

Beefonomics: Cattle Market Update

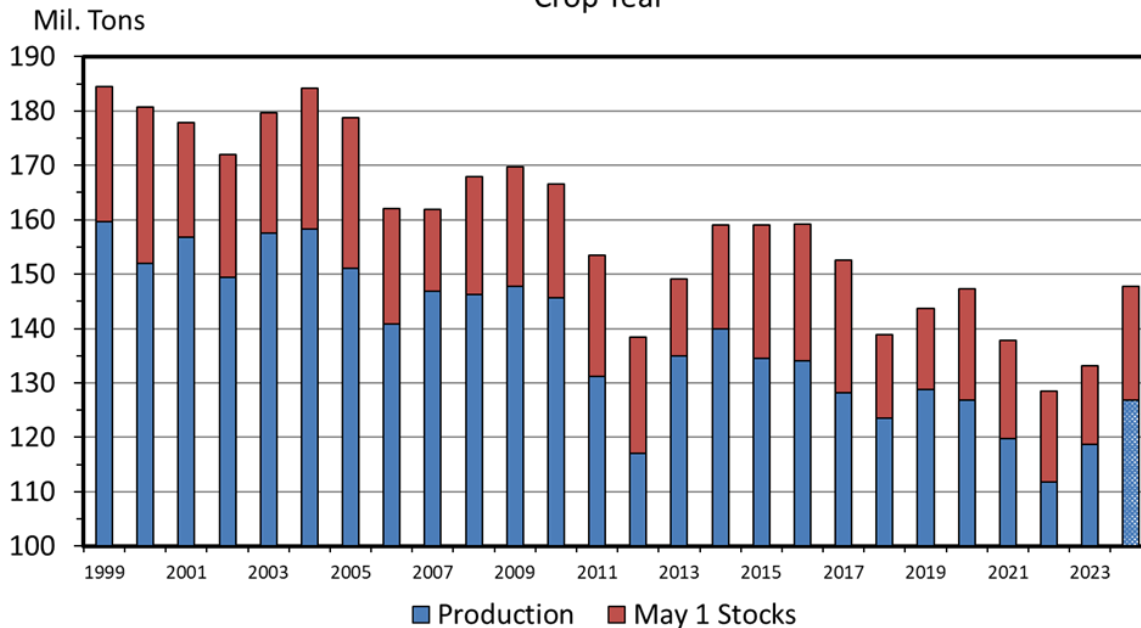
Southeast Forage Update

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US ALL HAY SUPPLY

Crop Year



Data Source: USDA-NASS

Livestock Marketing Information Center

Georgia's weather has been a roller coaster this summer. Forage producers have contended with drought conditions and excessive rain at different times this year. Amid these challenges, what is the forage outlook for this year in Georgia? And, how is the rest of the country faring?

USDA's August crop production report forecasts total other hay (i.e., non-alfalfa hay) production for the U.S. at 74.45 million tons, an eight percent jump from 2023, attributable to an over 10 percent increase in yield. Total all hay supply (May 1 stocks plus production) is forecast at a little over 147 million tons (see Figure 1). This is the highest since 2020 or earlier. Major hay producers like Texas, Oklahoma, Missouri, and Kentucky are projected to see higher hay supplies in 2024.

August 2024

In contrast, Georgia's other hay production is forecast to be 1.32 million tons in 2024, a 17 percent drop compared to 2023. Total hay supply in Georgia is forecast to be the lowest since 2016. North Carolina, Tennessee, and Virginia join Georgia as Southeastern states with lower year-over-year hay production. Regionally, total hay supplies in the Southeast (AL, AR, GA, KY, MS, NC, TN, VA, and WV) are projected to see slightly higher total supplies at 23.7 million tons, up 4 percent from 2023.

This forage availability volatility creates some uncertainty to the price outlook for Southeastern cattle this fall. If limited forage availability incentivizes producers to bring more calves to market than they would normally this fall, cattle markets may see a more pronounced seasonal dip in prices this fall. In contrast, if forage availability is strong, fewer cattle may be sold, pushing prices higher.

Lastly, these impacts may be felt further into the future and outside of cattle markets as limited hay supplies may push hay prices higher. This would increase producer costs this winter.

The next several weeks will be important in assessing where feeder cattle and hay markets will be in the months ahead.



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