Pork & chicken price levels indirectly impact the price of beef because these alternative protein sources are less expensive per pound and compete for consumer’s spending.

Underlying grain and oilseed prices can fluctuate based on supply and demand fundamentals, weather, or other factors. As feed costs change, this can have an impact on producers’ break-even costs and ultimately the price of beef.

Severe weather, such as drought, floods, blizzards or other extreme conditions, can lead to a shortage of feed and grass. In some cases, severe weather can directly impact the size of the herd and diminish the supply of cattle coming to market.

Producers and processors rely on cash market prices both to gauge the market value of cattle and manage their risk in futures markets. However, with about 75% of cattle sales now private or formula-based, those cash market prices are not as readily available, which can make beef prices less stable.

The United States is both the world’s largest producer and a leading importer of beef. Tariffs, quotas and other trade restrictions can result in higher costs for consumers.

When factors like feed costs increase, producers will find an alternative feed source, feed their herd less, or sell cattle at lighter weights. Light weight cattle can impact the amount of fat produced and can cause beef prices to increase.

Food safety concerns can have an impact on both cattle and beef prices. In the past, food safety concerns have resulted in bans on U.S. beef exports, driving down domestic cattle and beef prices, in the short term, as demand for beef decreased and supplies built up.

Beef is priced in U.S. dollars, so a weak dollar means additional import costs for foreign beef and increased exports of U.S. beef to foreign consumers.