



The Quarterly Beef News

Spring Edition Newsletter



McDowell County Center

April 2024

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Contact Us!

NC COOPERATIVE
EXTENSION

McDowell Center
County Administration
Building, Room 226
60 East Court Street
Marion, NC 28752

Phone: 828-652-8104

<http://mcdowell.ces.ncsu.edu>

skylar_murray@ncsu.edu

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University, U.S. Department of Agriculture, and local governments cooperating.



April Cattlemen's Meeting

I hope everyone is looking forward to the next cattlemen's meeting. It will be held, **April 18th at 6 PM at the Senior Center**. The speaker at the meeting will be Steven Mathews, from the Cleveland County Agriculture and Livestock Exchange sale barn and he will be talking about grades of cattle.

I hope everyone is having a great start to their spring so far, it seems that it has come early for us this year. Many of you may remember early March when Texas had a fire and it was devastating not only for people but also for the crops and livestock farmers. I wrote an article titled **“Forecasting the Herd: Texas Cattle Fires and the Beef Outlook in 2024”** it talks a little more about the recent fire that Texas had and the impact it may have on the beef industry. Also, I have included an article written by the University of Georgia titled **“2024 Beef Outlook”**. This article talks about the prices for 2023 and 2024 and what the futures for the cattle markets currently look like.

Please **RSVP** for the cattlemen's meeting by **April 16th**, you can call the office at (828) 652-8104.



Forecasting the Herd: Texas Cattle Fires and the Beef Outlook in 2024

Have any of you sat down and watched the news recently within the past month? If you have, then you know about the wildfires that have happened in Texas. Watching some of the video footage from the wildfires and the impact it had on the producers was heartbreaking to me. While the final cattle death toll has not come out yet, the Texas commissioner of agriculture was predicting it to be around 3,000 head of cattle. While that may not sound like a lot to some. When you sit down to do the math, if you multiply 3,000 head of cattle by lets say around \$3,000 per head, that is a 9 million dollar loss. The Texas commissioner believes that only to be 1% of the state's overall cattle and does not think that will have an impact on the consumers' beef prices. Please continue to keep Texas in your thoughts as they start the recovery process.

Looking over some future statistics today for the cattle industry the prices are even better than what they were in 2023. So far the 2024 prices of cattle have been better than the 2023 prices were. While the prices continue to rise only time will tell if the consumer will pay the price. I have included an article from the University of Georgia titled “2024 Beef Outlook”. This is a very informative article of what we could all see in the year ahead of us.



2024 Beef Cattle Outlook

University of Georgia

Main Takeaways

- The beef cattle outlook is positive in 2024. Tight supplies and stable consumer demand are expected to push cattle prices higher in the year ahead.
- Risks to the outlook come from the demand side in the form of U.S. consumers uninterested or unable to continue to pay for higher-priced beef. Additionally, input cost uncertainty may squeeze margins.
- Overall, beef cattle prices are expected to move higher year-over-year throughout 2024.

2024 Beef Cattle Outlook

The beef cattle market outlook is strong for 2024. Beef cattle markets marched higher in 2023 with prices reaching record highs. Since then, prices moderated in line with seasonal trends but remain well above prices in 2022. The higher prices are the result of tight supplies and a resilient U.S. beef consumer. These market fundamentals are expected to persist into 2024, while demand-side risks may limit how high prices may go.

As calendars turned to 2023, the U.S. cattle industry ended a year of tremendous production and significant cattle herd reduction (Figure 1). The highest number of beef cows in a 25-year period were slaughtered in 2022 because of a significant drought in the Plains. In 2023, cattle slaughter slowed slightly but remained elevated through the first half of the year. In the second half, beef production slowed. Throughout the year, U.S. consumers continued to consume beef amid record-high retail beef prices, with the U.S. Department of Agriculture reporting in November a 10% year-over-year increase in all-fresh beef retail value. High prices were seen across the beef cattle supply chain with extremely high fed and feeder cattle prices seen through the summer. The 5-Area average steer price in June was about \$180/cwt, and the average June price for a 400–500 lb feeder steer in Georgia was around \$267/cwt (Figure 2). Feeder cattle prices fell in line with seasonal patterns in the fall, but prices remained robust in Georgia.

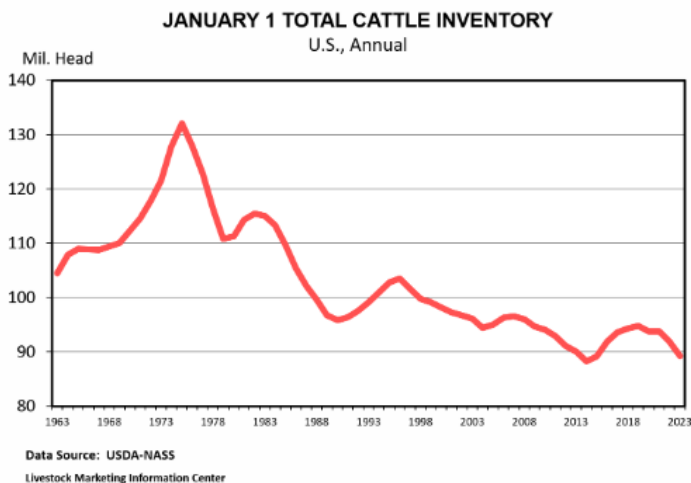


Figure 1. Annual U.S. Cattle Inventory, 1963–2023.
From USDA NASS Livestock Marketing Information Center.

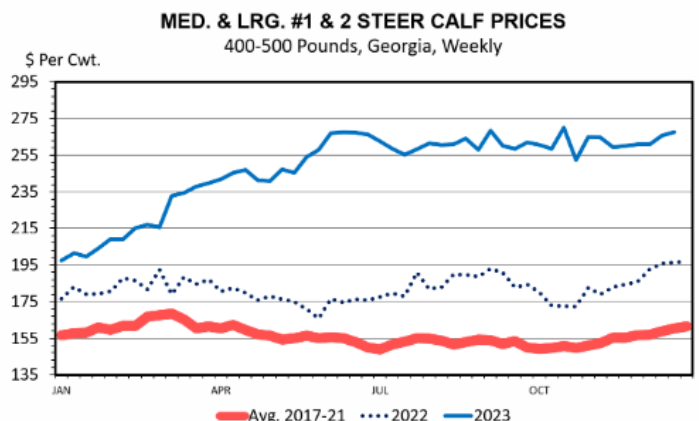


Figure 2. Weekly Georgia Calf Prices, 400–500 lb Steers, 2022–2023.
From USDA NASS Livestock Marketing Information Center.

Indications are that next year will see similarly high or higher prices as beef cattle inventories are expected to continue to decline, while the U.S. beef consumer appears to be strong financially and continues to buy beef. Uncertainty in this forecast comes from potential risks to the financial health of U.S. consumers and the timing of the cattle herd rebuild. Forage availability and input cost uncertainty are also risks that may impact the profitability of Georgia's beef cattle industry. If forage is less available, hay prices may increase and prevent herd expansion. Similarly, higher input costs could dampen interest in growing herds.

Retail beef prices were higher in the summer of 2023. Price increases had a broad base with prices increasing for steaks and ground beef alike. Premiums for Choice over Select were high compared to last year through the summer with recent data suggesting they are similar to 2022. Lastly, retail outlets had fewer beef specials and featured beef at similar rates compared to 2022, indicating that retailers do not need to highlight beef to make sales. This suggests the U.S. consumer desires high-quality beef despite high prices.

Beef production is firmly in the hands of the cattle cycle. This is a regular pattern in cattle inventory that spans about 10 years from one trough in cattle numbers to the next. We are now entering year 10. The beef cattle herd in the U.S. is expected to drop again in 2024. However, a low in cattle inventory is not expected until the latter half of 2024, or more likely in 2025. While margins have improved in 2023, profits have not reached levels that incentivize significant herd rebuilding efforts. Prices will respond to changes in supplies at different stages of the supply chain as we saw at the end of 2023 with unexpectedly high placements into feedlots. However, these are more driven by timing than underlying market fundamentals of more cattle. Overall cattle prices should be trending higher in the year ahead.

U.S. beef consumers will be tested in the coming year as supplies tighten further. If consumers continue to buy beef at even higher prices, fed cattle and calf prices can continue to move higher. However, if consumers start to hesitate or pull back, cattle prices may see more resistance as they try to move higher. This is the main risk to the beef cattle industry in the year ahead as supplies are poised to remain limited.

Input costs also pose risks in the year ahead. Pasture and range conditions significantly improved for much of the U.S. in 2023, and there are no signs that this will change in 2024. As a result, hay prices in much of the country are coming down. However, the Southeast saw pasture conditions deteriorate later in the summer and through the fall. If this trend continues, cow-calf producers may see margins shrink as supplemental feeding may be warranted. Other input costs may also compress margins. While fertilizer prices have plummeted from the highs seen in the summer of 2022, other costs such as fuel and interest rates remain elevated.

Smaller supplies year-over-year and consistent consumer demand means prices should increase all along the beef cattle supply chain. Additionally, input costs should be similar to last year. Risks arise most significantly from end-consumers' financial health and willingness to continue to purchase high-priced beef. Overall, cow-calf margins should be very strong in the year ahead.



GARLIC & HERB STEAK SALAD

INGREDIENTS:

- 1 beef Top Sirloin Steak Boneless, cut 3/4 inch thick (about 1 pound)
- 1 tablespoon garlic & herb or onion & herb no-salt seasoning
- 1 medium red onion, cut into 1/2-inch thick slices
- 6 cups fresh baby spinach
- 1 medium tomato, cut into wedges
- 2 hard-boiled eggs, peeled and sliced

Dressing:

- 2 tablespoons honey mustard
- 2 tablespoons olive oil
- 1 tablespoon water
- 2 teaspoons garlic & herb or onion & herb no-salt seasoning
- 2 teaspoons fresh lemon juice

COOKING:

1. Combine Dressing ingredients in small bowl. Reserve 1/4 cup dressing for salad. Brush remaining dressing on onion slices.
2. Press 1 tablespoon seasoning blend evenly onto beef Top Sirloin Steak Boneless. Place steak in center of grid over medium, ash-covered coals; arrange onion slices around steak. Grill steak, covered, 7 to 11 minutes (over medium heat on preheated gas grill, covered, 8 to 13 minutes) for medium rare (145°F) to medium (160°F) doneness, turning occasionally. Grill onion 10 to 12 minutes (gas grill times remain the same) or until tender, turning occasionally.
3. Carve beef into slices. Divide spinach evenly among four plates. Top with steak slices, tomatoes, onions and eggs. Drizzle evenly with reserved 1/4 cup dressing.

Cook's Tip: To hard-boil eggs, place eggs in pan and fill with enough water to cover eggs by one inch. Heat just to boiling; cover pan and let eggs stand for 15 minutes. Immediately run cold water over eggs or place them in ice water until completely cooled.

Cow Herd Management Calendar

April/May/June:

- Start monitoring fly problems, put fly tags in cattle, use pour-on fly spray in addition to a fly tags helps with fly infestation.
- Make sure cattle have access to Hi-Mag minerals especially before the summer months.
- Monitor your calves to ensure they are gaining.
- Make sure the cattle maintain a body condition score of 5 to 6, provide additional feed if necessary.
- Worm cattle if you have not already done so.
- Make sure you have minerals and order more as needed.



**McDowell County Center
60 E. Court Street
Marion, North Carolina
28752**

Compiled and edited by:

**Skyler Murray
Extension Agent
Ag & Natural Resources**

Secterial support by: Heather Peek

Upcoming Events:



- **Cattlemen's Meeting-** April 18th
- **Knoll Crest Farm Spring Bull & Female Sale, Red House, Va.-** April 13th
- **Piedmont Emergency Animal Response Team Training Course, Winstom Salem, NC-** May 9th
- **Santa Gertrudis Breeders of the Carolinas 51st Annual Sale, Monroe, NC-** May 11th