Florida Cattle Market Update
Hannah Baker, Beef and Forage Extension Economist
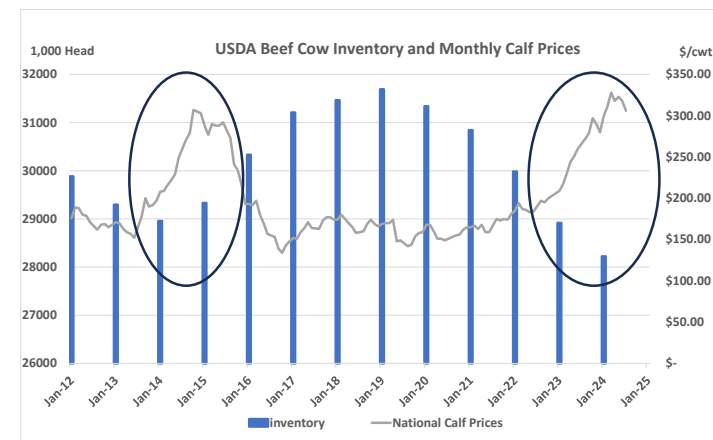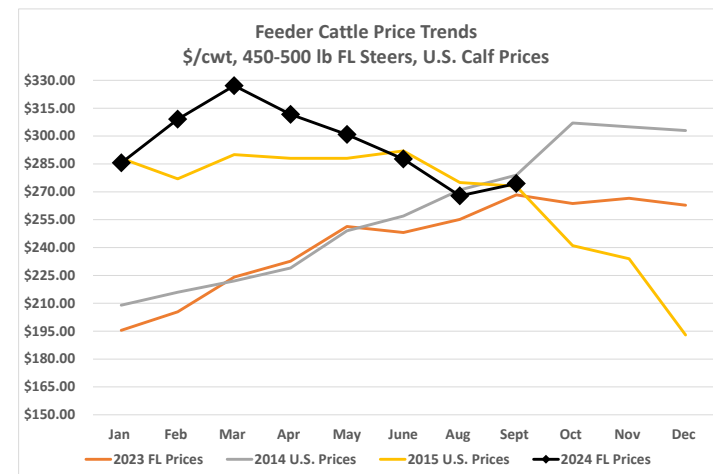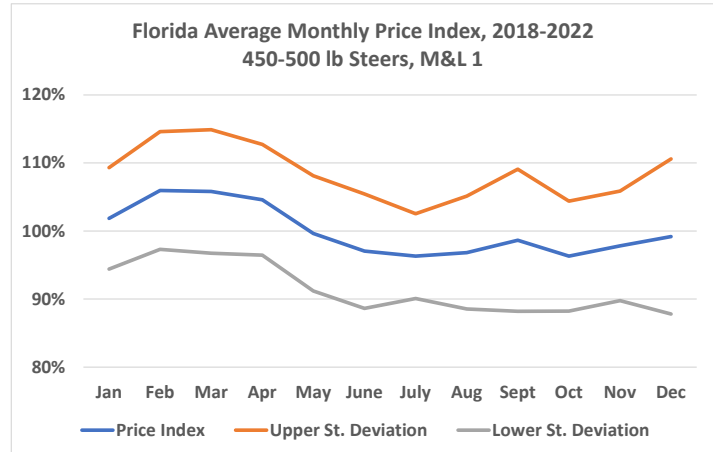UF/IFAS Range Cattle Research and Education Center

## Seasonality Price Trends in Florida

The summer and fall months are when a majority of producers are selling spring-born calves or yearlings from last fall. Due to the increase in supply of calves, prices typically decline during these months. In Florida, we started seeing this decline in prices a little earlier (April), which is partly due to the market responding to the outbreak of HPAI H5N1in dairies and more fed beef production than last year.

The first graph shows the average monthly price index for 450-500 lb steers in Florida from 2018-2022. This graph is simply a visual to show how we know the current dip in prices is normal for this time of year. The price index (blue line) shows the relationship between each month's average price and the annual average price. When the price index is above 100%, that means prices in that month, on average, are higher than the annual average, (spring). When the price index is below 100%, that means average prices in that month are lower than the annual average, (fall).

The orange and gray lines in the first graph show the approximate range of price variability during that month 68 percent of the time. This leaves a 16 percent chance of prices being higher than the top end and a 16 percent chance of prices being lower than the bottom end. For example, during 2018-2022, average October prices were 96 percent of the annual average, but there was variability where prices ranged between 83% and 109% of the annual average for October. The reliability of the average monthly index improves the closer the high and low points are to the average index.

Knowing the price indices and price variability ranges creates the opportunity to estimate price projections based on what happened in the past by dividing the future month's average index by the current month's average index, and then multiplying by the current average price. For example, if October (index of .96) prices for feeder cattle in Florida are $250/cwt, the price projection for March (index of 1.06) would be: (1.06/.96)*250 = $276/cwt. The price variability for March being 14.52, there is a 68 percent chance that prices in March would fall between $261.48/cwt and $290.50/cwt.

Now, the first graph only represents 2018-2022, not 2023 when prices were transitioning from a low point to a high point. The second graph shows how this transition period did not follow the typical seasonality trend (orange line). Prices continued rising into 2024, but then began falling as previously mentioned and much like we saw in 2015. However, the difference to notice between 2024 and 2015 is inventory levels and the rate of expansion (Graph 3). In 2015, expansion had already started when prices were at the levels we are seeing today. There was no incentive for prices to climb back up after the typical dip in the fall. In the current market, we have not started expanding and have already hit new record prices. This indicates that while we are experiencing some seasonality this year, it is not expected that we are headed for a continuous low level of cattle prices.



Florida Average Monthly Price Index, 2018-2022
450-500 lb Steers, M&L 1



Feeder Cattle Price Trends
$/cwt, 450-500 lb FL Steers, U.S. Calf Prices



USDA Beef Cow Inventory and Monthly Calf Prices

*Questions, contact Hannah at h.baker@ufl.edu*
*See this update and other helpful resources online at https://rcrec-ona.ifas.ufl.edu/about/directory/staff/hannah-baker/*
Written September 2024