

2025 Illinois Farm Economics Summit



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I | College of Agricultural,
Consumer &
Environmental Sciences
UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN

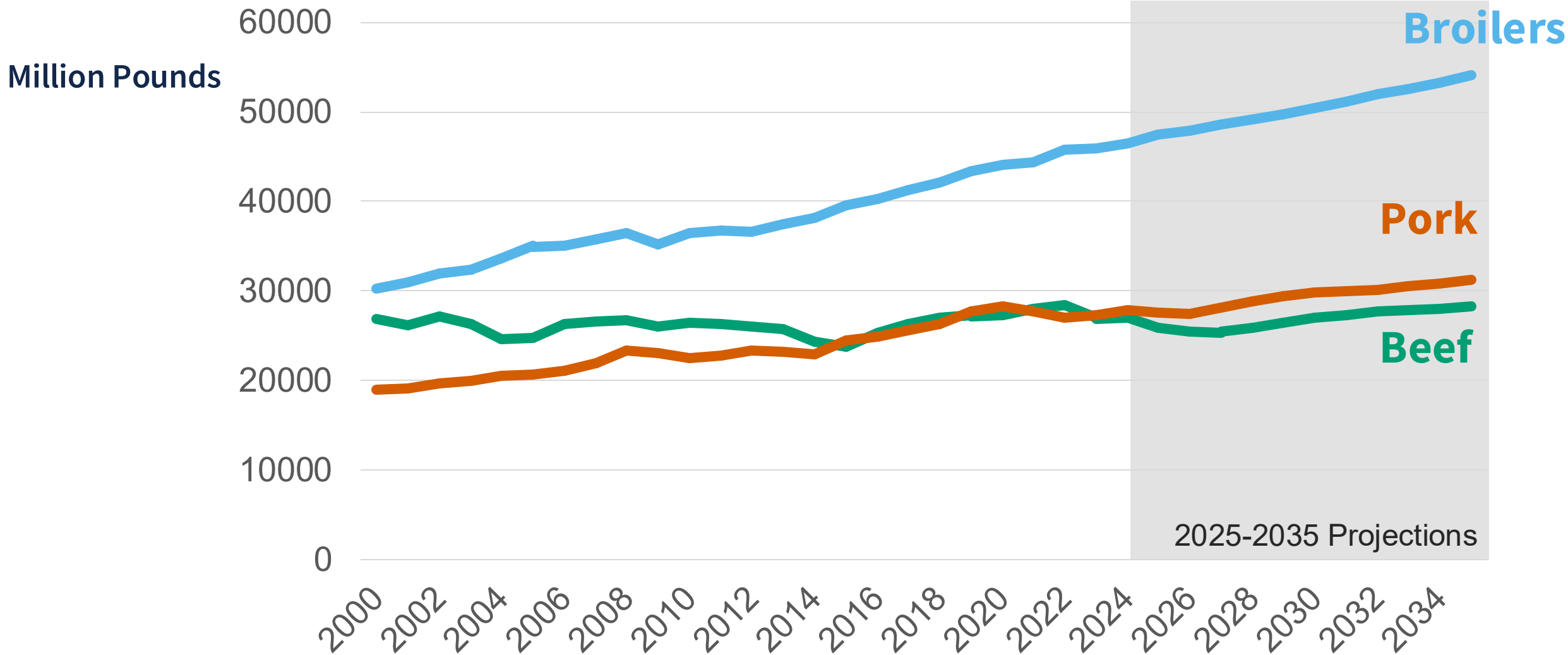
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Livestock Market Outlook

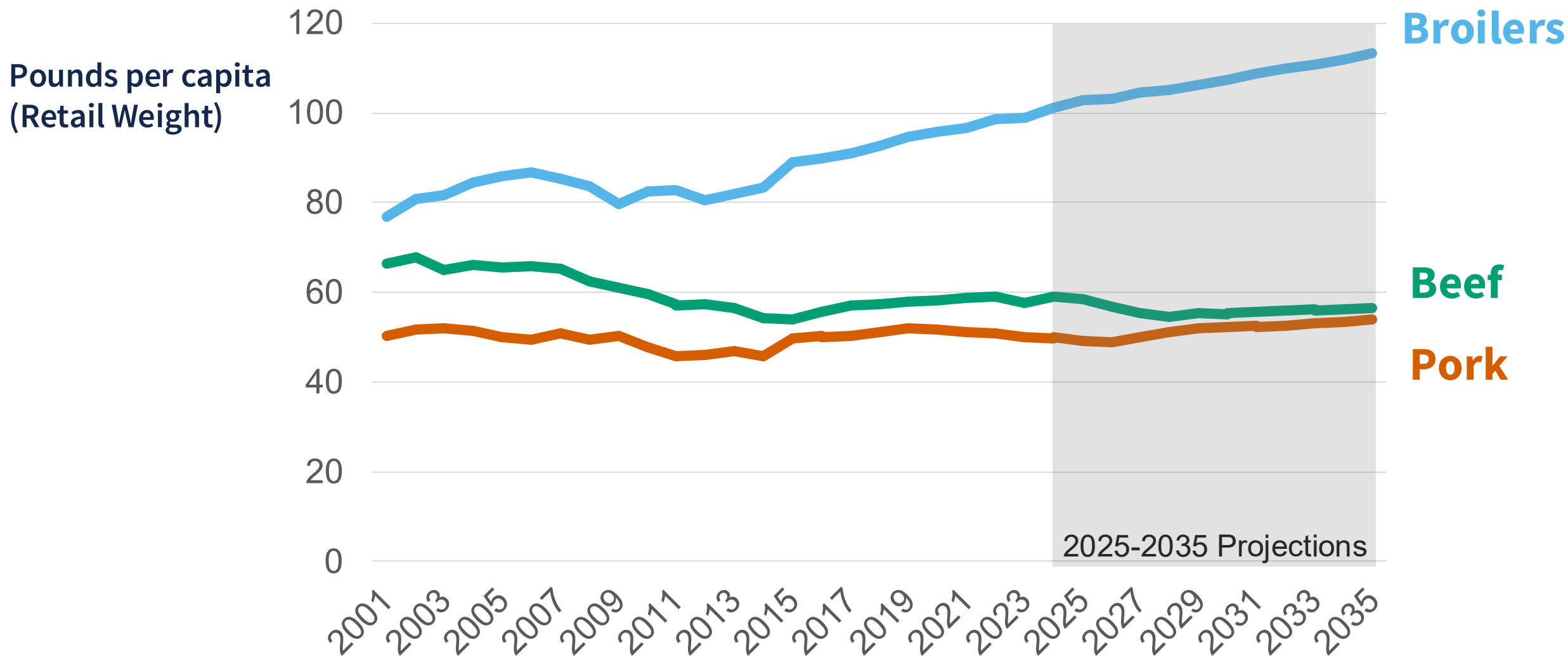
Road Map

- U.S. Meat Supply and Demand
- Beef Cattle Cycle and Outlook
- Hogs Outlook

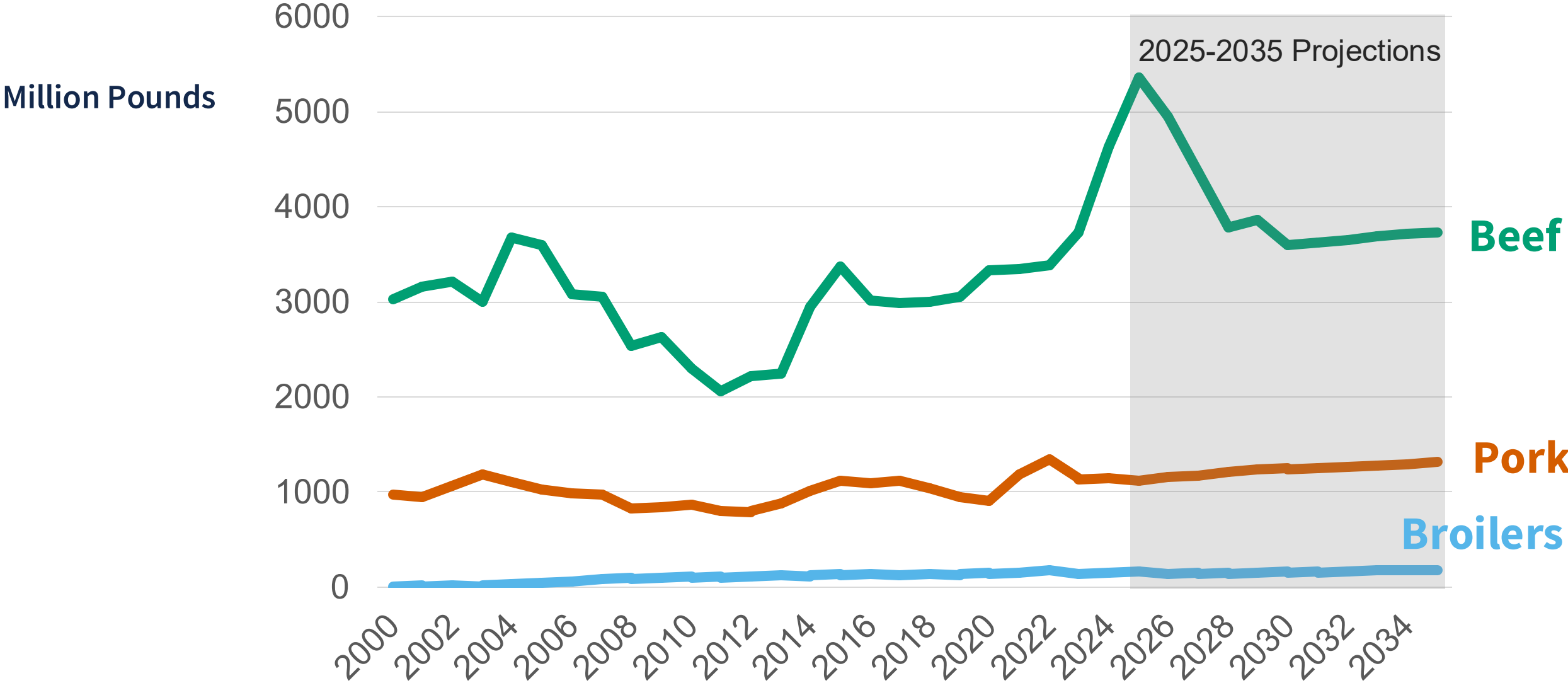
U.S. Meat Production 2000-2035P



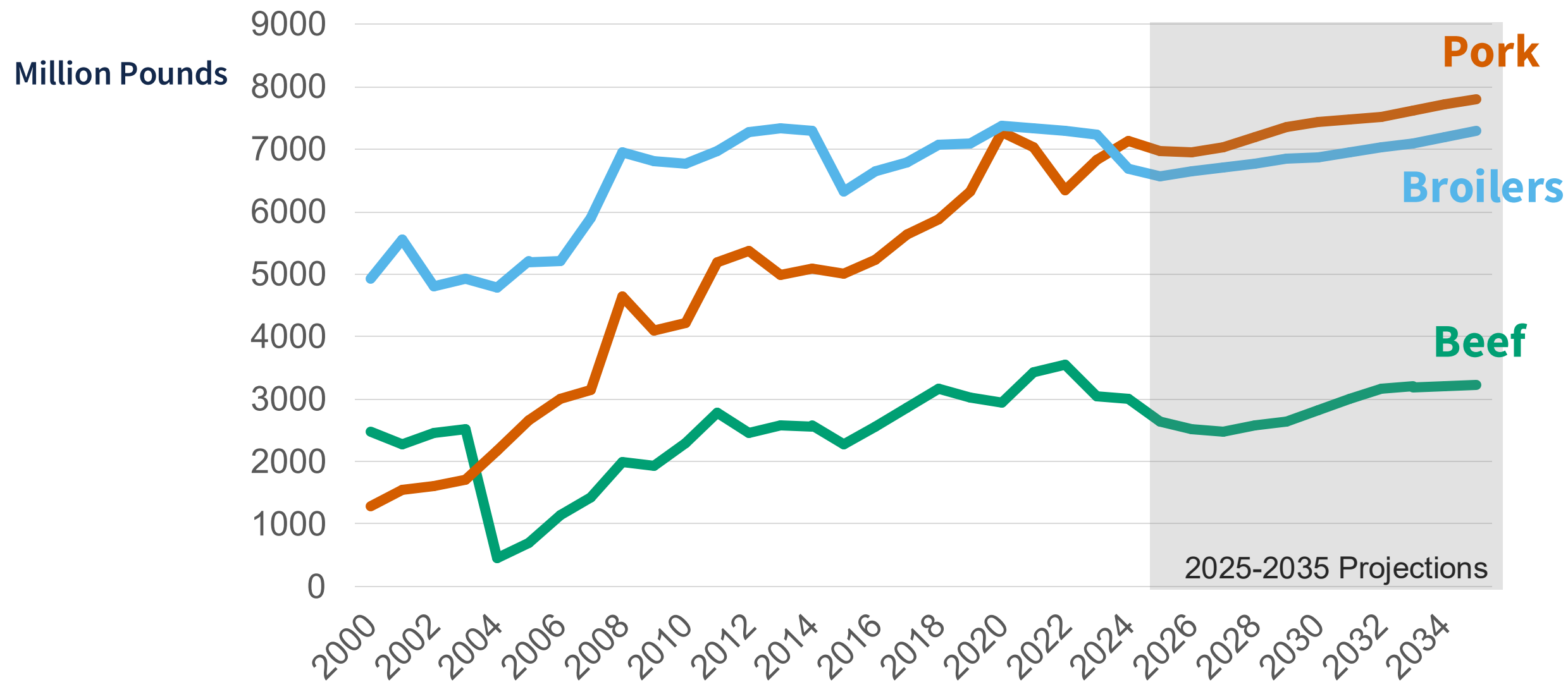
U.S. Per Capita Meat Consumption 2000-2035P



U.S. Meat Imports, 2000-2035P

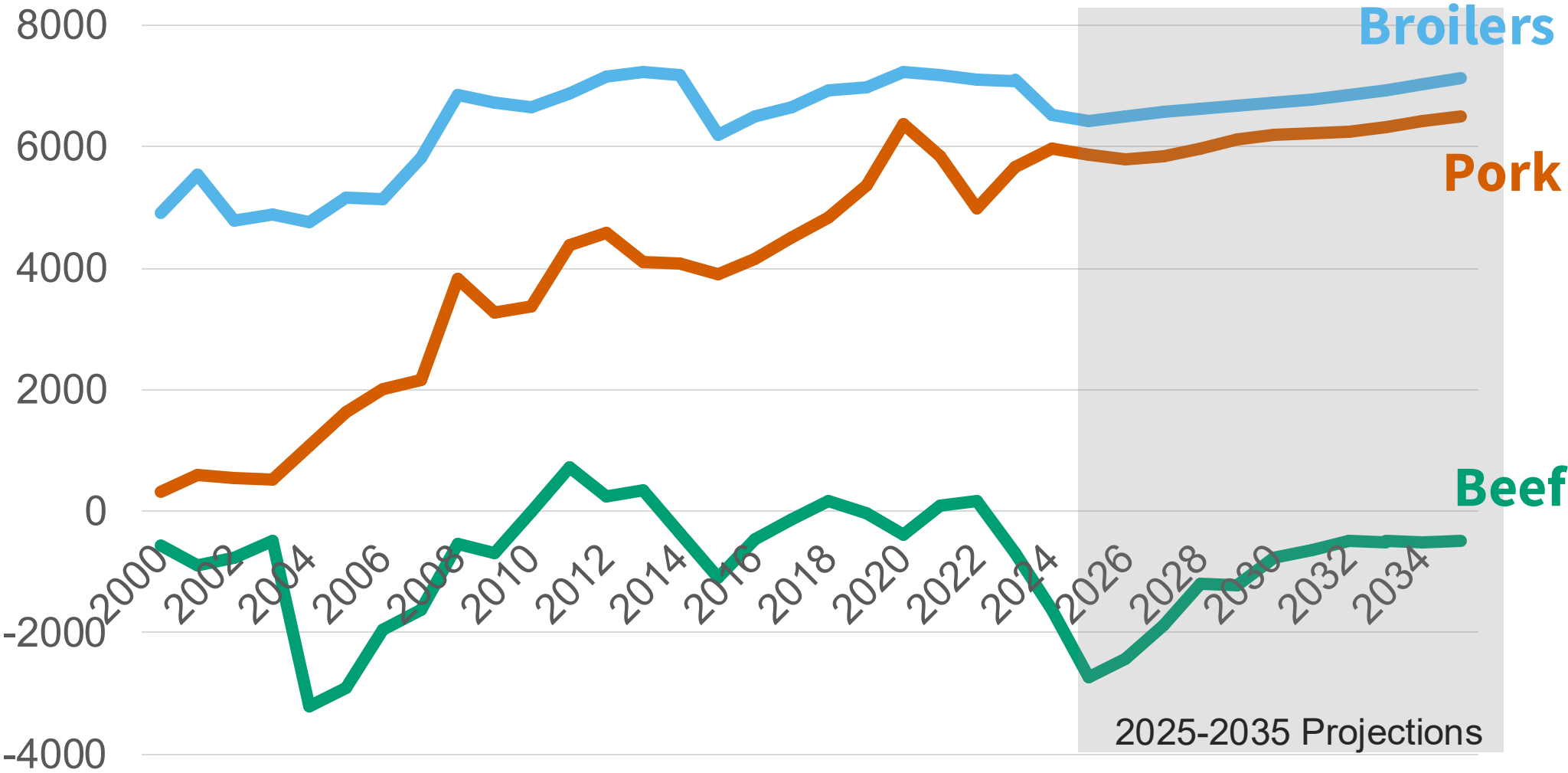


U.S. Meat Exports, 2000-2035P



U.S. Meat Net Exports, 2000-2035P

Exports-Imports
Million Pounds



2025-2035 Projections

Broilers

Pork

Beef

Beef Cattle Cycle and Outlook

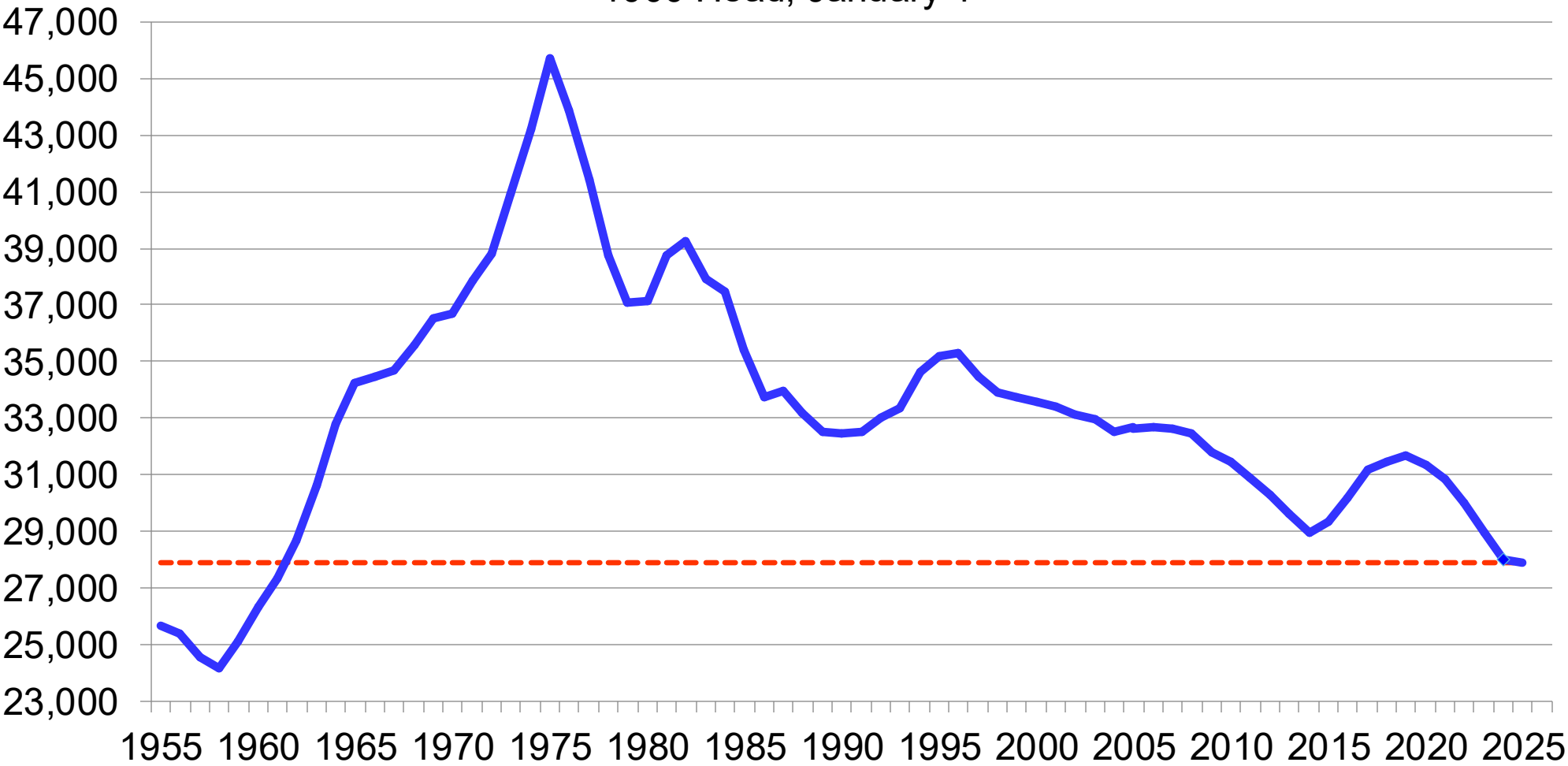
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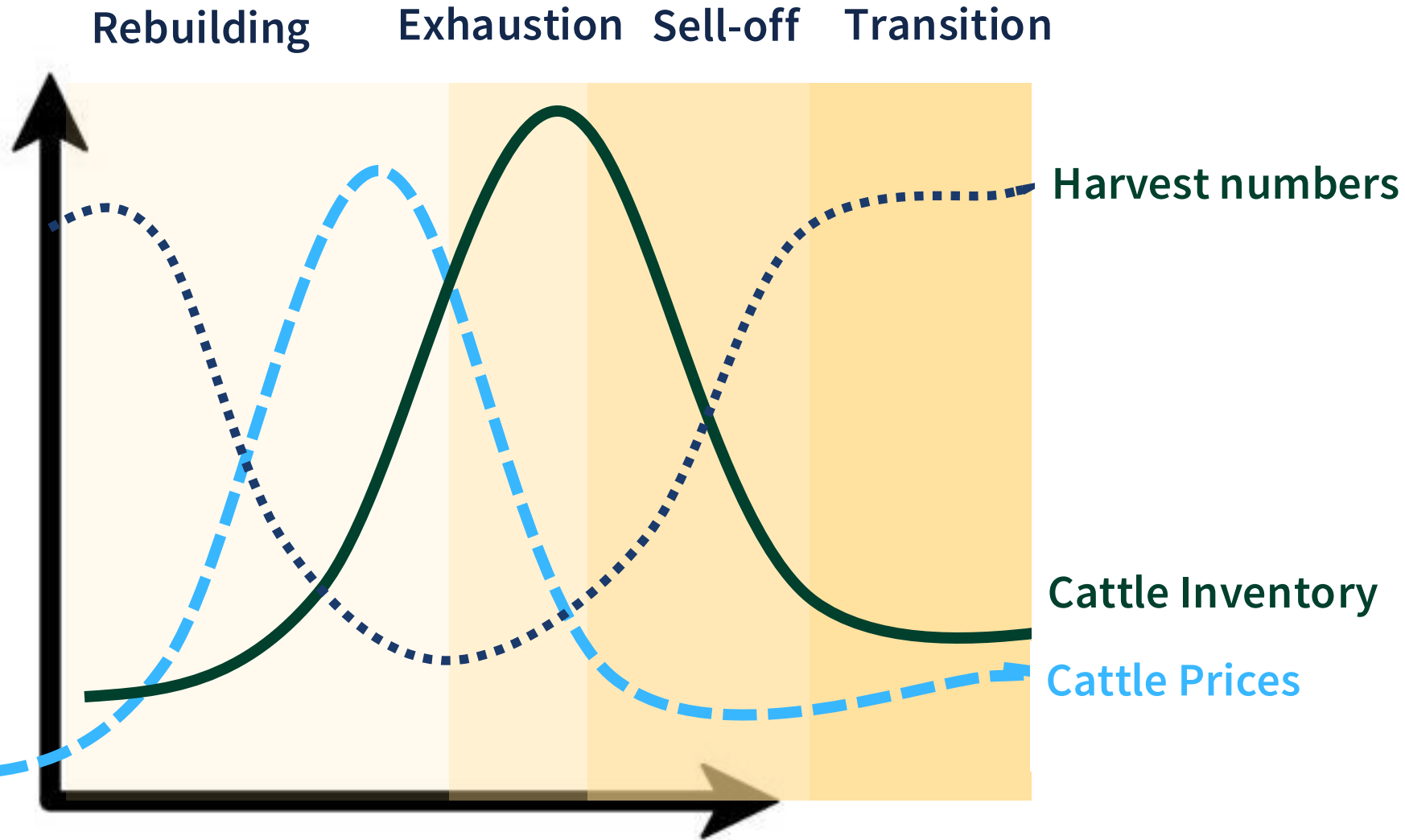
Cattle Inventory Since 1970s

U.S. Beef Cow Inventory
1000 Head, January 1



Source: USDA NASS

Cattle Cycle Stages



1. Rebuilding

- Increasing prices
- Decreasing harvest numbers
- Increasing inventory

2. Exhaustion

- Decreasing prices
- Decreasing harvest numbers
- Increasing inventory

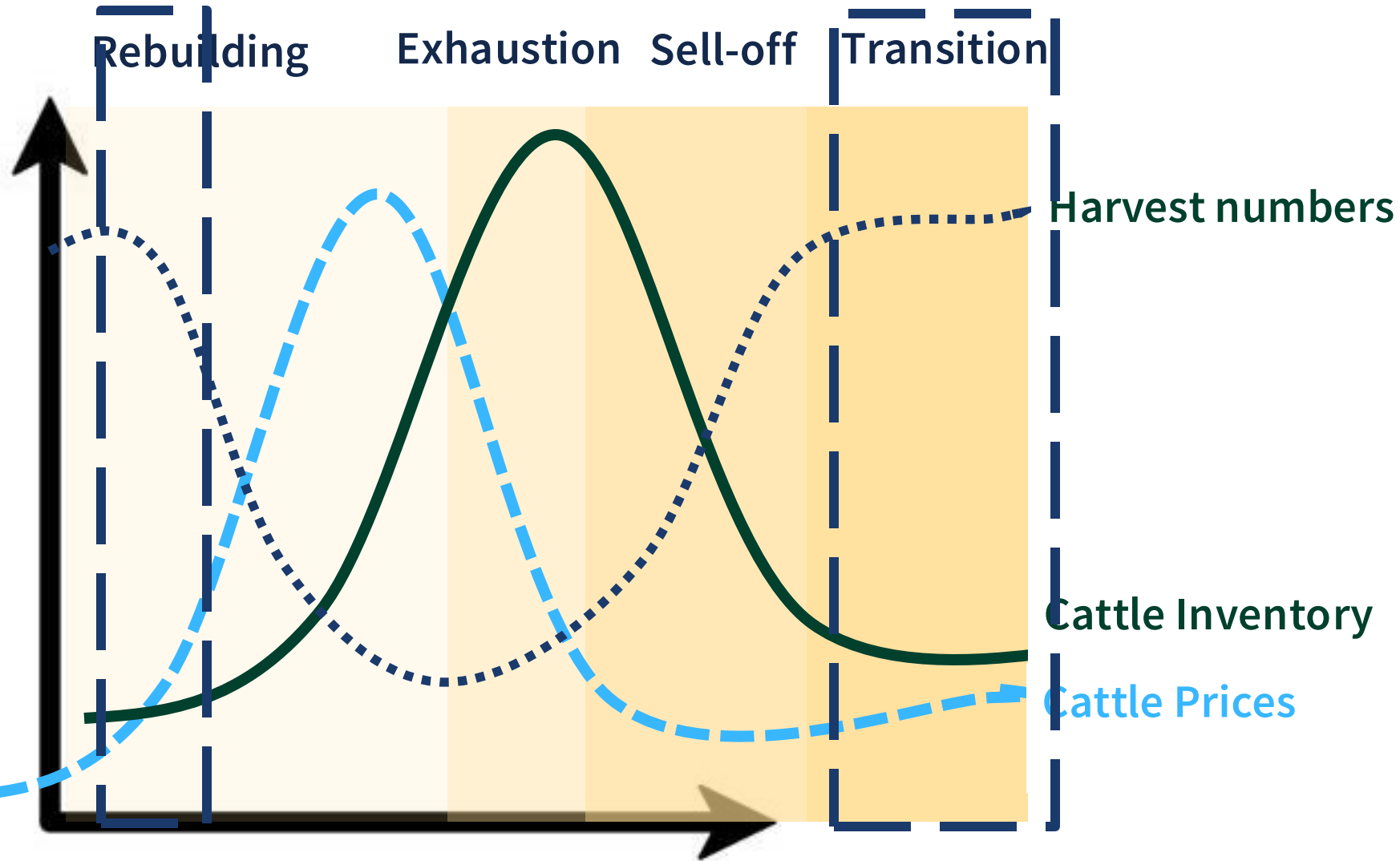
3. Sell-off

- Decreasing prices
- Increasing harvest numbers
- Decreasing inventory

4. Transition

- Prices slowly increasing
- Harvest numbers stabilizing
- Inventory decreasing slowing and starting to increase

Where are we in the cattle cycle?



1. Rebuilding

- Increasing prices
- Decreasing harvest numbers
- Increasing inventory

2. Exhaustion

- Decreasing prices
- Decreasing harvest numbers
- Increasing inventory

3. Sell-off

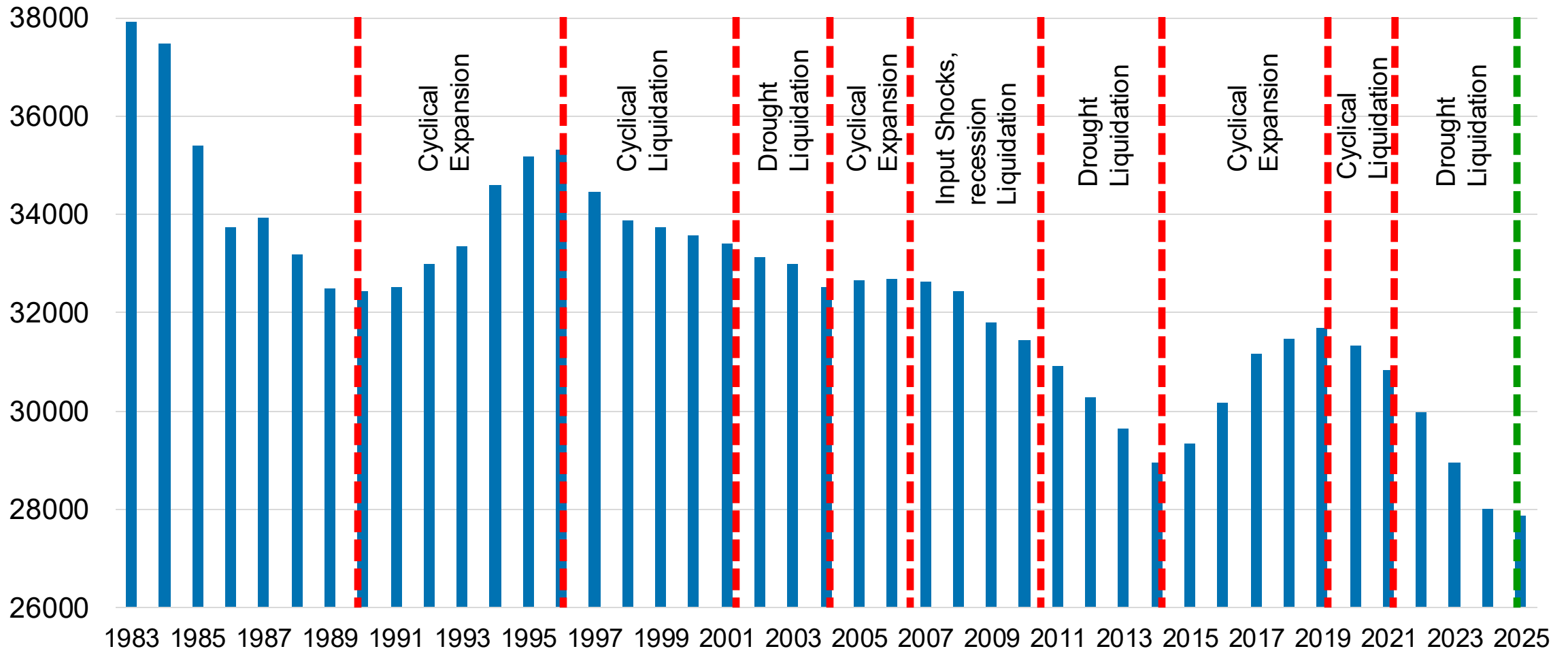
- Decreasing prices
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4. Transition

- Prices slowly increasing
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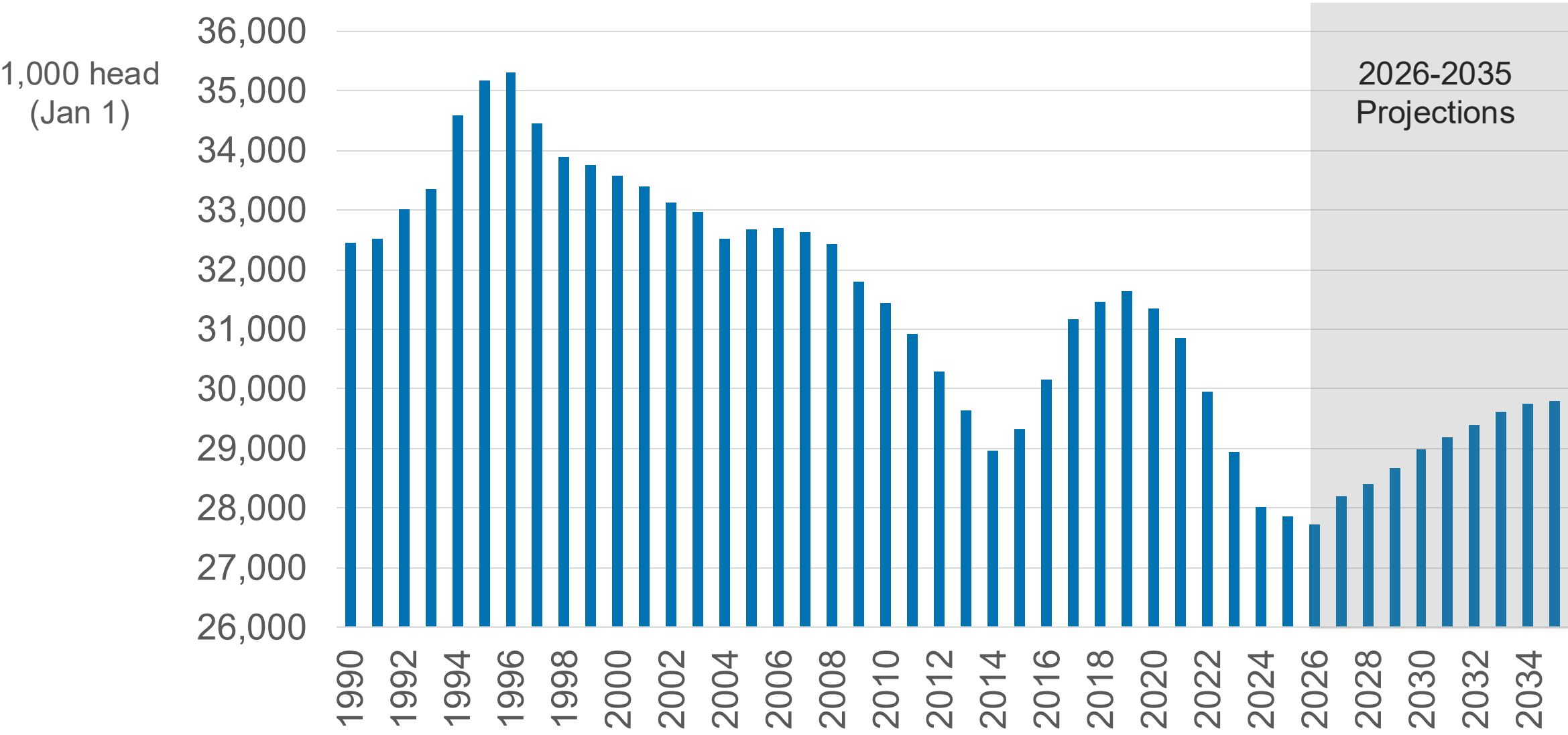
Beef Cow Inventory Dynamics

1000 Head, January 1



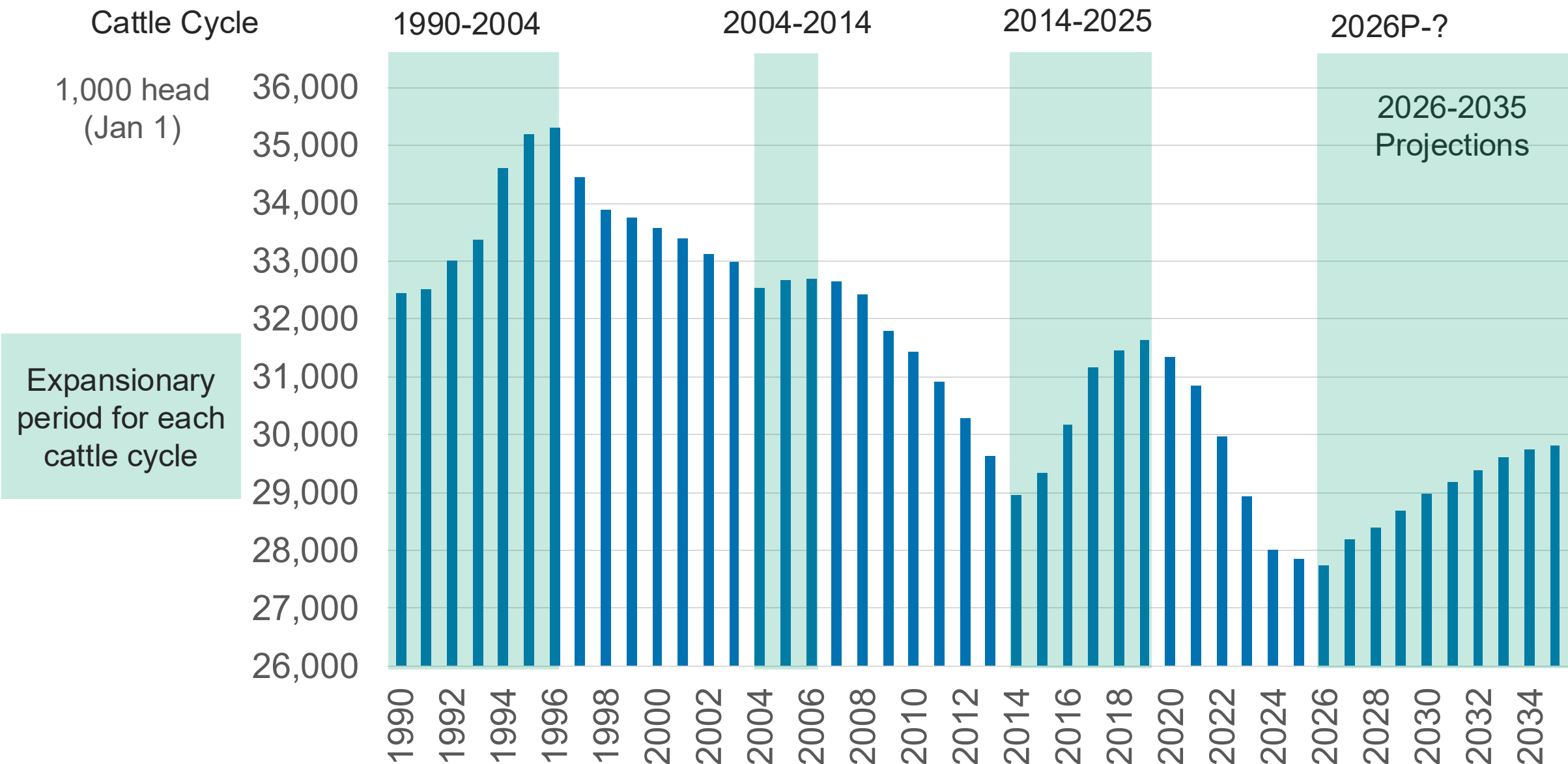
Source: USDA NASS, Dr. Derrel Peel, Oklahoma State University

Beef Cow Inventory 1990-2035P



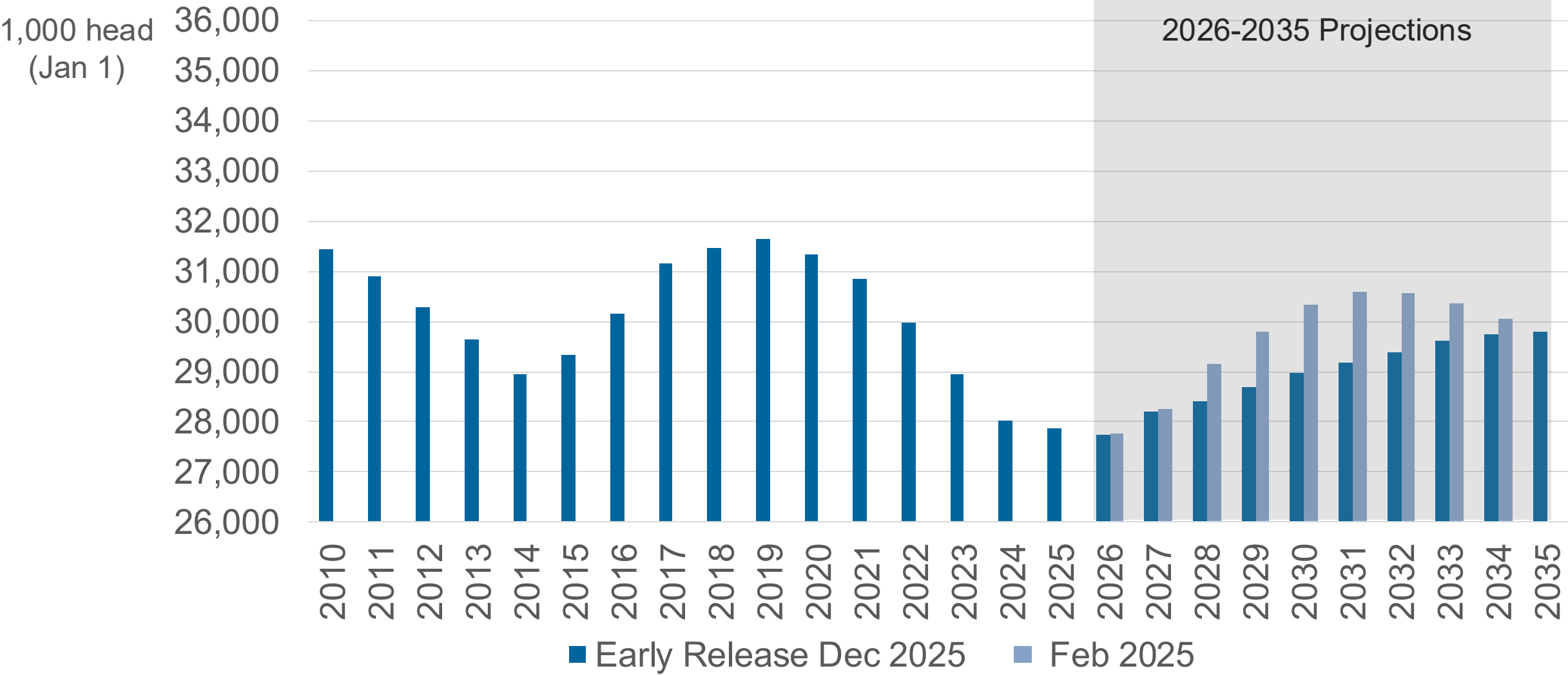
2026-2035
Projections

Beef Cow Inventory and Cattle Cycles

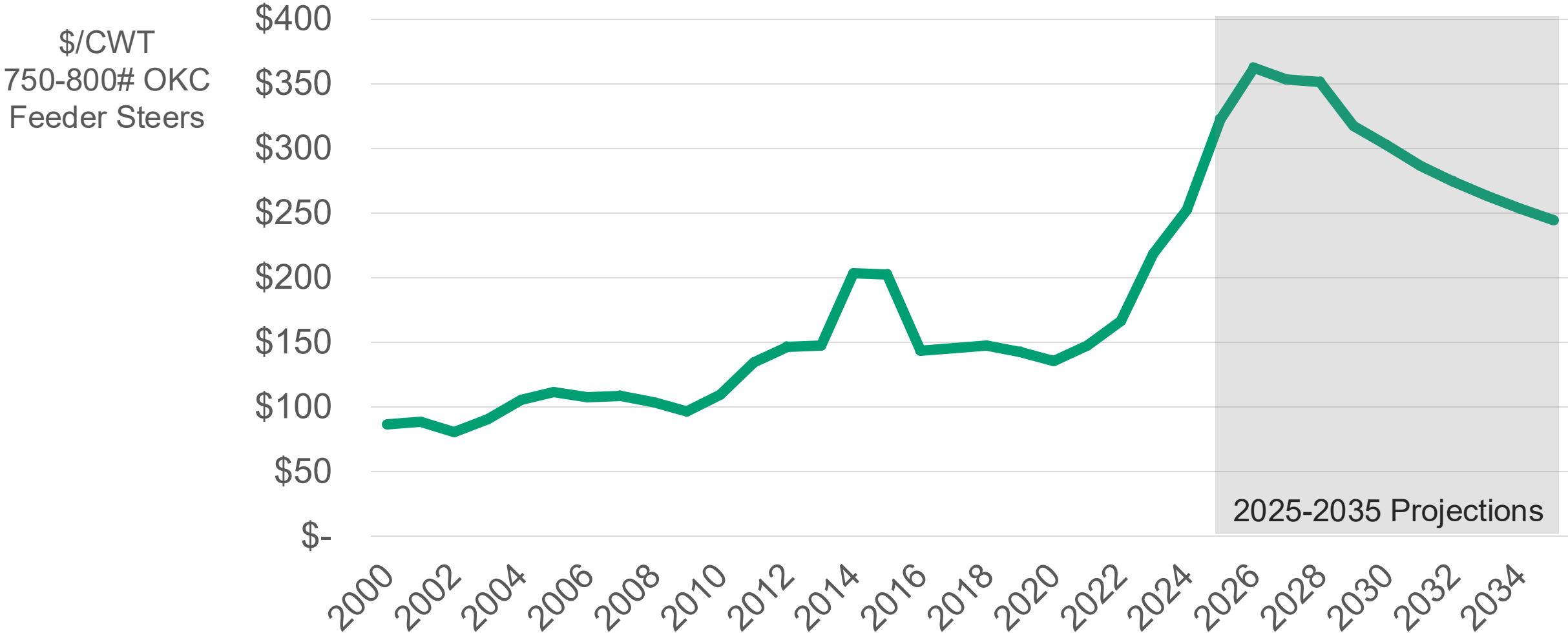


Sources: 1990-2025 USDA NASS; USDA Agricultural Baseline Projections, Early Release Dec 2025

Beef Cow Inventory 1990-2035P

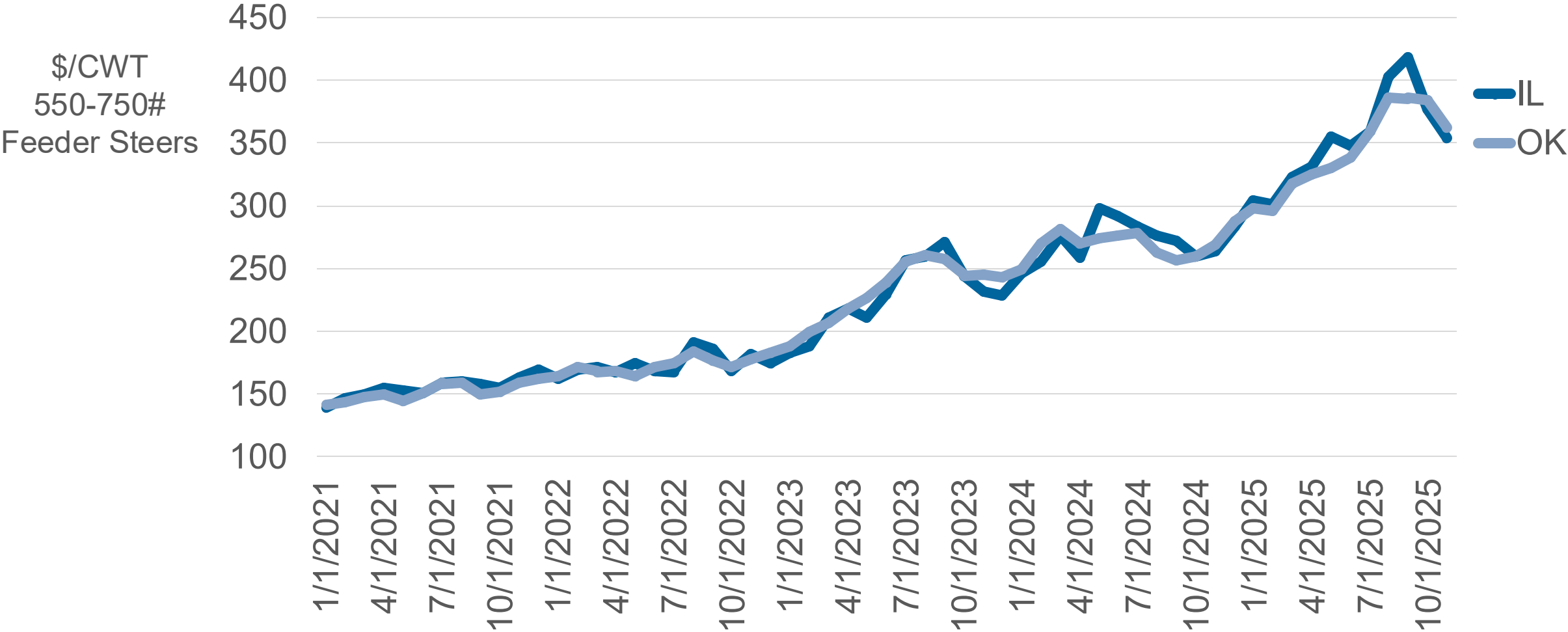


Feeder Steer Prices 2000-2035P

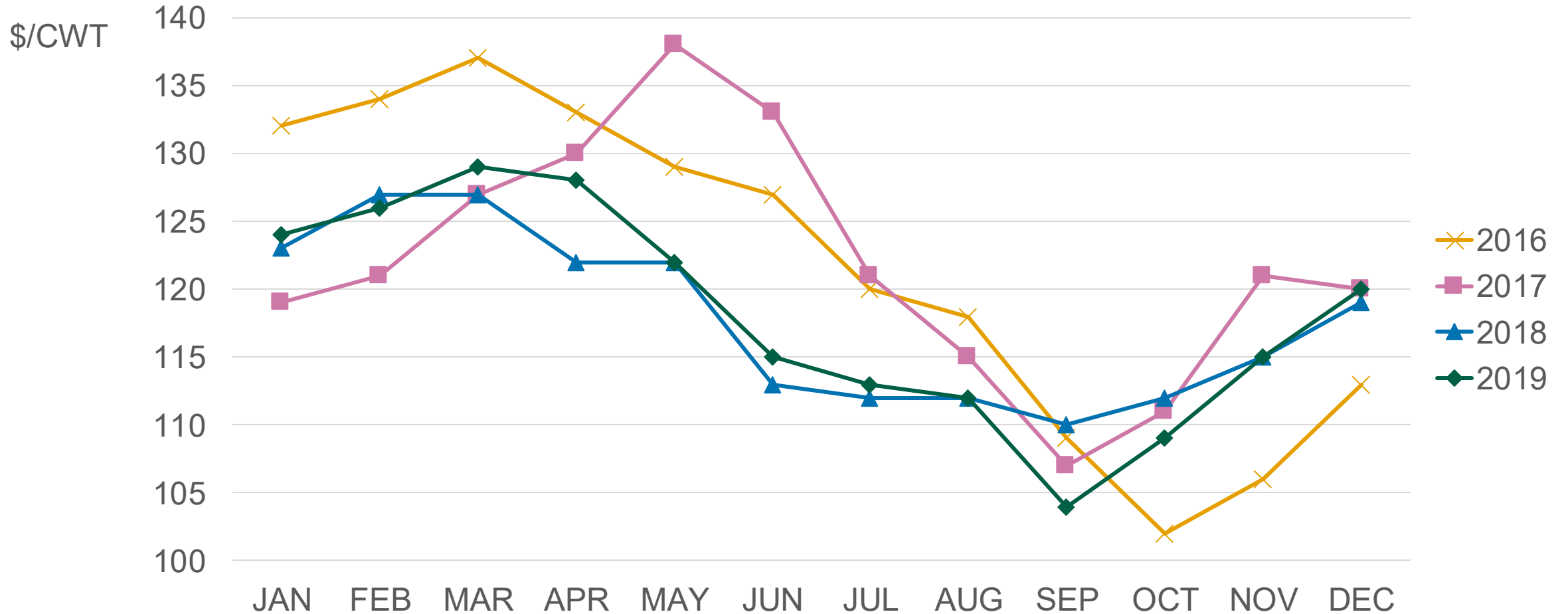


Source: [USDA ERS Livestock Prices](#); USDA Agricultural Baseline Projections, Early Release Dec 2025

Monthly Average Feeder Steer Prices, Illinois and Oklahoma



Seasonality: Monthly Steer & Heifer Prices, 2016-2019

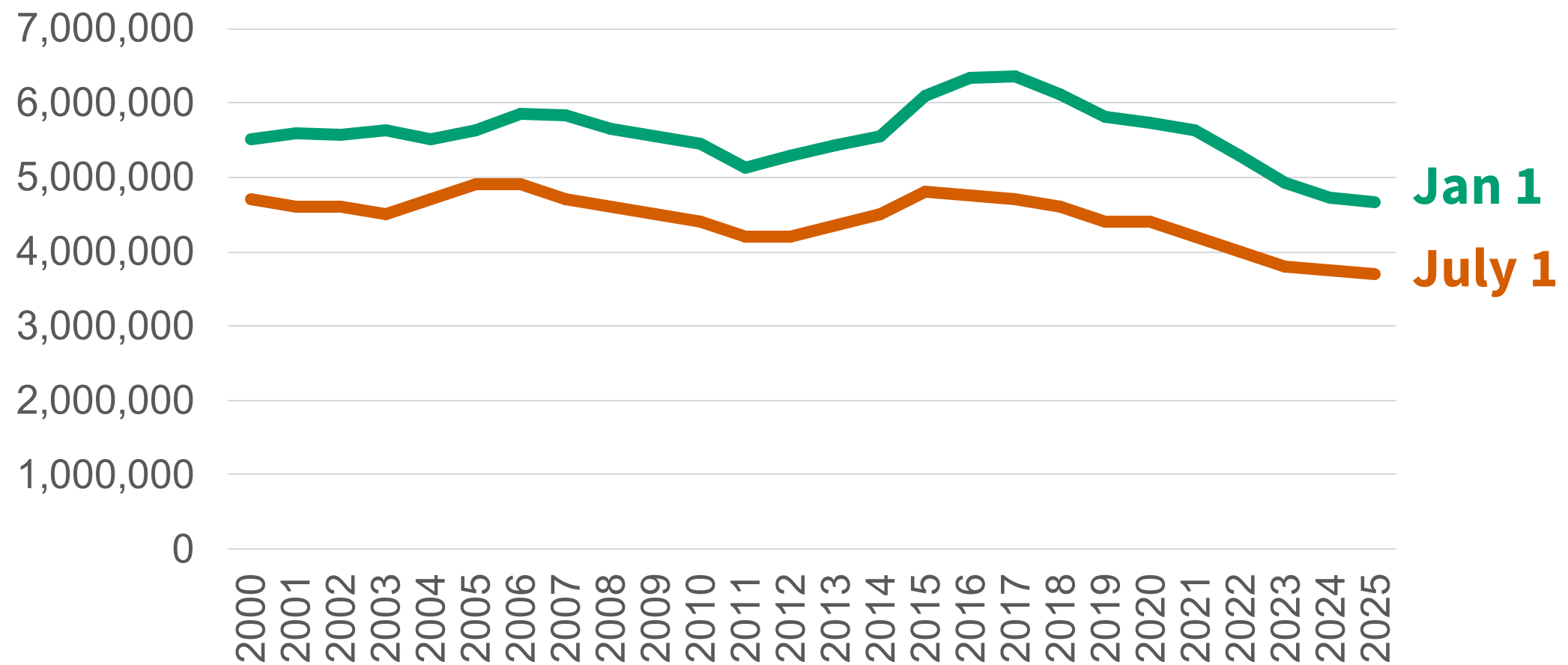


Source: USDA NASS

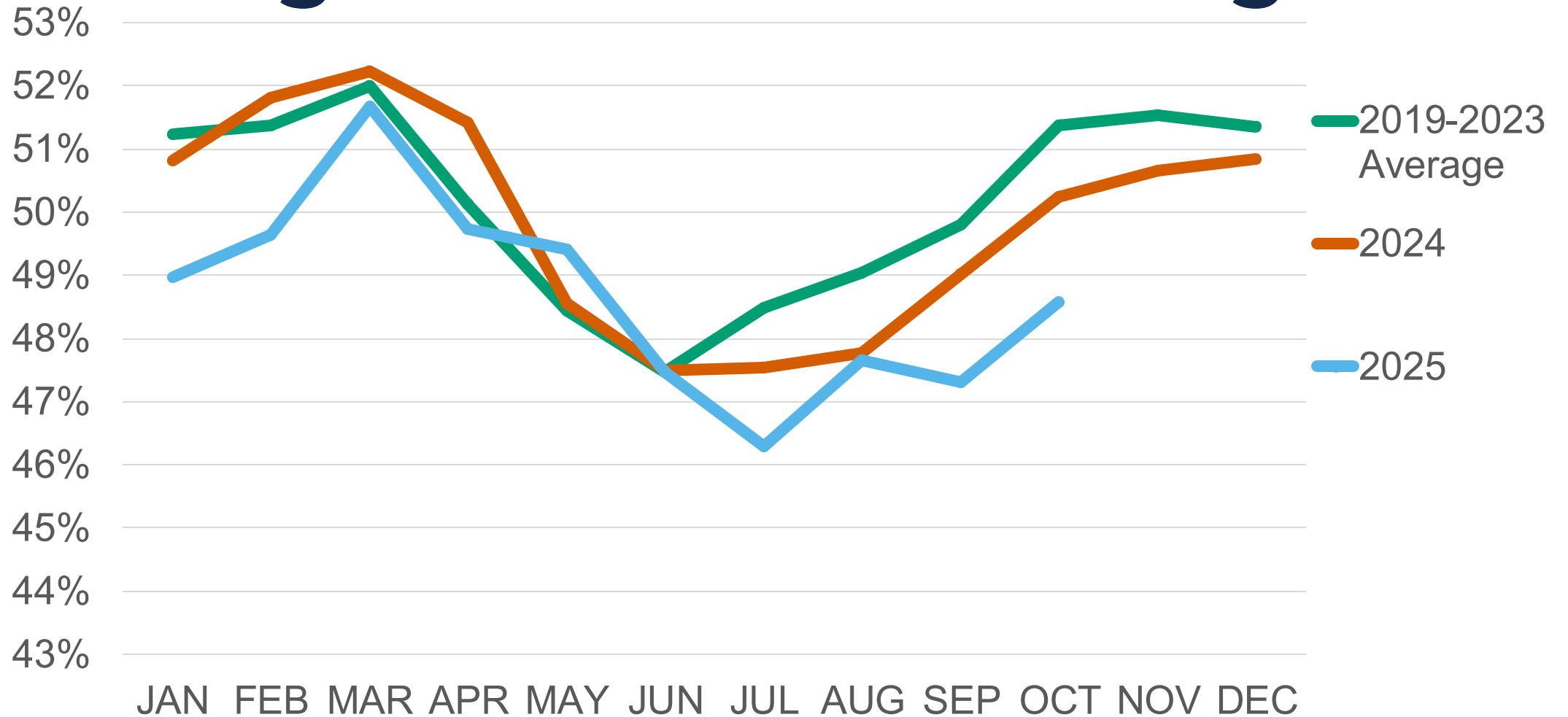


**Are we entering herd
expansion?**

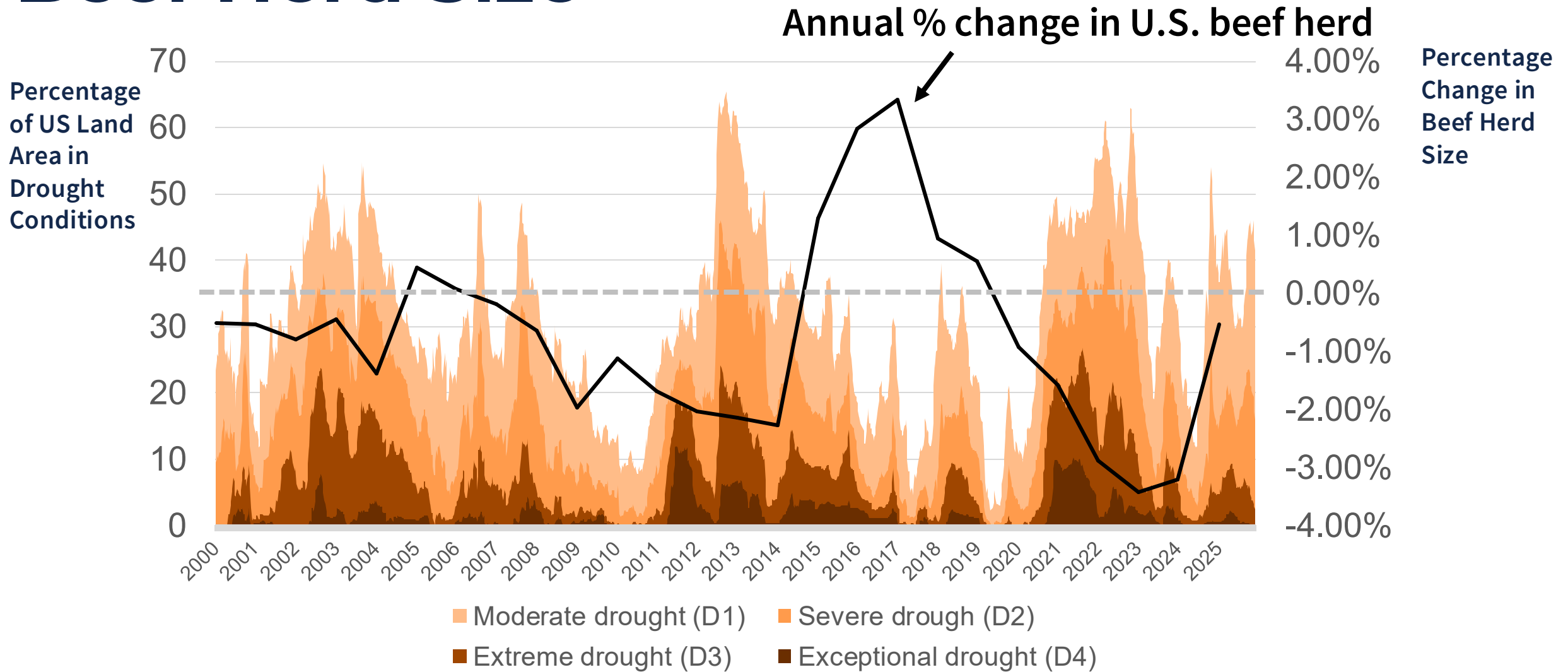
Beef Heifers Intended for Herd Replacement, 2000-2025



Monthly Average Cow and Heifer Percentage of Total Head Slaughtered



Drought Conditions and Changes in US Beef Herd Size



Are we entering herd expansion?

- Maybe...If so very slowly
 - USDA projects growth beginning between 2026 and 2027
- Many factors
 - Drought
 - Trade uncertainties
 - Aging producer population?

SNAPSHOT			
Beef Producers, 2022			
Number = 930,680 on 534,633 farms specializing in beef.*			
Number = 20,629 on 11,186 farms specializing in cattle feedlots.**			
	Beef Farming	Cattle Feedlots	All U.S.
Average age (years)	58.3	54.9	58.1

Source: USDA 2022 Census of Agriculture Highlights, Cattle Production

Hogs Outlook



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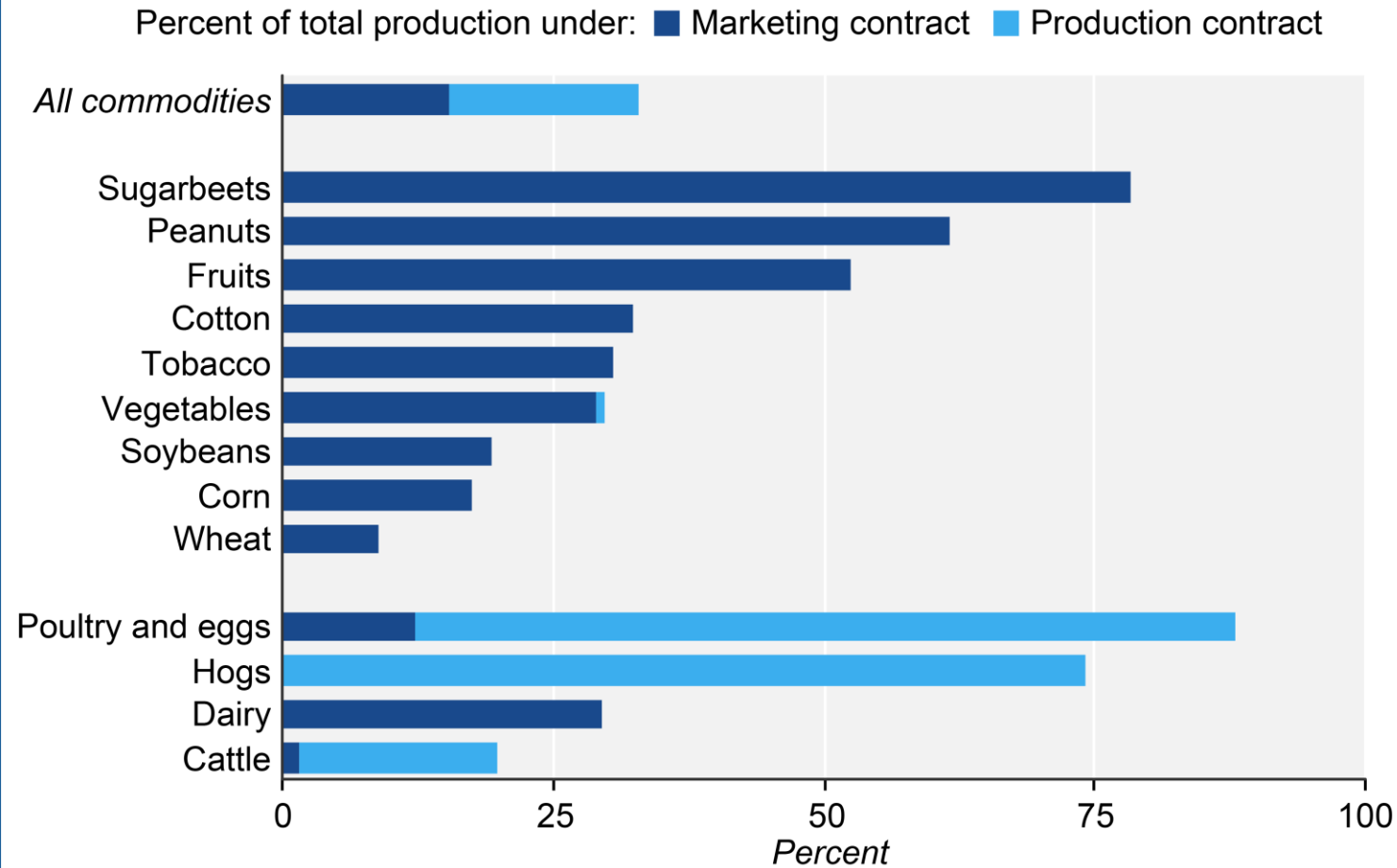
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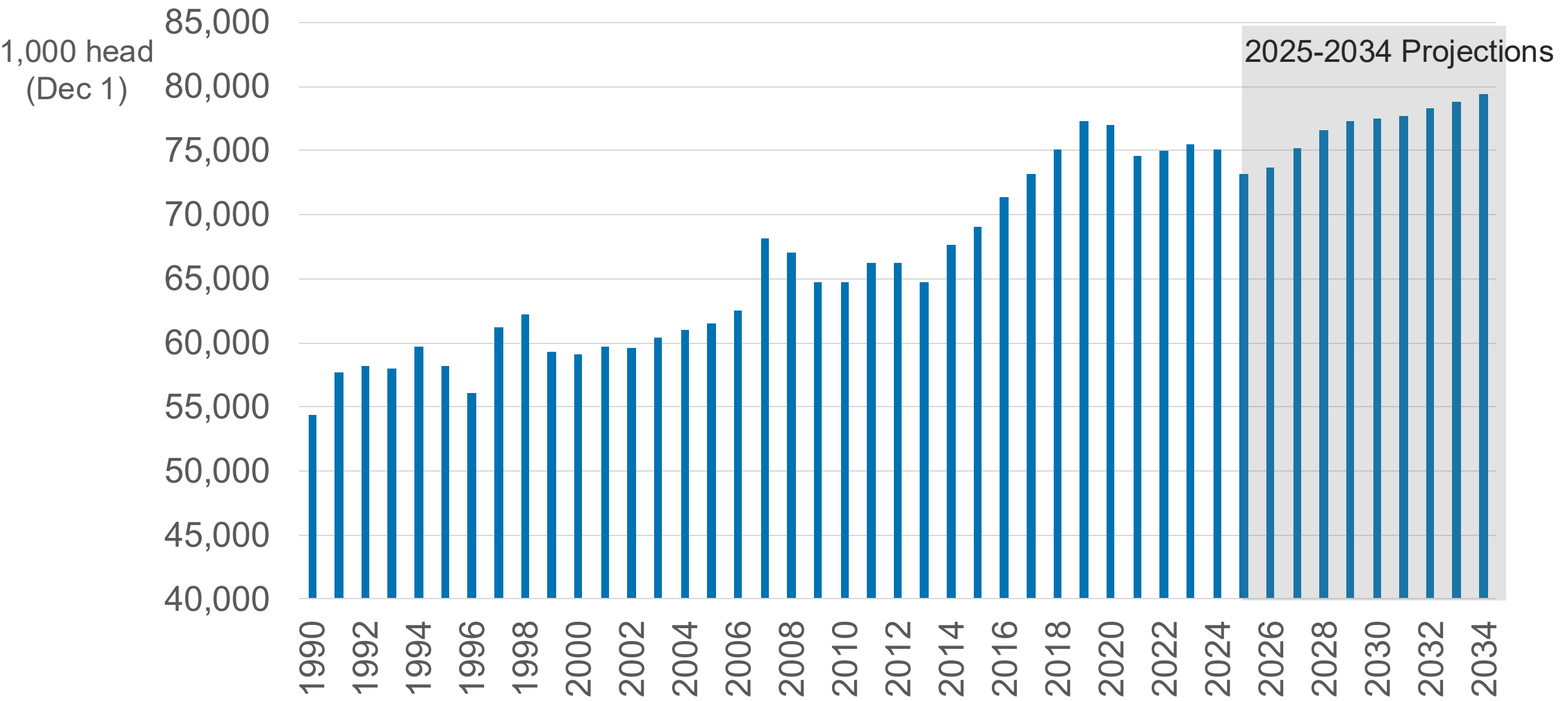
Percent of production under contract, by contract type, for selected commodities, 2020



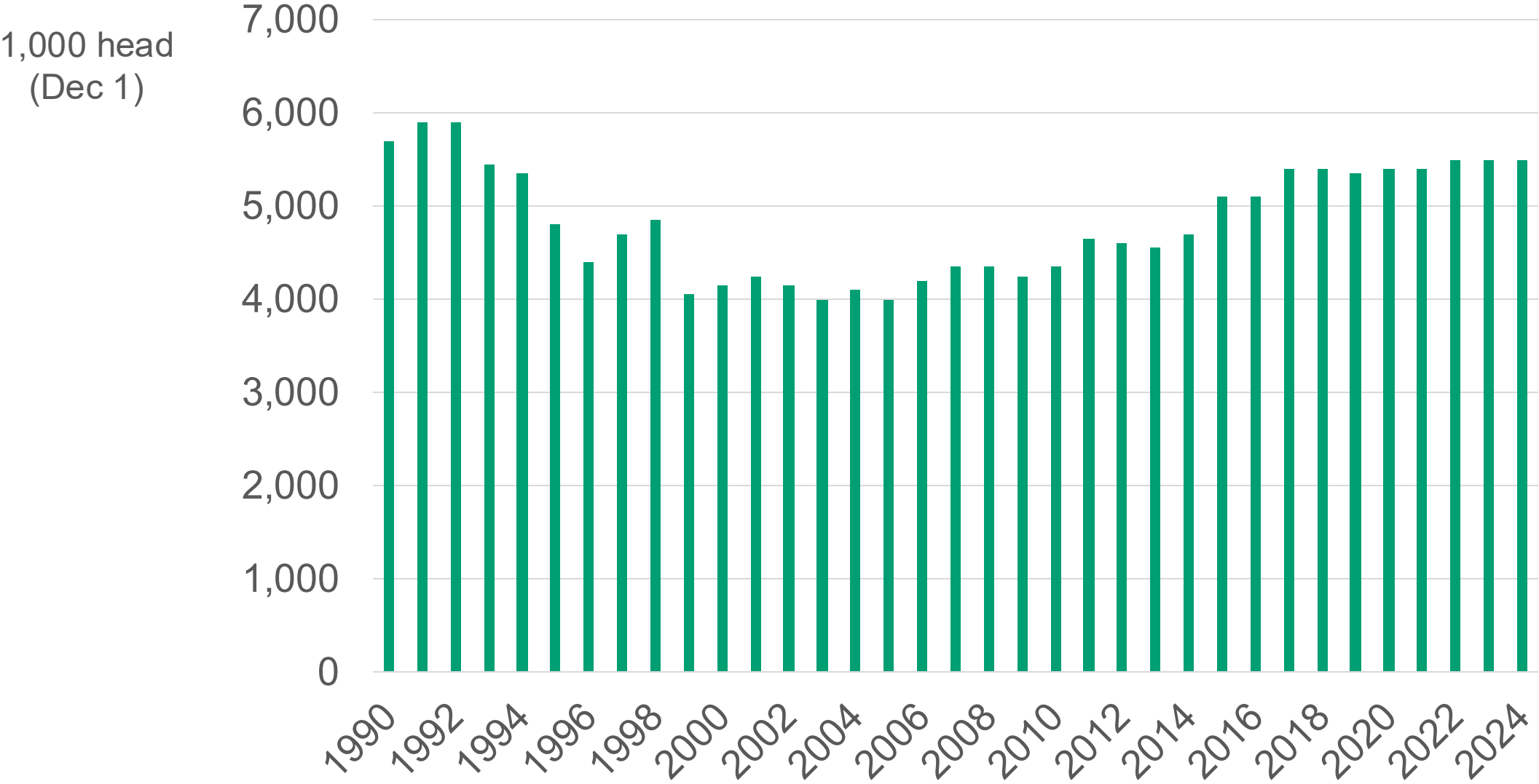
Source: USDA, Economic Research Service and USDA, National Agricultural Statistics Service, 2020 Agricultural Resource Management Survey (data as of December 2021).

[Source: USDA ERS, 2025](#)

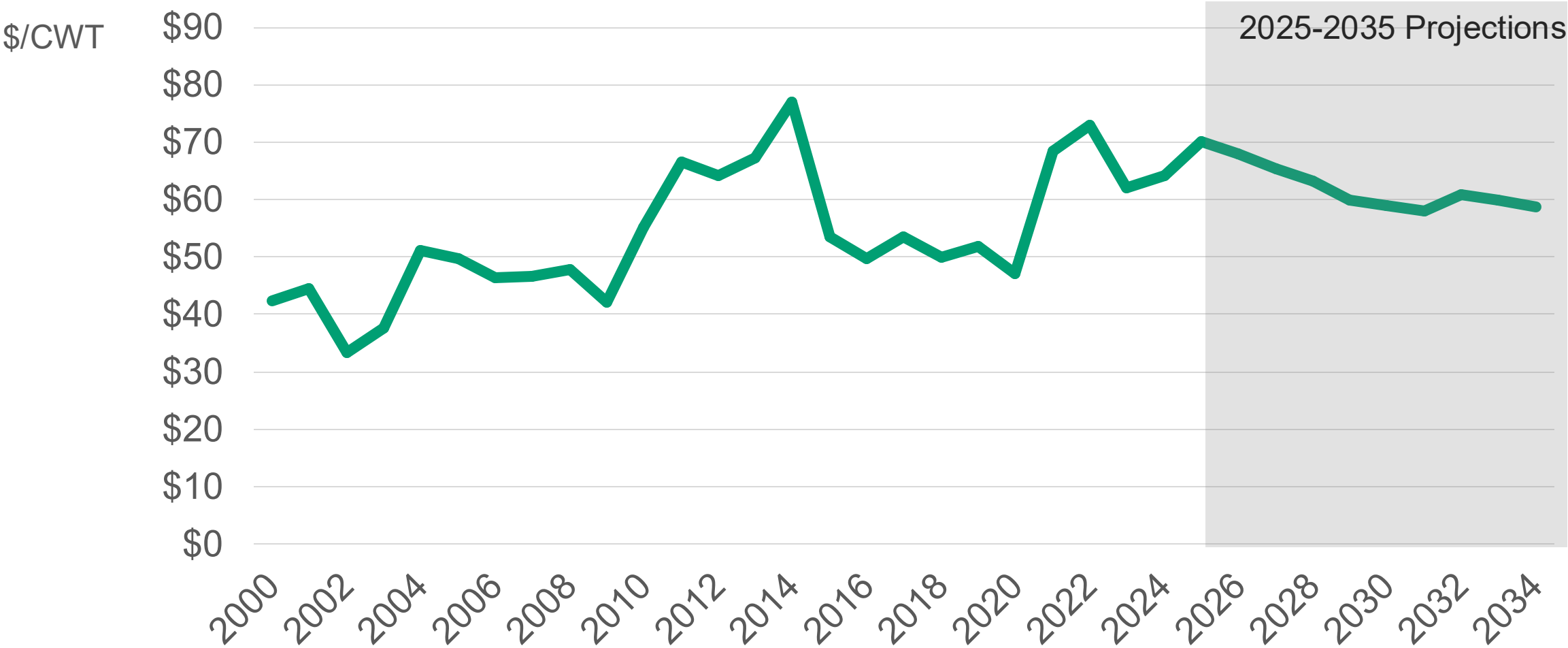
U.S. Hog Inventory 1990-2034P



Illinois Hog Inventory 1990-2024



Hog Prices 2000-2035P



Source: [USDA ERS Livestock Prices](#); USDA Agricultural Baseline Projections, Early Release Dec 2025

Closing thoughts

- Small U.S. cattle herd putting upward pressure on prices
 - BUT: Can still be temporary downturns in the market!
- Eventually the cattle cycle will play out and prices will decrease
 - Modest indications of herd rebuilding
 - Current projections for price decrease may be 2028/2029?
- Hog inventories expected to increase putting downward pressure on prices

Closing thoughts

- **Protect against downside price risk:**
 - Know cost of production
 - Hedge (if large enough)
 - Utilize federally subsidized insurance:
 - **Livestock Risk Protection (subsidized option)**
 - Hogs, feeder, and fed cattle
 - **Pasture, Rangeland, and Forage Rainfall Index Insurance**
 - Grazing livestock

Important PRF-RI Insurance Decisions: Which Months to Insure?

[Brittney Goodrich](#)

Department of Agricultural and Consumer Economics

University of Illinois

November 8, 2024

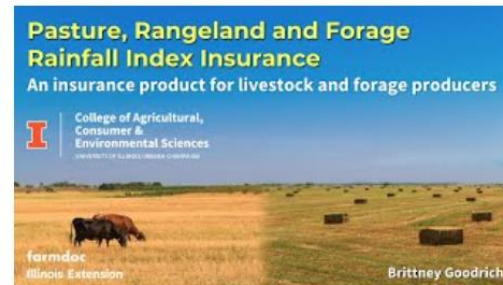
farmdoc daily (14):204

Pasture, Rangeland and Forage Rainfall Index Insurance (PRF-RI) is an underutilized insurance product for livestock and forage producers in the Midwest (see *farmdoc daily* article from [October 9, 2024](#)). One key feature of PRF-RI apart from traditional crop insurance is that producers choose the months they want to insure. This allows for flexibility in insuring different types of forage production systems that have different times during the year. Enrolling in different months throughout the year affects the premium, the amount and frequency of indemnities collected, and ultimately how the risk is managed through PRF-RI.

Background: Determinants of PRF-RI Premiums

Pasture, Rangeland and Forage Rainfall Index Insurance: An Insurance Product for Illinois Livestock and Forage Producers

[Brittney Goodrich](#)



Pasture, Rangeland and Forage Rainfall Index Insurance: A Risk Management Tool for Livestock and Forage Producers November 21st, 2024

[Watch Video](#)

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Pasture, Rangeland and Forage Rainfall Index Insurance (PRF-RI) is a relatively new insurance product offered by the USDA Risk Management Agency. PRF-RI is meant to insure livestock and forage producers against lower than average rainfall which could decrease forage production. This webinar will explore PRF-RI as a potential risk management tool for livestock and forage producers. Attendees will gain insights into insurance policies and how to evaluate policy



IFES 2024 – Alternative Ag Insurance Products February 6th, 2025

[Watch Video](#)

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Brittney Goodrich will review some less commonly used federal crop insurance options, like Pasture Rangeland and Forage Rainfall Index Insurance, Whole Farm Revenue Protection, and livestock price and margin protection products.

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