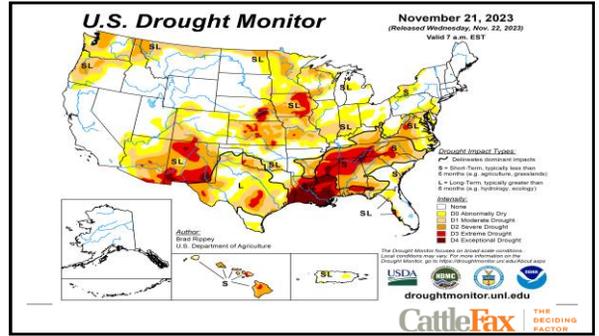
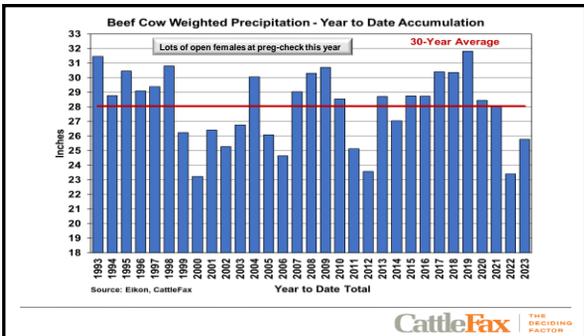




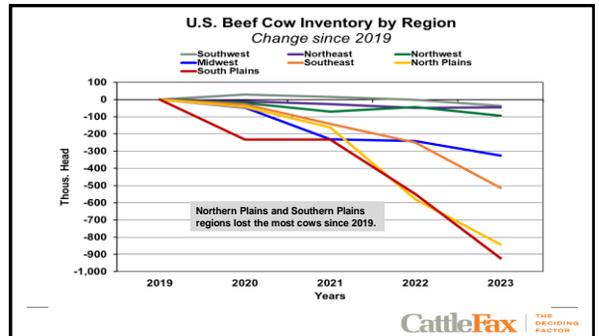
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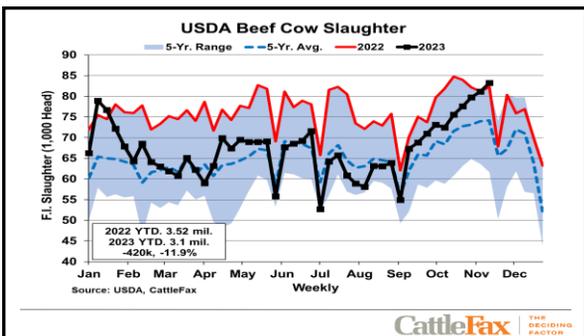
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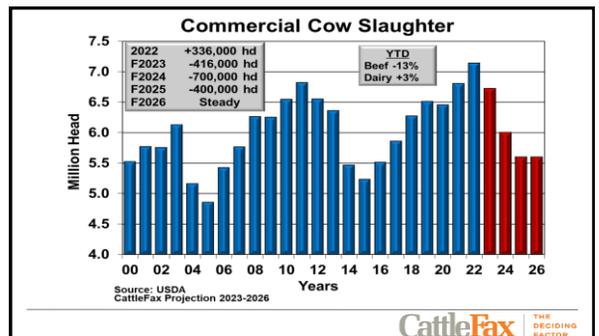
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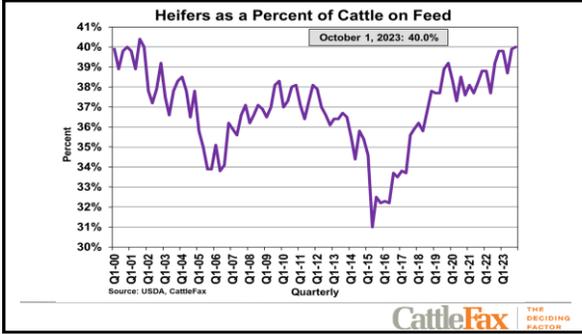
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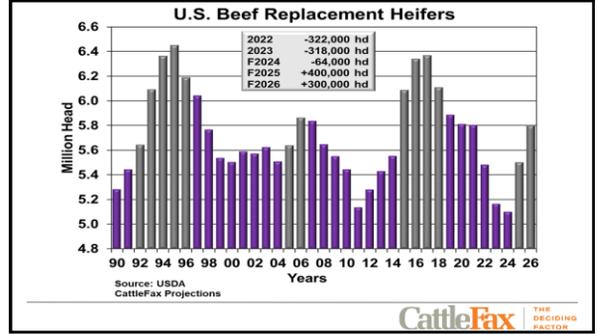
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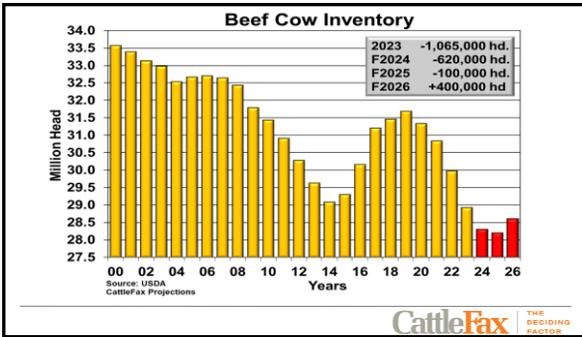
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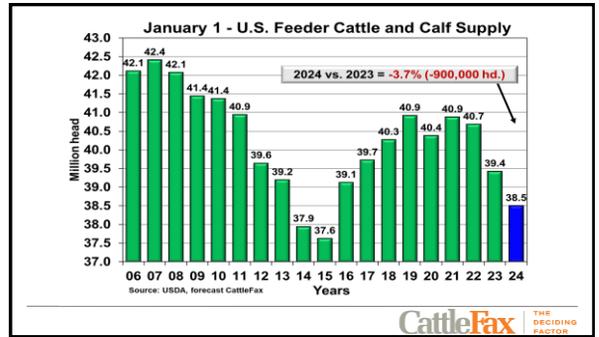
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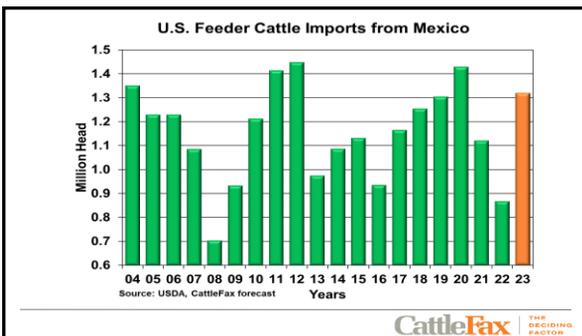
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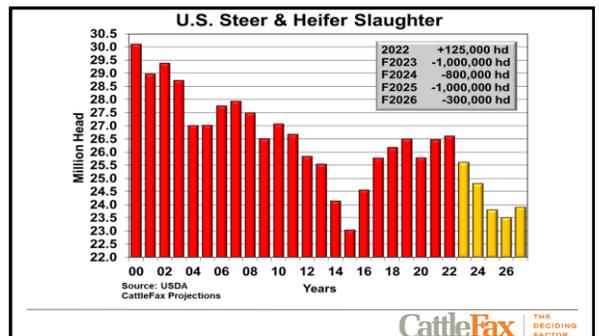
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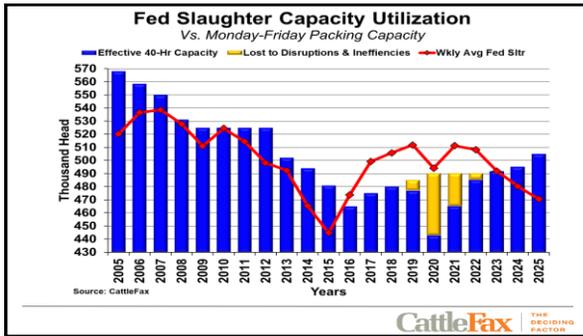
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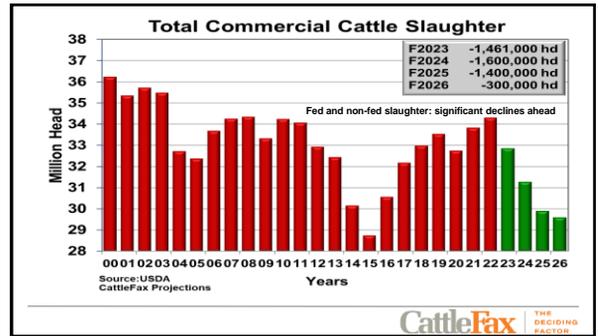
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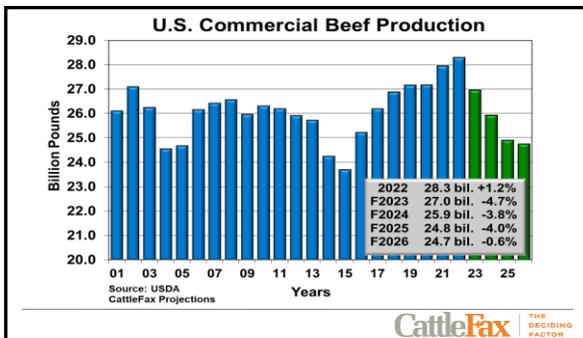
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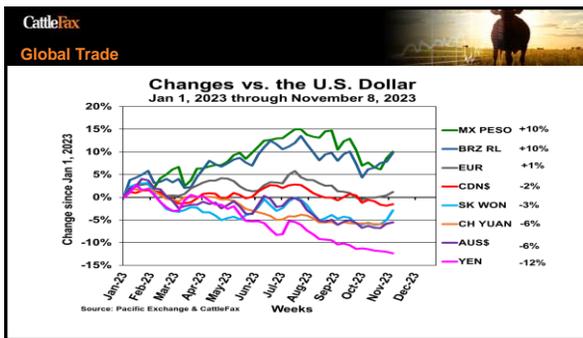


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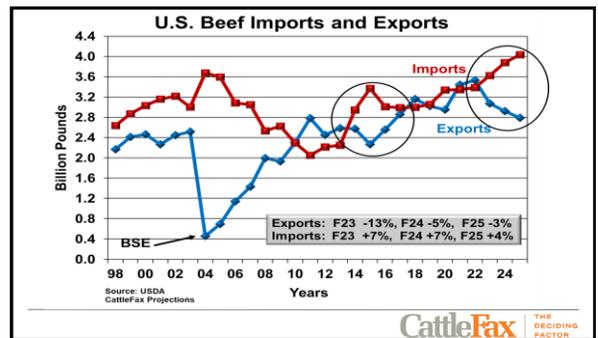
### Slaughter Levels and Production 2024

- Total slaughter 31.3 million head, down 1,600,000 head -4.8%
- Fed slaughter 24.8 million head, down 800,000 head -3.1%
- Non-fed slaughter 6.5 million head, down 800,000 head -10.7%
- Average carcass weights 8 pounds heavier
- Beef production 25.9 bil. pounds, down 1 bil. lbs. -3.8%

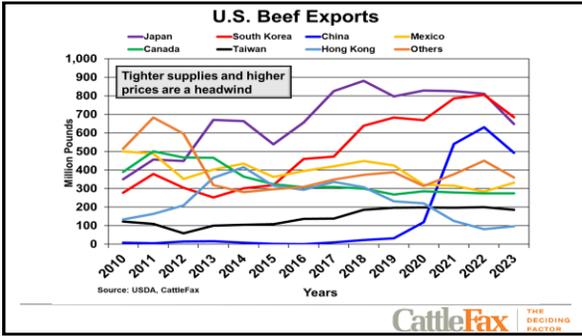
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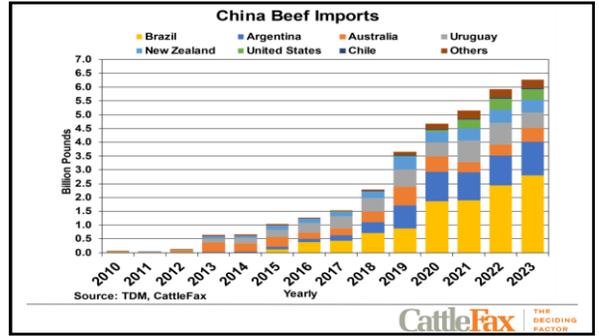
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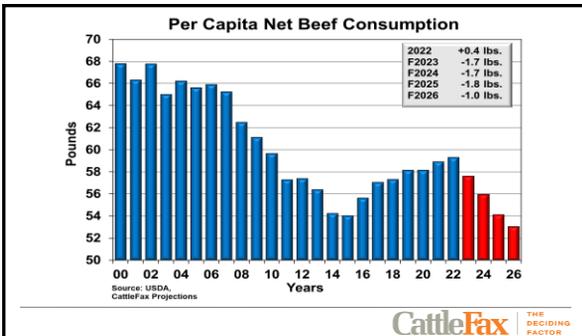
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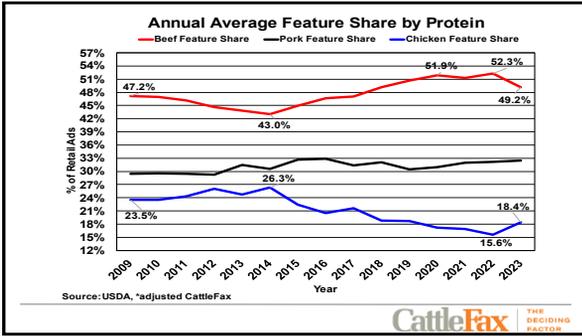
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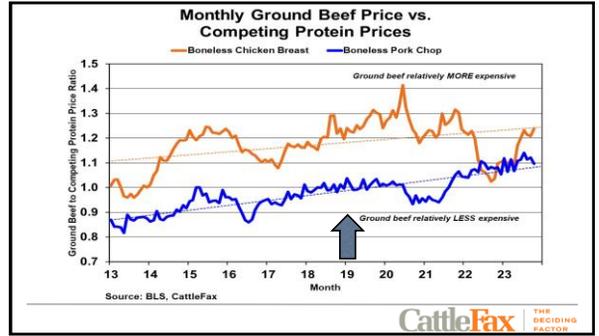
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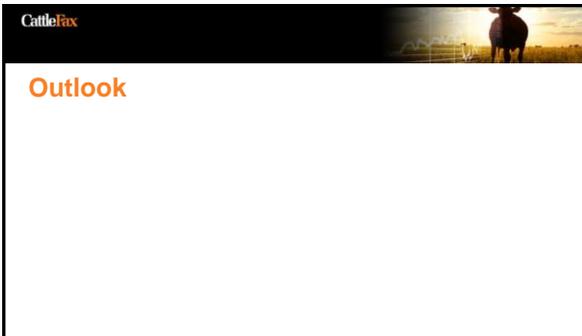
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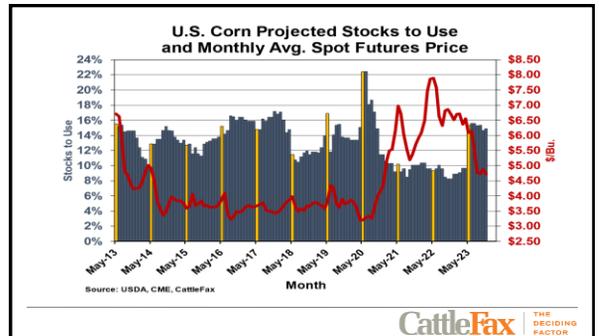
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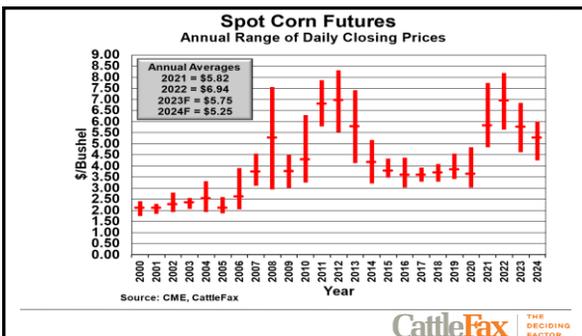
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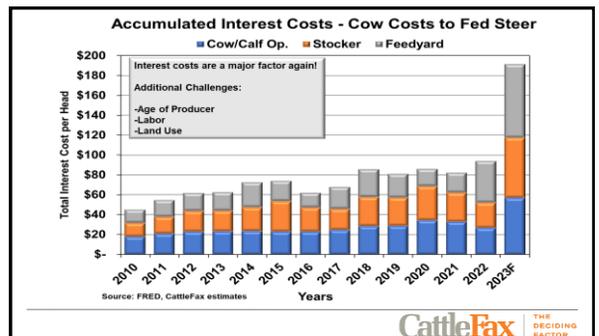
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31

### Price Ranges and Averages for 2022-2023

Composite Cutout		2022	2023
Low	\$ 240	\$ 264	
High	\$ 290	\$ 335	
Rng	\$ 49	\$ 71	
Avg	\$ 260	\$ 296	

Fed Steer		2022	2023
Low	\$ 137	\$ 185	
High	\$ 167	\$ 188	
Rng	\$ 21	\$ 33	
Avg	\$ 144	\$ 176	

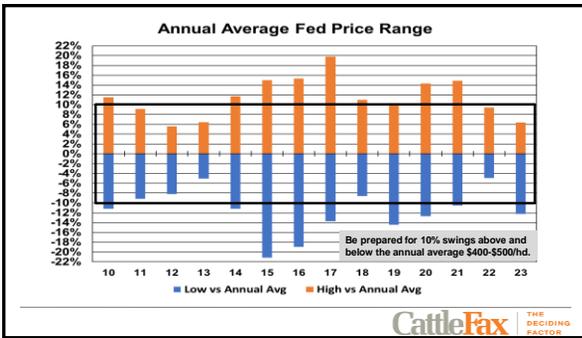
800 lb. Steer		2022	2023
Low	\$ 153	\$ 175	
High	\$ 180	\$ 252	
Rng	\$ 27	\$ 77	
Avg	\$ 166	\$ 217	

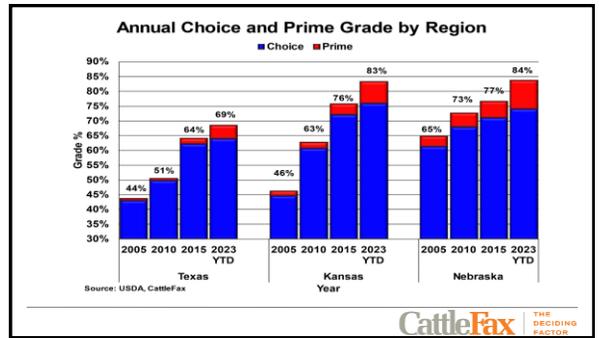
550 lb. Steer		2022	2023
Low	\$ 184	\$ 209	
High	\$ 205	\$ 269	
Rng	\$ 21	\$ 80	
Avg	\$ 196	\$ 260	

Source: CattleFax

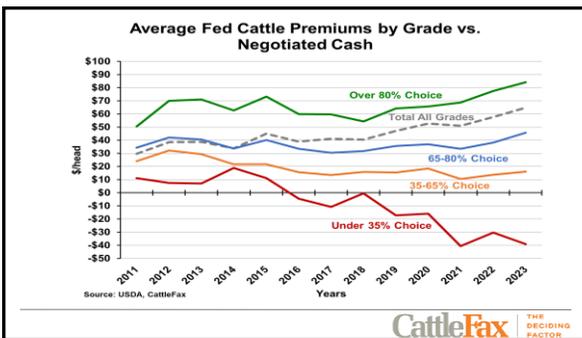
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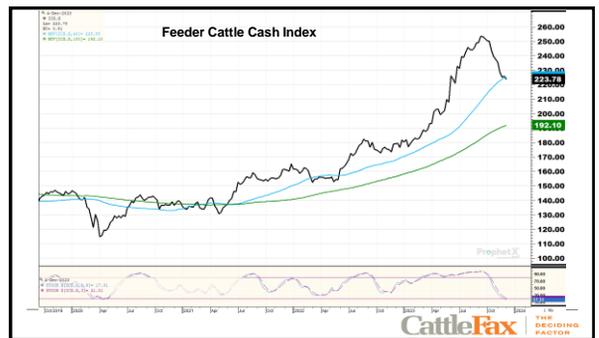
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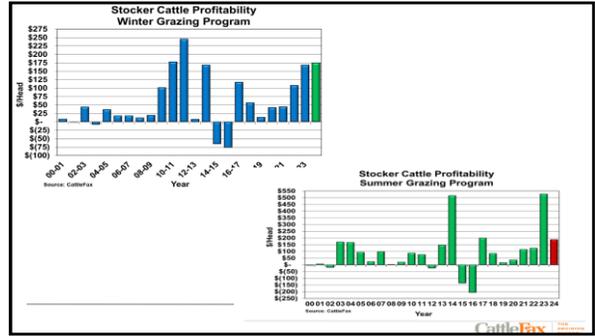


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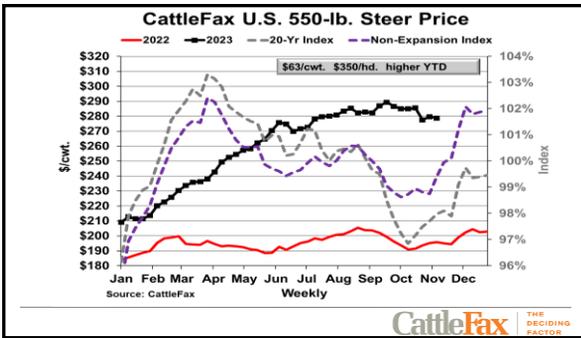
Placed Against LC Futures								
COG	\$170	\$175	\$180	\$185	\$190	\$195	\$200	\$205
\$ 1.00	225	234	242	251	260	269	278	287
\$ 1.05	221	230	238	247	256	265	274	283
\$ 1.10	217	226	234	243	252	261	270	279
\$ 1.15	213	222	230	239	248	257	266	275
\$ 1.20	209	218	226	235	244	253	262	271
\$ 1.25	205	214	222	231	240	249	258	267

800 lb. Steer  
ADG = 3.4, Interest = 8.25%, No Freight Costs

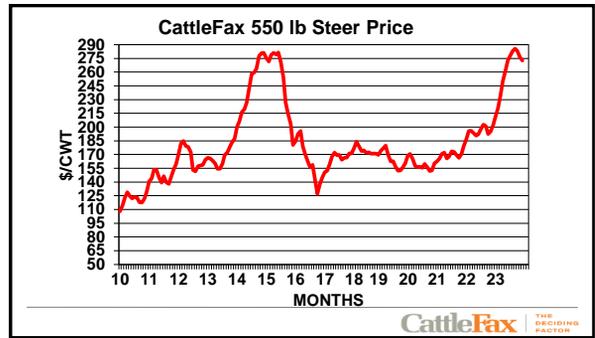
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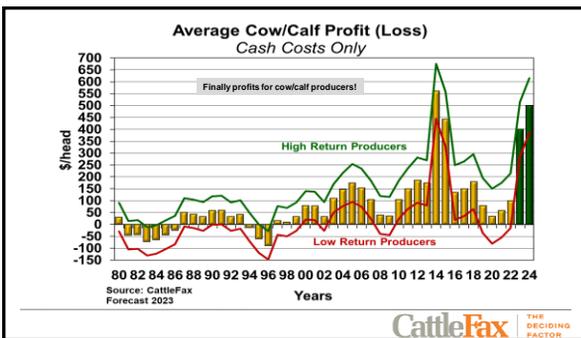
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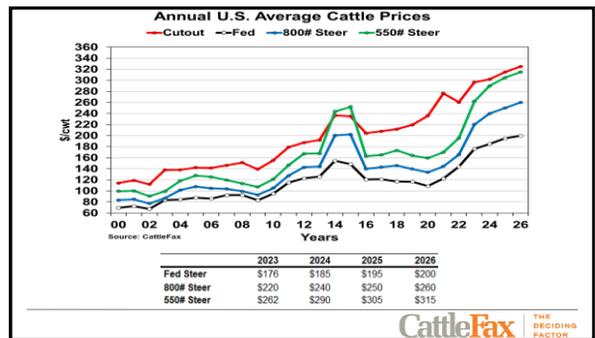
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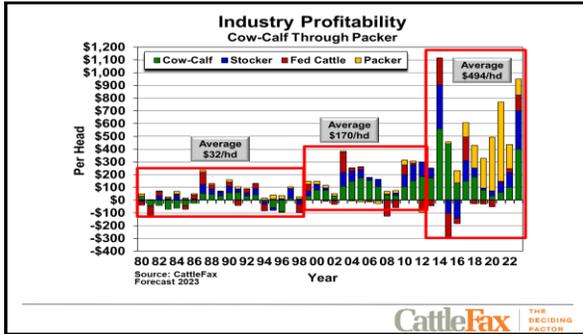
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43

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### Executive Summary

La Nina raises its head again in 2024.

The current cattle cycle will be much slower and prolonged compared to the last, heifer retention has not started.

High interest rates, lack of confidence in the market strength lasting, lingering drought will all slow pace.

Smallest harvest numbers and beef production are slated for 2025-2026.

More hooks than cattle from 2024-2026. Cattle feeder leverage position near 56%- 57% of cutout.

The low in the cattle price cycle was 2020, the peak in prices is likely to be 2025-2026.

Net beef trade deteriorated more than we expected in 2023 with exports softer than forecast and imports larger than forecast, 2024 more of the same.

Total meat supplies have moderated as pork and poultry navigate demand issues.

44

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### Executive Summary-continued

Beef demand has proven to be resilient, some weakness in Prime or similar markets, Choice demand solid, more weakness ahead as prices climb. Futures are currently pricing in weaker demand than has been seen the last six months.

Prices have anticipated the smaller production levels and have moved sharply higher from 2020-2023. 2023 was the accelerated trend year in prices, 2024 and 2025 won't be as dynamic but prices will still average higher.

Industry profitability will continue to swing in favor of the cow/calf producer as excess feeding and packing capacity chases a declining supply of feeder cattle and calves.

45

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Thank you!  
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46