



Market Advisor

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

Where will the beef herd increase?

The “Market Advisor” column in the April 2015 Angus Journal was titled “Beef herd rebuilding question is answered.” The column documented that beef herd rebuilding had started in the United States. The number of beef cows on Jan. 1, 2015, at 29.7 million head, was up 2.1% from 29.1 million head in 2014. The number of beef replacement heifers, at 5.8 million, increased more than 4% from 2014. Furthermore, the number of heifers expected to calve in 2015, at 3.5 million head, was up more than 7% from the 3.3 million in 2014.

Beef cow distribution

That April column ended by saying, “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.”

The August 2015 column was titled “How much will the beef herd increase.” It concluded that if beef herd rebuilding continues at its current pace, record beef production is also possible in just a few years. Of course, many factors will influence the production and demand for all meats.

So, the remaining question to discuss is *where* will the beef herd likely increase? A quick look at the current U.S. Drought Monitor (<http://droughtmonitor.unl.edu>) helps answer that question, at least in the short run. As of this writing, most of the United States east of the Continental Divide is free from drought for the first time in many years. However, states west of the Divide

are suffering with moderate to exceptional drought. In spite of the drought in the West, overall pasture and range conditions in the United States are the best in 20 years.

A good place to start is the states with the most beef cows, because they may have the most potential for expansion. That is especially true for Southern Plains states that liquidated cows due to drought for several years. The table below shows the current top 10 beef cow states with the number of cows on Jan. 1, 2006, 2010, 2014 and 2015, and the changes that have occurred.

Recall that U.S. beef cow numbers declined eight straight years from 2006 to 2014. There were scattered areas of drought from 2006 to 2010, and the increasing corn prices also negatively affected calf prices and interest in herd rebuilding. Severe drought intensified in the Southern Plains in 2011 and moved to much of the United States in 2012. Drought conditions improved from east to west and from north to south in 2013 and 2014.

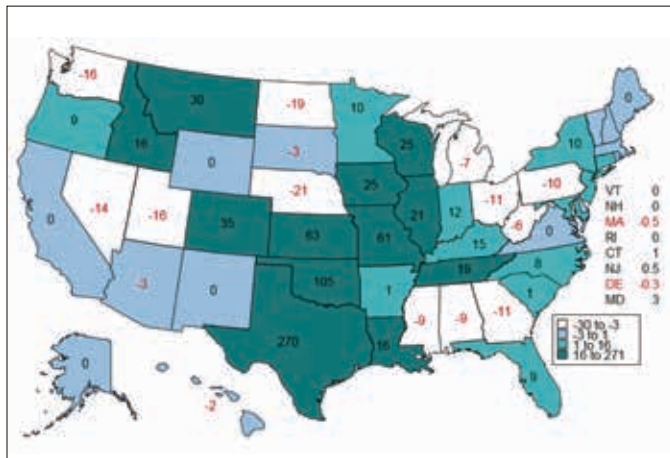
As expected, several top beef cow states in the Southern Plains that were forced to

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State	2006	2010	2014	2015	2006-2014 Change	2010-2014 Change	2014-2015 Change
Texas	5,350	5,140	3,910	4,180	-1,440	-1,230	+270
Oklahoma	2,045	2,073	1,795	1,900	-250	-278	+105
Missouri	2,166	1,968	1,820	1,881	-346	-148	+61
Nebraska	1,930	1,781	1,807	1,786	-123	+26	-21
South Dakota	1,719	1,637	1,635	1,632	-84	-2	-3
Montana	1,401	1,465	1,476	1,506	+75	+11	+30
Kansas	1,550	1,434	1,414	1,477	-136	-20	+63
Kentucky	1,118	1,070	992	1,007	-126	-80	+15
Iowa	1,000	895	895	920	-105	0	+25
Florida	916	958	907	916	-9	-51	+9

Source: USDA-NASS. Compiled by LMIC.

Fig. 1: Change in beef cow numbers, Jan. 1, 2014, to Jan. 1, 2015 (1,000 head)

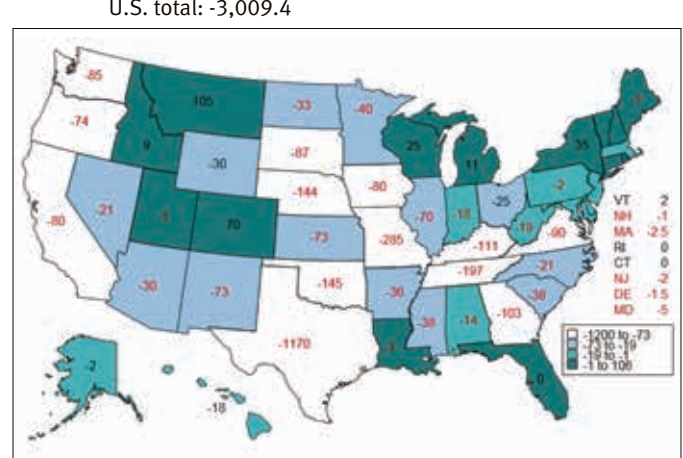


Source: Livestock Marketing Information Center.

Data source: USDA-NASS.

Feb. 3, 2014.

Fig. 2: Change in beef cow numbers, Jan. 1, 2006, to Jan. 1, 2015 (1,000 head)



Source: Livestock Marketing Information Center.

Data source: USDA-NASS.

Feb. 3, 2014.

liquidate beef herds due to several years of drought expanded cow numbers in 2014 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-ranked Oklahoma, at 1.9 million cows, recorded a 105,000-head increase. From 2010 to 2014, the beef cow herd in Texas declined 1.44 million head alone.

Those same five states combined for a 165,000-head increase in beef cow replacement heifers in 2014 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.

The farthest north Northern Plains states were arguably the least affected by the drought, although very dry conditions existed in 2012. That is evidenced by Montana being the only top-10 state to increase beef cows in each time period shown. Montana added 105,000 head from 2006 to 2015. Additionally, South Dakota beef cow numbers remained steady from 2010 to 2015 when drought was raging in states to the south.

So, much of the beef herd rebuilding is likely to continue in those Southern Plains states. Each year USDA issues 10-year projections for a number of important agricultural commodities, including beef cows.

Go to www.ers.usda.gov/publications/oce-usda-agricultural-projections/oce151.aspx and click on the Livestock tab. Although projections are not available by state or region, it is interesting to note that USDA projects U.S. beef cow expansion in each of the next 10 years. Of course, weather conditions and many other factors will dictate when, where and how much expansion will occur.



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