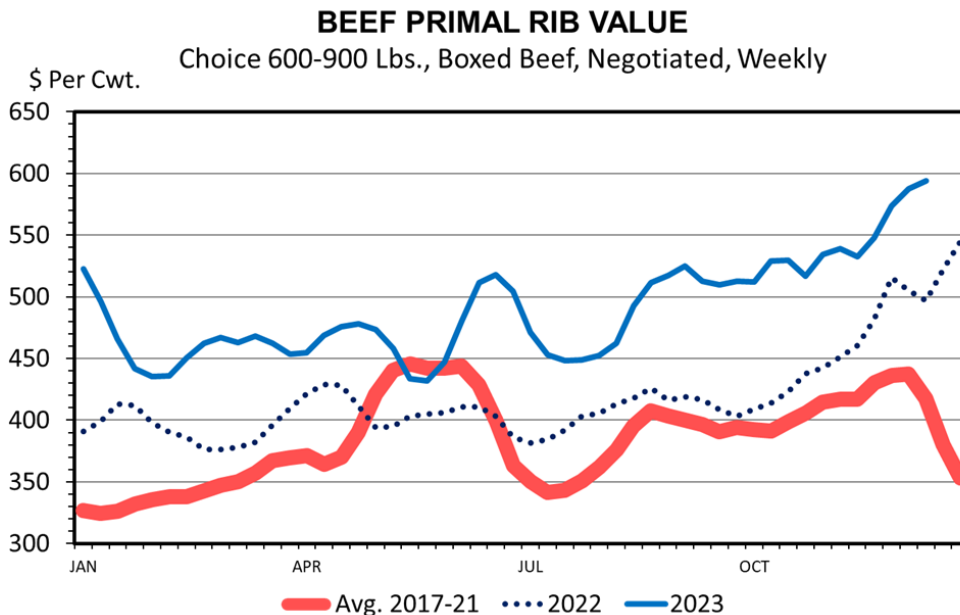


# Beefenomics: Cattle Market Update

## Pricier Holiday Beef in 2023

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Data Source: USDA-AMS

Livestock Marketing Information Center

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The main story in 2023 has been tight beef supplies and strong beef demand creating a supportive environment for higher beef and cattle prices. The 2023 holiday season is proving to be no exception as popular holiday cuts, like beef rib, is well above prices last year and is moving higher seasonally. Other beef primals, such as the flank and loin, have dropped from highs set earlier in the year, in line with normal seasonal changes. Overall, across all primal cuts, beef prices remain above 2022 price levels.

The U.S. beef consumer is going to be a key area to watch throughout 2024. Their willingness and ability to pay for more expensive beef will go a long way in supporting higher cattle prices going into next year. If their ability (e.g., a recession that raises unemployment) or willingness to pay drops, cattle prices may find more resistance as they try to move higher.

Cattle prices are indeed expected to push higher next year as supplies are projected to tighten. Cow slaughter remains well above the previous 5-year average. Heifers as a percent of cattle on feed has also tracked at extremely high levels. Both indicate that cattle inventory will be limited. One report to keep an eye on is the Cattle report from USDA released at the end of January. This will reveal cattle inventory numbers at the start of 2024 and set the stage for the cattle supply story in the year ahead.

**December 2023**