



Jan

Feb

Mar

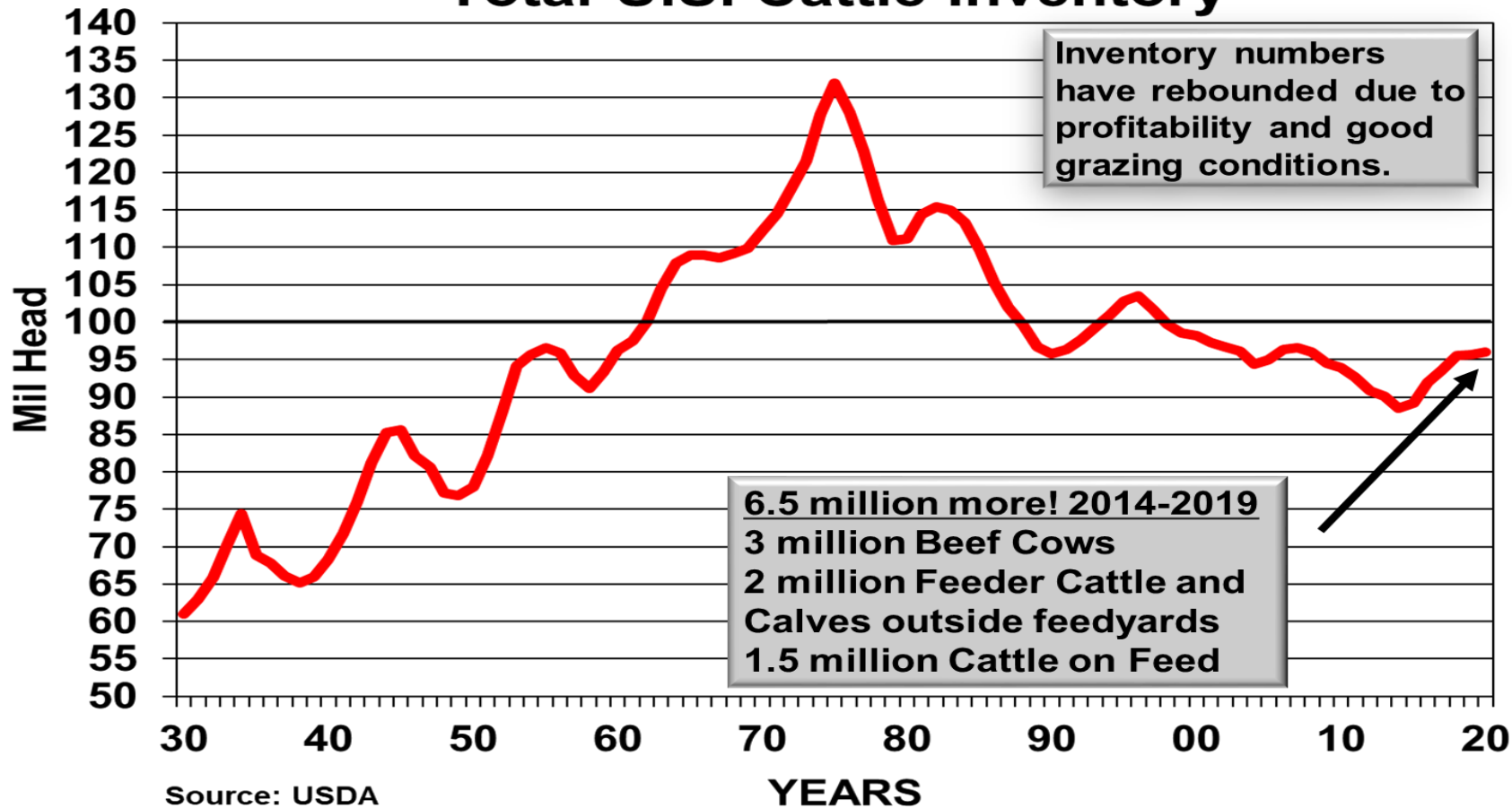
**CattleFax**

## Cattle and Beef Situation and Outlook

**Randy Blach**  
**CEO, CattleFax**

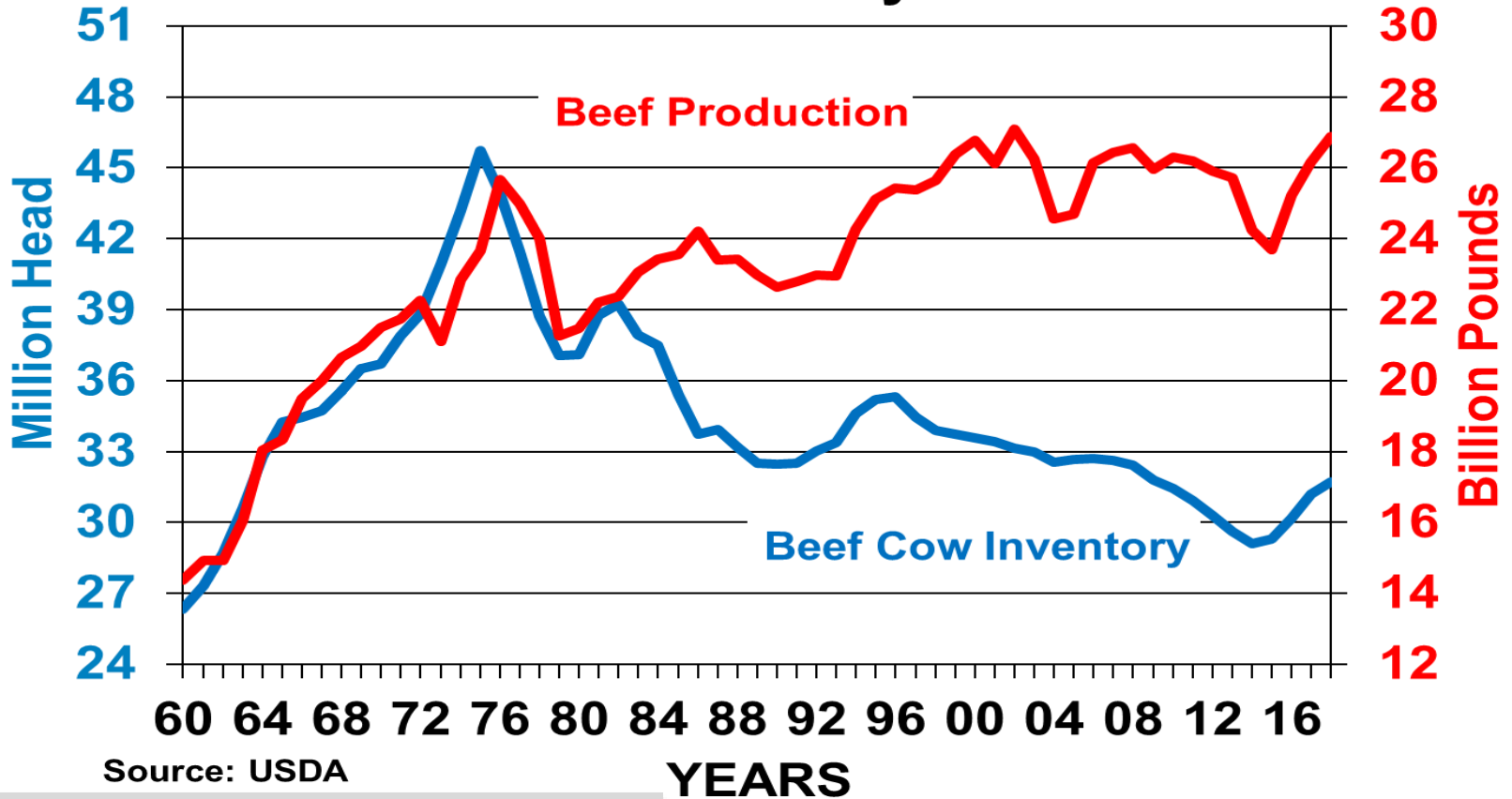
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# Total U.S. Cattle Inventory



Source: USDA

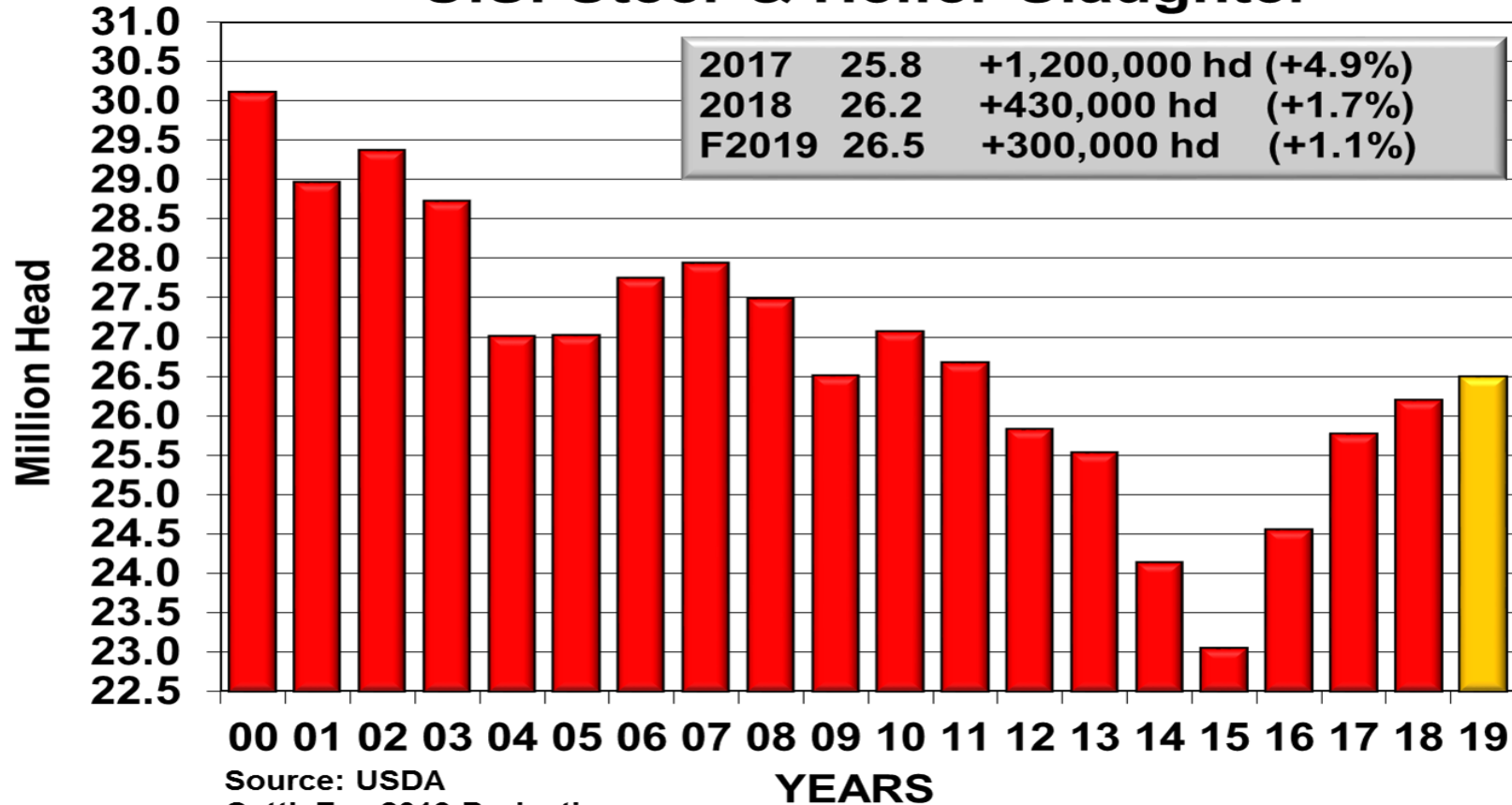
# U.S. Beef Cow Inventory & Production



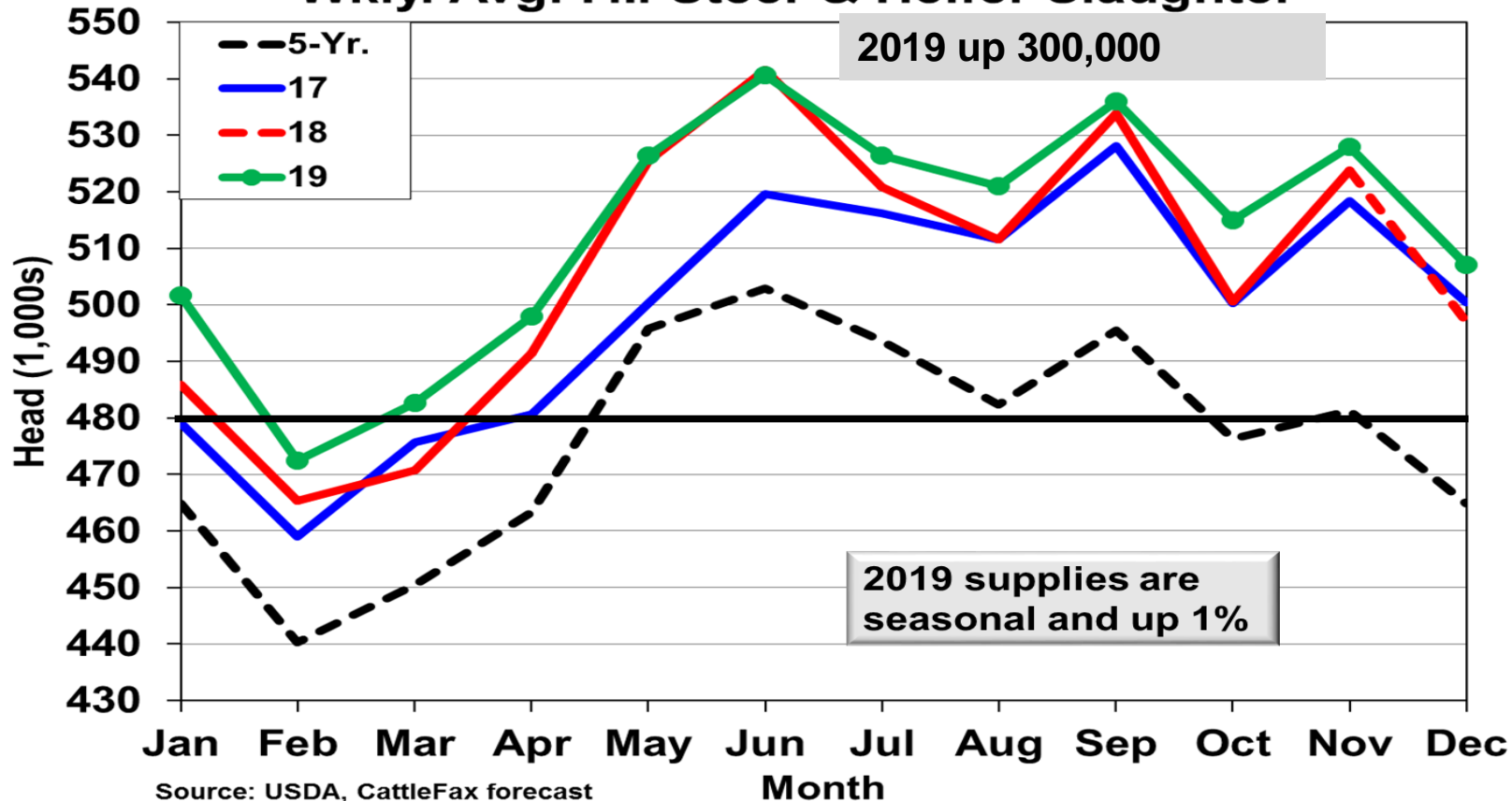
Source: USDA

Production record large with beef cow numbers down 13 mil. head

# U.S. Steer & Heifer Slaughter



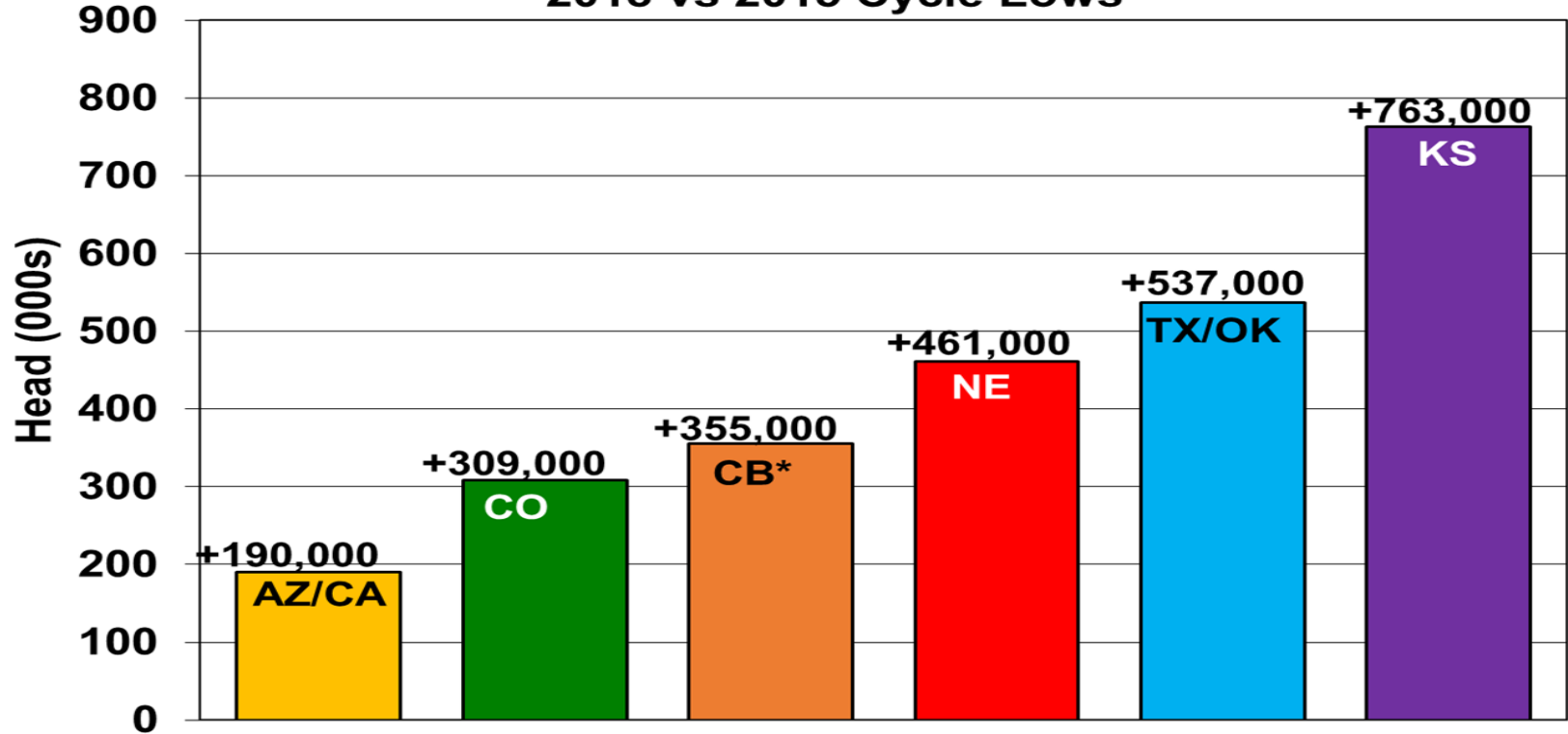
# Wkly. Avg. F.I. Steer & Heifer Slaughter



Source: USDA, CattleFax forecast

# Annual Fed Marketings

2018 vs 2015 Cycle Lows



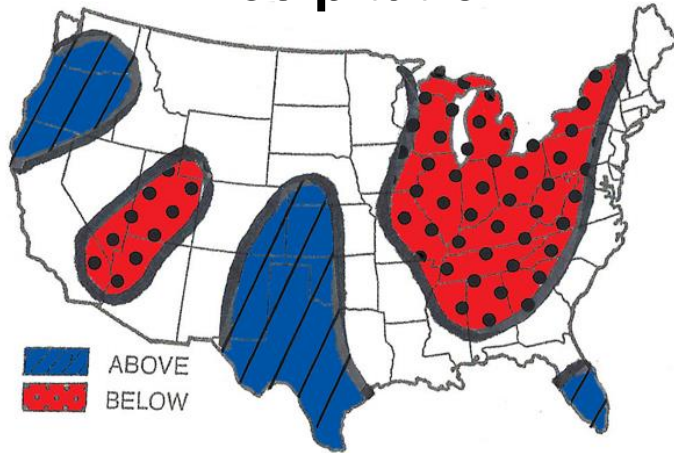
Source: USDA, 2018 CF Forecast

Region

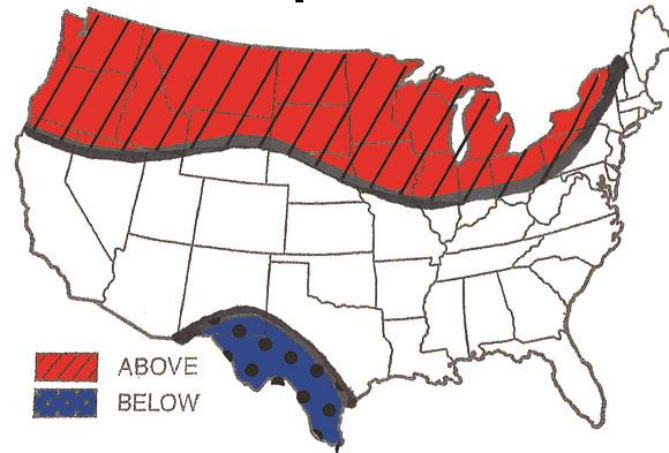
Corn Belt\* = IA, SD, MN, IL, IN, OH, MI, MO, ND, WI

# March-May Weather Outlook

## Precipitation

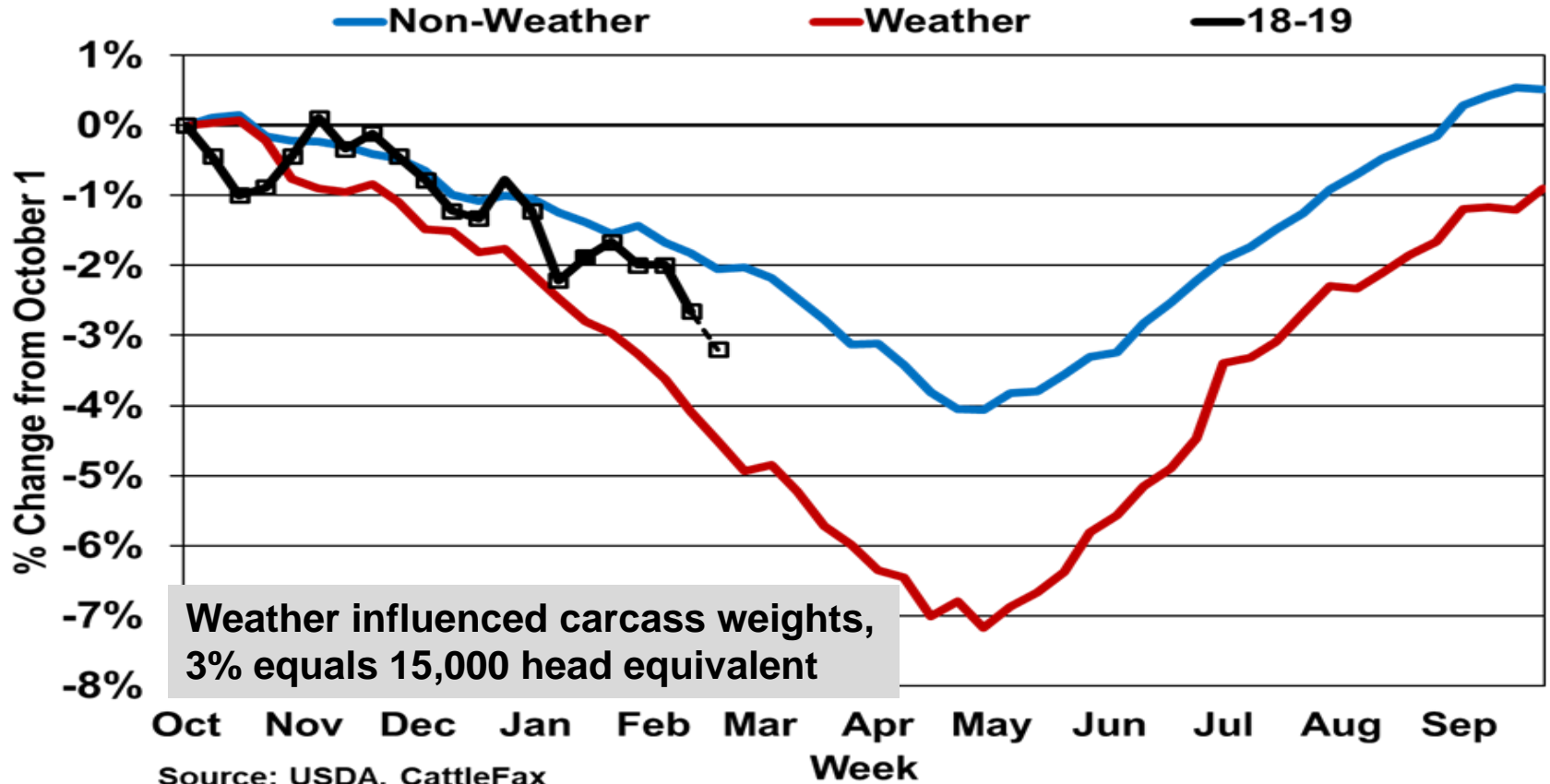


## Temperature



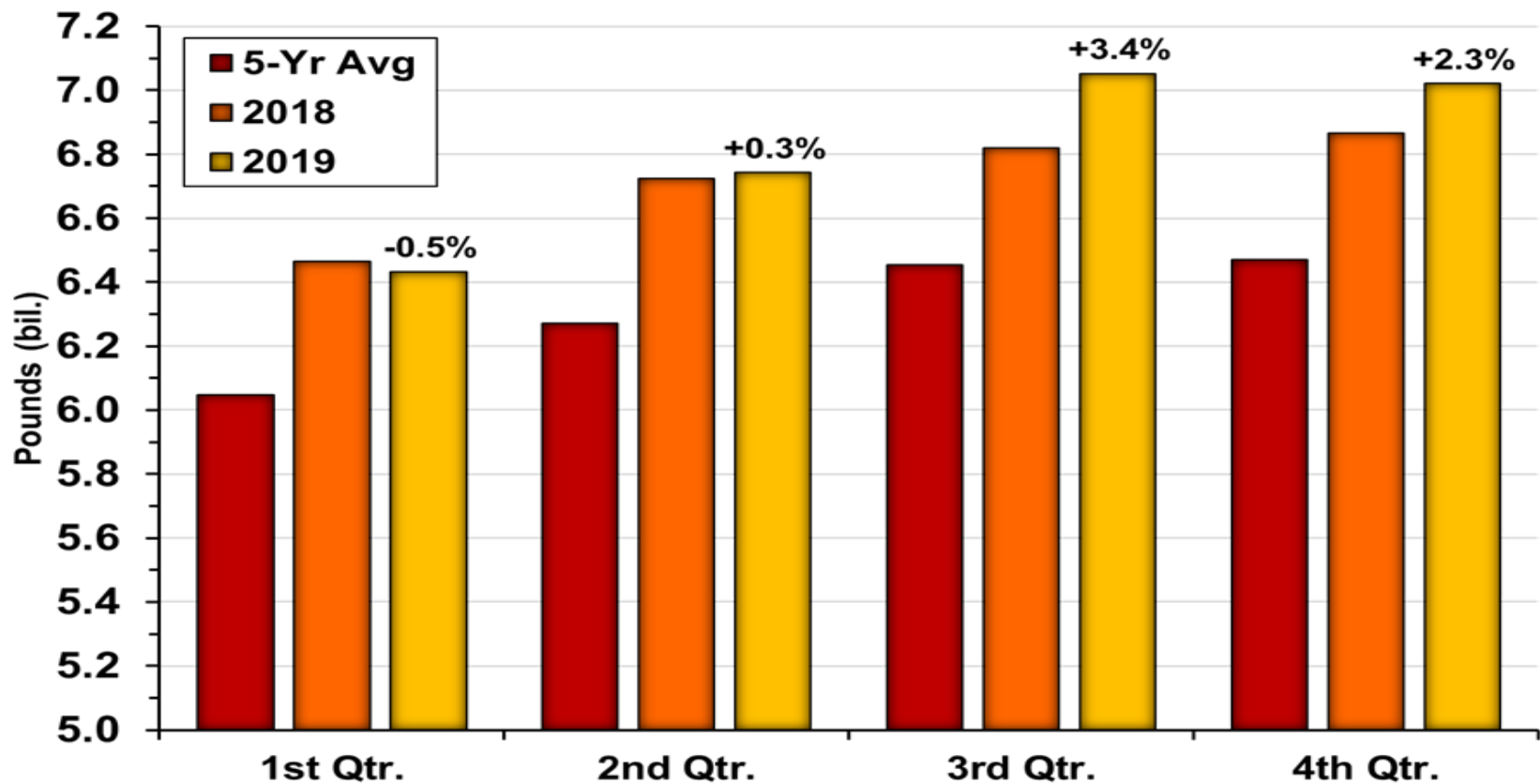


# Steer Carcass Weights



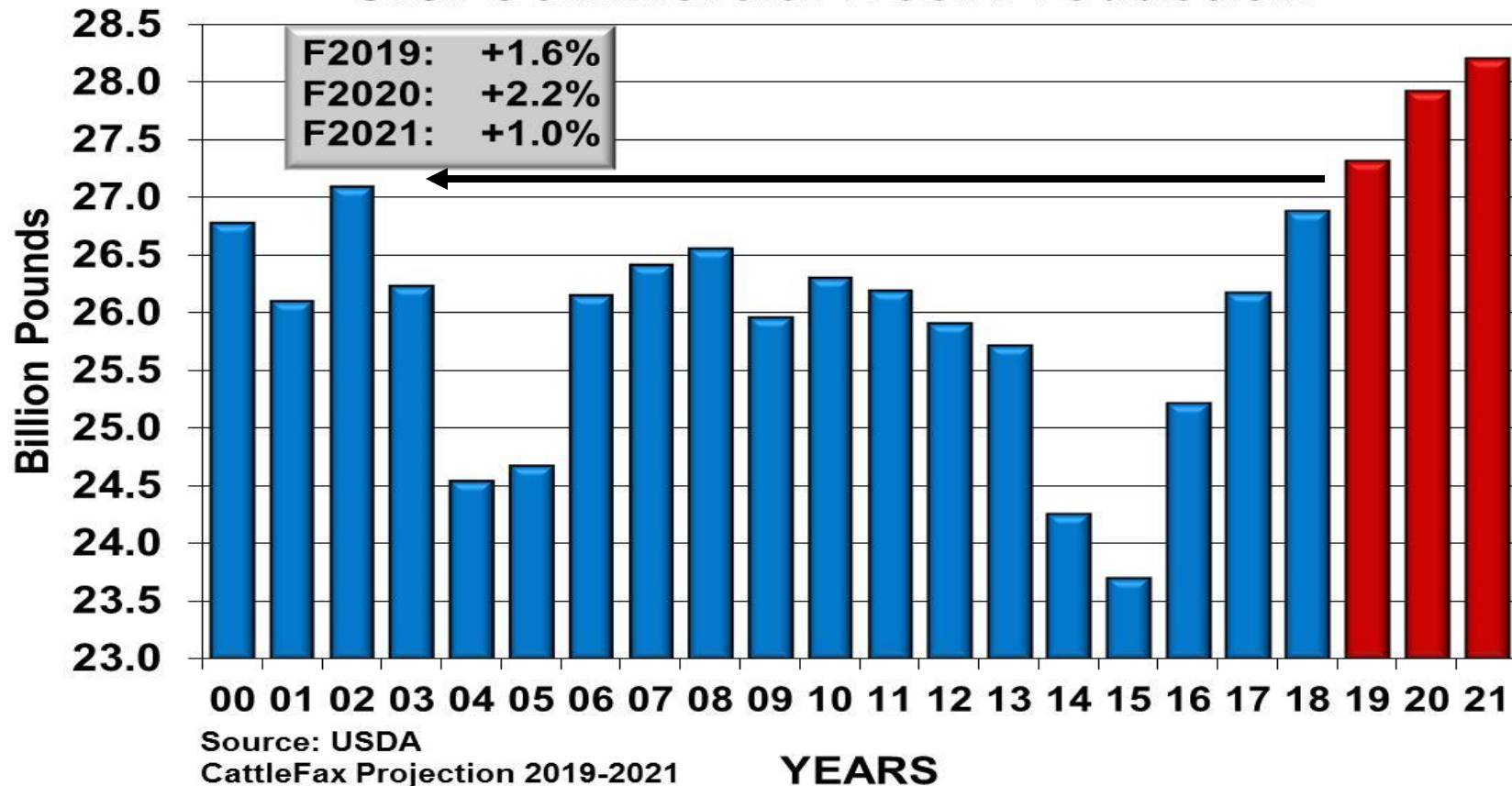


# U.S. Beef Production

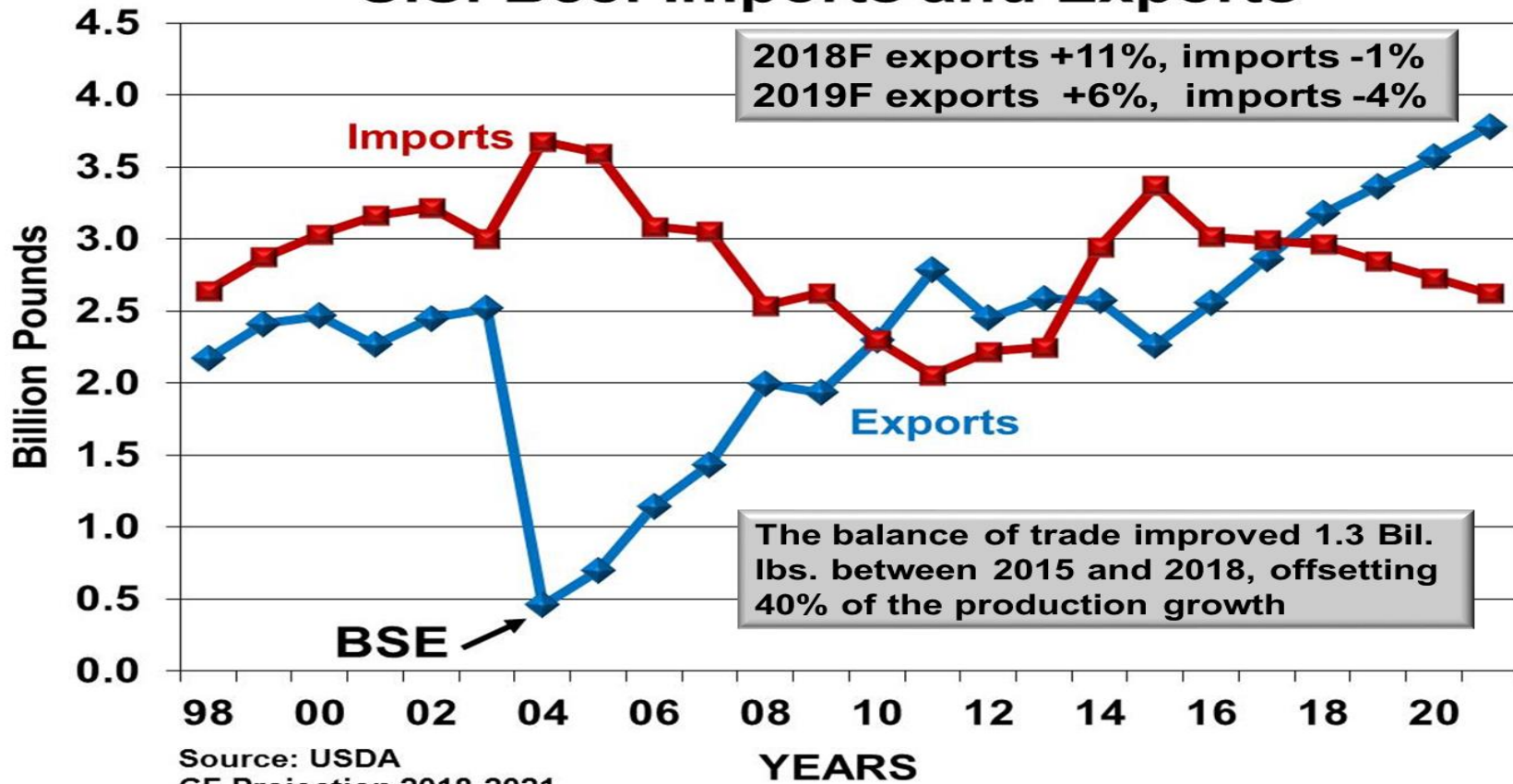


Source: USDA, CattleFax projection

# U.S. Commercial Beef Production



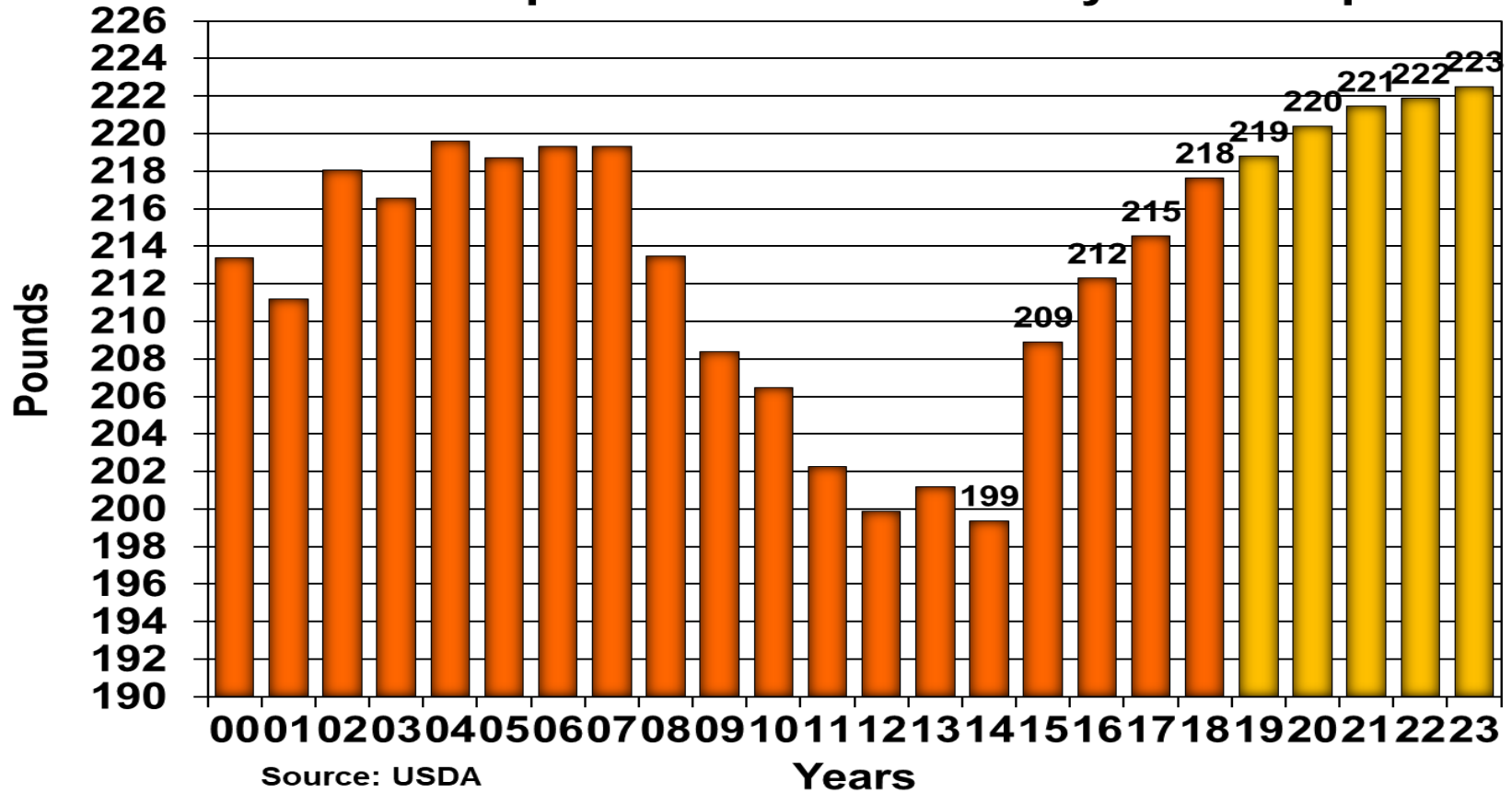
# U.S. Beef Imports and Exports





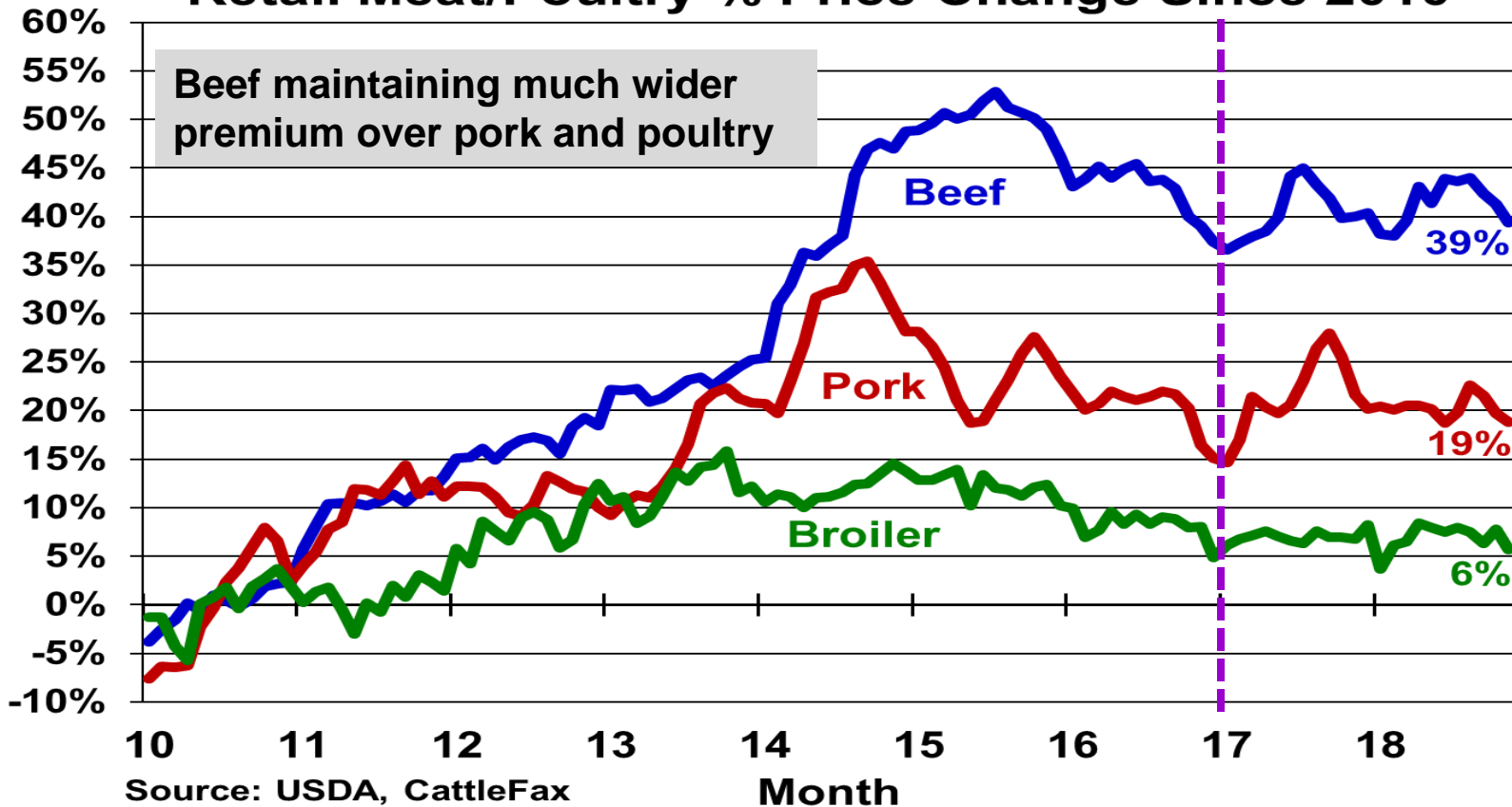
***Can demand absorb all  
of this production?***

# U.S. Per Capita Net Meat & Poultry Consumption



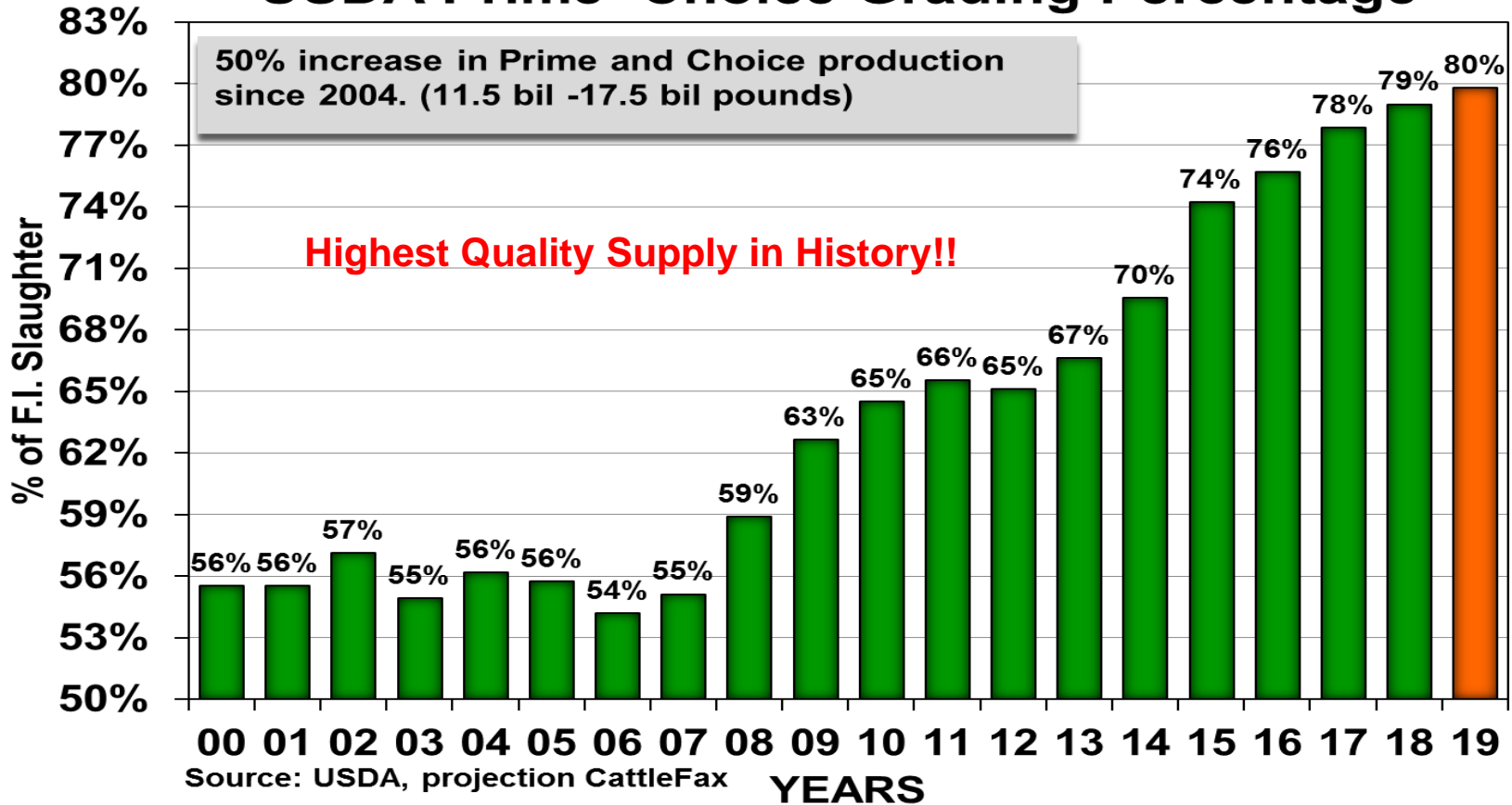
Source: USDA  
CattleFax Projection

# Retail Meat/Poultry % Price Change Since 2010



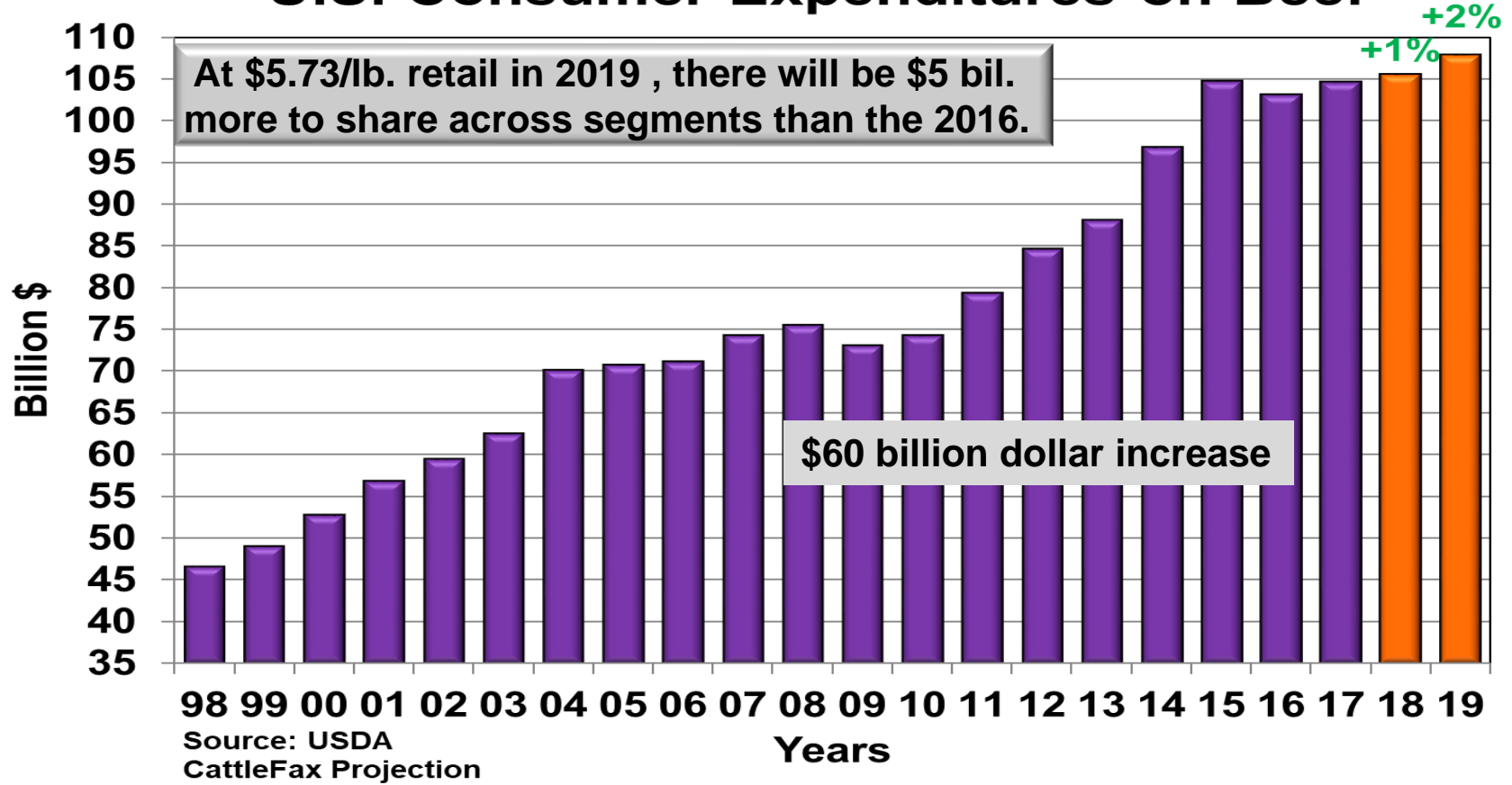
Source: USDA, CattleFax

# USDA Prime+Choice Grading Percentage

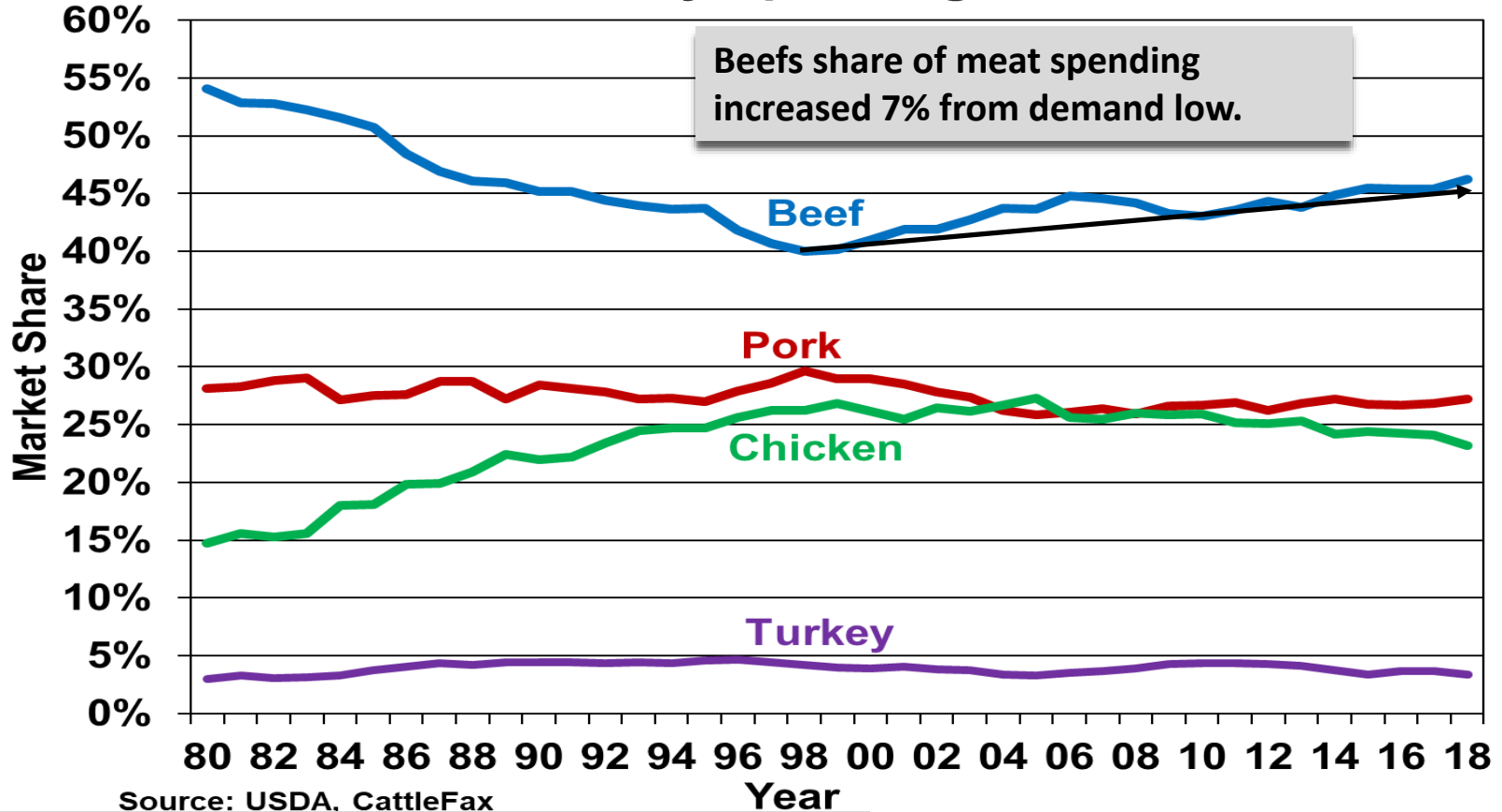




# U.S. Consumer Expenditures on Beef



# Retail Meat & Poultry Spending Market Share

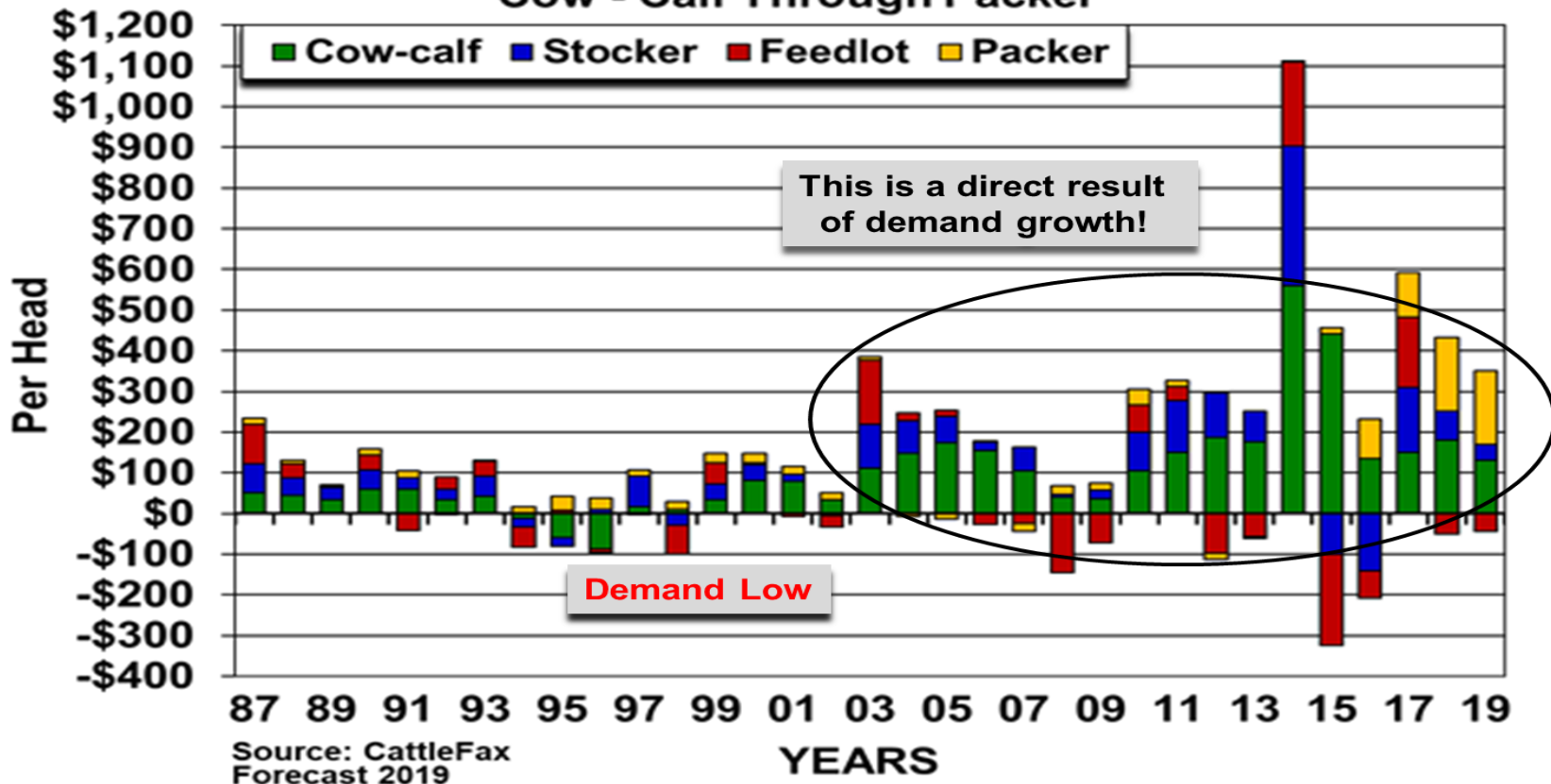


Source: USDA, CattleFax

Beef Spending has increased more than the combined total for Pork and Chicken, since 1998.

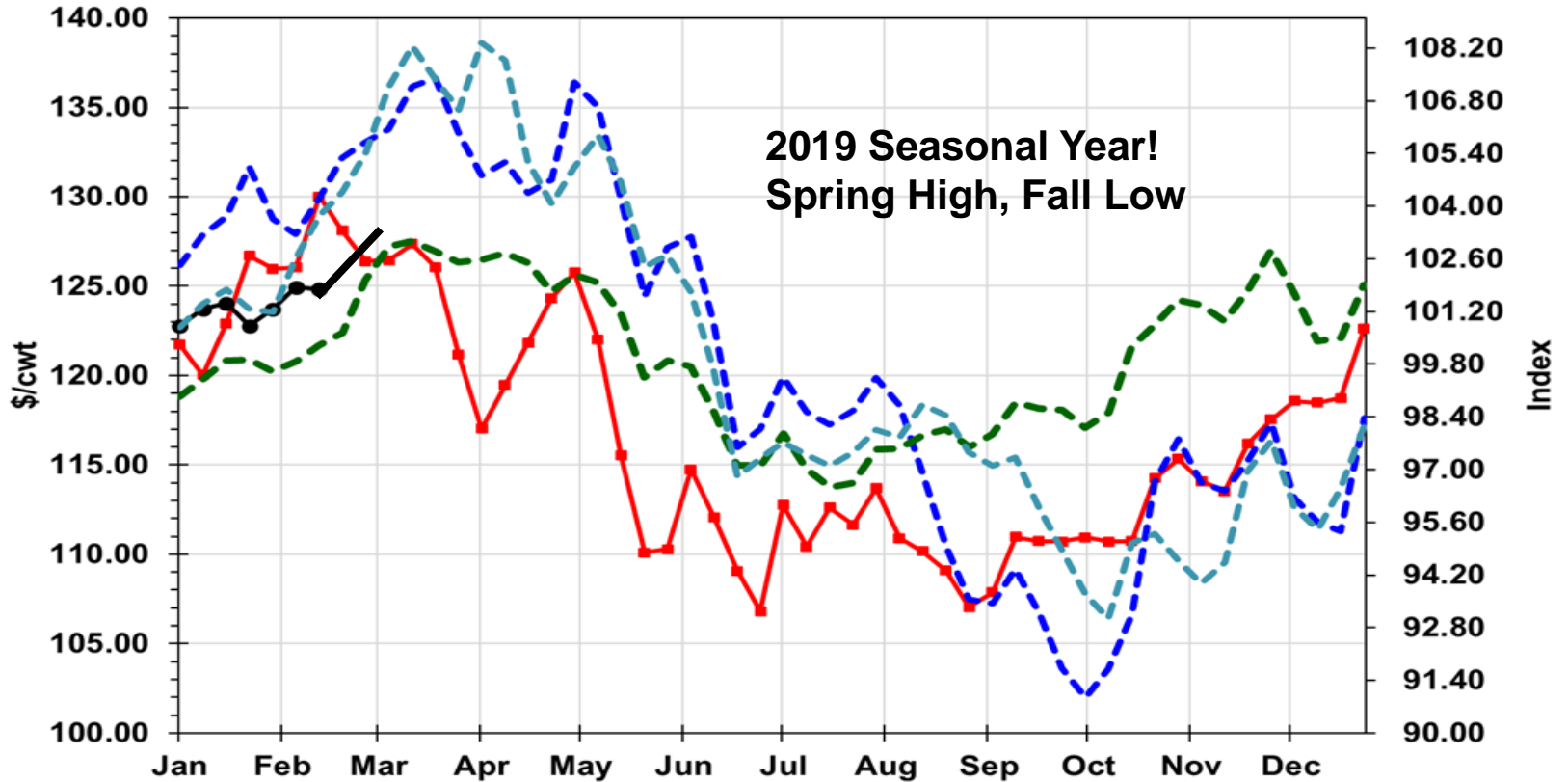
# Industry Profitability

## Cow - Calf Through Packer



# CattleFax Weekly U.S. Avg. Fed Steer Price

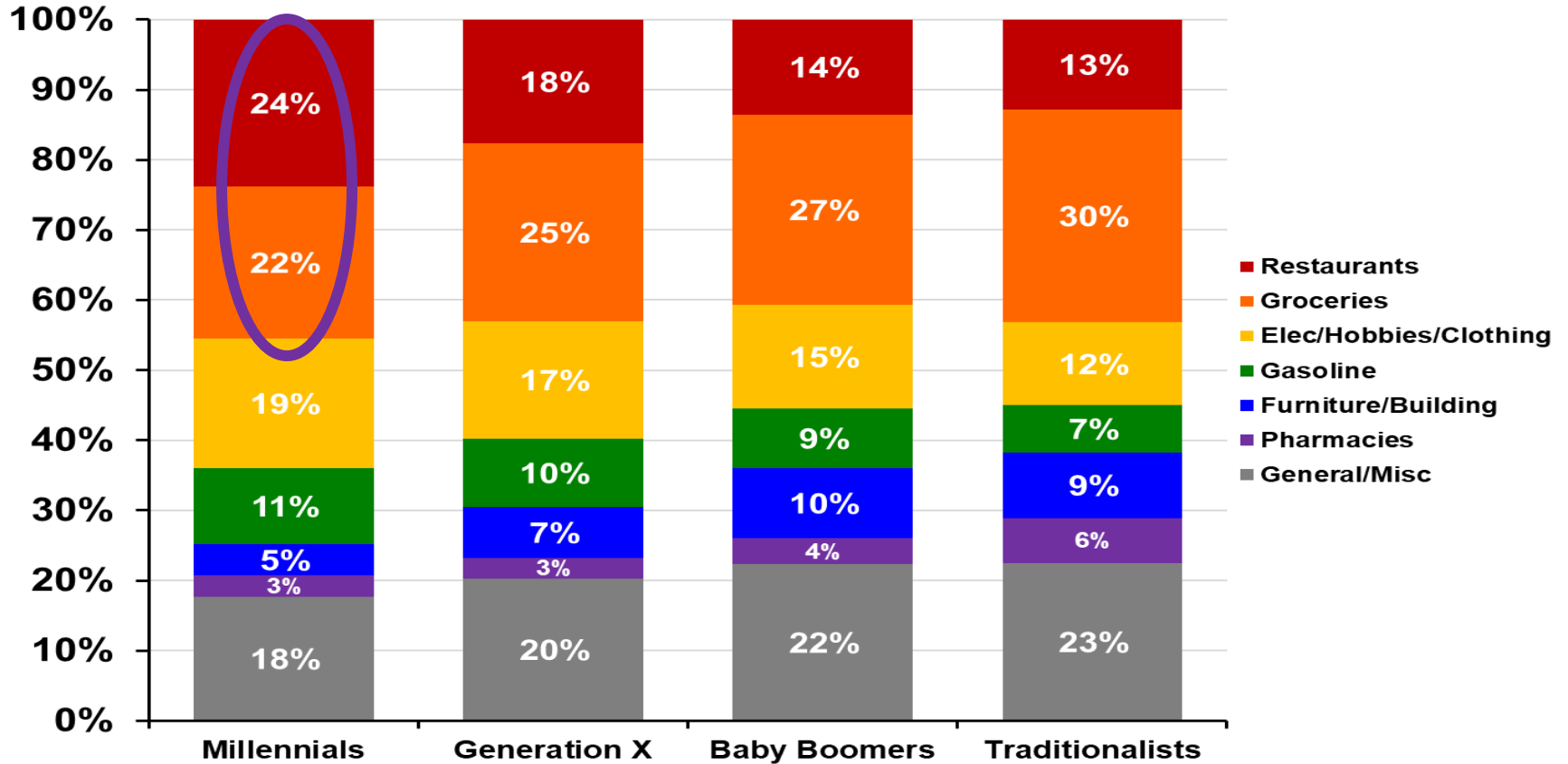
—●— 18    —●— 19    - - - Index 13-17    - - - Index 95-16    - - - Weather Years





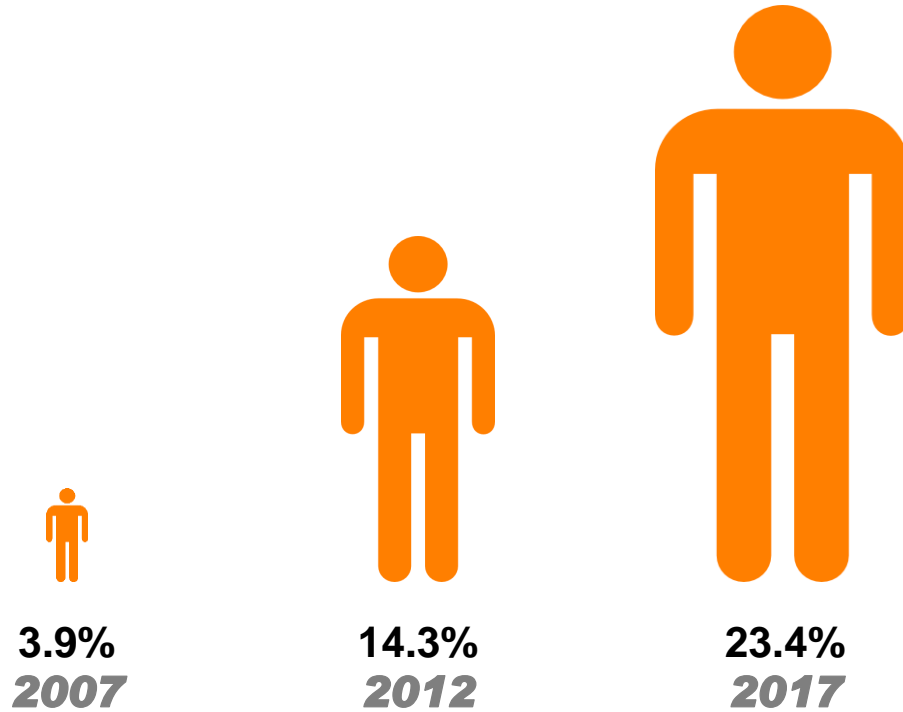
# ***The Shifting Trends in the Food Business***

# Consumer Spending by Generation



Source: Bank of America, Merrill Lynch, Business Insider, July 2017

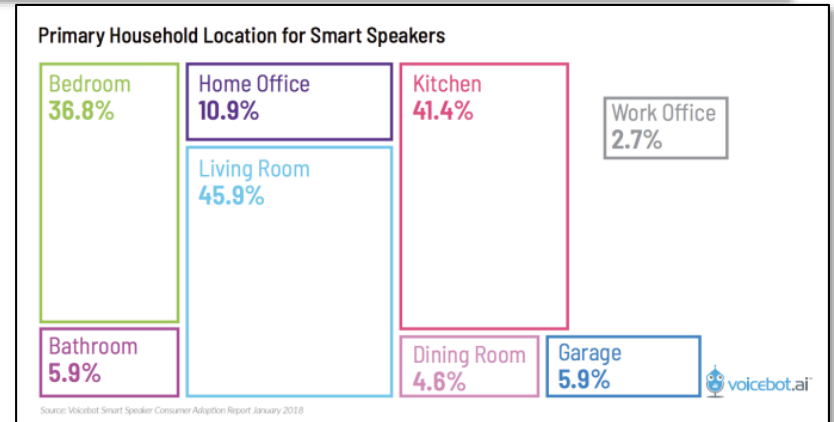
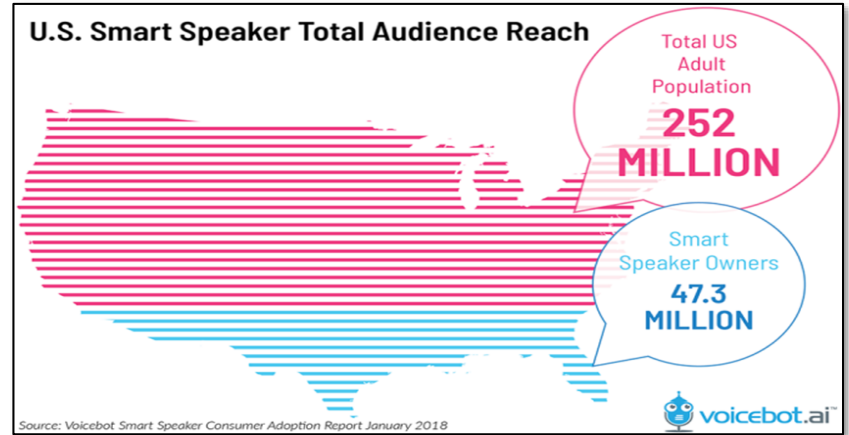
# Proportion of Grocery Shoppers Who Have Shopped Online for Food





# The Next Frontier

- More than 50% of searches will be voice-based by 2020<sup>1</sup>
- More than 40% of smart speaker users use them in their kitchen<sup>2</sup>
- Cooking skills are one of the most sought after skills<sup>2</sup>



1 - <https://www.campaignlive.co.uk/article/just-say-it-future-search-voice-personal-digital-assistants/1392459>

2 - Voicebot Smart Speaker Consumer Adoption Report, January 2018

A light blue smart speaker with a textured mesh top and a smooth base is positioned on a white kitchen countertop. In the background, a person in a light blue shirt is blurred, standing near a window with a view of trees. The scene is brightly lit, suggesting a modern kitchen environment.

Nearly  
**50 Million**

smart speaker owners  
in the US today

# **CHUCK** KNOWS BEEF

**Meet Chuck, the *only* all-knowing beef expert powered  
by Google Artificial Intelligence.**

**He has the know-how of a rancher, the skills of a chef ... and  
the sense of humor of, well ... a *dad*.**

***Visit Booth 122 to Meet Chuck!***

## Watch List



**2019 beef production record large, prices little changed.**

**Beef consumption near 57 lbs. per capita for the next few years.**

**Must continue to respond to changing consumer demands.**

**Market access and competitive trade deals are key.**

**Beef market more vulnerable if economy slows down, recession.**

**Cattle and beef industry will have cyclical price risk into early 2020's.**



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	2018	19 CF Estimate	19 USDA Actual	Est. vs Actual (head)
Total Cattle	94.3	95.00	94.76	-240,300
All Cows	40.9	41.27	41.12	-150,900
Beef Cows	31.5	31.90	31.77	-134,300
Dairy Cows	9.4	9.37	9.35	-16,600
Heifers > 500 lbs.	20.2	20.23	20.23	0
Beef Replacement Heifers	6.1	5.85	5.92	74,900
Expected to Calve	3.8	3.57	3.54	-26,100
Dairy Replacement Heifers	4.8	4.78	4.70	-78,500
Expected to Calve	3.0	3.08	3.01	-77,300
Other Heifers > 500 lbs.	9.3	9.60	9.60	3,600
Bulls > 500 lbs.	2.3	2.30	2.26	-37,000
Steers > 500 lbs.	16.5	16.50	16.63	132,700
Calves < 500 lbs.	14.4	14.70	14.51	-185,100
Feeder & Calf Supply	40.3	40.80	40.75	-48,800
Total Cattle on Feed	14.1	14.30	14.37	70,900
Calf Crop (previous year)	35.8	36.20	36.40	202,700