



Economic Review

Long-Term Pressures and Prospects for the U.S. Cattle Industry

by: Cortney Cowley

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Recent disruptions in the cattle sector have highlighted long-term pressures on cattle producers' profitability.

By the end of 2020, prices for most major agricultural commodities had rebounded sharply from COVID-19-related disruptions. However, cattle prices have only recently reached pre-pandemic levels. The sluggish recovery in cattle prices was reinforced by major winter storms in early 2021, which resulted in significant losses to affected producers, and a May 2021 cyberattack on meatpacker JBS S.A., which caused significant production delays. Together, these disruptions have limited the industry's ability to recover from the pandemic and, alongside changing weather and consumer preferences, could have longer-term effects on the economic outlook for cattle producers.

In this article, Cortney Cowley examines long-term pressures and prospects for the U.S. cattle sector. Going forward, U.S. cattle production faces three key pressures that may affect profitability: vulnerabilities along the supply chain; extreme weather conditions, particularly drought; and shifting demand from U.S. consumers. Although these pressures may shape cattle production in decades to come, growing international demand for U.S. beef—especially from emerging market economies—offers some prospects for industry profitability.

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Author



Cortney Cowley Senior Economist

Cortney Cowley is a senior economist in the Regional Affairs Department of the Federal Reserve Bank of Kansas City. She also serves as a special advisor on the agricultural economy to Federal Reserve Governor Miki Bowman. Cortney's current research focuses on agricultural finance, commodity markets, farm management, and natural resource economics and policy. Her responsibilities also include writing for the *Tenth District Survey of Agricultural Credit Conditions* and *Agricultural Finance Updates*. Cortney joined the Bank in 2015 after completing her Ph.D. in Agricultural Economics at Oklahoma State University. She holds a B.S. degree in Biosystems Engineering from Oklahoma State and a M.S. degree in Civil Engineering from Colorado State University.
