

from the office

LEAD IN

by Dr. C.K. Allen
Executive Vice President
American Angus Assn.

The Jan. 1, 1981, inventory of all cattle and calves was estimated by the U.S. Dept. of Agriculture and recently released. The report had a few surprises and indicated a larger cattle inventory than many observers predicted.

Total cattle numbers were estimated to be 115 million head, which was 3% above Jan. 1, 1980, but down significantly from approximately 130 million reported five years ago. The cattle inventory is an estimate based on surveys, and the total numbers are believed to be accurate within 2% of actual numbers, which would place the actual total numbers between 112.5 and 117.5 million head.

The total cattle inventory for January 1980 and 1981 is shown in the accompanying table and the state-by-state breakdown of cow numbers.

Total Cattle Inventory January 1980 and January 1981

	1980	1981
Total Cattle	111,192	115,013
Percent Change		103
Cows	47,865	49,856
Percent Change		104
Beef Cows	37,086	38,987
Percent Change		105
Dairy Cows	10,779	10,869
Percent Change		101
Heifers Over 500 Lb.	17,226	17,874
Percent Change		104
Beef Replacement Heifers	5,939	6,189
Percent Change		104
Dairy Replacement Heifers	4,158	4,353
Percent Change		105
Other Heifers (on Feed)	7,130	7,333
Percent Change		103
Steers Over 500 Lb.	16,019	15,605
Percent Change		97
Bulls Over 500 Lb.	2,492	2,556
Percent Change		103
Calves Under 500 Lb.	27,590	29,123
Percent Change		106
Calf Crop	45,354	
Percent Change From 1979		106

Real Surprise

The real surprise is in replacement heifer numbers, which are up 4%, and in beef cow numbers, up 5%. As everyone is aware, we had a tremendous drought in 1980, and many cows in the central part of the country were liquidated because of shortages of

feed and water. Regional managers working for the Angus association in the middle part of the country believe the change in cow numbers in their areas was considerably lower than the USDA figures. In fact, they believe cow numbers in Missouri, Kansas, Oklahoma and Texas should have been lower than last year, but the new figures report all of these above last year and some of them significantly above.

Although the USDA report runs counter to the observations of many people, it is still the best estimate of cattle numbers we have. Several agricultural economists have reservations about the report but hesitate to dismiss it as inaccurate. The large 1980 calf crop indicates that the Jan. 1, 1980, report on cow numbers may have been low; and if this report over-counted cow numbers slightly, the actual numbers could be relatively accurate even though the trend was wrong.

Beef Demand Poor

Demand for beef at the consumer level in late 1980 and early 1981 has been poor. I doubt that this is a permanent change but rather a short-term aberration based on the reduced buying power of consumers, large total meat supplies, much lower competitive meat prices, significantly greater promotion of poultry and pork, and an abundance of excessively fat cattle because feeders held them hoping for an improved market.

How should breeders react to the new cattle inventory report? Cow-calf producers should be as concerned about beef demand as they are about cattle numbers. If beef demand continues to be depressed, we could see a further reduction in total cattle numbers (liquidation) that would result in a relatively short-term (possibly not more than one year) glut on beef supplies, which probably would be capped by significantly higher beef prices.

More Likely Trend

It is more likely that we will see a stabilization in cattle numbers, with some improvement in cattle prices by the end of 1981. Even if we have higher cow numbers, the conception rate in 1980 was very poor because of extreme heat, and the 1981 calf crop should be smaller in number.

Higher costs could result in a move by

State-by-State Breakdown Jan. 1, 1981 Beef Cows and Changes From 1980

State	Number of Head (thousands)	Change (thousands)
Alabama	946	+299
Arizona	285	+27
Arkansas	1,170	+101
California	995	+126
Colorado	1,009	+156
Florida	1,333	+160
Georgia	850	+103
Idaho	671	+29
Illinois	708	+9
Indiana	483	-32
Iowa	1,860	+114
Kansas	1,897	+181
Kentucky	1,057	-49
Louisiana	721	+47
Michigan	155	+15
Minnesota	570	+10
Mississippi	893	-8
Missouri	2,315	+37
Montana	1,439	+12
Nebraska	2,069	+119
Nevada	325	+20
New Mexico	576	-50
New York	110	+25
North Carolina	433	+21
North Dakota	910	-52
Ohio	385	-10
Oklahoma	2,288	+128
Oregon	729	+48
Pennsylvania	215	+19
South Carolina	280	-4
South Dakota	1,642	+112
Texas	5,880	+295
Utah	347	+22
Virginia	677	-33
Washington	373	-6
West Virginia	259	+18
Wisconsin	279	+31
Wyoming	635	+15

commercial cattle producers to improve efficiency of their cow herds. This could mean a tremendous demand for good Angus cattle to provide greater fertility, fewer calving problems, less labor and a desirable meat product without excessive fattening or over-feeding. Producers probably would be well advised if they put even greater emphasis on improving their herds and providing seed stock to the commercial industry that would improve cattle that they are producing.

At the same time, it probably would be unwise to undergo massive expansion or herd reduction. In the future there probably will be a greater premium than ever before placed on cattle that truly excel in economically important traits. 