



COVID-19 Impacts on Arkansas' Agricultural and Rural Economies

UPDATE:

Beef Supply and Demand Estimates from the October WASDE Report

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Today, USDA published the October 2020 World Agricultural Supply and Demand Estimates. The report, in its entirety, is available at <https://www.usda.gov/oce/commodity/wasde/wasde1020.pdf>. This article covers beef production and prices from the October WASDE report.

In the September WASDE report, USDA had 2020 third quarter beef production forecasted at 7,065 million pounds. Having concluded September, the October WASDE reports third-quarter beef production at 7,105 million pounds, a 0.6% increase over the September forecast. Fourth-quarter beef production is forecasted to be 7,050 million pounds, a 0.7% increase relative to the September forecast. Total 2020 beef production is projected to be 27,138 million pounds, a 0.3% increase over the September forecast. If realized, the October forecast places 2020 beef production 0.06% below 2019 beef production. The report attributes the increase in beef production forecasts in this month's report to higher expected cattle slaughter through the second half of the year. In addition to higher slaughter, average dressed weights continue to be above 2019 levels. Together, higher than expected slaughter and continued higher average dressed weights would explain higher forecasted beef production.

September's WASDE report forecasted third-quarter 5-area steer prices at \$101.00/cwt. Realized third quarter 5-area steer prices were slightly above September's forecast with a price of \$101.74/cwt. In October's WASDE, fourth-quarter steer prices are forecasted to be \$109.00/cwt, a \$5.00/cwt increase from the September forecast. The October report predicts 2020 5-area steer prices at \$108.71/cwt. Beef demand continues to support prices by reopening restaurants in many states and increasing consumer spending at quick food service establishments.

The October report forecasts U.S. beef exports at 2,896 million pounds, which is unchanged from last month's forecast. If the forecast is realized, 2,896 million pounds of beef exports would be 4.3% below 2019 exports. The WASDE report increased their forecast for U.S. beef imports by 5.3% relative to their September estimates. Total U.S. beef imports are forecasted at 3,447 million pounds. You can find a recent analysis of the 2020 beef trade in "Oct. 8, 2020 – Beef Trade Updates," available at [https://www.uaex.edu/life-skills-wellness/health/covid19/COVID-Economic Impacts in Arkansas.aspx](https://www.uaex.edu/life-skills-wellness/health/covid19/COVID-Economic%20Impacts%20in%20Arkansas.aspx).

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