



# Market Advisor

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

## Beef herd rebuilding question is answered

*Readers of this column may recall my previous comments regarding eight years of declining U.S. beef cow numbers and when herd rebuilding might start. Two "Market Advisor" columns in 2014 — "Is the Beef Industry Poised for Expansion?" in the April issue and "The Beef Herd Rebuilding Dilemma" in the October issue — addressed the topic.*

### Cattle reported numbers up

In the October column, I stated, "There are signs that herd expansion is starting to occur. Beef cow slaughter is down 16% for the year, with 25%-30% declines recorded in mid-summer. Heifer slaughter is down about 7% for the year, and the number of heifers on feed is down 5%. U.S. pasture and range conditions have improved, with 18% reported as poor or very poor compared to about 30% last year. These signs along with record-high prices are consistent with expansion, but we will have to wait until January 2015 for the official NASS (National Agricultural Statistics Service) numbers."

Any doubts if the U.S. beef cow herd rebuilding had started were laid to rest with the USDA NASS release of the much anticipated *Cattle* report Friday, Jan. 30, 2015. According to the report, on Jan. 1, 2015, the number of beef cows that had calved, at 29.7 million head, was up almost 2.1%

from 29.1 million head on Jan. 1, 2014. The number of beef replacement heifers, at 5.8 million head, increased more than 4% from 2014. Furthermore, the number of beef replacement heifers expected to calve in 2015, at 3.5 million head, was up more than 7% from the 3.3 million 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 have 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 United States 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

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increase. From 2009 to 2014, the beef cow herd in Texas declined from 5.17 million head to 3.91 million.

Those same five states combined for a 165,000-head increase in beef cow replacement heifers out of the total 226,100 increase in the United States. 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 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.

I also mentioned in the October column that the number of beef replacement heifers that NASS reported in the July 2014 report seemed low. I would like to give a lot of credit to NASS for revising that number. The July *Cattle* report showed 4.1 million beef replacements, but that was revised upward to 4.3 million in the Jan. report. 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 could lead to about a 2% larger calf crop in 2015.

Now that beef cow herd rebuilding has been officially documented, in future columns I intend to address how much and where the U.S. beef herd is likely to increase. Of course, moisture conditions and many other factors will affect that. Furthermore, it will be important to consider how much rebuilding is necessary, especially in light of the record-high and continuing-to-increase carcass weights of fed cattle.

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**Editor's Note:** *Tim Petry is a livestock marketing economist with the North Dakota State University Extension Service.*