

ONE MILLION STRONG

Agriculture is the nation's largest industry, with assets totaling more than \$900 billion. The nation's food and fiber system accounts for more than 16 percent of the gross national product.

The cattle industry is the largest segment of American agriculture. Annual sales of cattle and calves in 1991 totaled \$39.6 billion, or 24 percent of total U.S. cash receipts from all farm marketings. Sales of cattle include beef cattle and also dairy animals culled from herds or not used in milk production.



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There are approximately one million farms and ranches with beef cattle. These units range from part-time cattle operators with only a few animals to large commercial units with hundreds or thousands of animals.

Agriculture and the cattle industry are important to other segments of the American economy as well. For every job on the farm, there are six jobs in related supply and processing businesses. Every dollar of cattle sales directly generates an additional \$5-6 of business activity in farm supply, food and other businesses. Twenty-one million persons work in some phase of the agriculture and food business.

The cattle industry has three major phases:

- 1 Farmers and ranchers who own the basic herds and produce feeder or breeding cattle;
- 2 stocker operators whose pastures put additional weight on feeder cattle prior to entering feedlots;
- 3 cattle feeders who finish cattle in feedlots for marketing. Most retail cuts of beef come from grain-fed cattle.

Prices received by producers are determined strictly by supply and demand at the time of sale. The cattle business is not a margin-added business in which margins are added to costs of materials, as in conventional manufacturing or merchandising businesses.

The continued availability of beef at relatively favorable prices for consumers has been made possible by the efficiency of modern beef production, with its scientific technology and increased mechanization. Output per man-hour in agriculture has increased twice as fast as in manufacturing industries.

The beef cattle industry is important, in part, because it converts otherwise wasted resources into essential protein and other nutrients for humans. Eighty-five percent of the feed consumed by beef cattle in the United States comes from forage, roughages and by-products not edible by man. The grain that is fed to cattle is not food grain; it is feed grain, like field corn and grain sorghum.

More than a third of the land in the United States is classified as grazing or rangeland — land which cannot be used to produce cultivated crops. Without ruminant (four-stomach) animals like cattle, this land would go to waste as a renewable resource for food production. Ruminants, with their ability to digest cellulose (which makes up three-fourths of the world's plant material), offer the only way to harvest food from the billions of acres of land which is too rough, too dry, too wet, or too infertile to produce crops.

About one-third of the nation's beef supply is accounted for by the feeding segment of the business. Without feedlots and the efficiency with which they put pounds of grain on animals, U.S. beef production would be much smaller. Without feedlots, the cow herd would have to be smaller, in order to accommodate the cattle being finished on range and pasture. This would mean a smaller basic herd. Also, the beef supply would be much more seasonal and less uniform. And, with a smaller supply, beef would be more expensive. These economic advantages of feeding are in addition to the palatability and eating satisfaction which feeding contributes. Cattle are fed in order to produce a more desirable product more efficiently, not just to use grain.

Average per capita supplies of beef on a retail weight basis were about 66.5 pounds in 1992. This converts, in turn, to approximately 48 pounds of cooked, edible beef and processed beef consumption per person per year. On a daily basis, this amounts to only about 2.1 ounces per day, or considerably less than the 3 to 6 ounces of meat recommended by the U.S. Department of Agriculture as the daily allowance.

Source: Beef Industry Council

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