

In The Cattle Markets

Tim Petry, Livestock Economist
North Dakota State University Extension Service

Beef Herd Rebuilding Starts in Earnest

Any doubts that U.S. beef cow herd rebuilding had started were laid to rest, with the USDA-NASS release of the much anticipated *CATTLE* report on Friday, Jan. 30, 2015. According to the report, on Jan. 1, 2015, the number of beef cows that calved at 29,693,100 head was up almost 2.1 percent from the 29,085,400 head on Jan. 1, 2014. The number of beef replacement heifers at 5,777.4 thousand head increased over 4% from 2014. Furthermore, the number of beef replacement heifers expected to calve in 2015 at 3,546 thousand head was up over 7% from the 3,305 thousand in 2014.

As expected, several top beef cow states in the Southern Plains that were forced to liquidate beef herds due to several years of drought, expanded cow numbers with the improving pasture and range conditions in the last year or so. Texas, Oklahoma, Missouri, Kansas, and Colorado accounted for 534,000 of the total 607,700 head increase in U.S. beef cows. Texas, the top beef cow state in the U.S. with 4.18 million cows, saw an increase of 270,000 head. Second place Oklahoma at 1.9 million cows recorded a 105,000 head increase. From 2009 to 2014, the beef cow herd in Texas declined from 5.17 million head to 3.91 million.

Those same 5 states combined for a 165,000 head increase in beef cow replacement heifers out of the total 226,100 increase in the U.S. Beef replacements increased 80,000 head in Oklahoma followed by 50,000 head in Texas.

Interestingly, in spite of record drought in parts of California in 2014, beef cow numbers were unchanged at 600,000 head and milk cow numbers also stayed the same at 1.78 million head. Beef replacements even increased 10,000 head to 120,000 and dairy replacements were unchanged at 750,000.

NASS also revised upward the number of beef replacement heifers on July 1, 2014. The July *CATTLE* report showed 4.1 million beef replacements, but that was revised to 4.3 million. So instead of being down about 2.4% from the 4.2 million in July 2012, heifers were up about 2.4%. The 2013 July *CATTLE* report was not issued due to sequestration, so comparisons with 2013 were not possible.

The 2014 calf crop at 33.9 million head was up slightly from the 33.73 million in 2013. A combination of 1.8% more beef and milk cows, and 4.3% more beef and dairy replacement heifers expected to calve should lead to a larger calf crop again in 2015.

The total number of calves and feeder cattle outside of feedlots at 25.2 million head was up about 0.5% from the 25.1 million last year. Those cattle that were grazing small grain pastures at 1.93 million were up 320,000 head from 2014.

Now that beef cow herd rebuilding has been officially documented, attention will now be directed to how much additional rebuilding will happen in the next few years. Of course, moisture conditions and many other factors will affect that and will be the subject of future columns.

The Markets

Most cattle and beef markets were sharply lower last week except fed cattle prices on a liveweight basis. Across the 5-area market, liveweight fed steer prices averaged \$159.36 per hundredweight down just \$0.08 for the week. However dressed-weight prices declined \$2.69 to average \$251.99. The boxed beef market also declined with Choice at \$246.69 down \$10.16 for the week. The calf and feeder cattle markets were also on the defensive last week with a lot of variation in prices regionally and across weight groups. Prices were generally down \$5 to \$15. Corn prices in Omaha on Thursday were down 10 cents a bushel at \$3.57.

		Week of	Week of	Week of
<i>Data Source: USDA-AMS Market News</i>		1/30/15	1/23/15	1/31/14
5-Area Fed Steer	all grades, live weight, \$/cwt	\$159.36	\$159.44	\$145.34
	all grades, dressed weight, \$/cwt	\$251.99	\$254.68	\$231.10
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$246.69	\$256.85	\$231.98
	Choice-Select Spread, \$/cwt	\$6.79	\$8.21	\$0.82
700-800 lb. Feeder Steer Price	Montana 3-market average, \$/cwt	\$213.97	\$214.00	\$168.79
	Nebraska 7-market average, \$/cwt	\$223.05	\$224.44	\$174.68
	Oklahoma 8-market average, \$/cwt	\$207.75	\$215.19	\$168.20
500-600 lb. Feeder Steer Price	Montana 3-market average, \$/cwt	\$269.28	\$277.12	\$213.34
	Nebraska 7-market average, \$/cwt	\$285.23	\$299.99	\$223.33
	Oklahoma 8-market average, \$/cwt	\$257.49	\$262.44	\$200.84
Feed Grains	Corn, Omaha, NE, \$/bu (Thursday)	\$3.57	\$3.67	\$4.26
	DDGS Price, Nebraska, \$/ton	\$176.20	\$175.00	\$183.50