

MARKET TRENDS, PRICES AND BREAK- EVENTS FOR 2011

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EXTENSION ECONOMIST-LIVESTOCK



OUTLINE

Current Situation

Projections for 2011-2012

Things to watch

Market Alternatives



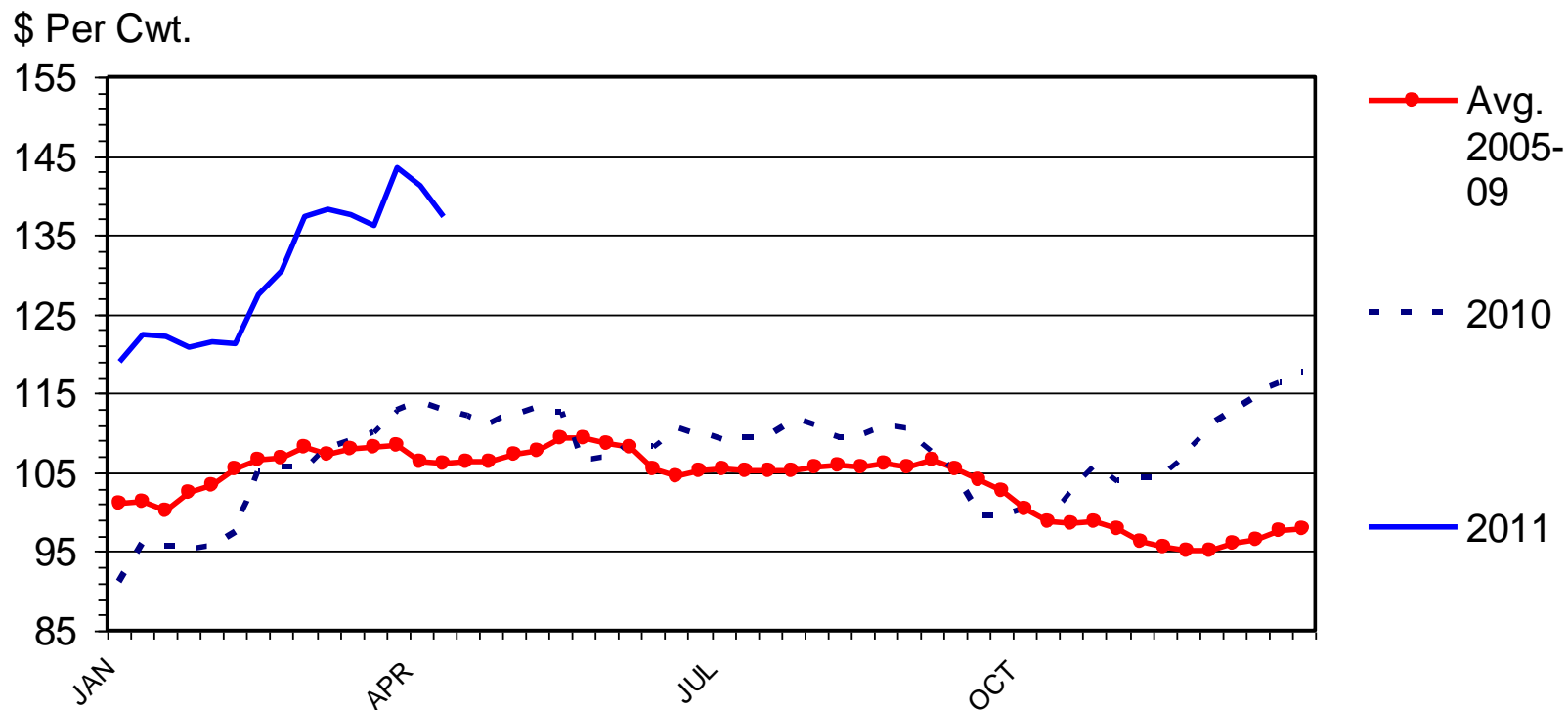
WHERE ARE WE AND HOW DID WE GET HERE?



CURRENT SITUATION

MED. & LRG. #1 & 2 STEER CALF PRICES

500-600 Pounds, Georgia, Weekly



Livestock Marketing Information Center

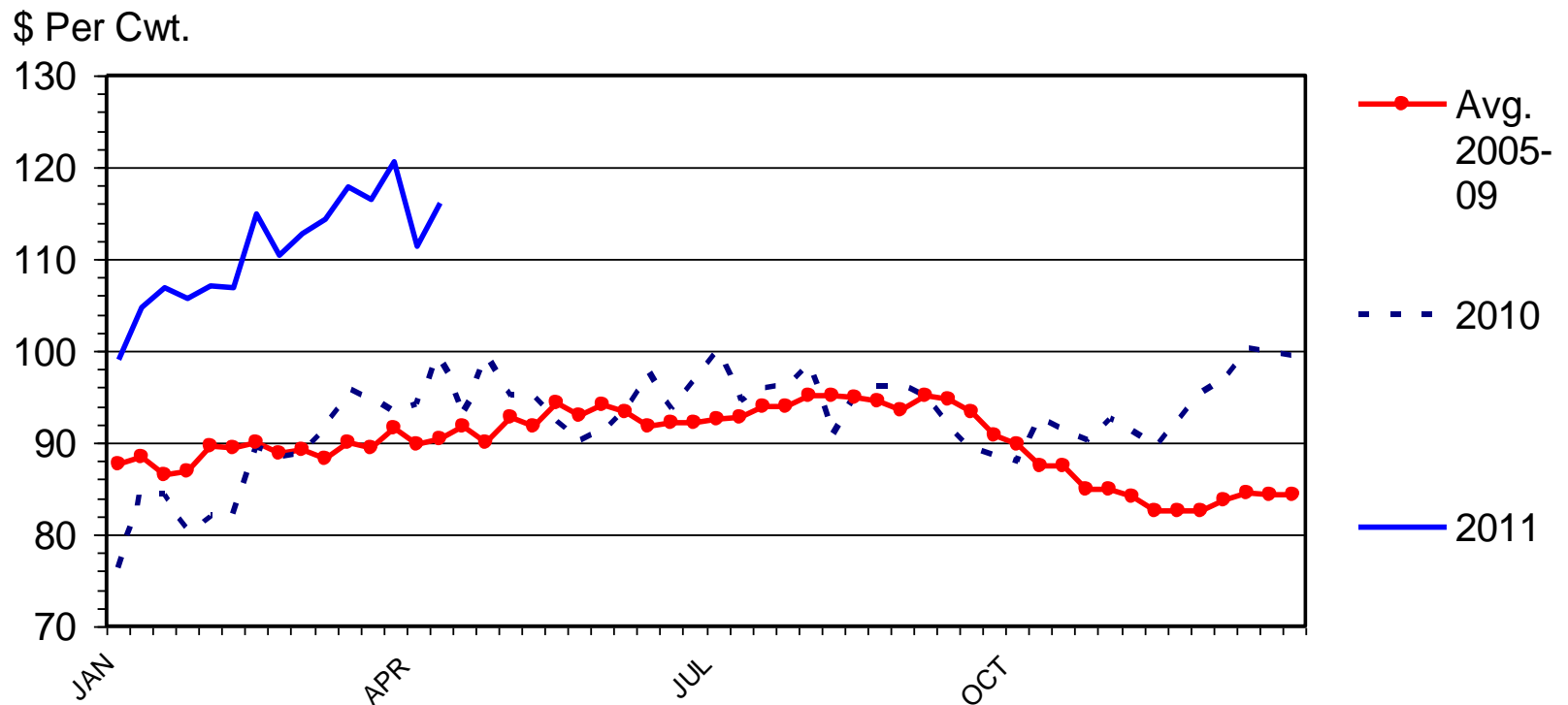
Data Source: USDA-AMS, Compiled & Analysis by LMIC

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MED. & LRG. #1 & 2 FEEDER STEER PRICES

700-800 Pounds, Georgia, Weekly



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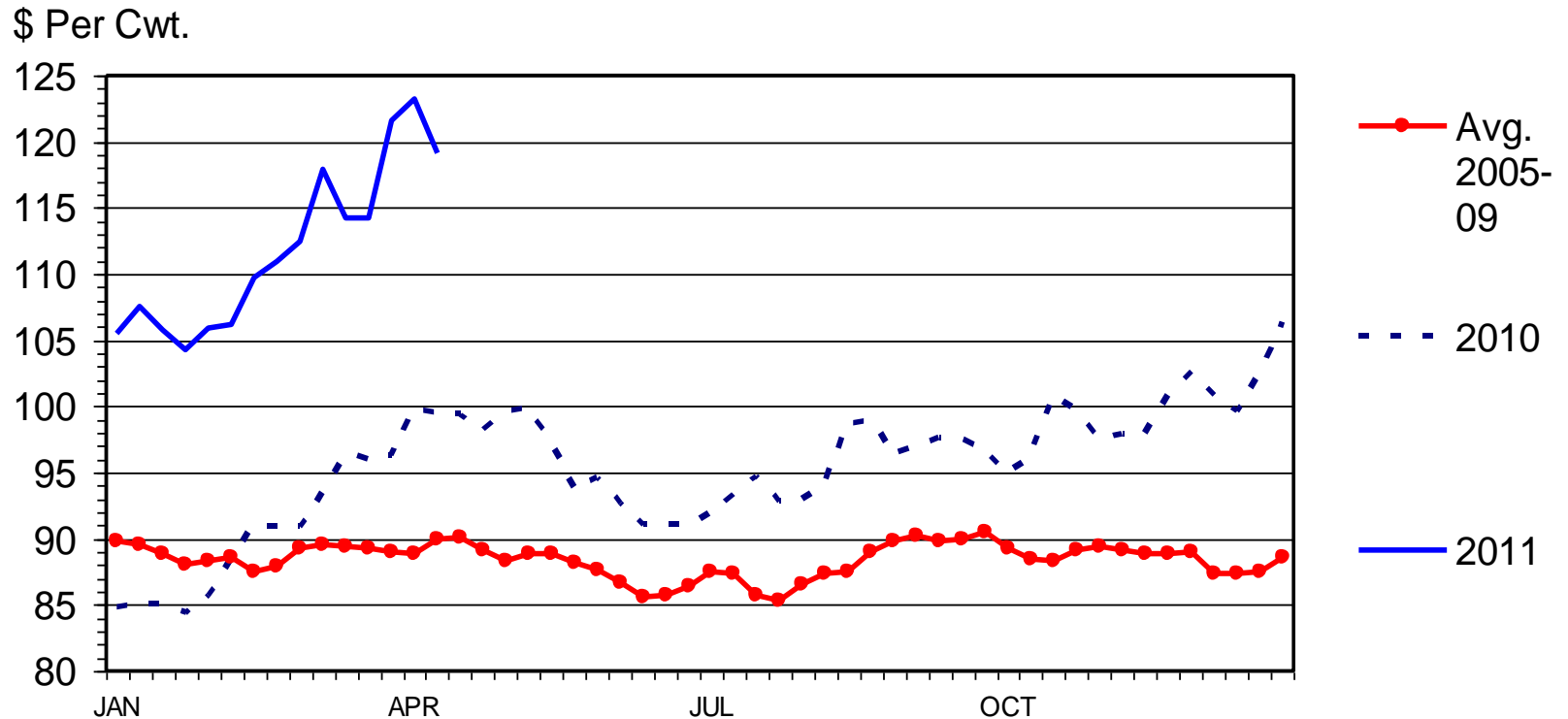
Data Source: USDA-AMS, Compiled & Analysis by LMIC

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SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly

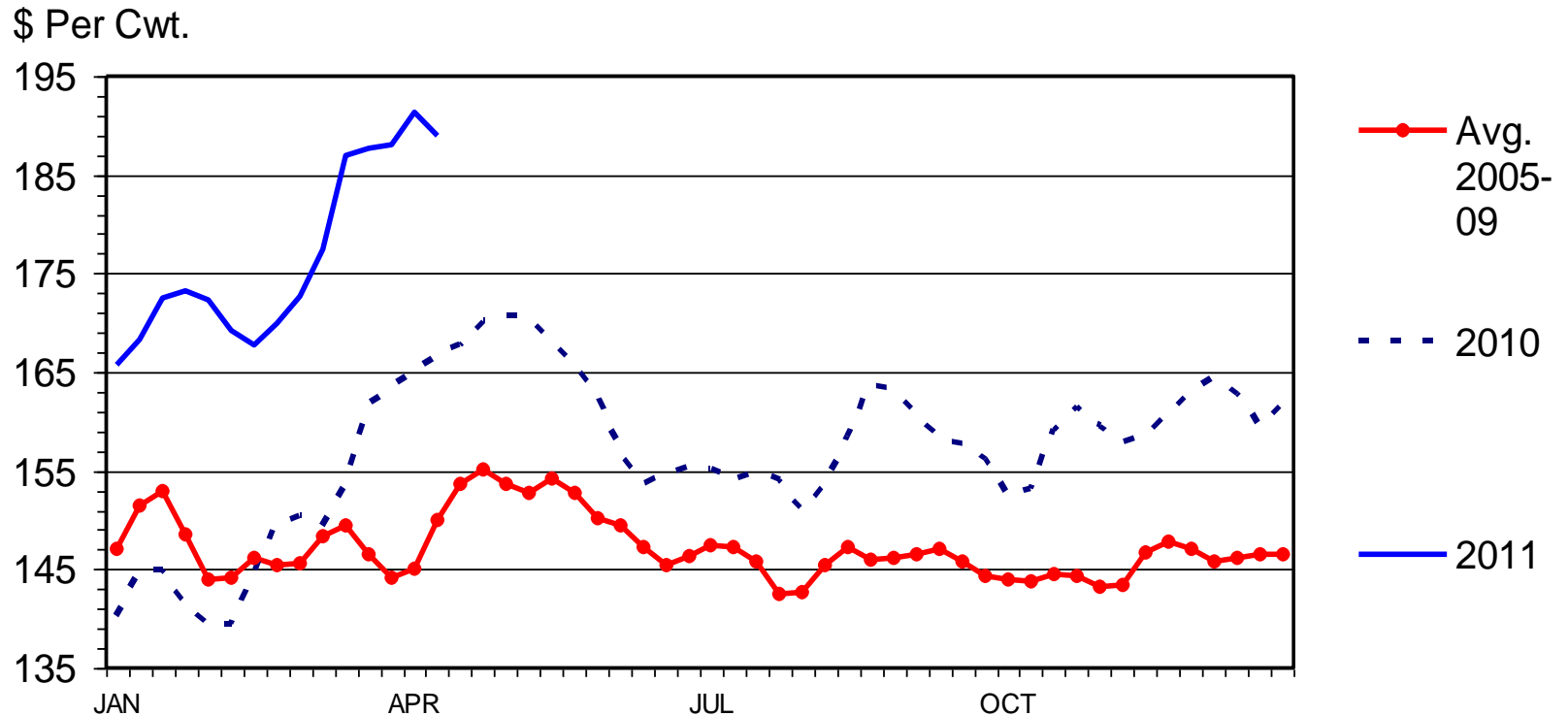


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Data Source: USDA-AMS

BOXED BEEF CUTOUT VALUE

Choice 600-900 Lbs. Carcass, Weekly



Livestock Marketing Information Center

Data Source: USDA-AMS

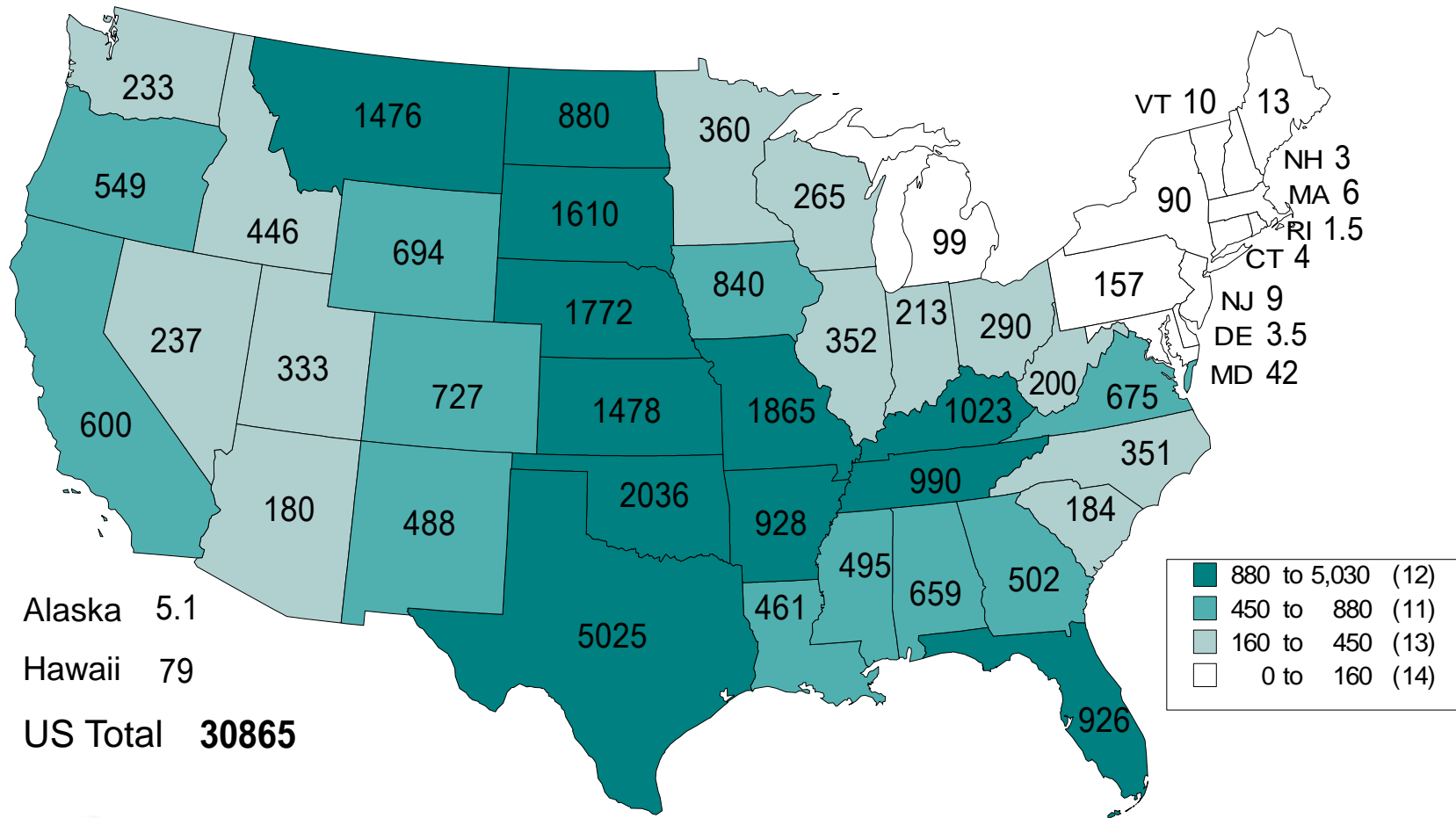
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WHAT CAN WE EXPECT THIS YEAR AND NEXT?

OUTLOOK FOR 2011

**BEEF COWS THAT HAVE CALVED
JANUARY 1, 2011
(1000 HEAD)**



Livestock Marketing Information Center

Data Source: USDA/NASS

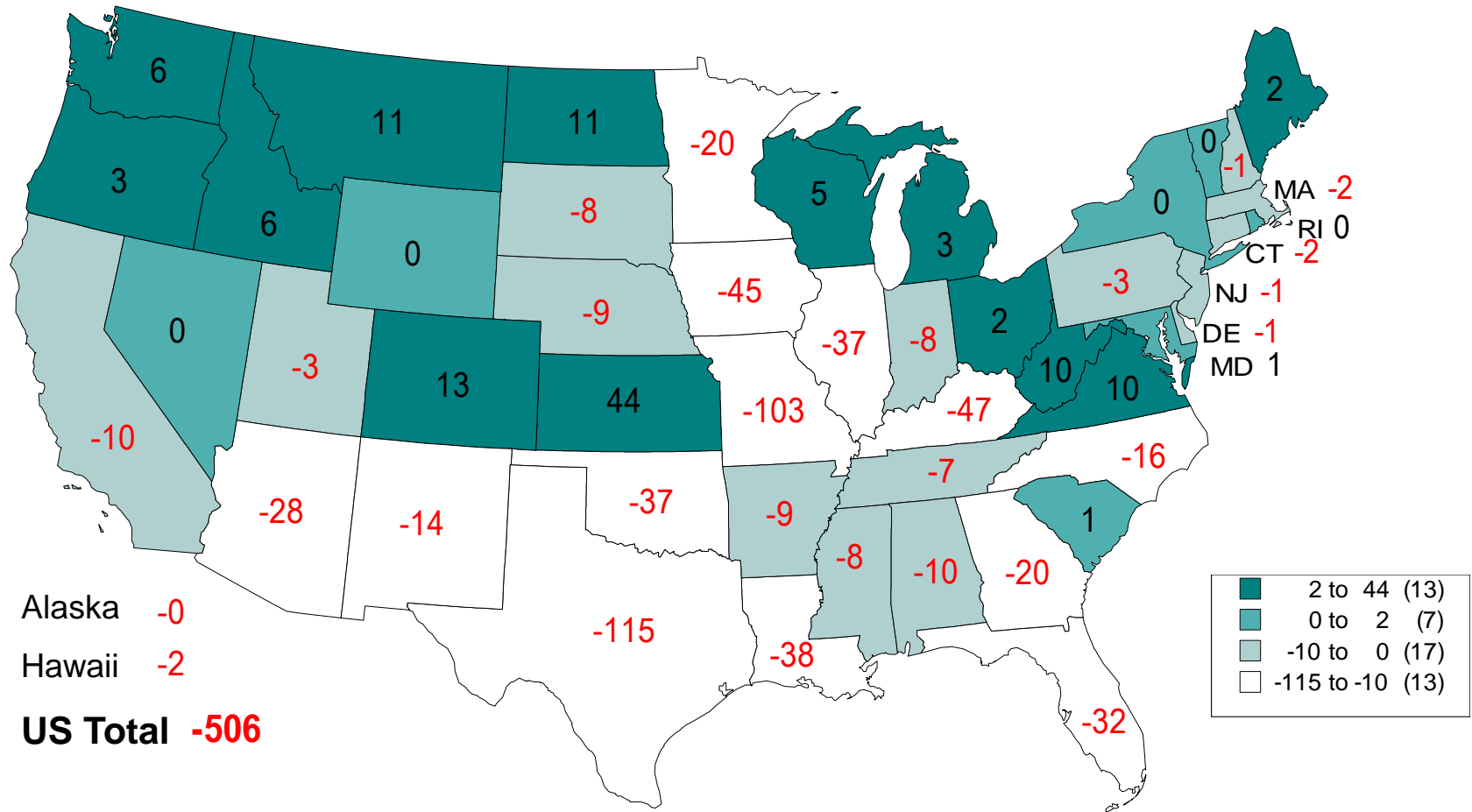
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01/28/11

The University of Georgia

College of Agricultural and Environmental Sciences

CHANGE IN BEEF COW NUMBERS JANUARY 1, 2010 TO JANUARY 1, 2011 (1000 HEAD)



Livestock Marketing Information Center

Data Source: USDA/NASS

C-N-28

01/28/11



The University of Georgia

College of Agricultural and Environmental Sciences

MEAT SUPPLIES WILL BE DOWN SLIGHTLY IN 2011

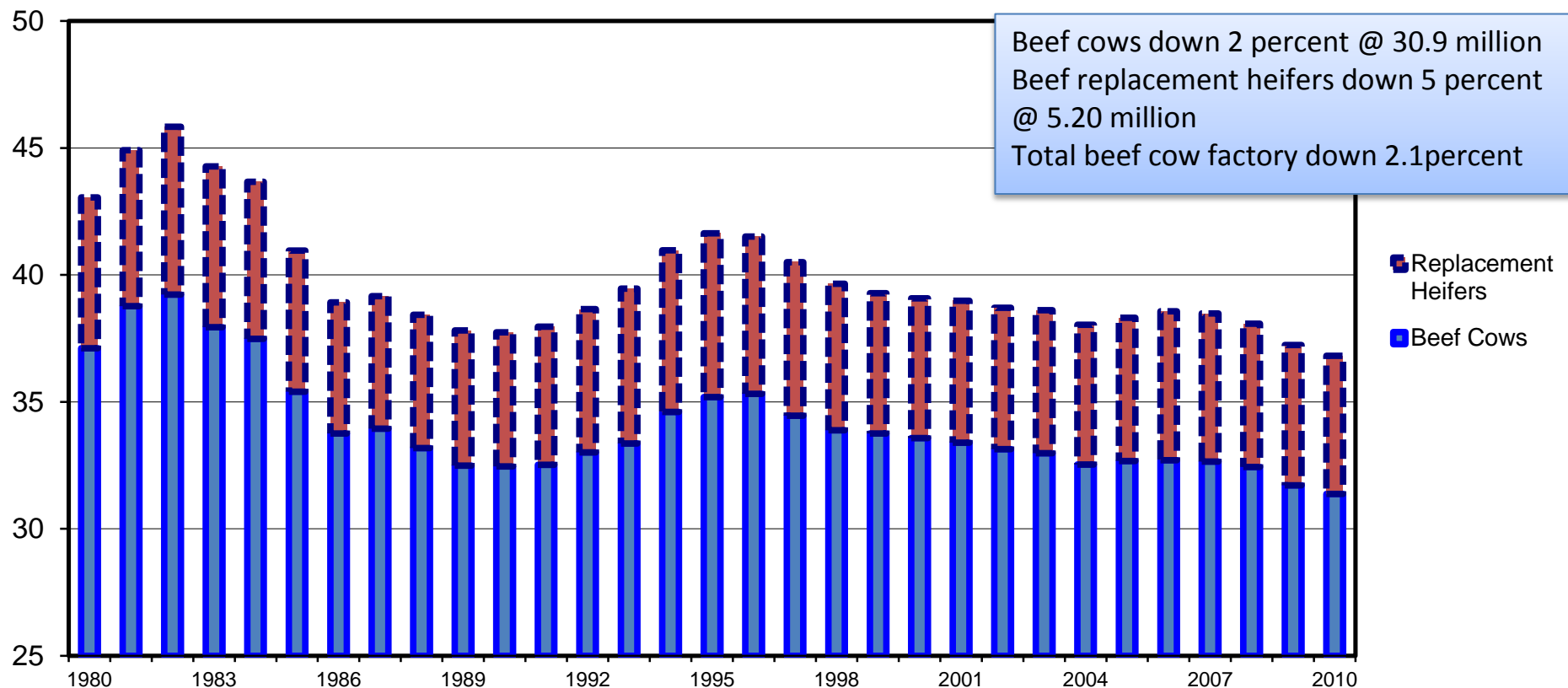
Commodity	2009	2010	2011 Projected	10 vs 09	11 vs 10
	BILLION POUNDS			PERCENT CHANGE	
Beef	25.96	26.31	26.08	1.33%	-0.90%
Pork	22.99	22.44	22.60	-2.45%	0.69%
Total Red Meat*	49.27	49.05	48.97	-0.45%	-0.16%
Broilers	35.51	36.85	37.42	3.64%	1.52%
Total Poultry**	41.67	42.99	43.60	3.07%	1.39%
Total RedMeat & Poultry	90.95	92.04	92.57	1.18%	0.57%

Source: USDA-WASDE, April 2011 Report

DECLINING COW NUMBERS REFLECT LACK OF PROFITABILITY IN THE SECTOR

JANUARY 1 “BEEF COW FACTORY”
U.S., Annual

Mil. Head



PROJECTED PRICES 2011 AND BEYOND



Source: USDA, LMIC and UGA

PROJECTED PROFITS FOR 2011

Not very pretty

Fertilizer and feed costs will be the differences in profits (or lack of).

Longer-term producers are going to have look at increasing forage/less feeding.

	North Georgia Purch. Fert.	North Georgia Legumes
Variable Costs (\$/cow)	\$499	\$418
Variable Costs (\$/Cwt.)	\$117	\$99
Total Costs (\$/cow)	\$732	\$651
Total Costs (\$/Cwt.)	\$172	\$153



**SINCE YOU DON'T HAVE ENOUGH TO WORRY
ABOUT**

OTHER ITEMS TO WATCH

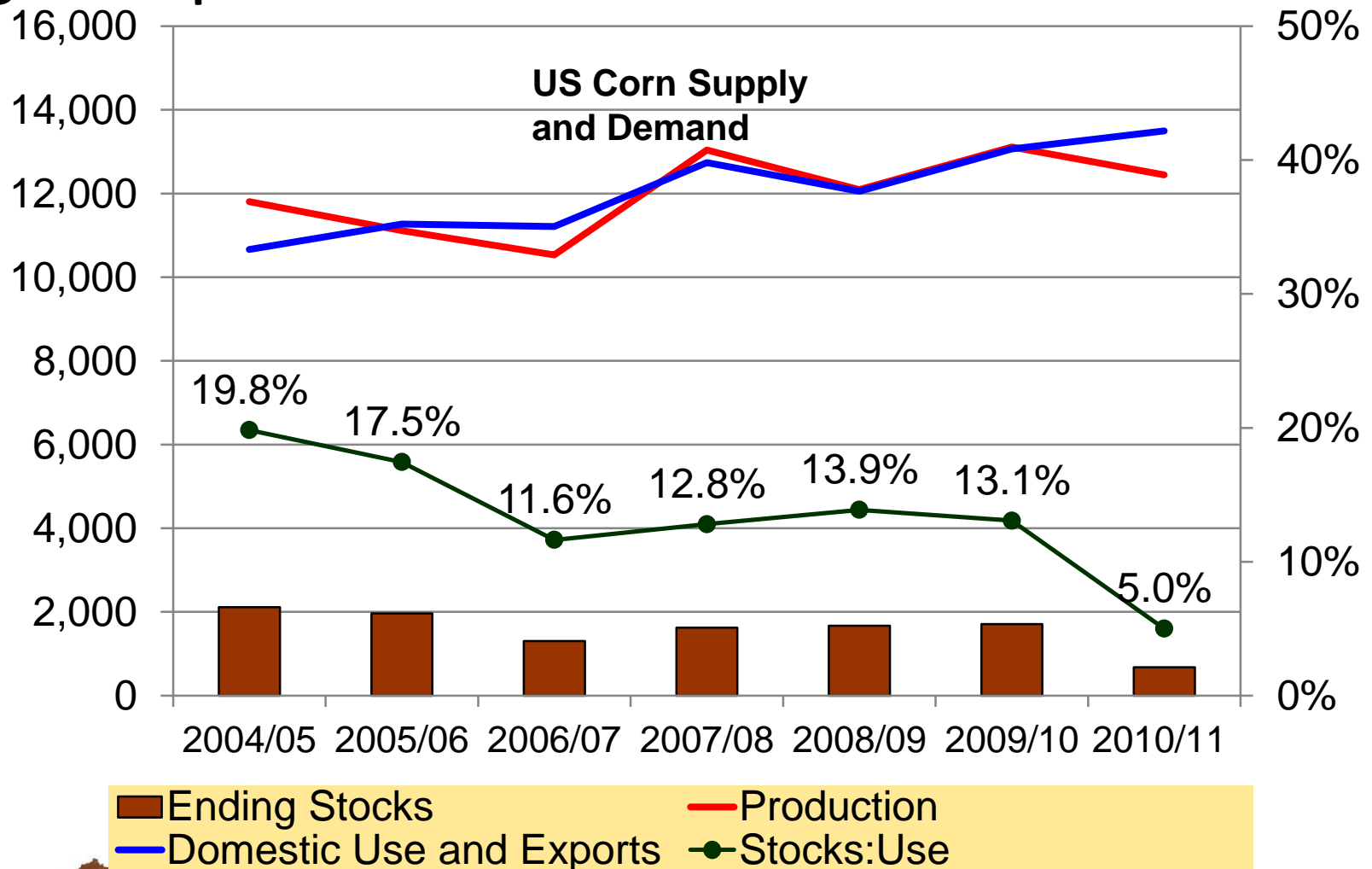


THE CORN MARKET CONTINUES TO GO CRAZY

CORN CASH .. daily Close only plot

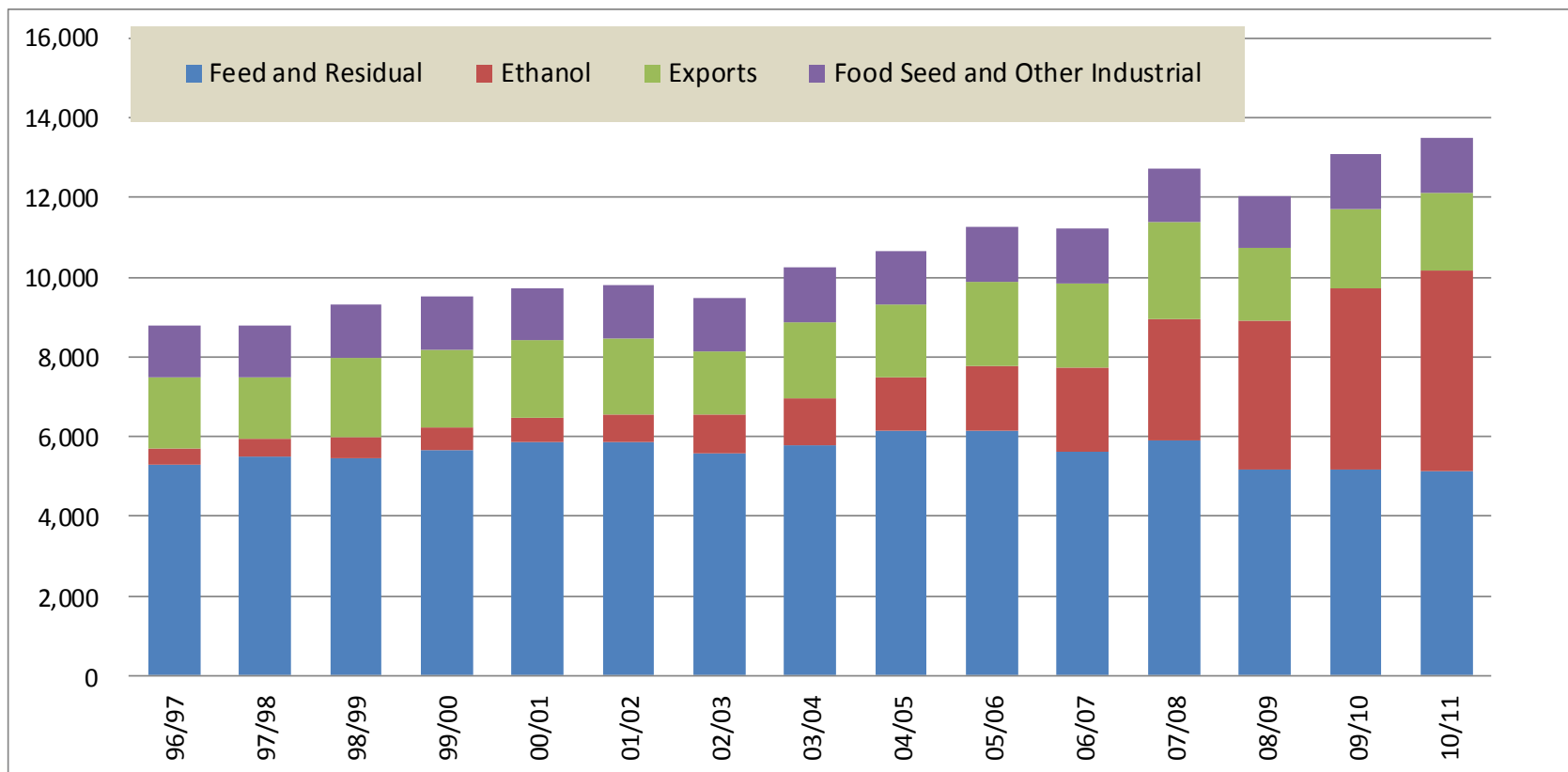


Tight Stocks Since '07 in Feed Crops Despite Large Crops



MORE CORN USED FOR ETHANOL AS ENERGY ACT MANDATES

Million bushels



Source: USDA, 04/08/2011

WHAT ABOUT THE FUTURE?

Information

Coordination

Location

国内産牛肉
安心確認システム

安心への取り組み

生産地からお店まで
「履歴」がわかる
イオンのトレーサビリティ

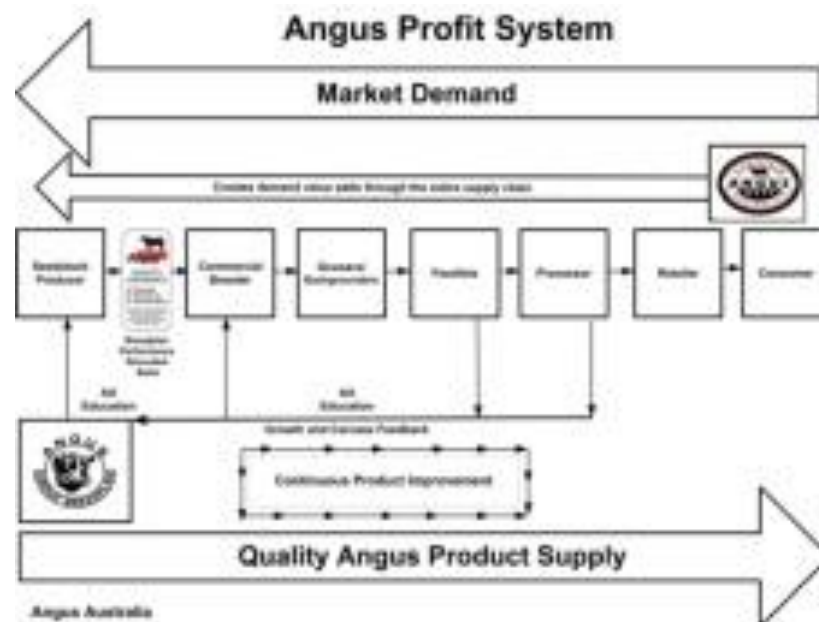
イオンは、お客さまが安心して
牛肉をお買い求めいただけるよう、
「どこで生まれ、どこで、だれが、
どんな飼料を与えて育てた牛なのか」を
確認できるシステムに取り組んでいます。

履歴検索画面へ



イオンのトレーサビリティの仕組み

トレーサビリティとは、英語の「トレース」（足跡を追う）と、「アビリティ」（できること）を合わせた言葉で、「追跡可能性」（追跡ができること）と訳されます。イオンで取り扱う国内産牛肉は、全て生産から店頭までの履歴を追跡可能な牛肉ばかり。「国内産牛肉の安心確認システム」では、お客さまのご自宅からお買い求めいただいた牛肉の生産履歴をインターネットで検索いただけるサービスへの取り組みを行っています。



Local Harvest SM
real food, real farmers, real community



SUMMARY

Tight supplies and increasing demand will be supportive of prices.

Creeping inflation (fuel and food) → implications for demand.

Next several years should be relatively good for cattlemen-if they can stay ahead of input prices.

Several other issues such as traceability, antibiotic use and humane treatments of animals will become more important but probably not more so than the demand for meat.



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