

After years of drought, beef prices may rise in the coming months

November 15 2013, by Matt Kelley

While the beef industry is worth more than \$12-billion a year to Nebraska's economy, the state's meat lovers could find themselves having to pay more for steak and hamburger this winter.

Livestock economist Lee Schulz says the cattle market is rebounding from years of drought and with lower grain [prices](#) and better forage, the conditions are good for most producers.

"We've seen the cost of production decrease substantially and we're looking at break-even levels and above for [beef producers](#)," Schulz says. He says producers will be selling fewer animals to build up their herds to take advantage of the market situation.

"Beef supplies are historically tight, but to build that herd, they're going to become even tighter because we have to retain more of those heifers," Schulz explains. Keeping those animals out of the marketplace means beef will cost more.

He says, "There is quite a bit of uncertainty, but I think we do know that prices are likely to increase in the rather short-to-medium term." Schulz, who's based at Iowa State University, says while consumers may see higher prices, retailers are likely to cushion some of the impact.

Beef is Nebraska's single largest industry. There are 20,000 beef cow operations in Nebraska with nearly two-million head of [beef](#) cows statewide. The state has another 4,600 cattle feeding operations, with

more than five-million cattle fed and marketed per year.

Provided by Iowa State University

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