



Market Advisor

► by **Tim Petry**, North Dakota State University Extension Service

Cattle numbers down nationwide, increase in North

The USDA National Agricultural Statistics Service (USDA-NASS) released the much-anticipated cattle report Feb. 1, 2013. The semi-annual inventory report confirmed what many cattle market observers had expected. The record-setting drought in the Southern Plains in 2011, which expanded into much of the country (including the Corn Belt) in 2012, caused lower cattle numbers.

Decreases in the South

All cattle and calves in the United States Jan. 1, 2013, totaled 89.3 million head, 1.6% below the 90.8 million Jan. 1, 2012. This was the lowest Jan. 1 inventory of all cattle and calves since the 88.1 million in 1952. However, it should be noted that beef production totaled 25.9 billion pounds (lb.) in 2012, compared to just 9.3 billion in 1952. The near 26 billion lb. in 2012 is just less than the record 27 billion lb. produced in 2002, so the beef industry produces much more beef with the same number of cattle as in the 1950s.

In 1952 the United States had about the same number of beef and dairy cows — 20 million of each, and mature beef cows weighed about 1,000 lb. Now the United States has more than 29 million beef cows that likely weigh closer to 1,400 lb.

Beef cows in the United States, at 29.3 million head, were down almost 3% from the previous year. Texas is, by far, the leading state for beef cows, with 4.015 million cows Jan. 1.

Compare that to second-place Nebraska at 1.805 million beef cows. The number of beef cows in Texas was down 12% Jan. 1, 2013, compared to Jan. 1, 2012. A 9% decline the previous year made for a total two-year decline of more than a million head.

Beef cow numbers in Nebraska declined 4% from last year. Beef cow numbers in third-place Missouri were down 5%, and fourth-place Oklahoma lost 1%. All of those states were hit hard by drought conditions.

Interest in rebuilding the beef herd was evident where moisture conditions allowed it.

Increases in the North

In contrast, Northern states that were not as severely affected by drought saw increasing beef cow numbers. Minnesota, North and South Dakota, Montana, Idaho and Washington combined for a 243,000-head increase in beef cows.

Interest in rebuilding the beef herd was evident where moisture conditions allowed it. Another indication of that interest was that the number of heifers weighing more than

500 lb. kept for beef cow replacement in the United States was up 1.9%. Again, several of those same Northern states showed increases. Even Texas, where drought conditions improved in some areas, recorded a 9% increase.

This was the second year in a row of increased beef cow replacements in the United States. Even though replacements were higher than Jan. 1, 2011 and 2012, the 2013 numbers were still lower than any other year since 1990.

Contrast beef replacement heifers in the United States with North Dakota, where historically high numbers were recorded the last three years. In fact, the 207,000 replacement heifer inventory in North Dakota Jan. 1 was the highest number since 1974 and the fourth-highest since records began in 1920.

The inventory of all cattle and calves in North Dakota Jan. 1 was up almost 6%, beef cow numbers rose 7%, and milk cows stayed the same. There were more calves being backgrounded in North Dakota than last year, led by an increase of 2.5% in other (non-replacement) heifers, but cattle on feed for the slaughter market declined.

The 2012 U.S. calf crop was estimated at 34.3 million head, down 3% from 2011. However, the combined total of calves less than 500 lb. and other steers and heifers more than 500 lb. outside of feedlots was up almost 1%. This was due to lower placements into feedlots the last several months. Cattle and calves on feed for slaughter in U.S. feedlots, at 13.4 million head, were down about 5.5%.

Weather will continue to be a wild card in cattle prices and numbers. Much of the central United States, including a number of important beef-cattle-producing states, is very dry. Seasonally high calf prices in the spring are dependent on the potential for good grass conditions. Dry pastures in the United States will need sufficient rain to prevent further beef-cow liquidation. Corn supplies are historically tight, so a good corn crop is also necessary to support feeder-cattle prices.

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