

*Fighting for the U.S. Cattle Producer!*



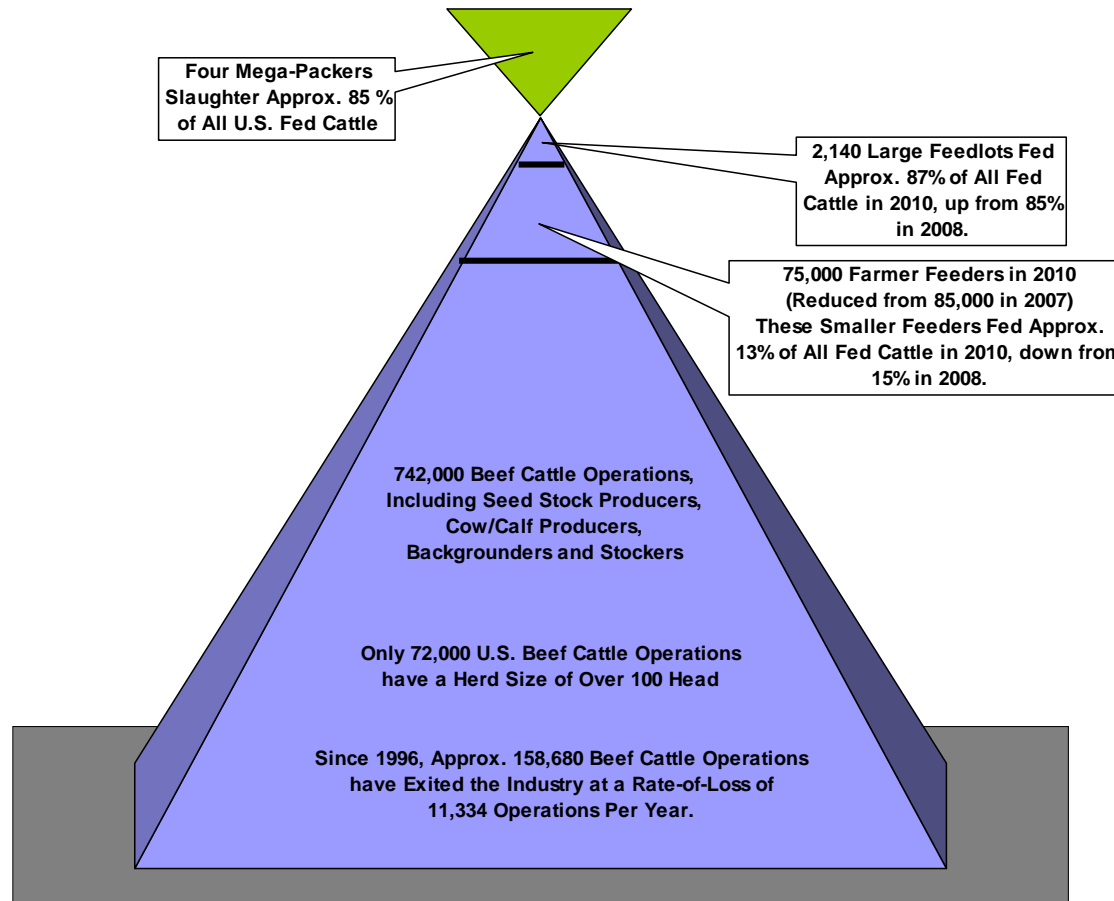
**R-CALF**

*USA*

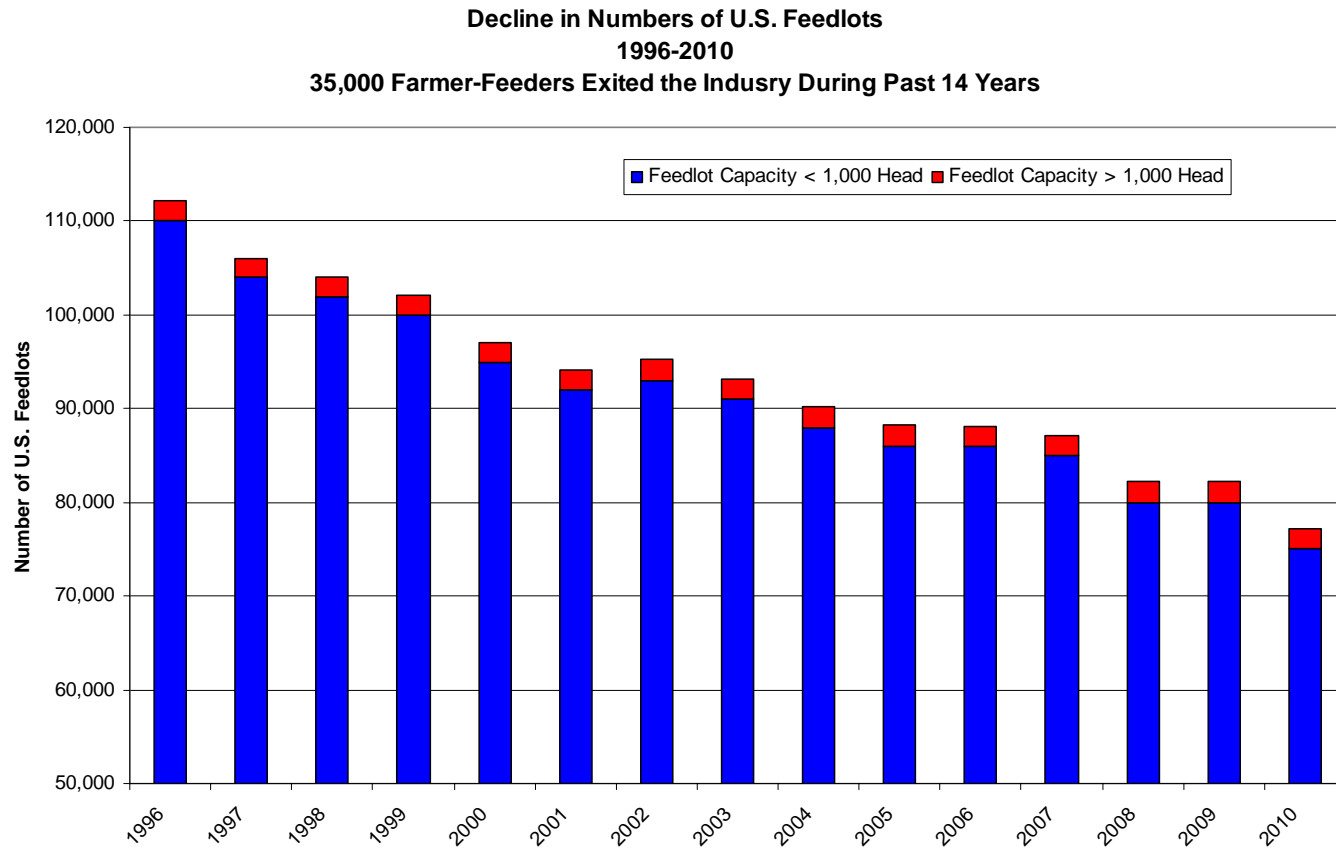
***Chronic Crisis-State of  
U.S. Live Cattle Industry  
An Industry Under Siege***

**Presentation to the USDA Office of Inspector General  
March 10, 2011**

# No. 1: Precarious Structure of U.S. Beef Cattle Industry



# No. 2: Shrinking Number of Cattle Feeders

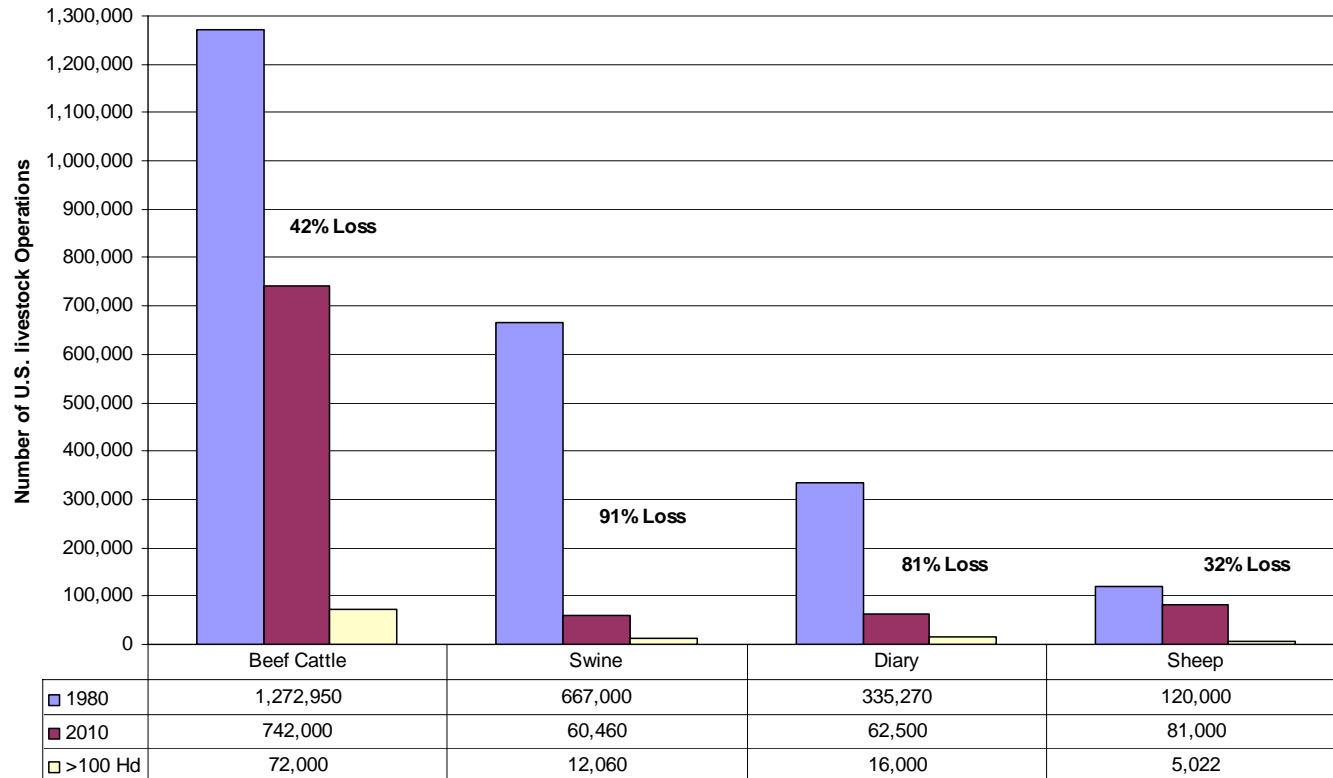


Source: USDA-NASS, Various Cattle on Feed Reports

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# No. 3: Shrinking Number of Livestock Operations

Loss of U.S. Livestock Operations 1980-2010



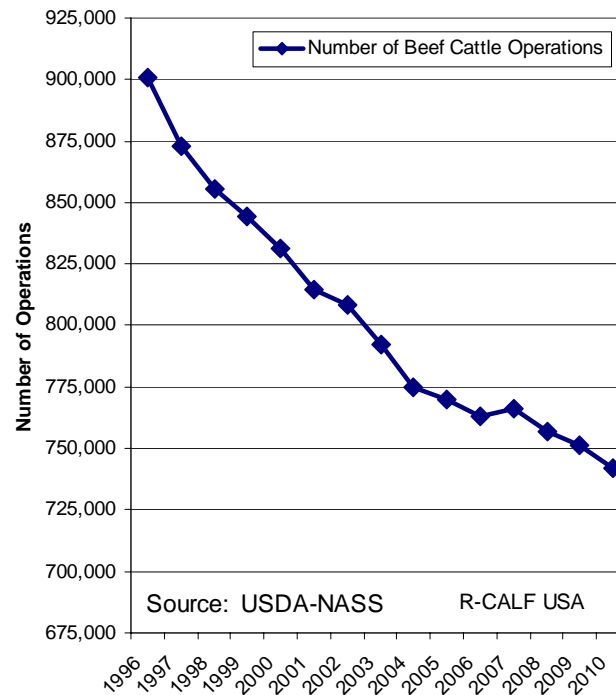
Source: USDA-NASS

Type of Livestock Operations

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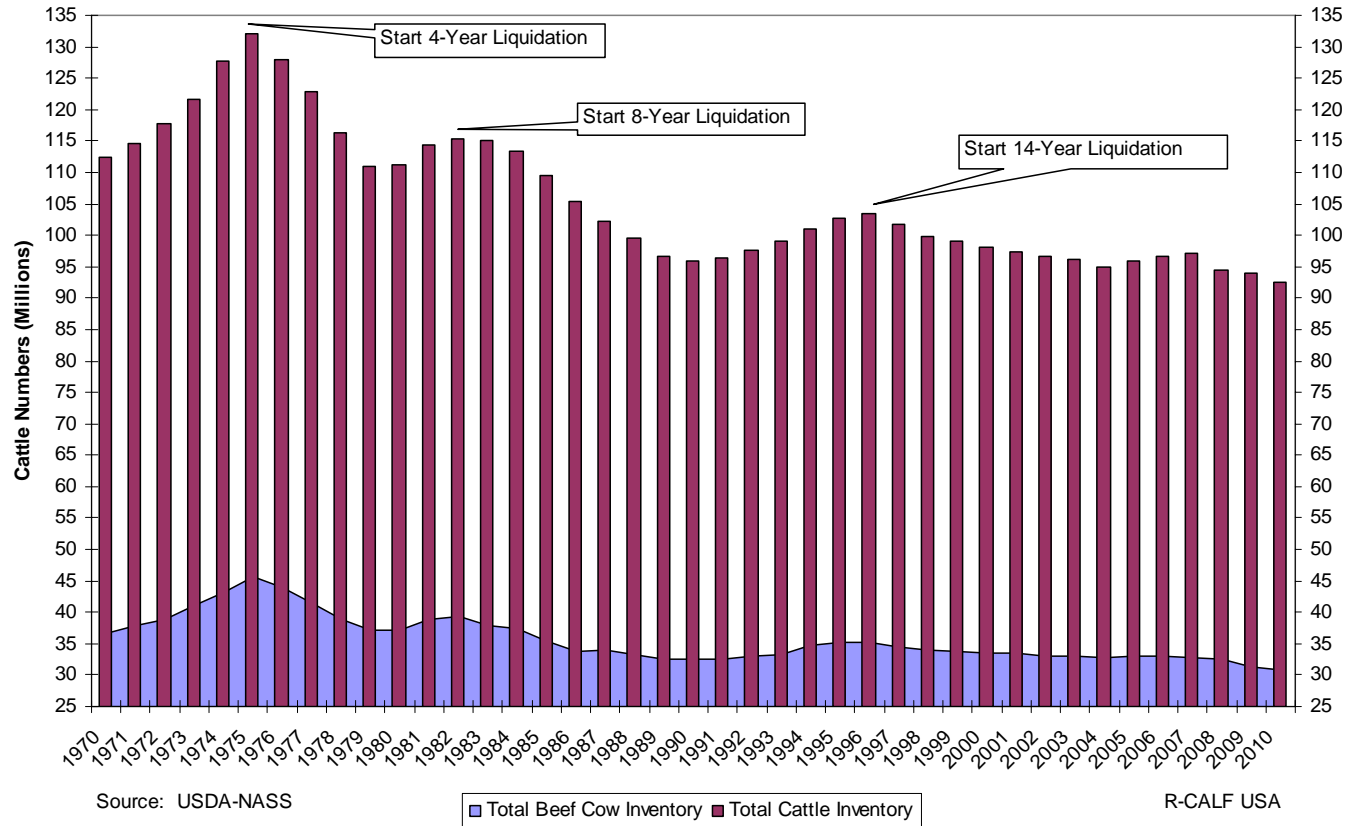
# Beef Cattle Operations Exiting Cattle Industry at an Alarming Rate

Exodus of U.S. Beef Cattle Operations  
1996-2010



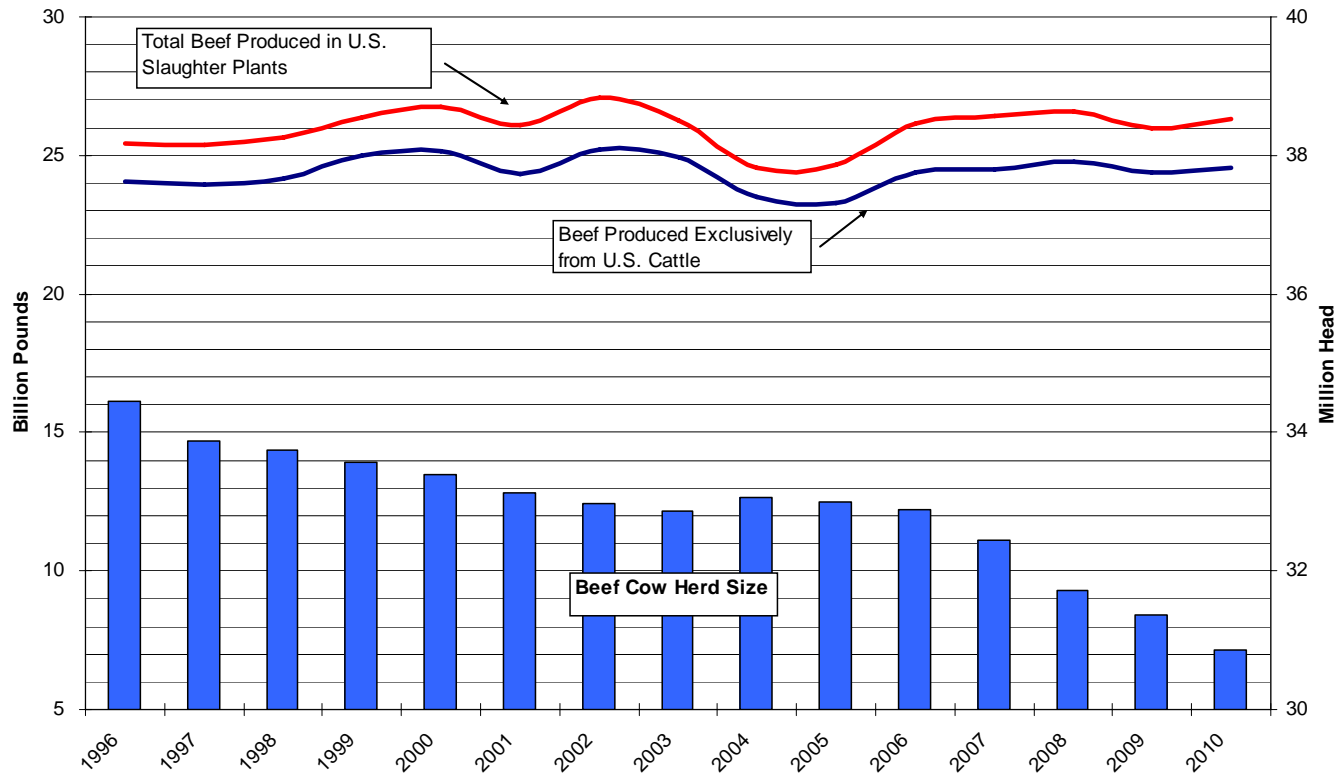
# No. 4: Disrupted Cattle Cycle and Shrinking Herd

Total U.S. Cattle Inventory and Beef Cow Inventory, January 1



# No. 5: Domestic Production Remains Stagnant

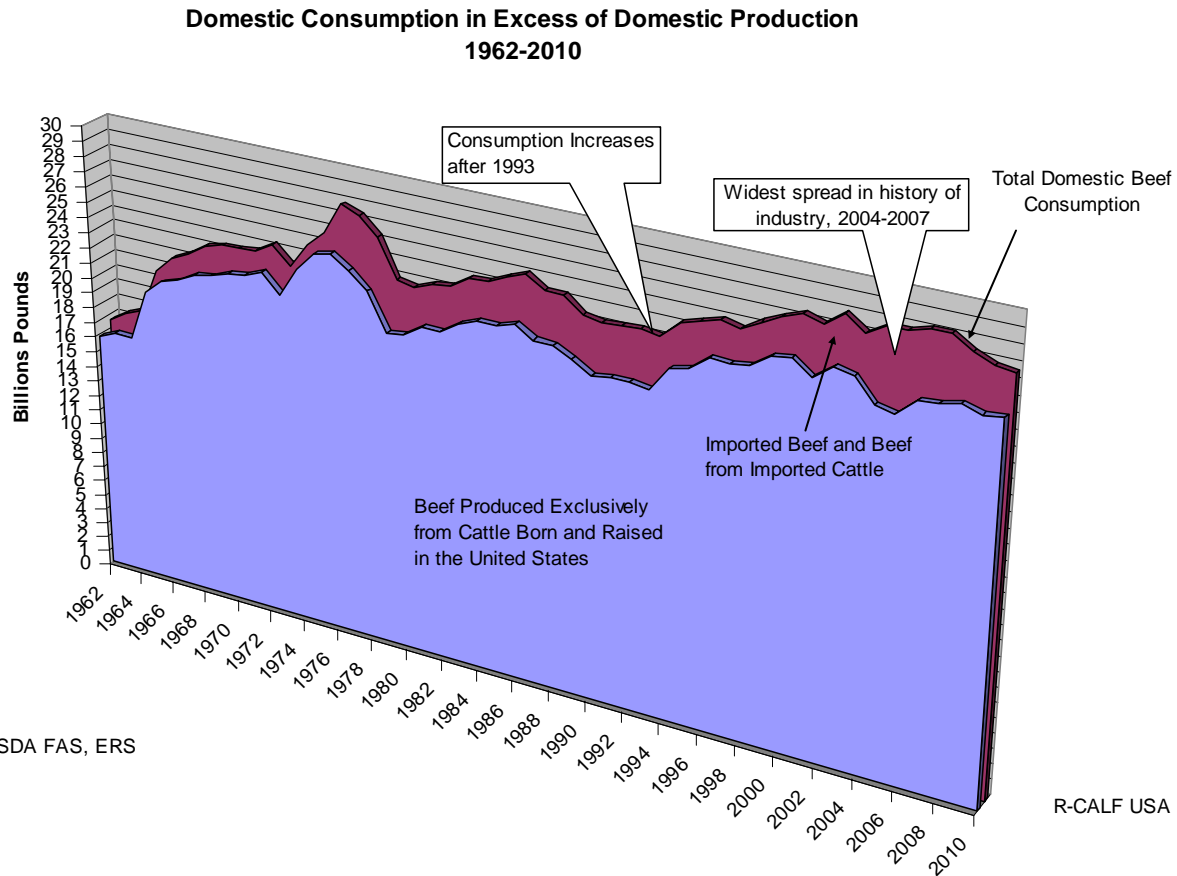
U.S. Beef Cow Herd vs Total Beef Production and Beef Produced from U.S. Cattle



Source: USDA ERS and NASS

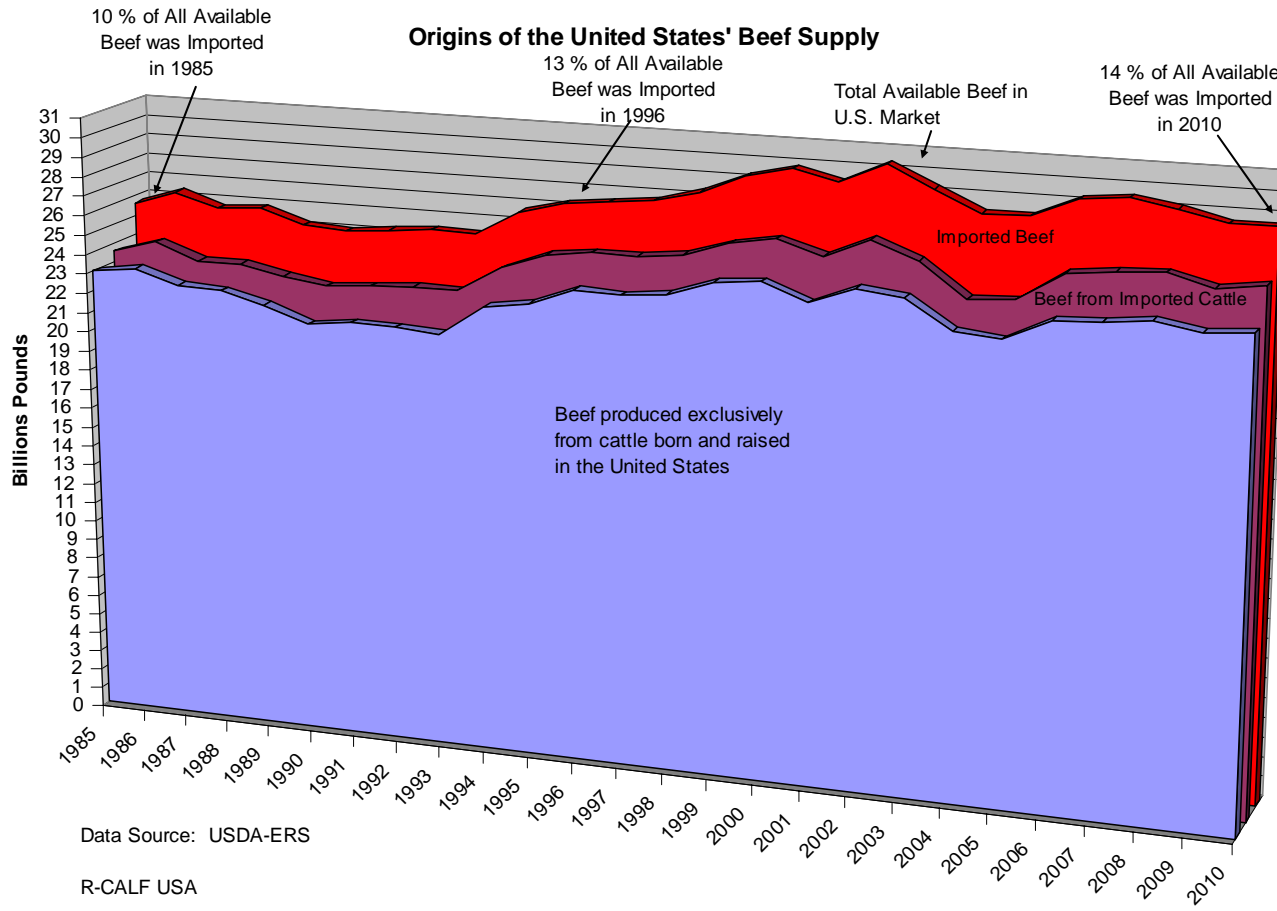
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# No. 6: Shrinking Industry & Stagnant Production in Face of Growing Beef Consumption



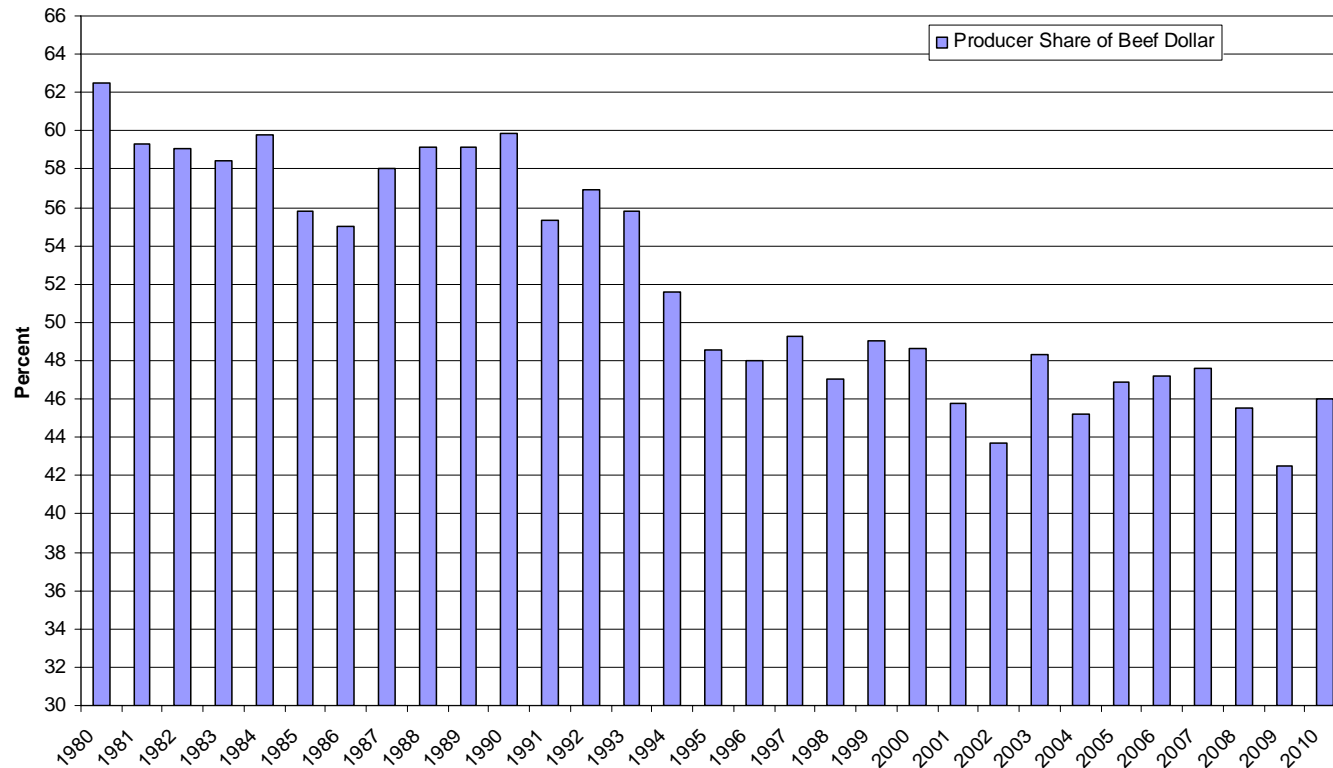


# No. 7: Shrinking Industry Losing Its Share of Total Available Beef Supply



# No. 8: Producers Losing Their Share of Consumer's Beef Dollar

U.S. Cattle Producer's Share of Consumer's Beef Dollar  
1980-2010

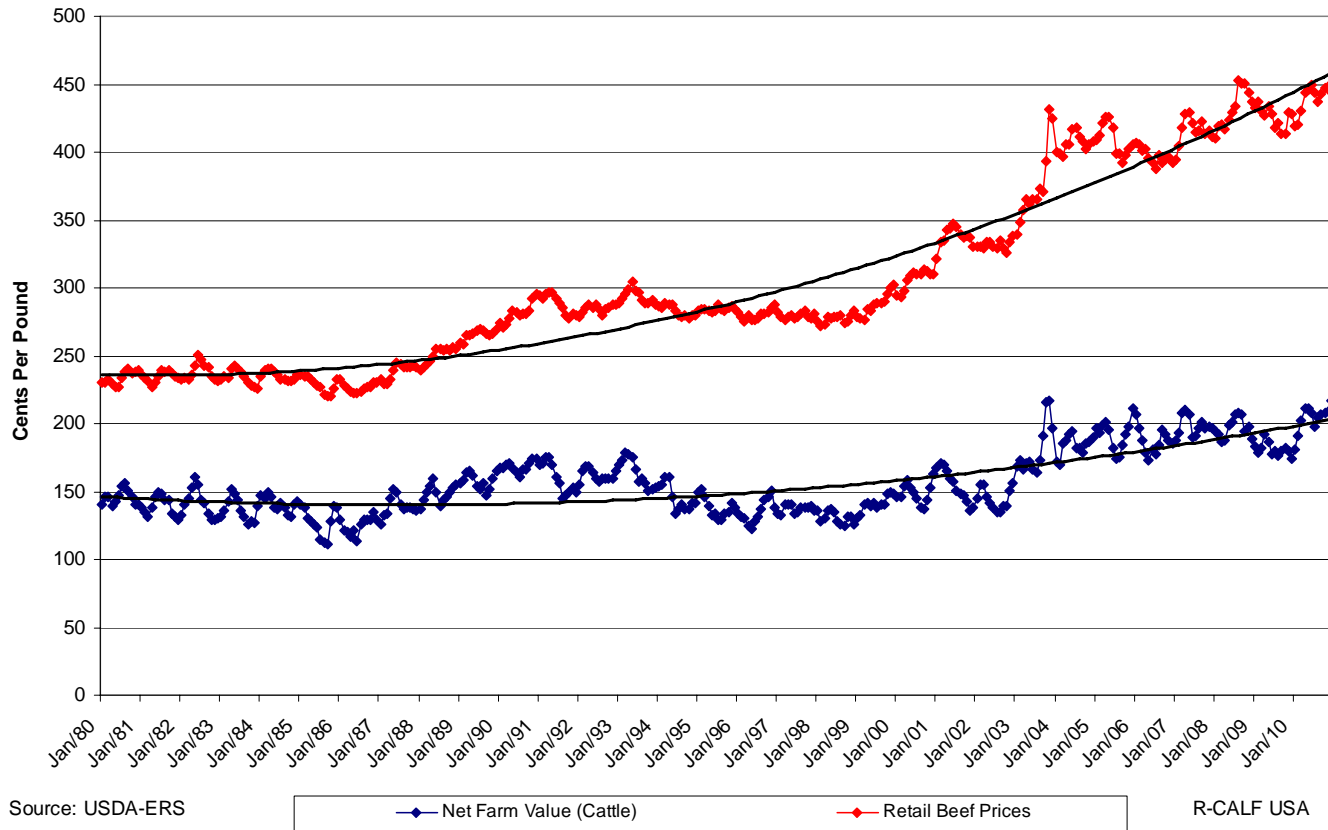


Source: USDA-ERS

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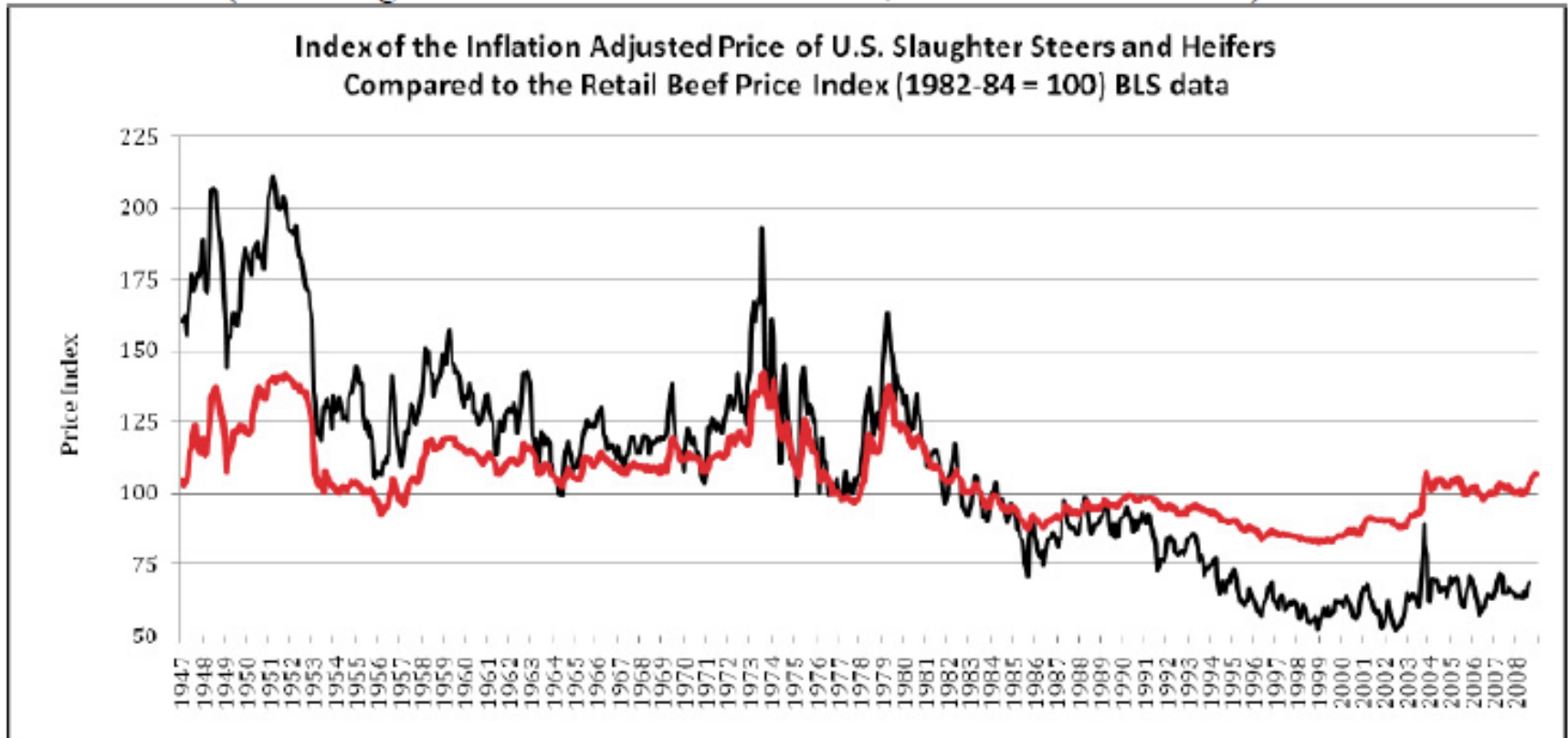
# No. 9: Marketplace Exploiting Producers and Consumers

CONSUMERS' RETAIL BEEF PRICES COMPARED TO CATTLE PRICES  
JAN. 1980-Dec 2010



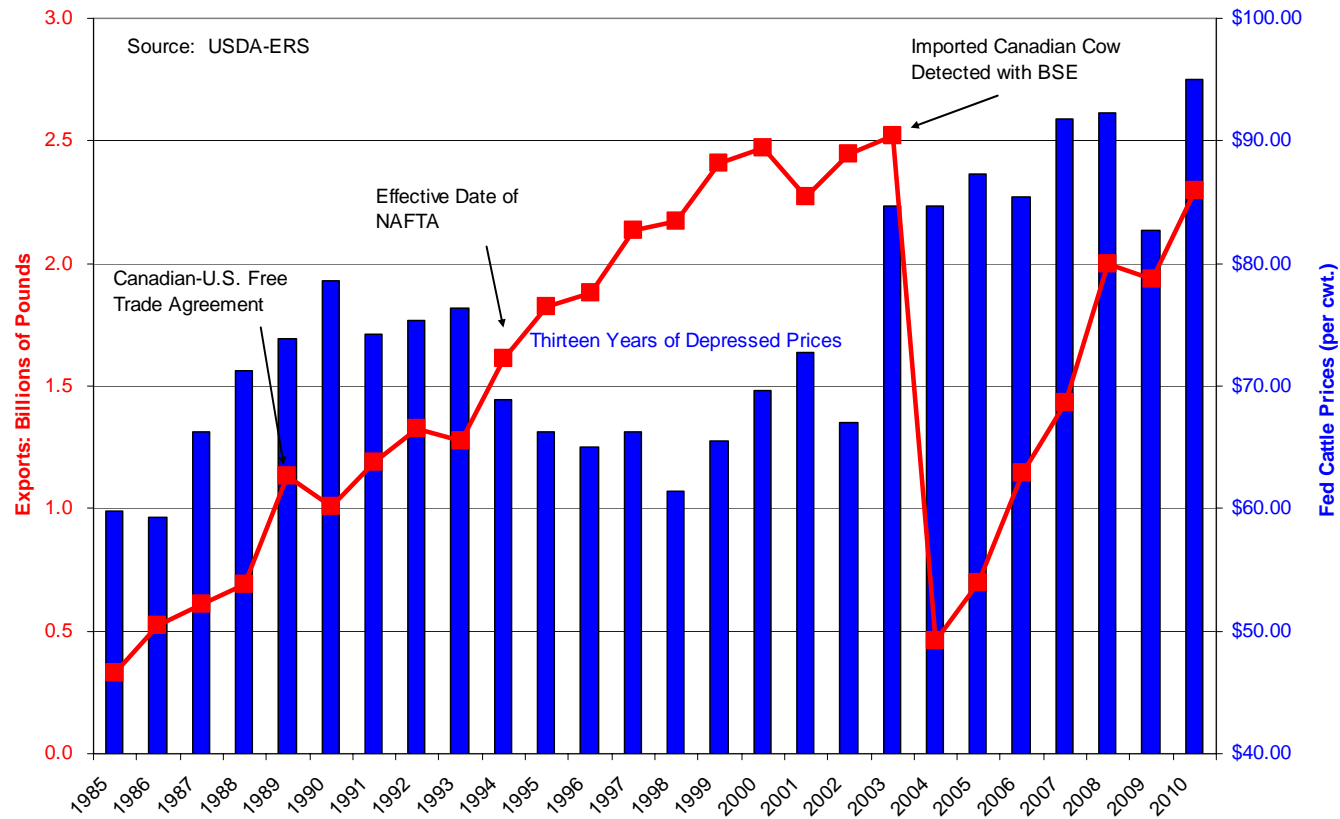
# No. 10: Disconnect Between Cattle Prices and Beef Prices

CHART 21: (Chart Legend: Black Line-Cattle Prices, Red Line-Beef Prices)

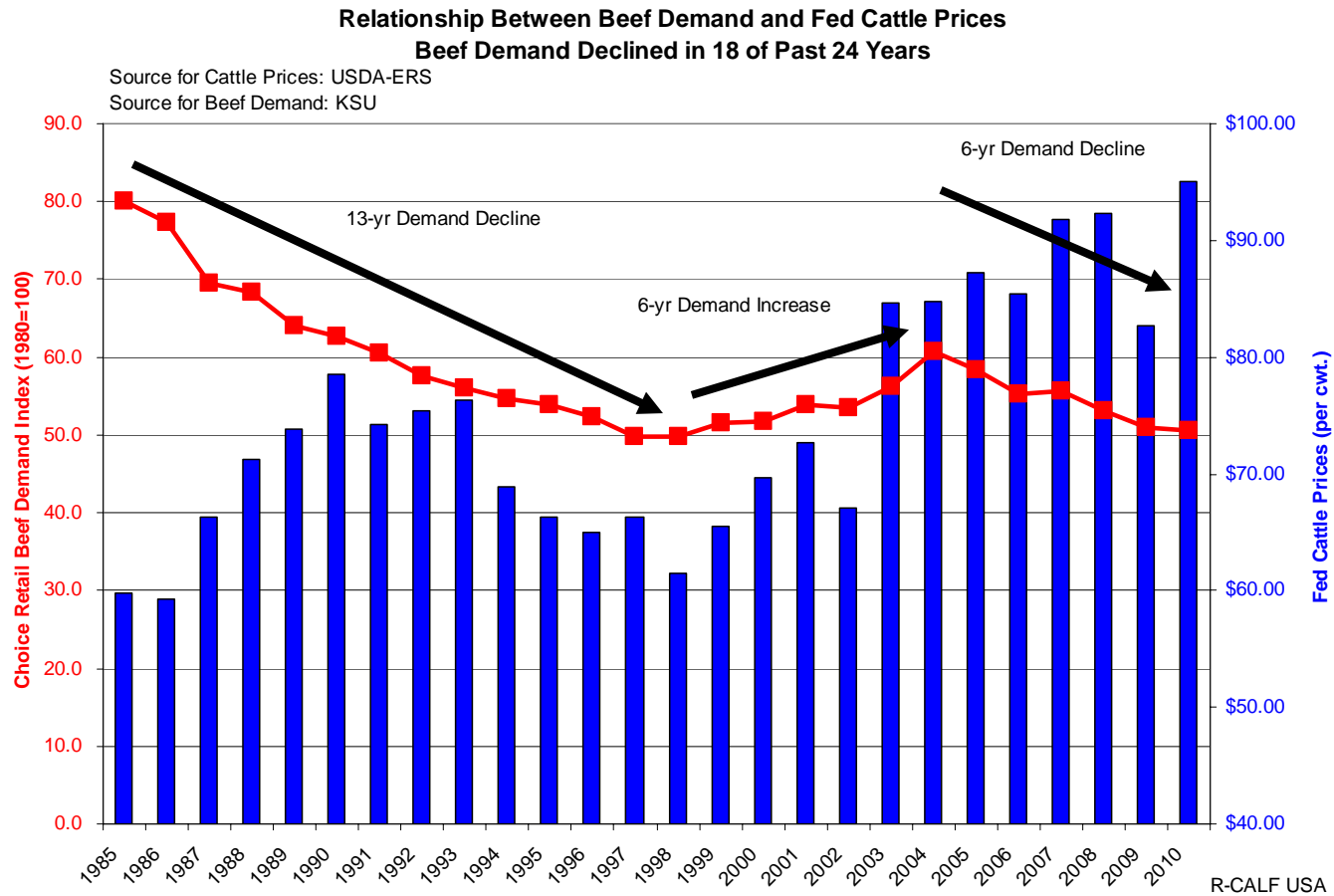


# No. 11: Cattle Prices Fall When Exports Reach Record Levels

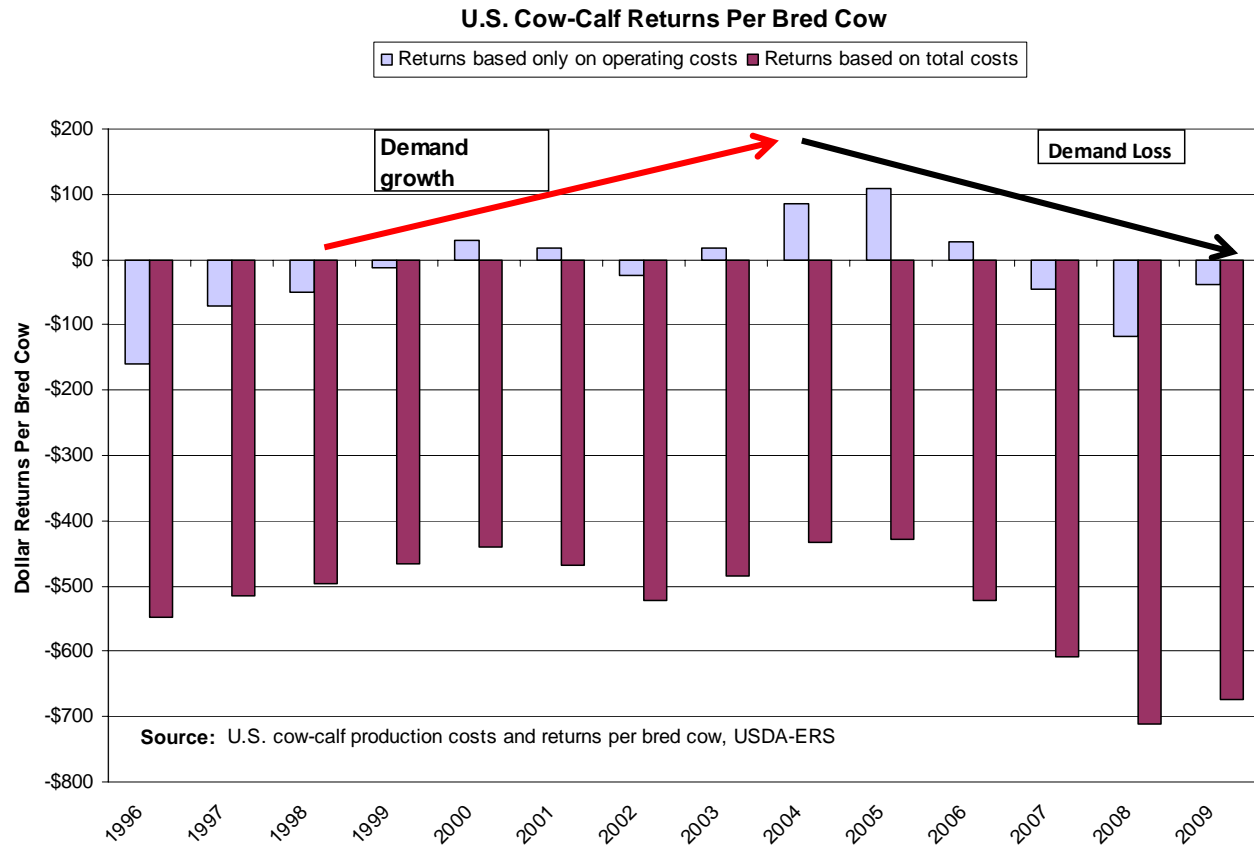
Relationship Between Export Volumes and Fed Cattle Prices



# No. 12: Cattle Prices Disassociate with Beef Demand



# No. 13: Systemic, Below Cost-of-Production Prices for U.S. Cow/Calf Industry



Operating costs do not include: Hired labor, Opportunity cost of unpaid labor, Capitol recovery, costs of equipment, Opportunity costs of land, Taxes and insurance or General farm overhead

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# No. 14: Long-Run Negative Return On Equity for U.S. Cattle Industry

Past Six-Year Average Return on Equity

