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BEEFONOMICS
CATTLE MARKET UPDATE

PASTURE AND RANGE CONDITIONS UPDATE TO START THE SUMMER

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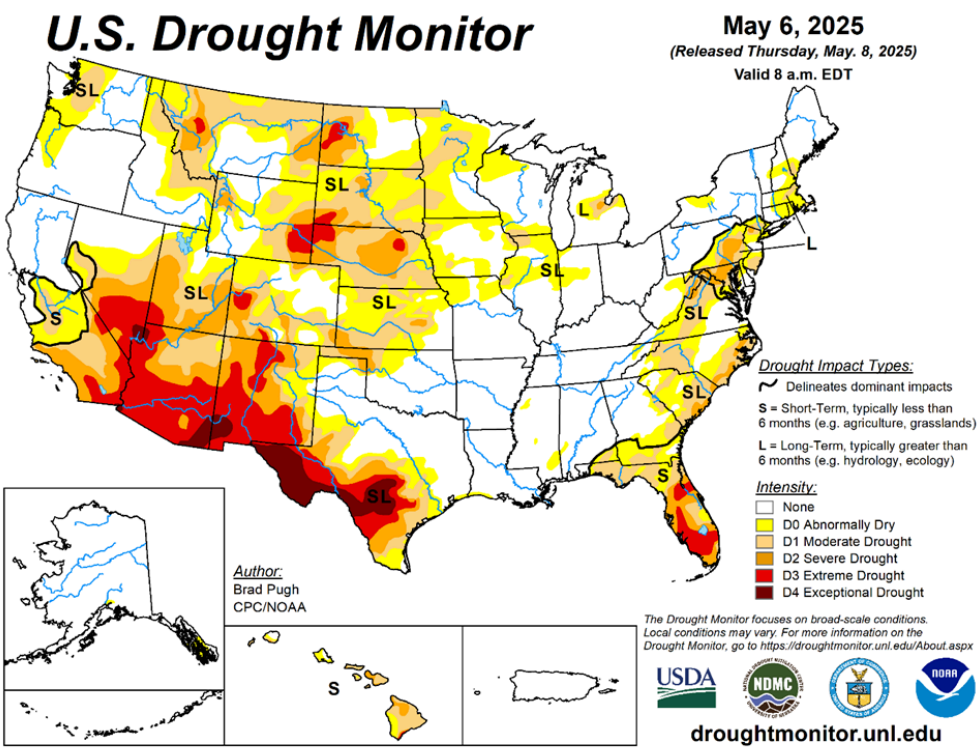

The USDA's first report of pasture and range conditions came out today. They showed 35 percent of pasture and rangeland were in good or excellent condition. This compares to 19 percent at the end of October (last reporting week) and 46 percent this time last year. This indicates that while conditions have improved compared to last fall, we are in a worse position compared to last year. In Georgia, about 54 percent of pasture and range land are rated as good or excellent.

In a similar view, the U.S. Drought Monitor from early May indicated that 30 percent of cattle inventory were in locations experiencing drought conditions. Approximately 56 percent of cattle were in locations experiencing abnormally dry conditions or drought. These were roughly the same compared to the previous week. Southern Georgia appears to be the driest area of the state.

Compared to last year, these drought indicators are up considerably. At the beginning of May 2024, only 15 percent of the nation's cattle inventory were experiencing drought conditions, and 33 percent were experiencing abnormally dry conditions or drought. This year's figures indicate that cattle inventory are in places that are experiencing much less favorable conditions compared to last year.

NOAA's seasonal drought outlook through the end of July suggests that there could be drought improvement in the Southern Plains, Southeast, and Mid-Atlantic. In some cases, drought conditions may be fully alleviated. However, drought is expected to remain in Northern Plains and potentially expand in the Upper Midwest.

Combined these indicators suggest that it may be difficult for the cattle herd to start its rebuild in earnest. Despite market signals that may seek to incentivize expansion, if forage resources are not available, producers cannot expand. This will be an important area to watch in the months ahead as producers continue to decide on heifer retention for the year to come.

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