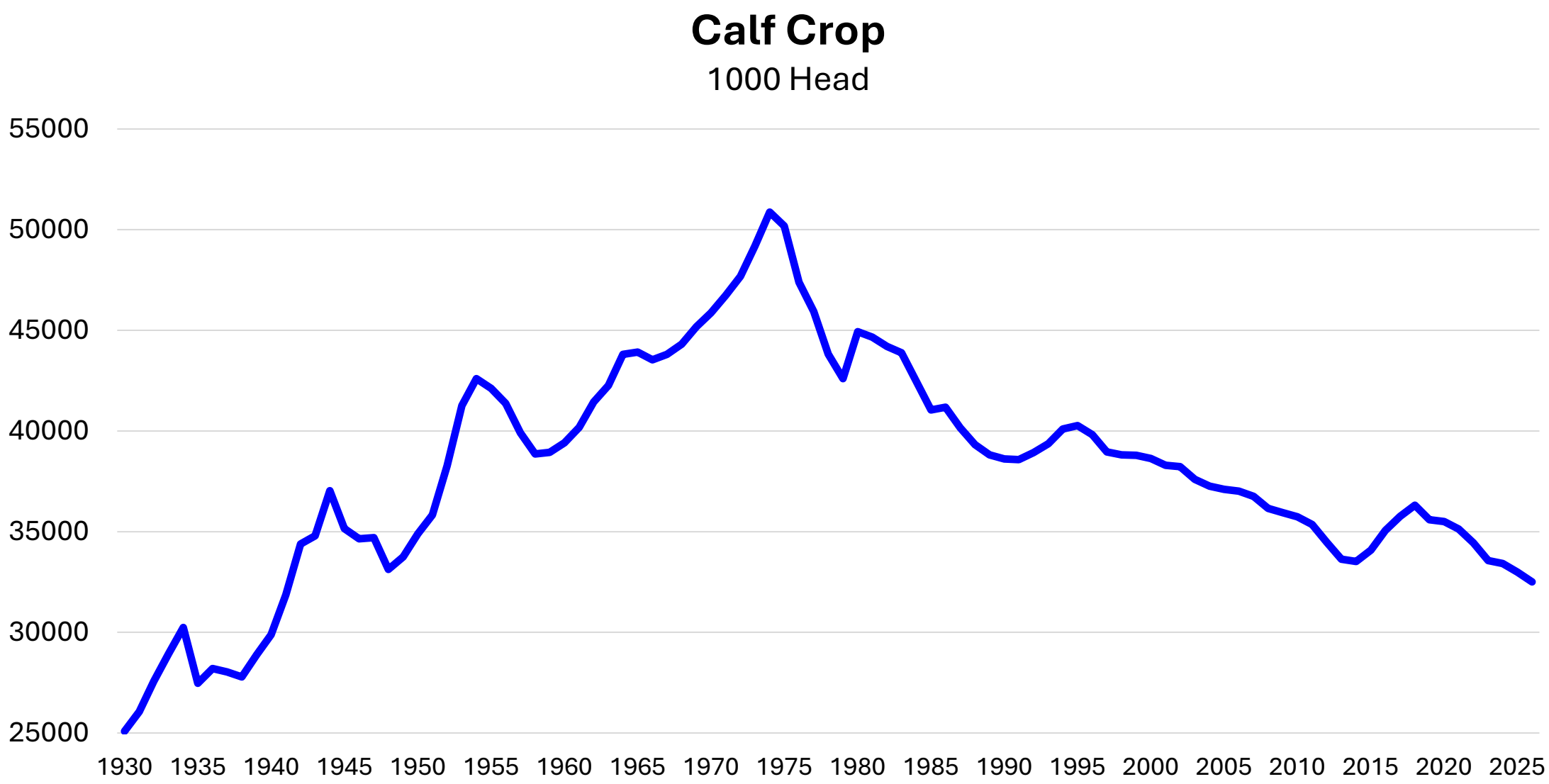
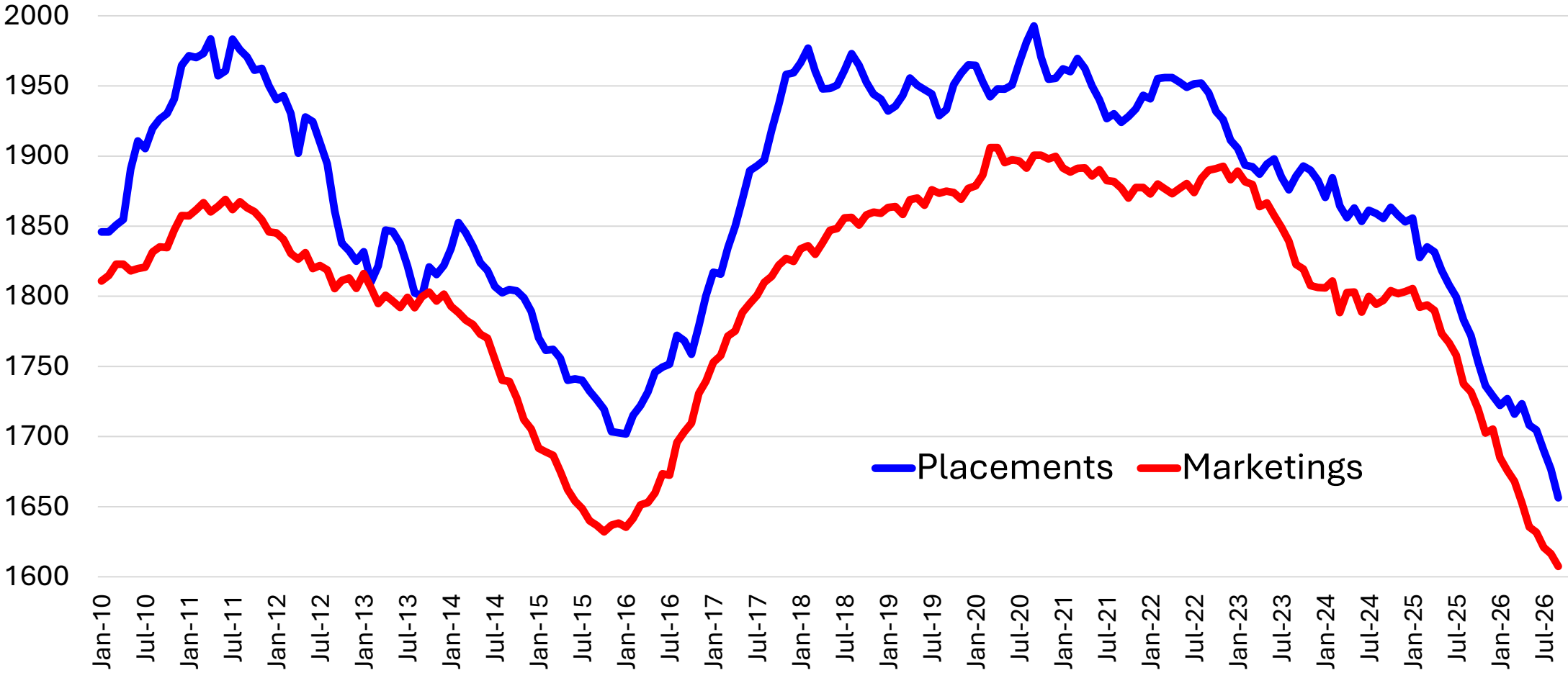
Tight Cattle Supplies Will Get Even Tighter


Calf Crop
1000 Head
55000
50000
45000
40000
35000
30000
25000
1930
1935
1940
1945
1950
1955
1960
1965
1970
1975
1980
1985
1990
1995
2000
2005
2010
2015
2020
2025

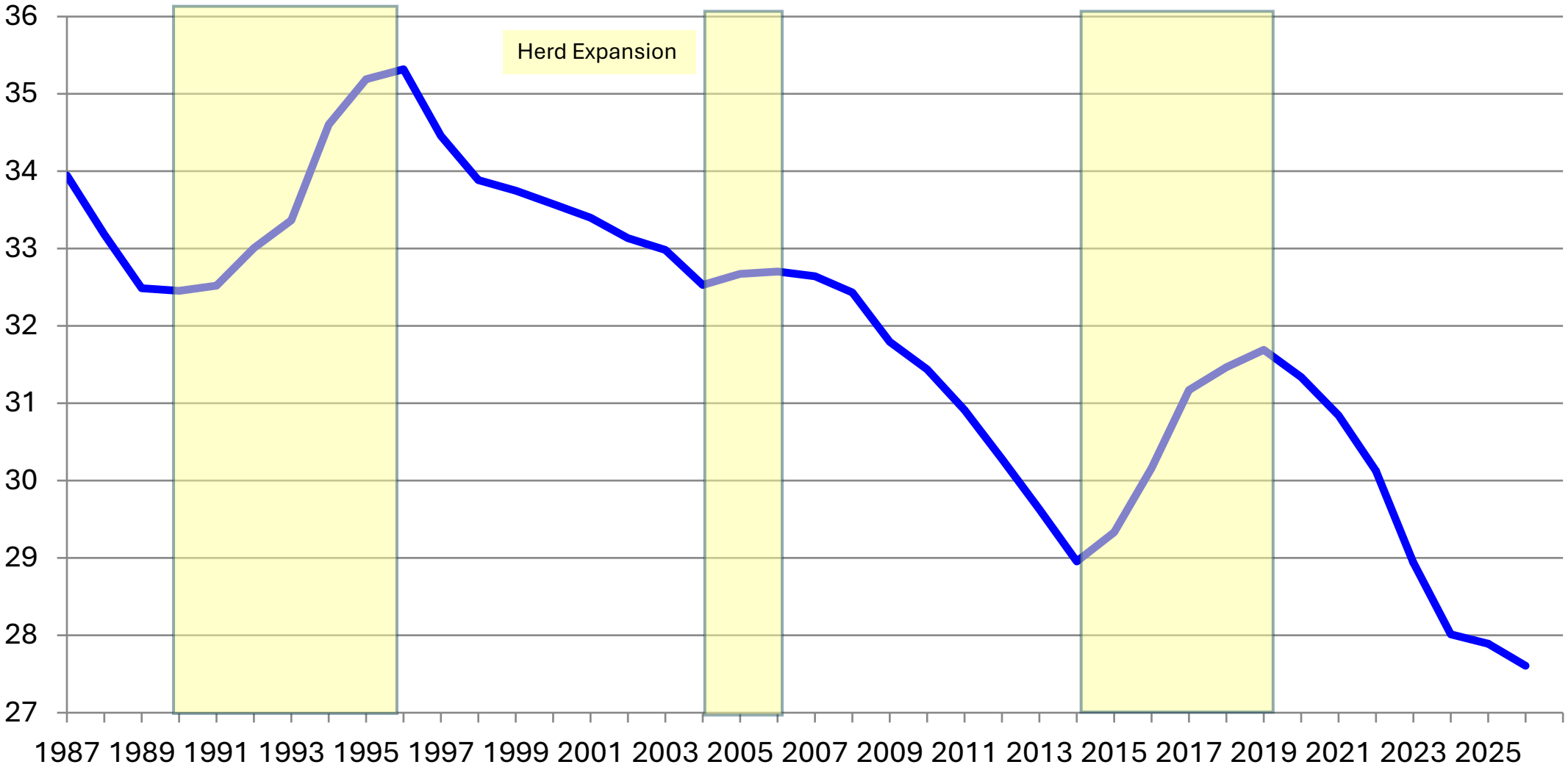
Feedlot Placements and Marketings

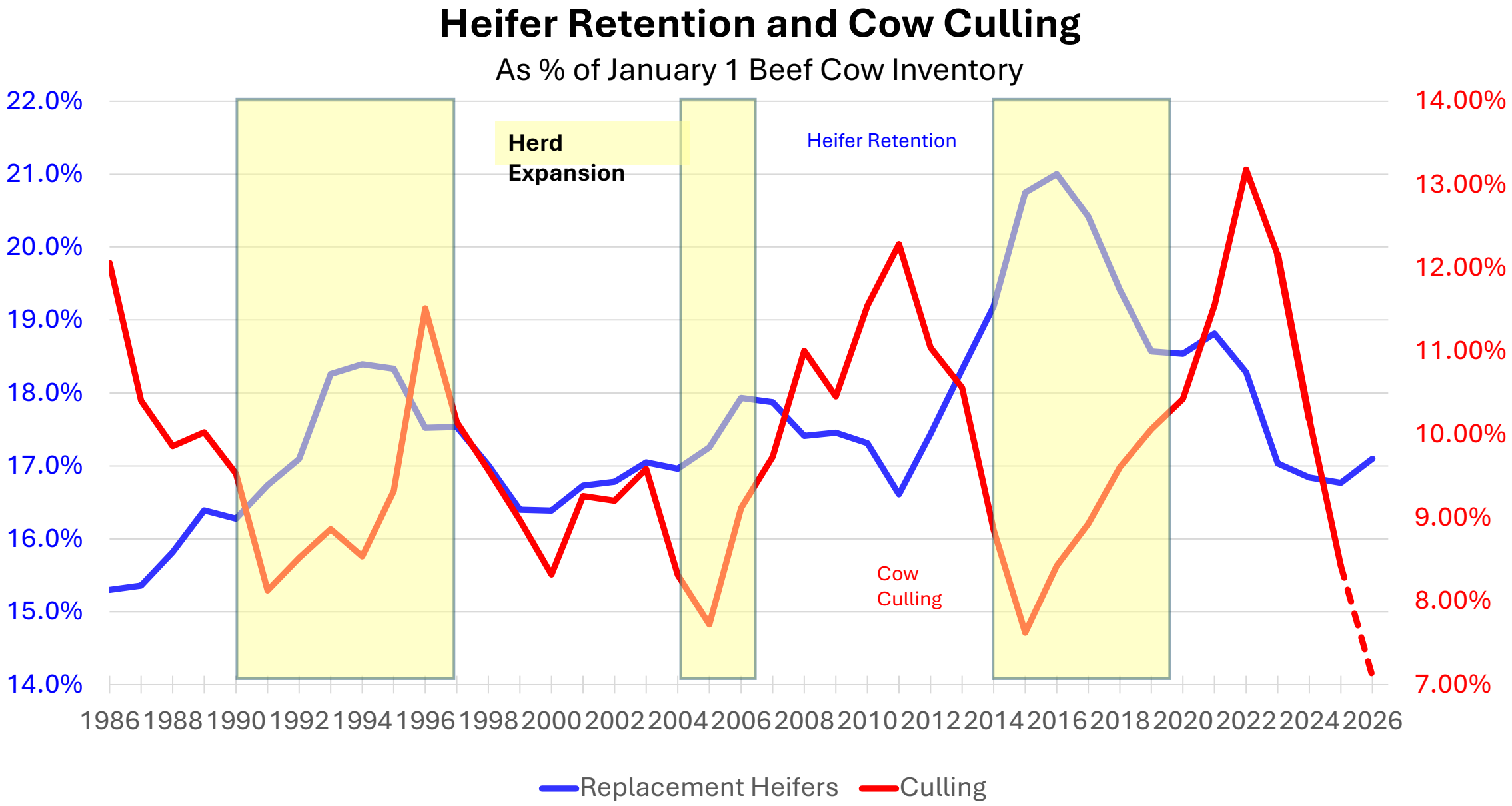
1000 head, 12 Month Moving Average



U.S. Beef Cow Inventory

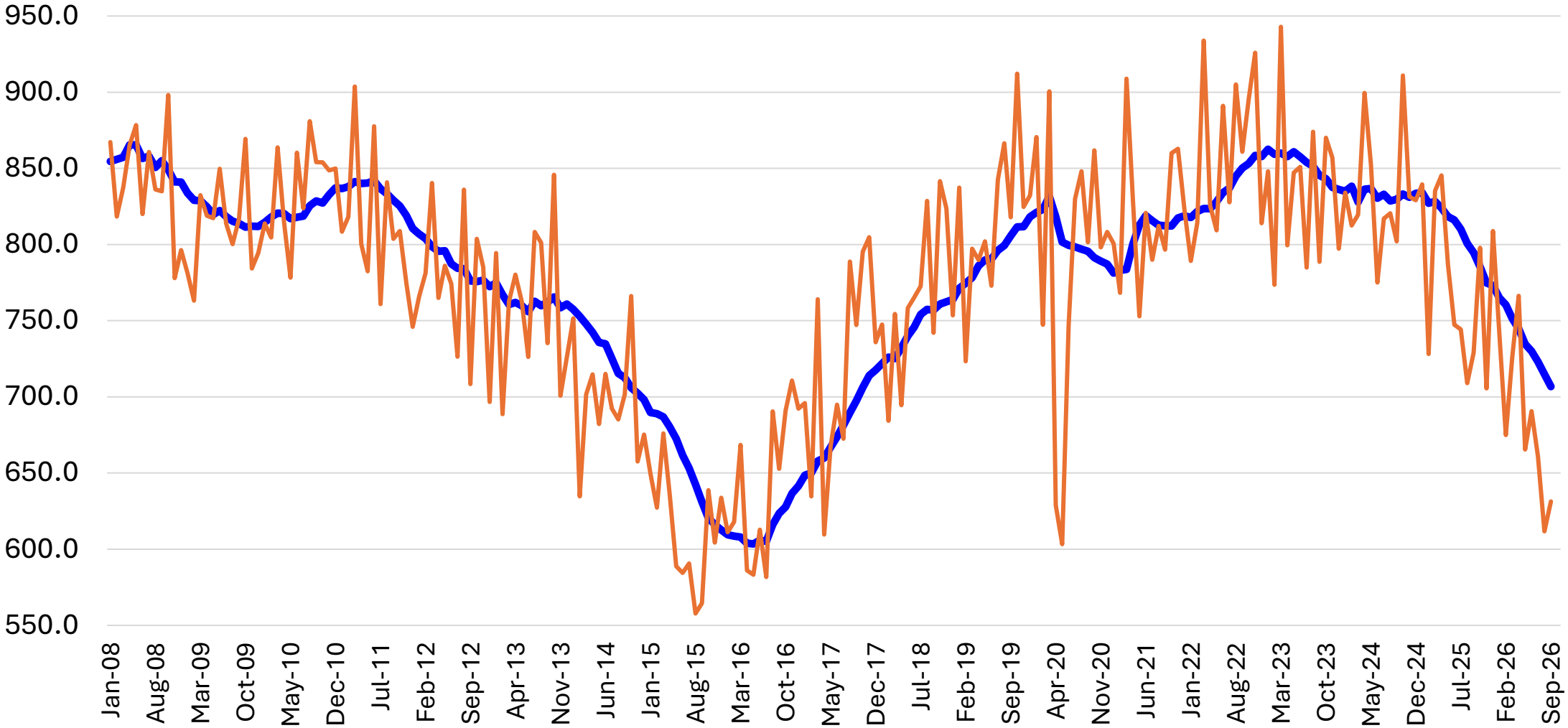
Million Head, January 1




Heifer Retention and Cow Culling
As % of January 1 Beef Cow Inventory
22.0%
21.0%
20.0%
19.0%
18.0%
17.0%
16.0%
15.0%
14.0%
14.00%
13.00%
12.00%
11.00%
10.00%
9.00%
8.00%
7.00%
Herd Expansion
Heifer Retention
Cow Culling
1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012 2014 2016 2018 2020 2022 2024 2026
Replacement Heifers
Culling

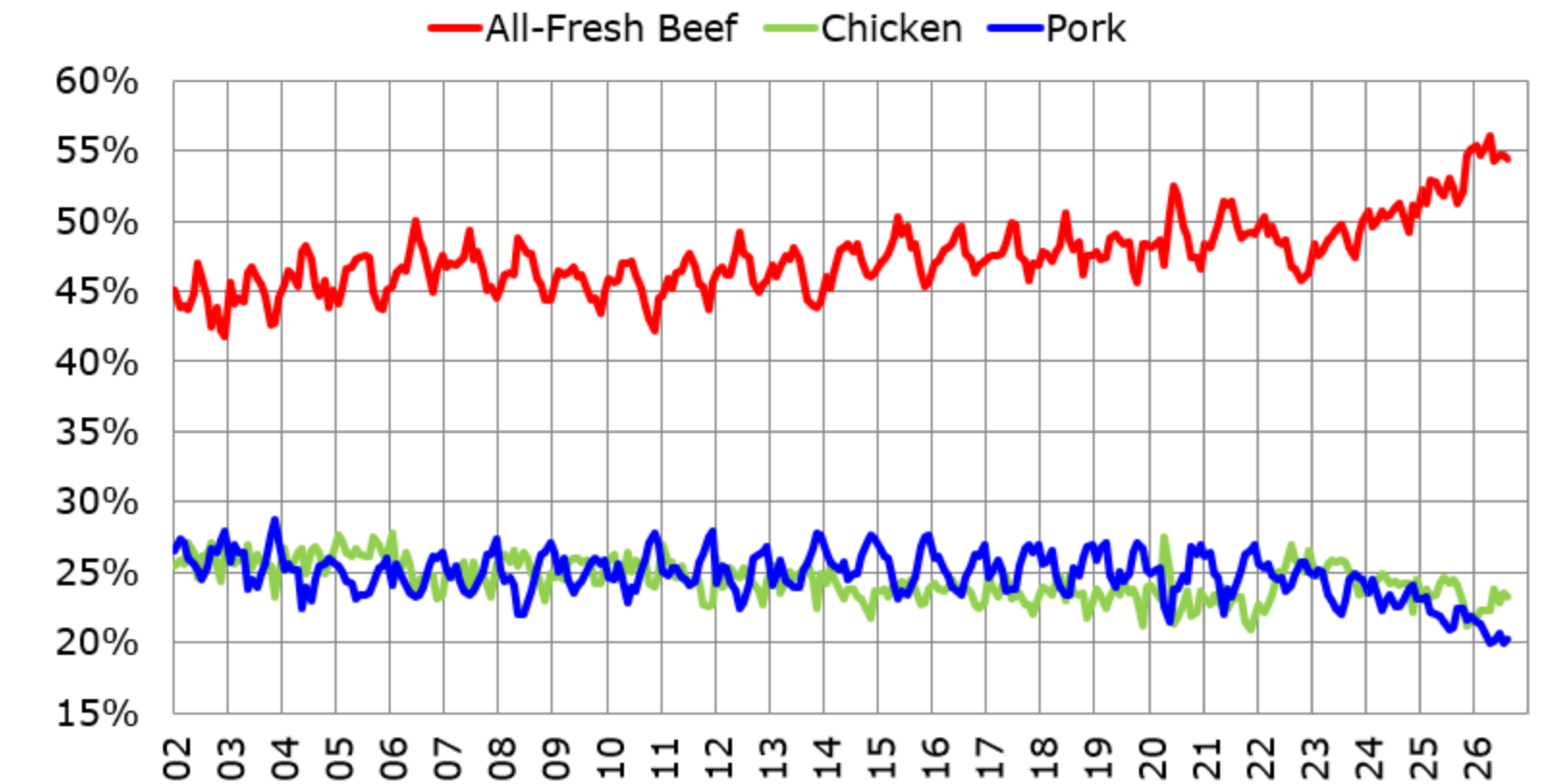
Heifer Slaughter

1000 Head, Monthly, FI

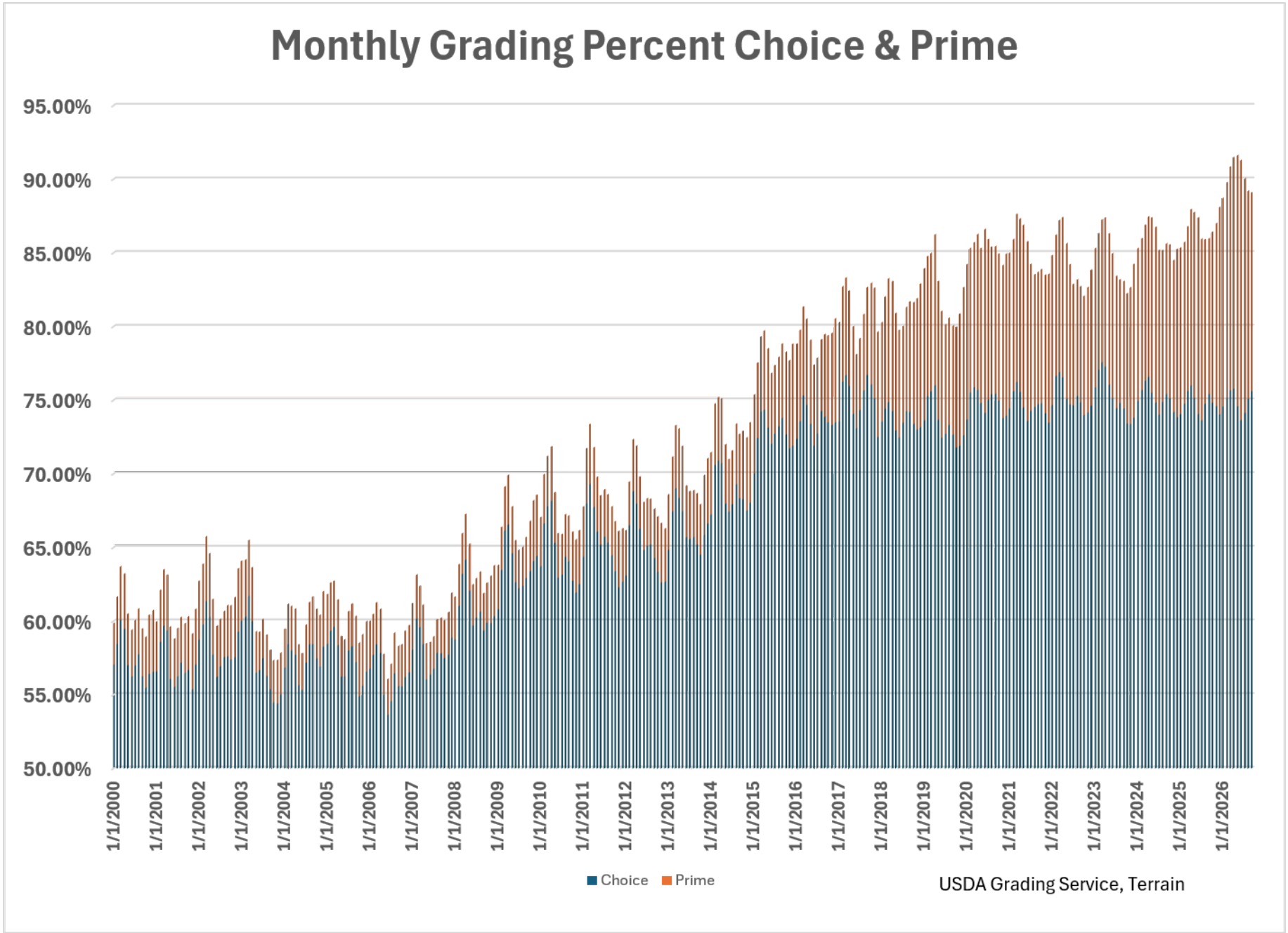


Growing Beef Demand is a Bigger Driver Than Tight Supply

SPECIES SHARES OF MONTHLY RPCE



Source: Terrain using data from USDA ERS, NASS, and FAS


Monthly Grading Percent Choice & Prime
95.00%
90.00%
85.00%
80.00%
75.00%
70.00%
65.00%
60.00%
55.00%
50.00%
1/1/2000
1/1/2001
1/1/2002
1/1/2003
1/1/2004
1/1/2005
1/1/2006
1/1/2007
1/1/2008
1/1/2009
1/1/2010
1/1/2011
1/1/2012
1/1/2013
1/1/2014
1/1/2015
1/1/2016
1/1/2017
1/1/2018
1/1/2019
1/1/2020
1/1/2021
1/1/2022
1/1/2023
1/1/2024
1/1/2025
1/1/2026
Choice
Prime
USDA Grading Service, Terrain

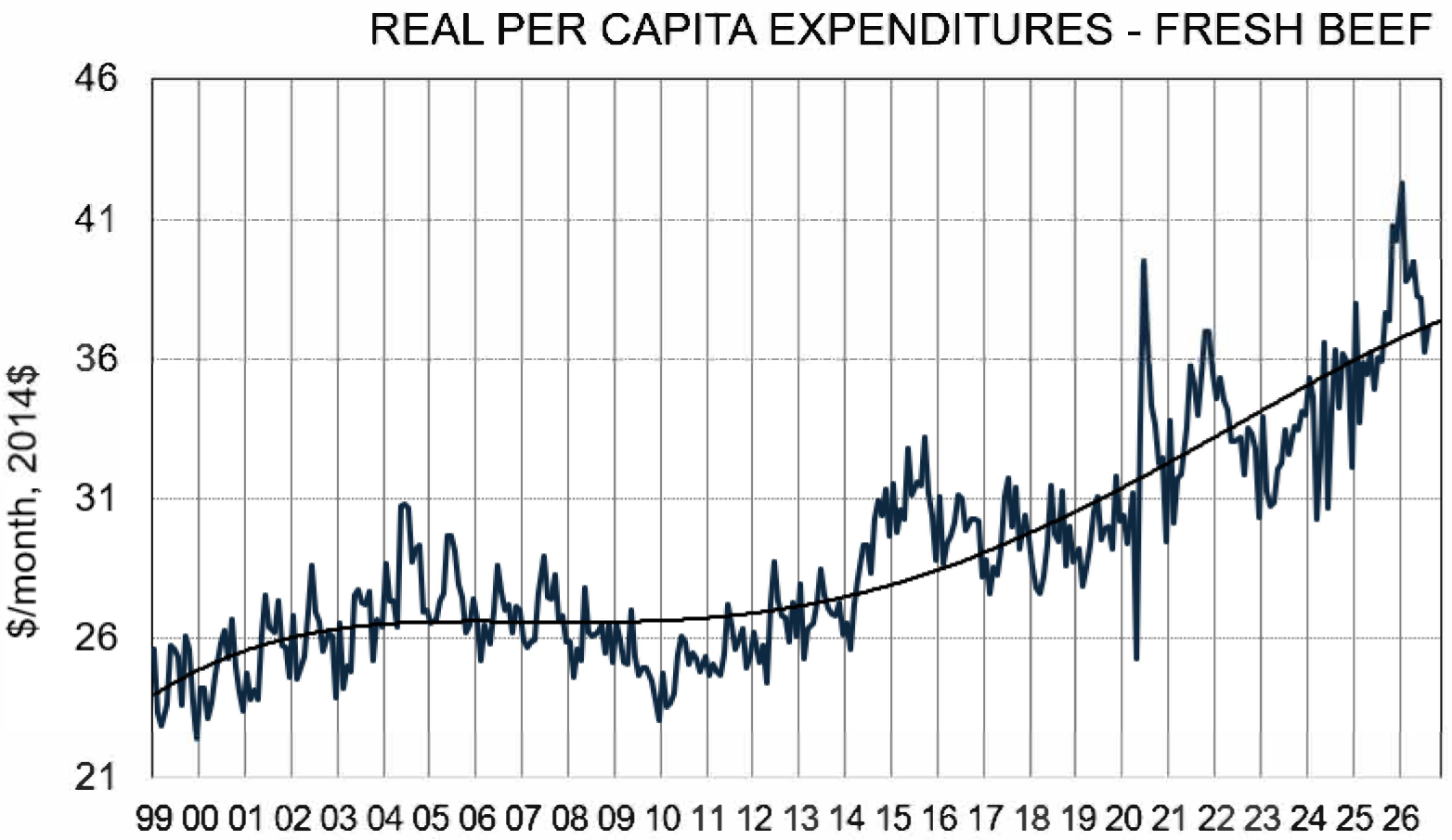
Beef Demand Drivers

Improved Product Quality

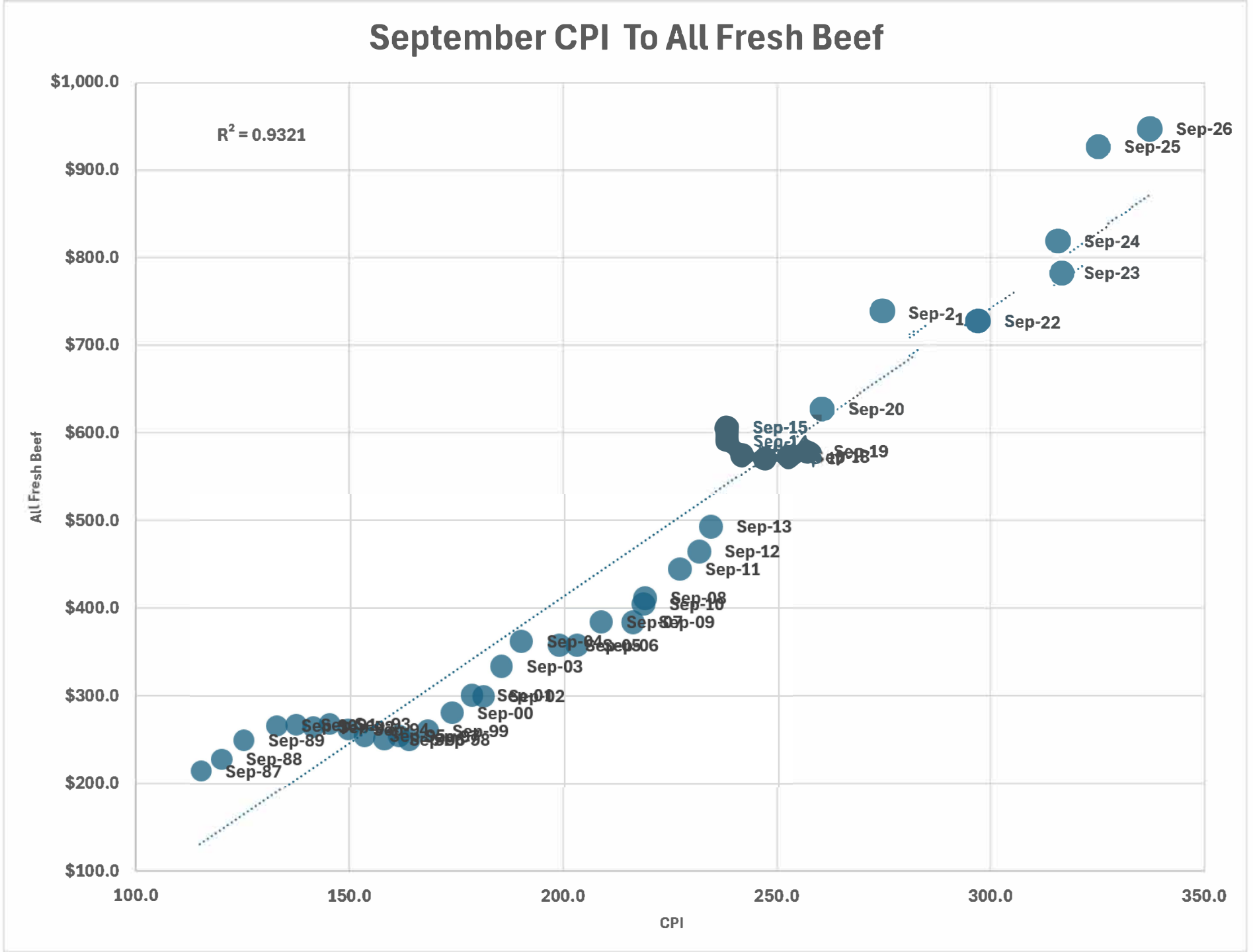
Covid Drove Prime Product to the Retail Market

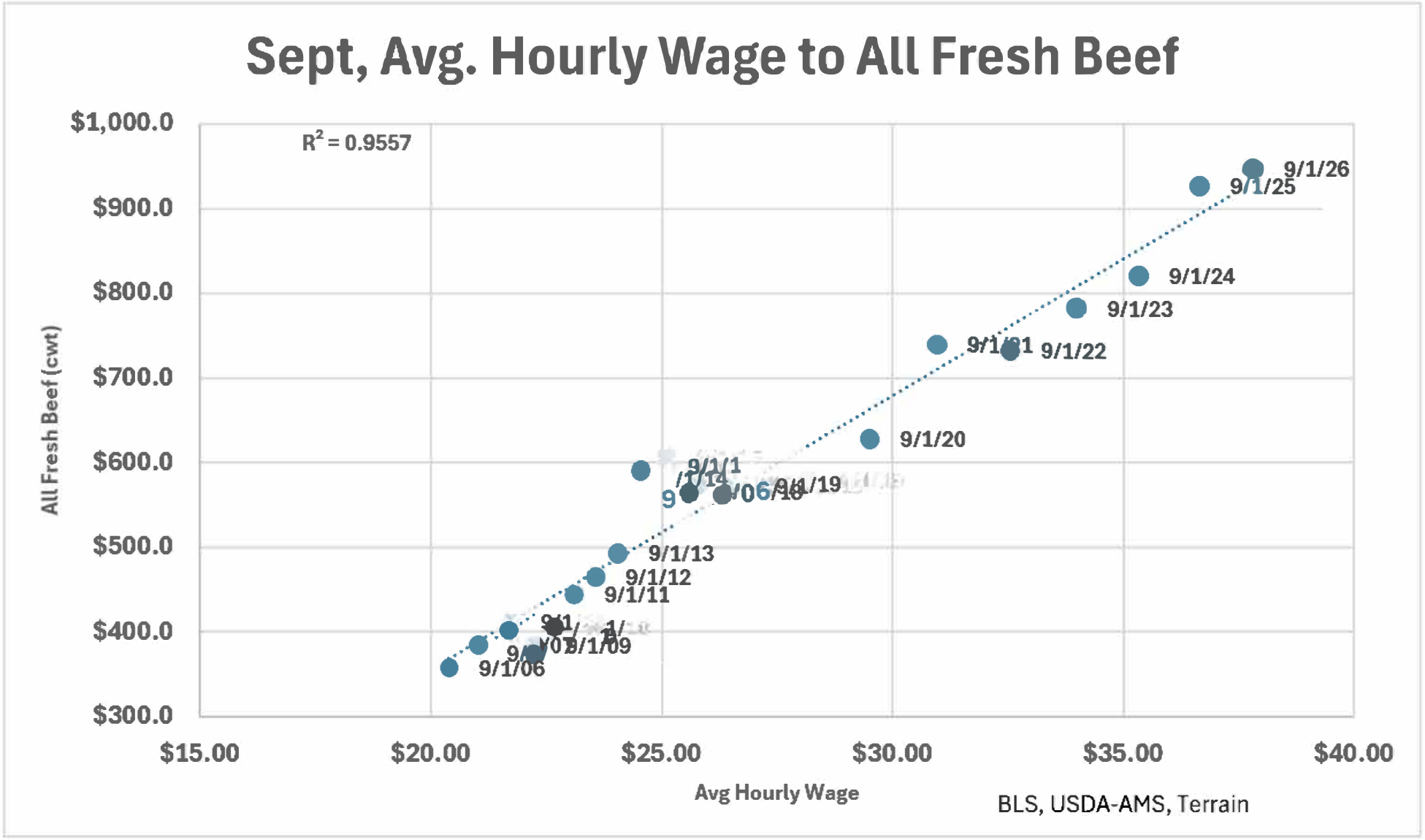
Current Protein Craze

GLP-1 Influence



Source: Terrain using data from USDA ERS, NASS, and FAS


September CPI To All Fresh Beef
$R^2 = 0.9321$
All Fresh Beef
CPI
$1,000.0
$900.0
$800.0
$700.0
$600.0
$500.0
$400.0
$300.0
$200.0
$100.0
100.0
150.0
200.0
250.0
300.0
350.0
Sep-26
Sep-25
Sep-24
Sep-23
Sep-22
Sep-20
Sep-15
Sep-19
Sep-13
Sep-12
Sep-11
Sep-10
Sep-09
Sep-03
Sep-00
Sep-99
Sep-89
Sep-88
Sep-87


Sept, Avg. Hourly Wage to All Fresh Beef
$R^2 = 0.9557$
All Fresh Beef (cwt)
$1,000.0
$900.0
$800.0
$700.0
$600.0
$500.0
$400.0
$300.0
$15.00
$20.00
$25.00
$30.00
$35.00
$40.00
Avg Hourly Wage
9/1/26
9/1/25
9/1/24
9/1/23
9/1/22
9/1/20
9/1/19
9/1/13
9/1/12
9/1/11
9/1/06
BLS, USDA-AMS, Terrain