

**2024 Northwest Beef Cattle Conference & Trade Show**

**Marianna, FL**

**2024 Cattle Market Outlook:**  
*Why This Could Be The Time To  
Make Changes & Invest*

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# MARKET UPDATES: January 2024

## 1) Cattle

- Inventory
- Prices

## 2) Hay Production & Stocks

## 3) Input Costs

- Rent
- Interest
- Production Costs





A photograph of a herd of cows in a green field during sunset. The scene is bathed in warm, golden light. In the foreground, a light-colored cow stands near a wire fence. In the background, a large group of dark-colored cows is gathered. A semi-transparent white rectangular box is centered over the image, containing the word "INVENTORY" in a bold, black, sans-serif font.

# INVENTORY



# INVENTORY

❖ Beef Cow Herd - Lowest since 1961

❖ Replacement Heifers – 1%

❖ First Calf Heifers – 2%

❖ Calf Crop – 2%

❖ Cattle on Feed – 2%



Open-Ended Question:

***IS THE BEEF COW HERD STILL  
DECLINING OR WILL WE SEE  
STABILIZATION IN THE LAST HALF  
OF 2024?***

Replacement Heifers – major revision since January 2023 Report:

❖ Jan 2023 Report – 5.16 million head in 2023

❖ Jan 2024 Report – 4.93 million head in 2023 (4.5% difference!)

❖ The number of beef replacement heifers has declined by **11.4%** since 2022, lowest since 1950

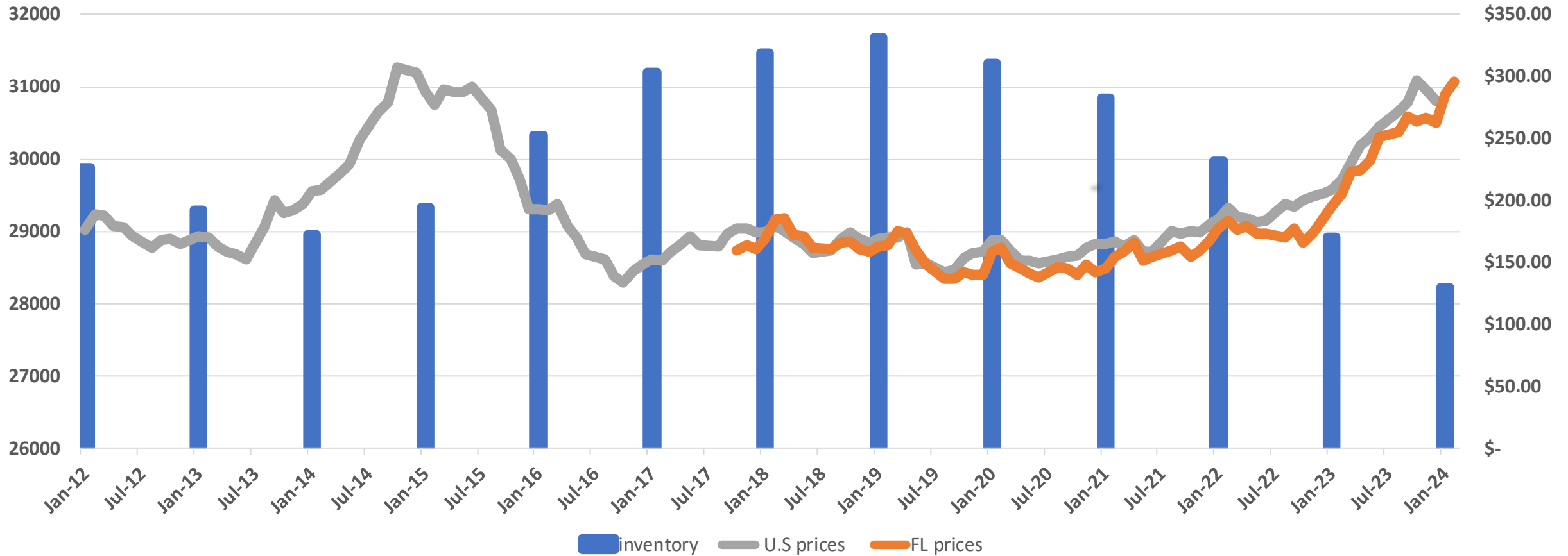
# INVENTORY

## Top 10 States in Beef Cattle Production

State	Number	% Change from 2023
1) Texas	4,115,000	-4%
2) Oklahoma	1,922,000	-3%
3) Missouri	1,840,000	-6%
4) Nebraska	1,637,000	-4%
5) South Dakota	1,502,000	-2%
6) Kansas	1,264,000	-4%
7) Montana	1,251,000	-2%
8) Kentucky	907,000	+1%
9) Florida	862,000	-3%
10) North Dakota	860,000	-2%

# INVENTORY

USDA Beef Cow Inventory and Calf Prices  
Inventory - 1,000 hd, Steers - 450-500 lb, U.S. Monthly, FL Monthly, \$/cwt





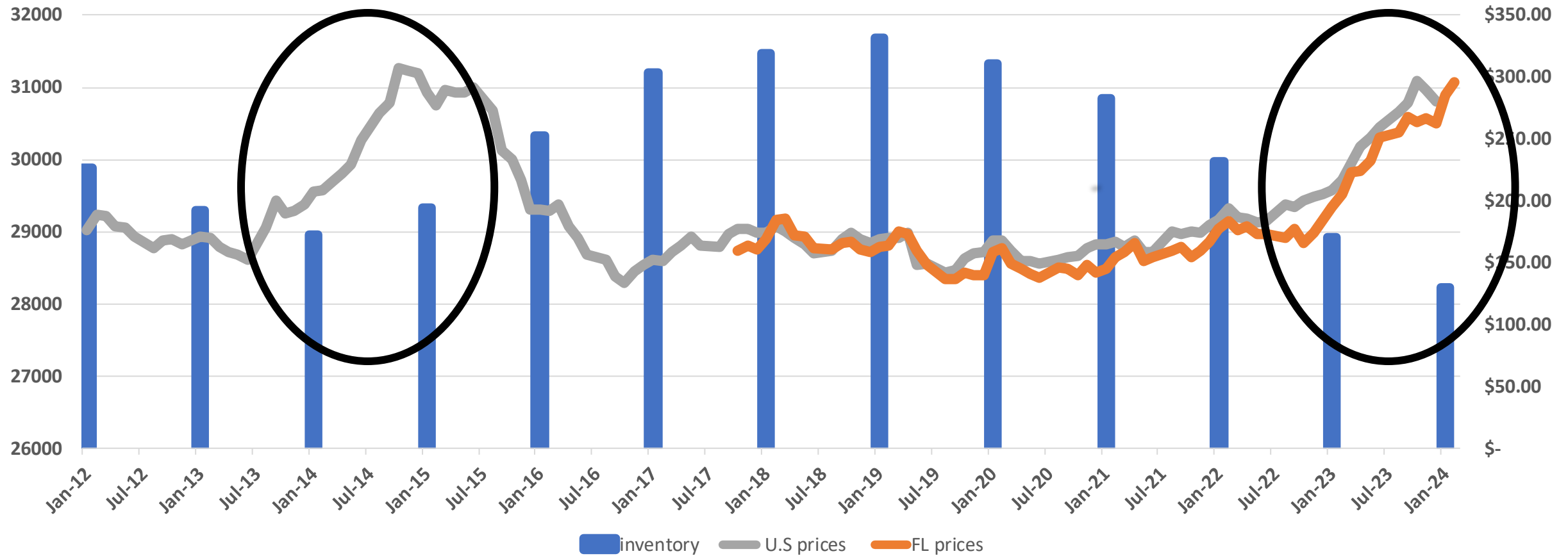
A photograph of a herd of steers in a grassy field during sunset. The sky is a warm orange and yellow, and the trees in the background are silhouetted. In the foreground, a light-colored steer is visible behind a wire fence. A semi-transparent white box with a thin black border is centered over the image, containing the word "STEERS" in a bold, black, sans-serif font.

# STEERS



# Steers: Prices & Inventory

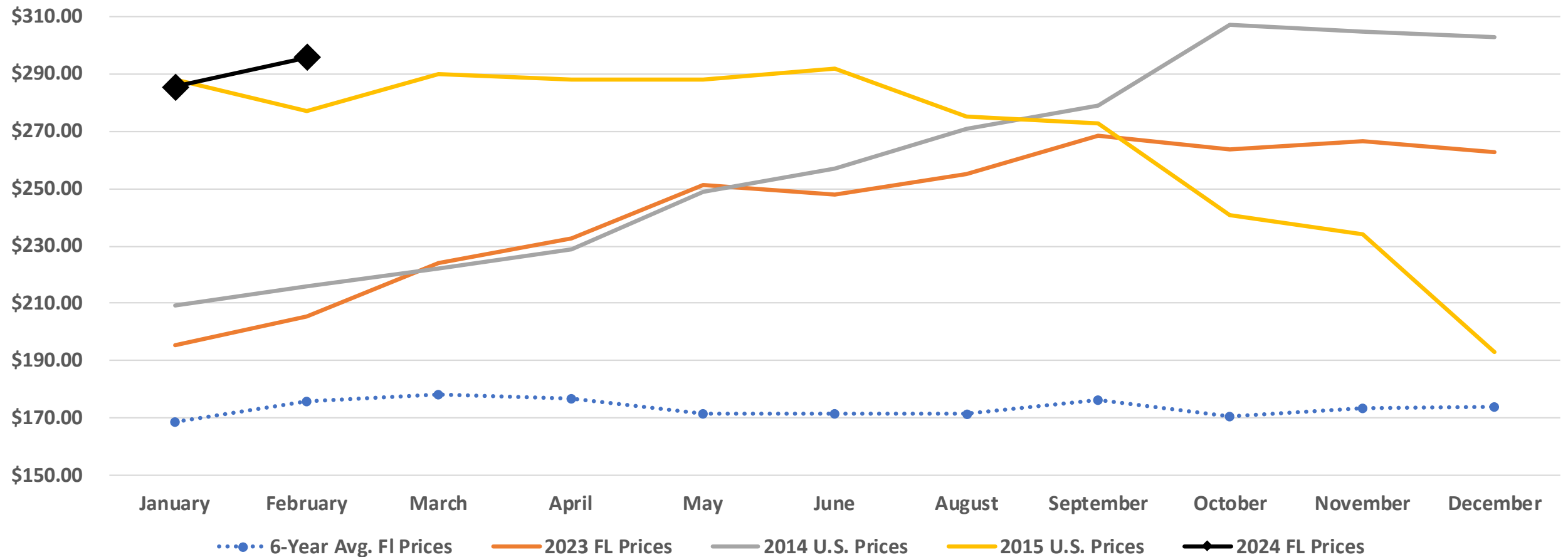
USDA Beef Cow Inventory and Calf Prices  
Inventory - 1,000 hd, Steers - 450-500 lb, U.S. Monthly, FL Monthly, \$/cwt





# Steers: Price Comparisons

Feeder Cattle Price Trends  
\$/cwt, 450-500 lb FL Steers, U.S. Calf Prices





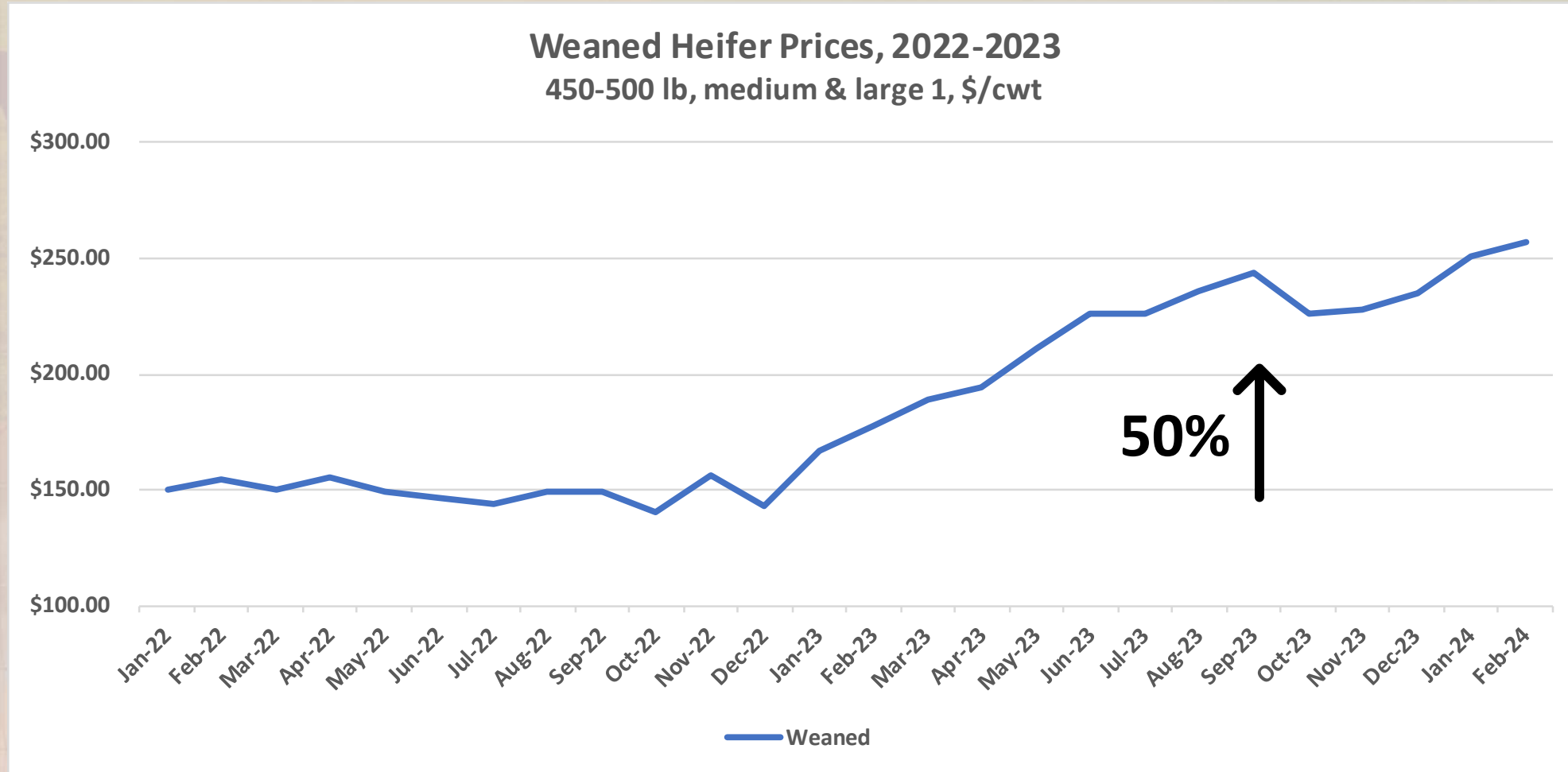


**HEIFERS**



# Heifers: Prices

❖ With high prices, producers are selling more weaned heifers to go into feedlots instead of retaining...



# Heifers: On Feed

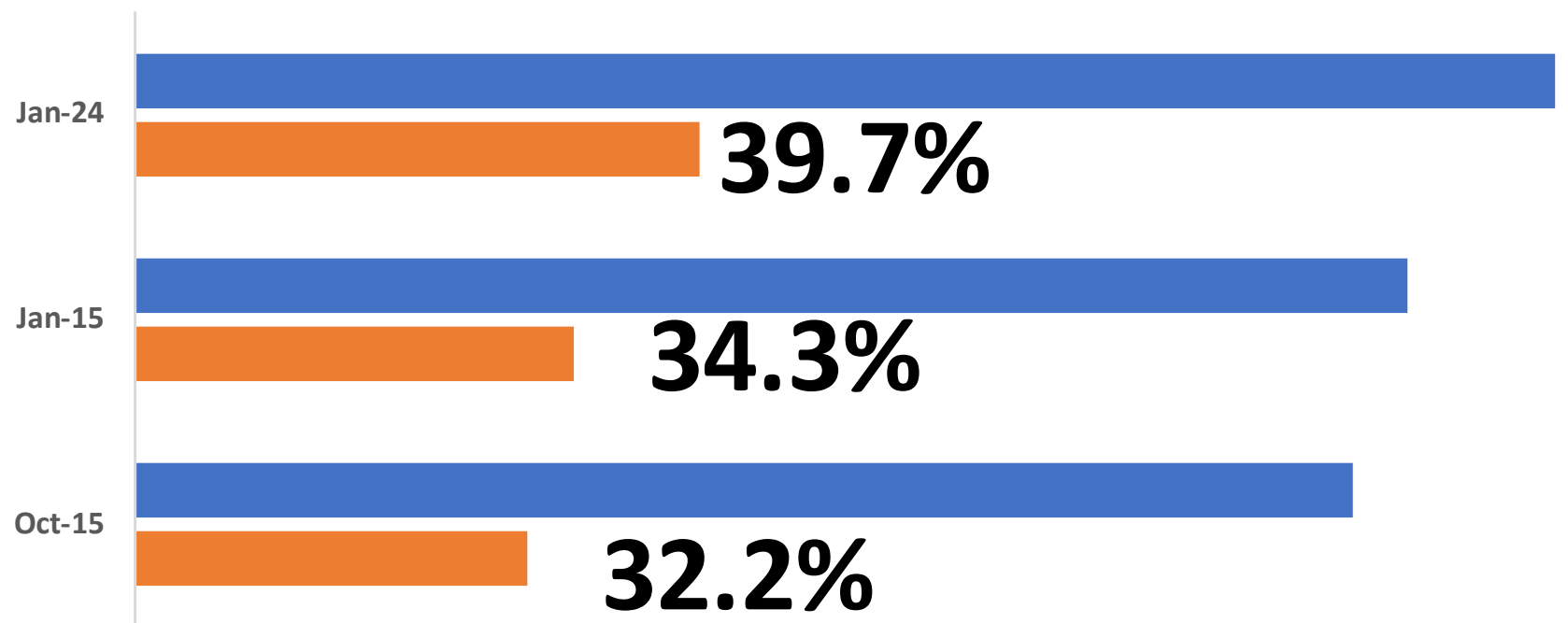
❖ In Florida:

Replacement  
heifers –  
down 4%

Feeder Heifers  
– up 25%

Percentage of Heifers on Feed  
(1,000 head)

■ All Cattle ■ Heifers on Feed



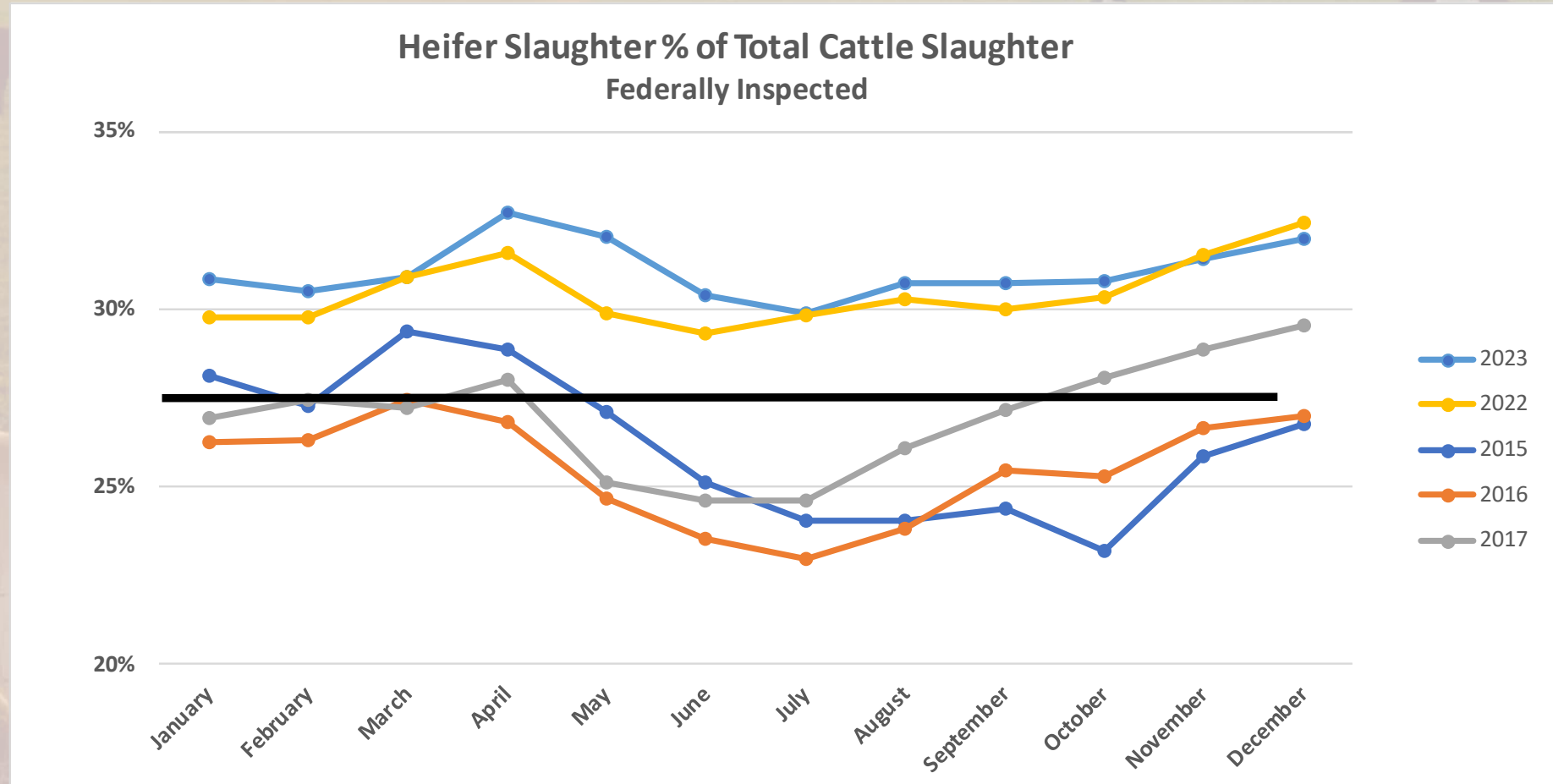


# Heifers: Slaughter

❖ On average:

2023 –  
31% of all  
cattle

Last  
expansion—  
25-27% of all  
cattle





A photograph of a herd of cows in a green field during sunset. The sky is a warm orange and yellow, and the trees in the background are silhouetted. In the foreground, a light-colored cow stands behind a wire fence. A semi-transparent white box with a thin black border is centered over the image, containing the text "CULL COWS" in a bold, dark, sans-serif font. The background of the box shows a faint, semi-transparent image of a herd of cows.

# CULL COWS

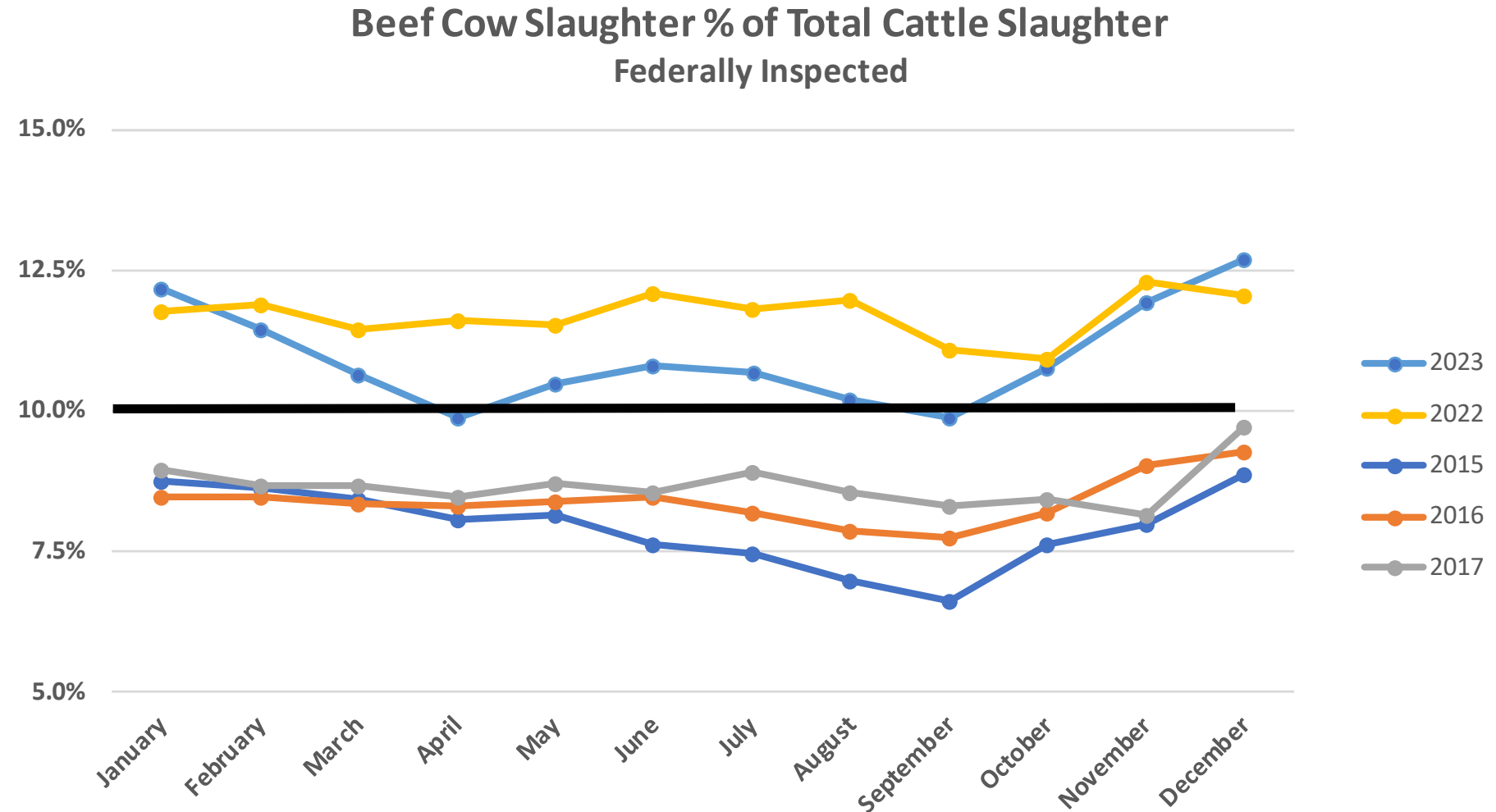


# Cull Cows: Slaughter

## ❖ Culling Rate:

2023 –  
11% on avg.

Last  
expansion –  
8% on avg.



# Cull Cows: Prices

❖ Average Dressed Cattle with BCS of 5-7:

30.8% higher than January 2023

(prices will vary based on dressing %, weight, & BCS)

❖ Value of female cattle rising = ask yourself the question:

*“Can I afford to improve the BCS of my culls to sell them as potential replacements/bred cows?”*



# Cull Cows: Ripple Effects

- ❖ Beef production= short-term increase, long-term decrease
- ❖ Current Supply of Feeder Cattle: 24.2 million, down 4.2%
- ❖ Lowest supply of feeder cattle in 53 years => decline in 2024 beef production by ~5%

❖ *BUT...consumer demand for beef has remained strong meaning producers must continue delivering a high-quality product*

❖ *BUT...beef production is expected to almost triple in 2024 compared to 1951, the last time cattle inventory was this low.*



A photograph of a herd of cattle in a field at sunset. The scene is bathed in warm, golden light. In the foreground, a white cow stands behind a wire fence. In the background, a herd of dark-colored cows is visible, some looking towards the camera. The sky is a mix of orange and yellow, and the trees in the distance are silhouetted against the light.

# REPLACEMENT CATTLE



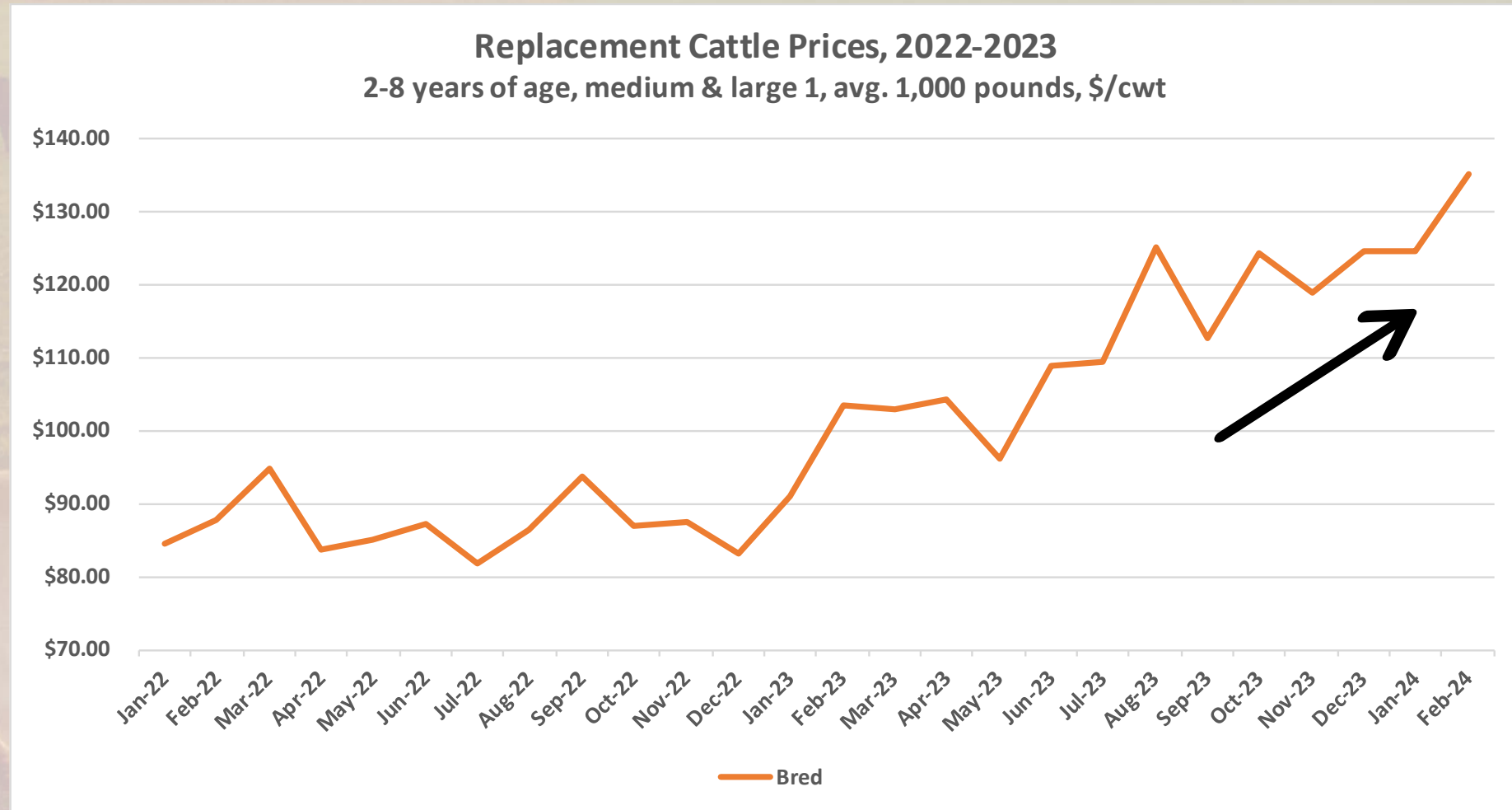
# Replacements: Prices

## ❖ Bred:

2023 -  
30.7% higher  
2022-  
54% higher

## ❖ Pairs:

21% higher  
than 2023







**HAY**



# Hay: Production & Stocks

## ❖ U.S.:

Stocks – up 6.9%

Production – up 9.5%

- down 1.5% (2021)

## ❖ Southeast:

Stocks – down 1.1%

Production – up 4%

\*indicates we started feeding hay sooner

## ❖ Florida:

Stocks – up 4.4% since 2022

Quality?

Production – record level of 806 tons, up 7.4%

***\*available hay will play a part in rate of expansion in the SE***

# Hay: Production & Stocks

U.S. Drought Monitor, SE States

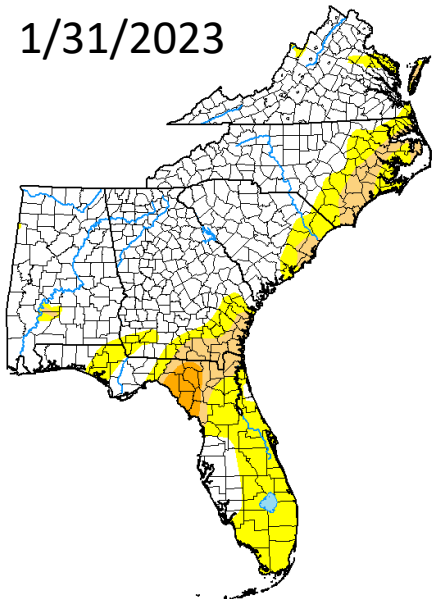
Severe Drought across U.S.—

2024 - 10%

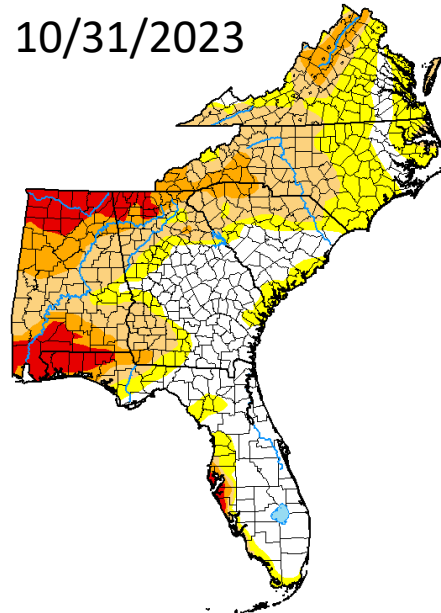
2023 - 21%

2022 - 36%

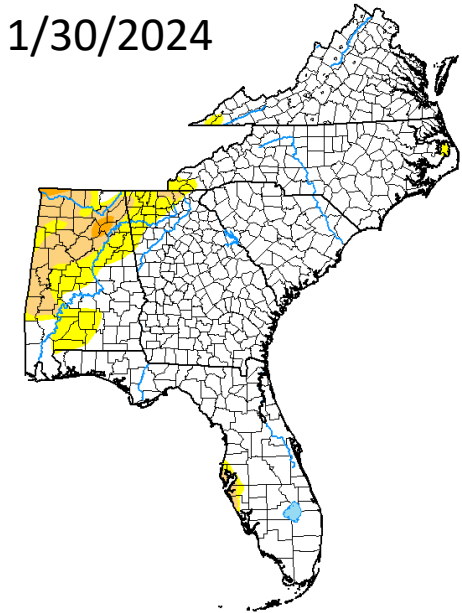
1/31/2023



10/31/2023



1/30/2024



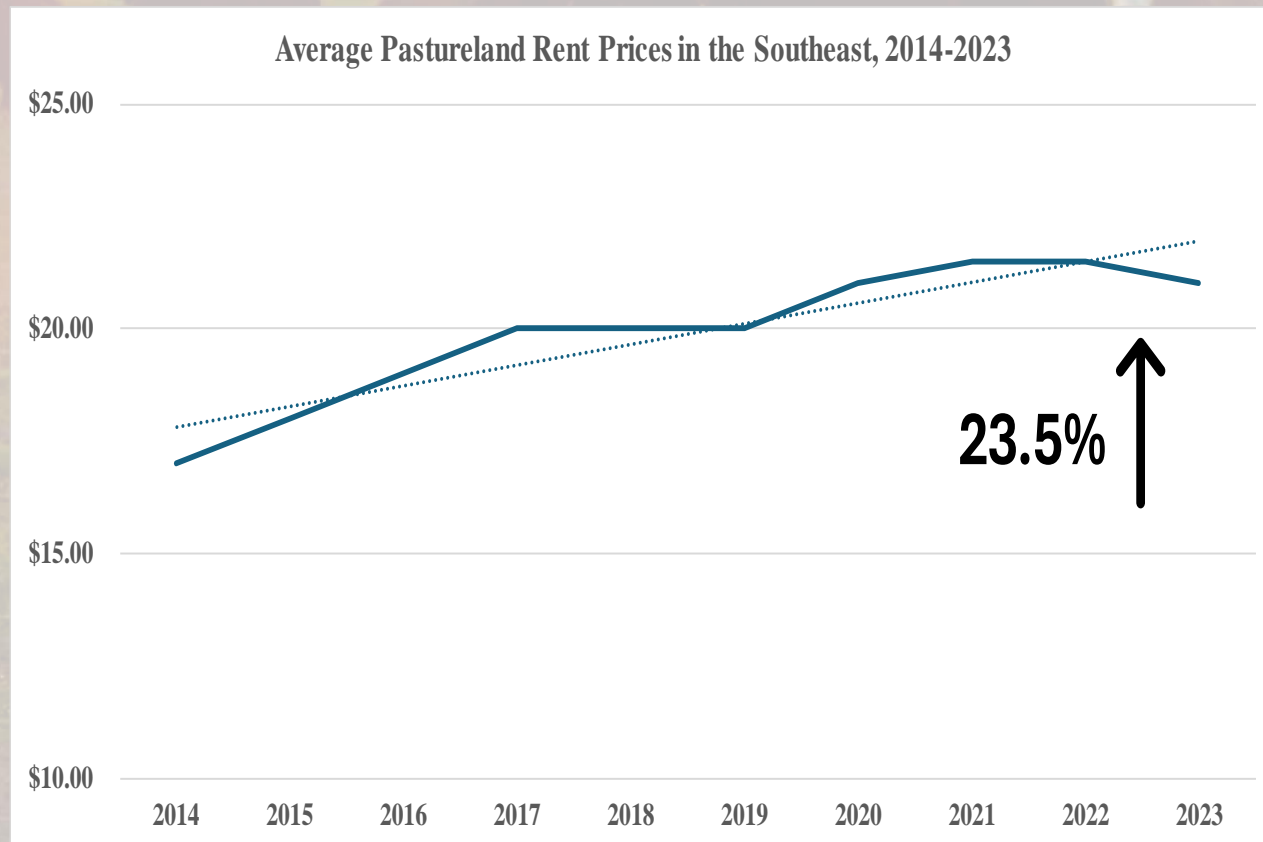
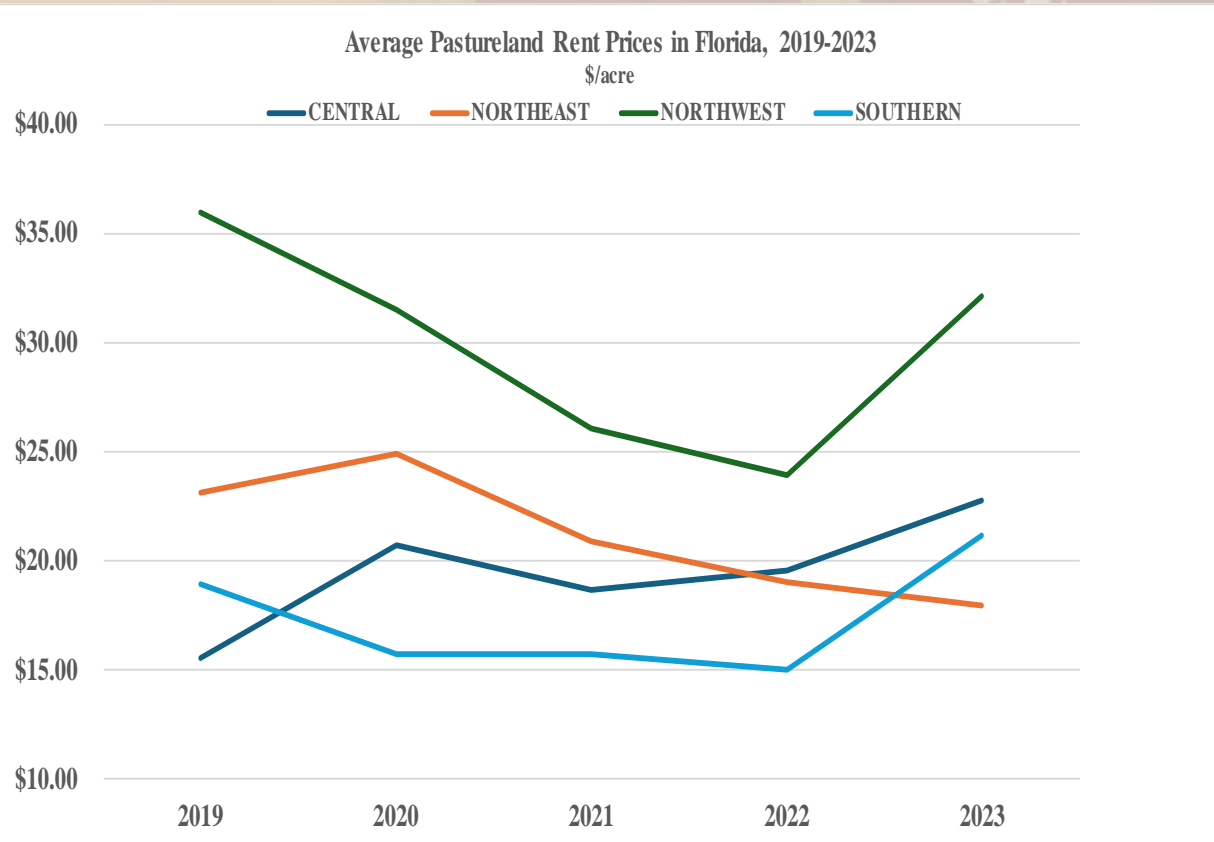


A photograph of a herd of cows in a green field during sunset. The sky is a warm orange and yellow, and the trees in the background are silhouetted. A white text box with a thin black border is centered over the image, containing the text "INPUT COSTS".

# INPUT COSTS



# Input Costs: Rent





# Input Costs: Interest

<b>Program</b>	<b>Interest Rates</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Farm Operating - Direct</b>	5.125%	2.250%	1.375%
<b>Farm Ownership - Direct</b>	5.375%	2.875%	2.625%
<b>Farm Ownership - Direct, Joint Financing</b>	3.375%	2.500%	2.500%
<b>Farm Ownership - Down Payment</b>	1.500%	1.500%	1.500%
<b>Emergency Loan - Amount of Actual Loss</b>	3.750%	3.250%	2.375%

# Input Costs: Production

## ❖ Feed:

Down 4%

## ❖ Fertilizer:

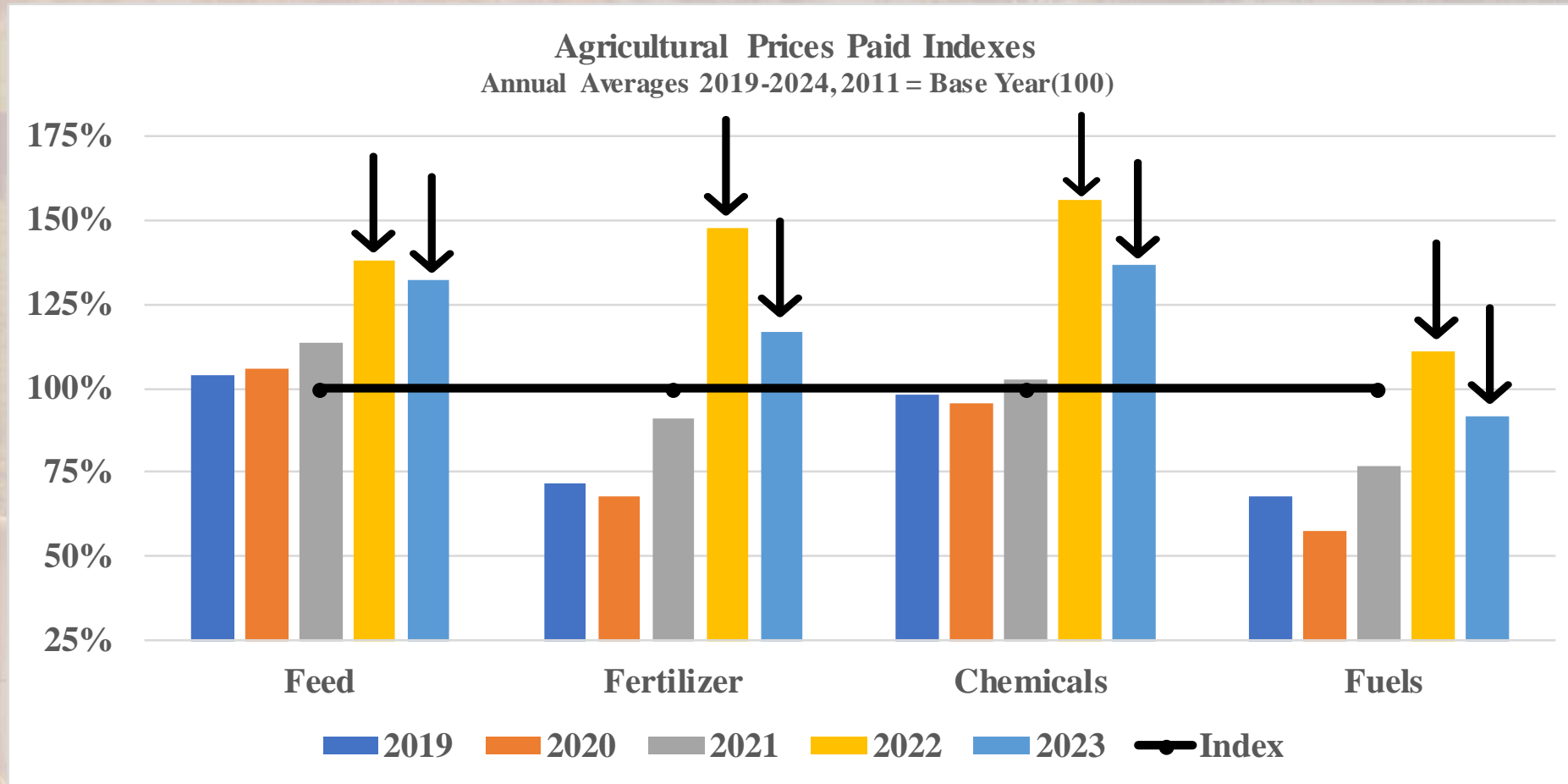
Down 21%

## ❖ Chemicals:

Down 12%

## ❖ Fuels:

Down 17%



-Nitrogen: down 36.9%      - Feed Grains: down 11.4%  
- Hay/Forage: down 2.8%      - Diesel: down 15.7%



# MAIN POINTS

## Cattle Inventory & Prices

- **Cattle prices are expected to rise & *potentially* peak in 2025.**
- Expansion is expected to happen at a slower rate than 2015.
- The value of female cattle will increase as expansion becomes reality.
- Consumer demand for beef will be one of the drivers of prices for feeder, fed, & culled cattle.

## Hay & Input Costs

- Hay production and availability will impact the rate of expansion. The timing of La Nina's appearance will also play a role.
- Interest and rental rates are higher but, **production costs are expected to keep decreasing.**

# KEY TAKEAWAY

**❖ *THE CATTLE MARKET IS FAVORABLE RIGHT NOW AND WILL BE FOR THE NEXT COUPLE OF YEARS!!***

.....

**❖ *HOW CAN/WILL YOU USE THIS TIME TO MAKE CHANGES AND INVEST IN YOUR HERD TO OFFSET LOW PRICES WHEN THE MARKET FALLS?***



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**QUESTIONS???**

**CONTACT ME @:**

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***MAY GOD BLESS YOUR STEWARDSHIP!!***