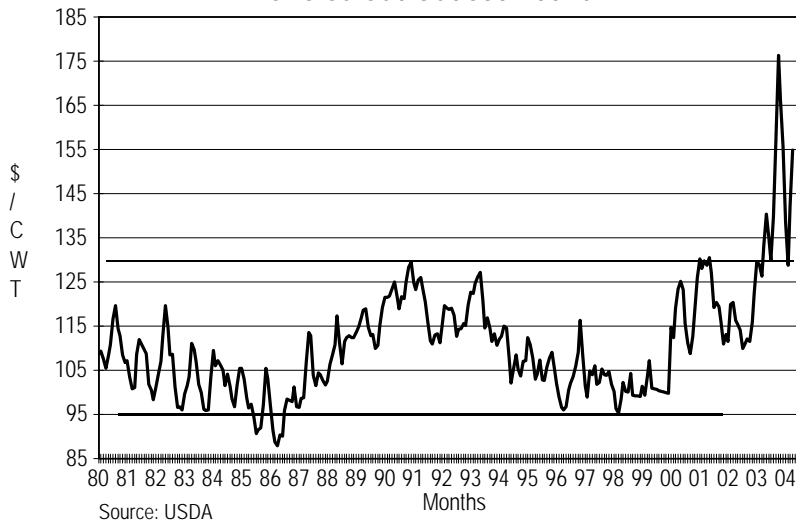
## Breakeven Purchase Price 750 lb Steer

Fed Price	Corn Price \$/bu							
	<u>2.20</u>	<u>2.40</u>	<u>2.60</u>	<u>2.80</u>	<u>3.00</u>	<u>3.20</u>	<u>3.40</u>	<u>3.60</u>
60.00	64.68	63.03	61.38	59.73	58.08	56.43	54.78	53.13
62.00	67.63	65.98	64.33	62.68	61.03	59.38	57.73	56.08
64.00	70.58	68.93	67.28	65.63	63.98	62.33	60.68	59.03
66.00	73.53	71.88	70.23	68.58	66.93	65.28	63.63	61.98
68.00	76.48	74.83	73.18	71.53	69.88	68.23	66.58	64.93
70.00	79.43	77.78	76.13	74.48	72.83	71.18	69.53	67.88
72.00	82.38	80.73	79.08	77.43	75.78	74.13	72.48	70.83
74.00	85.33	83.68	82.03	80.38	78.73	77.08	75.43	73.78
76.00	88.28	86.63	84.98	83.33	81.68	80.03	78.38	76.73
78.00	91.23	89.58	87.93	86.28	84.63	82.98	81.33	79.68
80.00	94.18	92.53	90.88	89.23	87.58	85.93	84.28	82.63
82.00	97.13	95.48	93.83	92.18	90.53	88.88	87.23	85.58
84.00	100.08	98.43	96.78	95.13	93.48	91.83	90.18	88.53
86.00	103.03	101.38	99.73	98.08	96.43	94.78	93.13	91.48
88.00	105.98	104.33	102.68	101.03	99.38	97.73	96.08	94.43
90.00	108.93	107.28	105.63	103.98	102.33	100.68	99.03	97.38
92.00	111.88	110.23	108.58	106.93	105.28	103.63	101.98	100.33
94.00	114.83	113.18	111.53	109.88	108.23	106.58	104.93	103.28
96.00	117.78	116.13	114.48	112.83	111.18	109.53	107.88	106.23
98.00	120.73	119.08	117.43	115.78	114.13	112.48	110.83	109.18

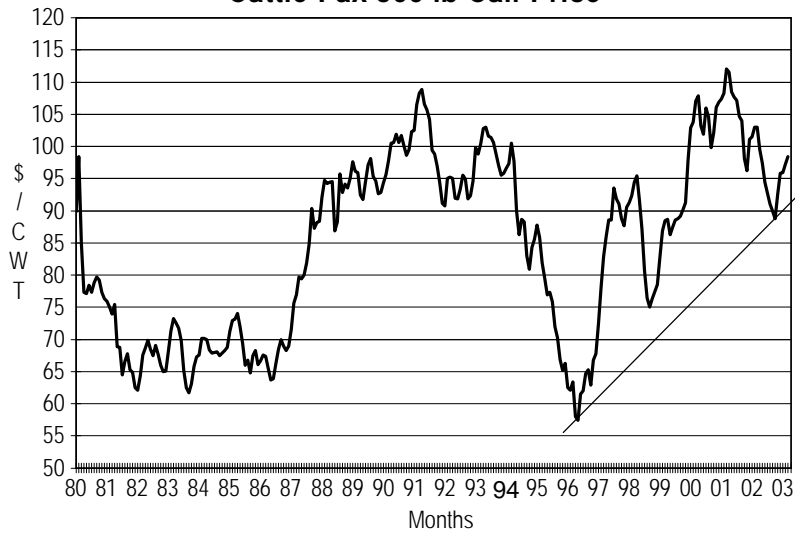
**U.S. Average Choice Fed Steer Price  
1960-2004**



**Choice Cut-Out 550-700 lb**



**Cattle-Fax 500 lb Calf Price**

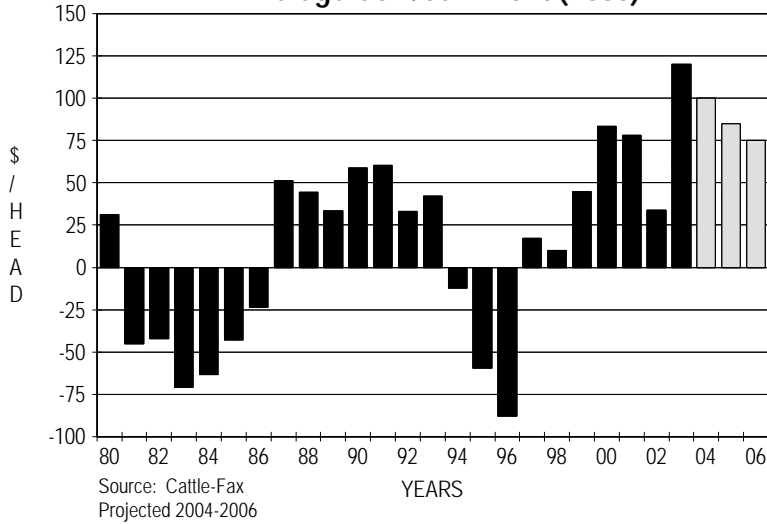


**Notes**

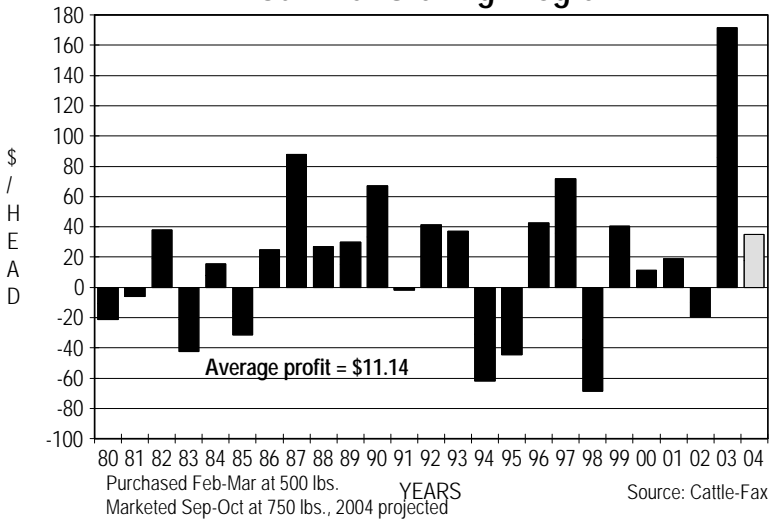


**Notes**

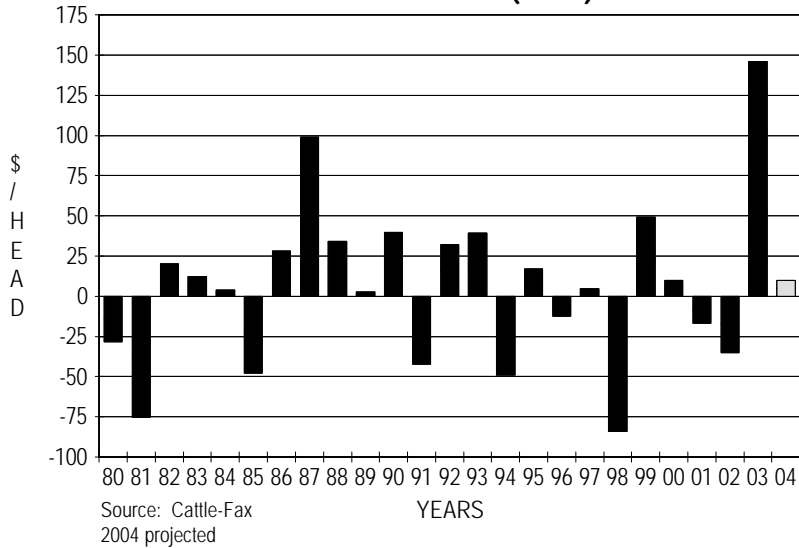
**Average Cow/Calf Profit (Loss)**

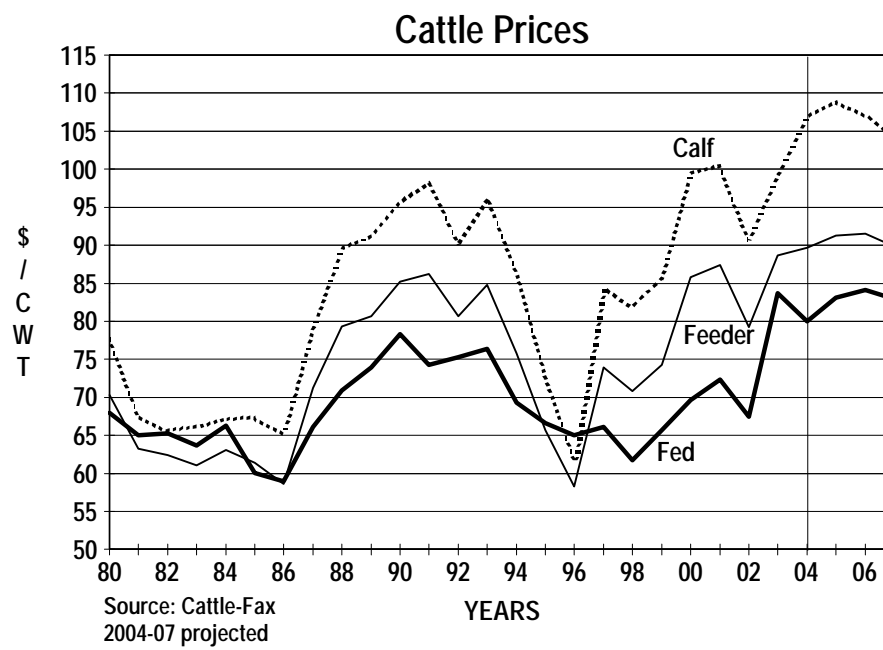


**Stocker Cattle Profit (Loss)  
Summer Grazing Program**



**Fed Cattle Profit (Loss)**





## Things to Watch

- 1) Slaughter levels
- 2) Front-end supplies/carryover
- 3) Carcass weights
- 4) Corn Prices
- 5) Export markets reopening – Timing/Impact
- 6) Border reopening to Canadian live and feeder cattle
- 7) Domestic demand

*All have a Major Impact on Market Situation and Outlook during 2004*