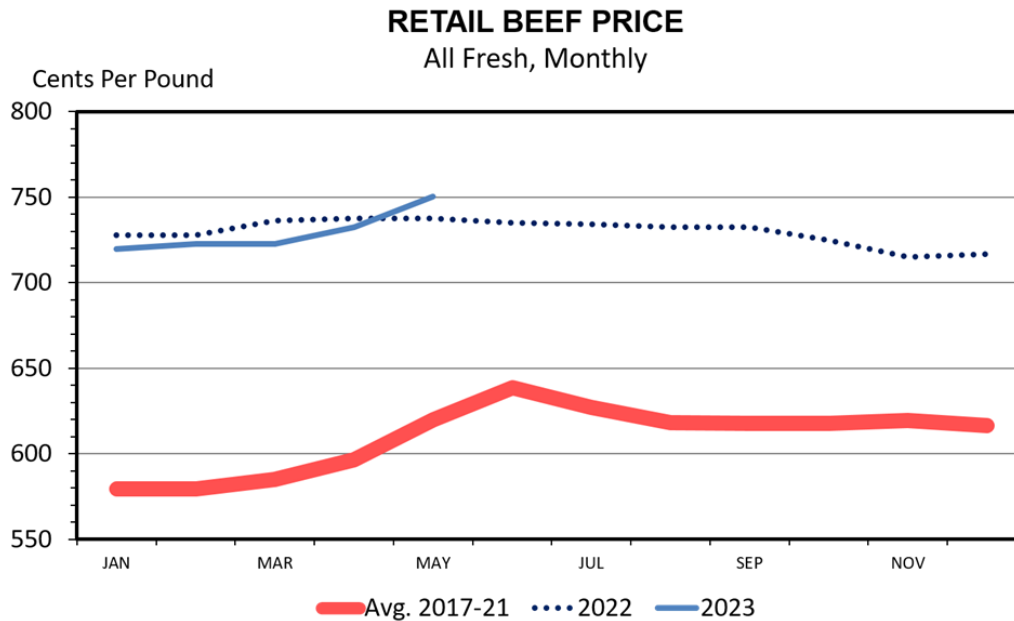


Beefonomics: Cattle Market Update

Resilient Beef Demand

William Secor, Ph.D.

UGA Department of Agricultural & Applied Economics



Data Source: Bureau of Labor Statistics & USDA-ERS
Livestock Marketing Information Center

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Grilling season has begun in earnest. Beef price data suggests beef demand is strong during this important sales period. Retail prices for the month of May jumped by three percent compared to last month, are five percent above last year, and well above the previous 5-year average. Recent weekly beef cutout values are also at historically high levels, approaching levels similar to summer 2021. This suggests that demand strength has continued into June.

These higher prices at the wholesale and retail level support higher live cattle, feeder cattle, and calf prices. Over the last month, all of these prices have seen a move higher. Steer calf (500-600 lbs) prices in Georgia averaged about \$245/cwt during the week ending June 9, up a little under 50 percent from this time last year. Feeder steer (700-800 lbs) prices in Georgia averaged around \$213/cwt during the same week, up a little over 50 percent compared to this time last year.

Consumer demand will be an area to watch over the coming months. Will the consumer start switching to other proteins? The recent price data discussed above suggests this is not the case so far for most consumers. However, some anecdotal evidence is starting to suggest there may be some consumers purchasing alternative protein sources like chicken. Moreover, many predict that the U.S. economy will enter a recession in the coming months. An economic downturn would certainly increase the likelihood that consumers will make this switch.

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