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USDA Outlook Forum

Feeder Cattle Supplies for the South Plains and
Implications

February 24, 2012

By Don Close

Market Director

Texas Cattle Feeders Association

Amarillo, TX

806 358 3681, don@tcfa.org

Cattle Inventory by Class and Calf Crop - United States: January 1, 2011 and 2012			
	2011	2012	Percent of
			Previous Year
	(1,000 Head)	(1,000 Head)	
Cattle and Calves	92,682	90,769	98
Cows and Heifers that have calved	3,999	39,112	98
Beef Cows	30,850	29,883	97
Milk Cows	9,150	9,230	101
Heifers 500 Pounds and over	19,576	19,388	99
For Beef Replacement	5,139	5,212	101
For Milk Replacement	4,568	4,527	99
Other Heifers	9,869	9,649	98
Steers 500# and over	16,397	16,072	98
Bulls 500# and over	2,155	2,052	95
Calves under 500#	14,555	14,145	97
Cattle on Feed	14,013	14,121	101
Calf Crop	2,010	2,011	
	35,695	35,313	99

Regional Distribution of All Cattle and Beef Heifer Retention			
	Percent of	Percent of	Heifer
	All Cattle	Cattle on Feed	Retention
Inter Mountain CO, ID, MT, UT, WY	11.00%	11.50%	Up 9%
West AZ, CA, NV, OR, WA	10.00%	6.00%	Up 8%
Corn Belt IL, IN, IA, KS, MN, MI, MO, NE ND, SD, WI,	33.00%	49.00%	Up 6%
Upper Mid-West KY, NJ, OH, PA, VA, W VA	9.00%	0.00%	Up 1%
South East AL, AR FL, GA, LA, MS, NC, SC TN	12%	0%	Up 1%
TCFA NM, OK, TX	20%	28%	Dn 13%

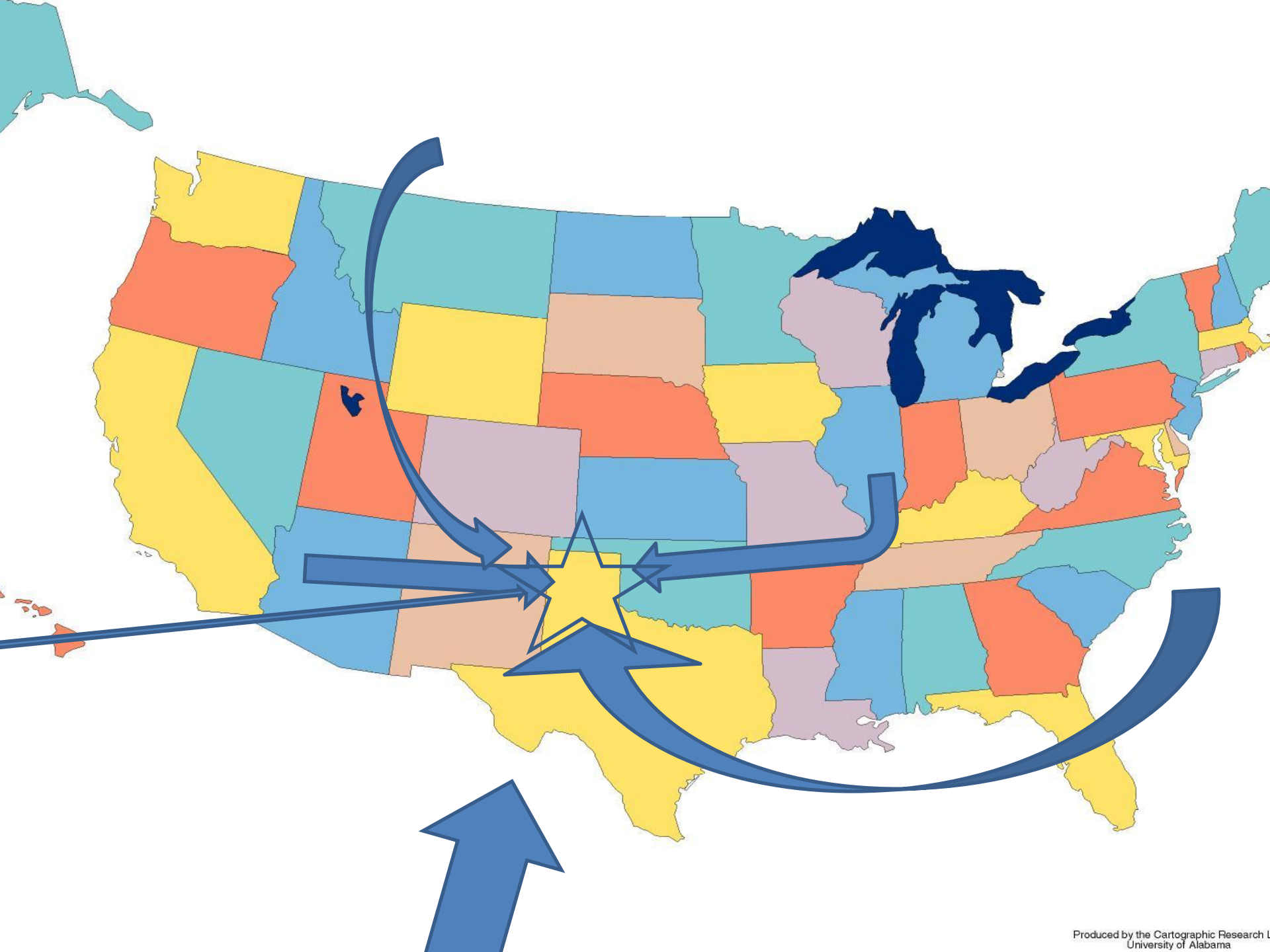
South Plains Feeder Supply (TCFA)				
			YoY	YoY
	2011	2012	% Change	Number
Other Heifers	2,255	2,170	Dn 4%	Dn 85,000
Strs > 500	3,865	3,580	Dn 7%	Dn 285,000
Combined	6,120	5,750	Dn 6%	Dn 370,000
Calves < 500	3,485	2,960	Dn 15%	Dn 525,000
Total	9,605	8,710	Dn 9.5%	Dn 895,000

Number of Cattle Grazing on Small Grain Pasture –
3 State Total: January 1, 2011 – 2012

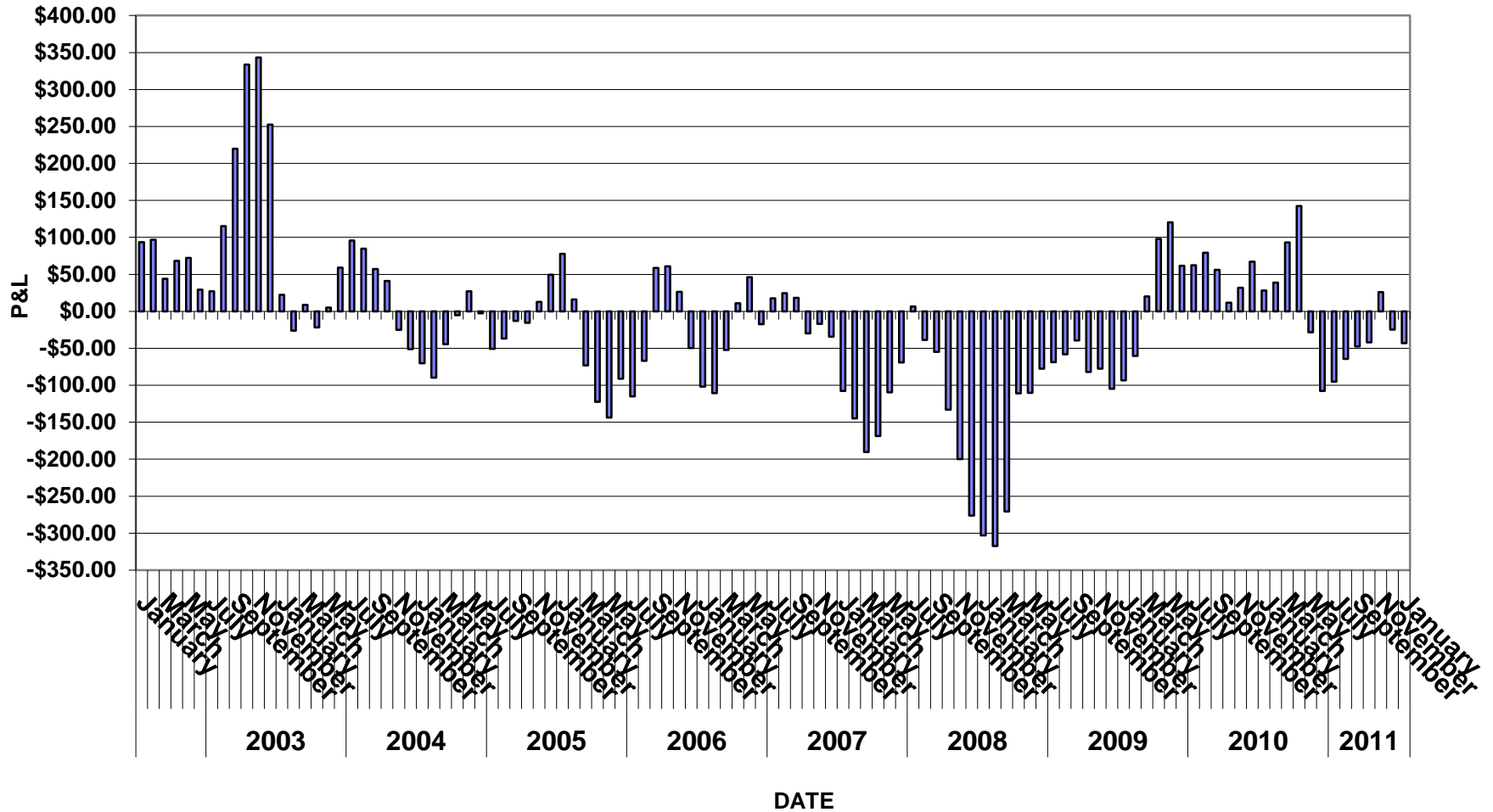
	2011	2013	% of Previous Year
Kansas, Oklahoma and Texas	1.60	1.59	99%







Cattle Feeding P&L



Feeding Calves Have Added Cost

The Historical Average for the Industry is 1
Employee for Every 1,000 Cattle.

Commercial Feed Yards are Working .6 to .8
Employees Per 1,000 Head.

Grow Yards are Working 1.5 to 2 Employees Per
1,000 Head.



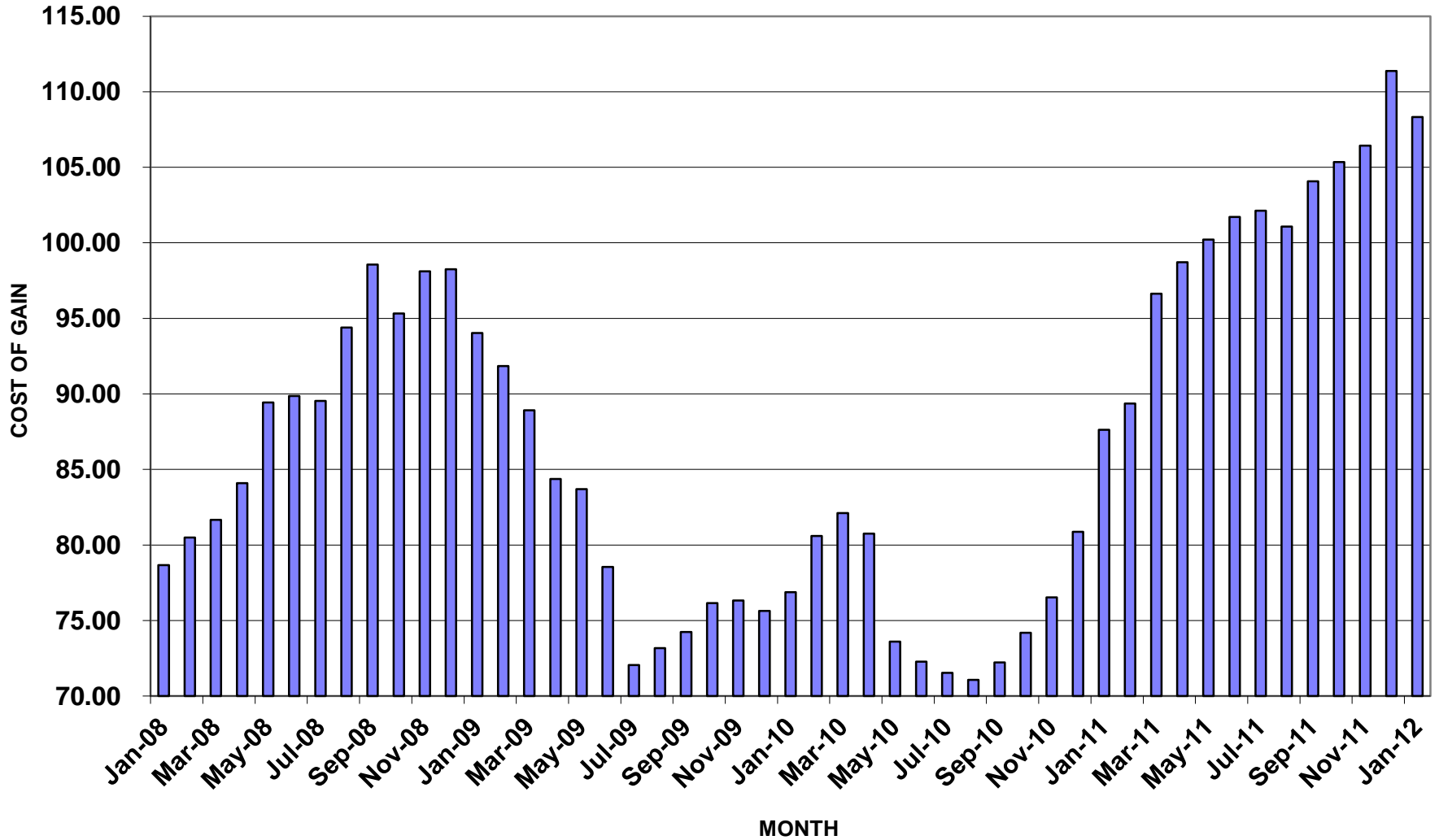




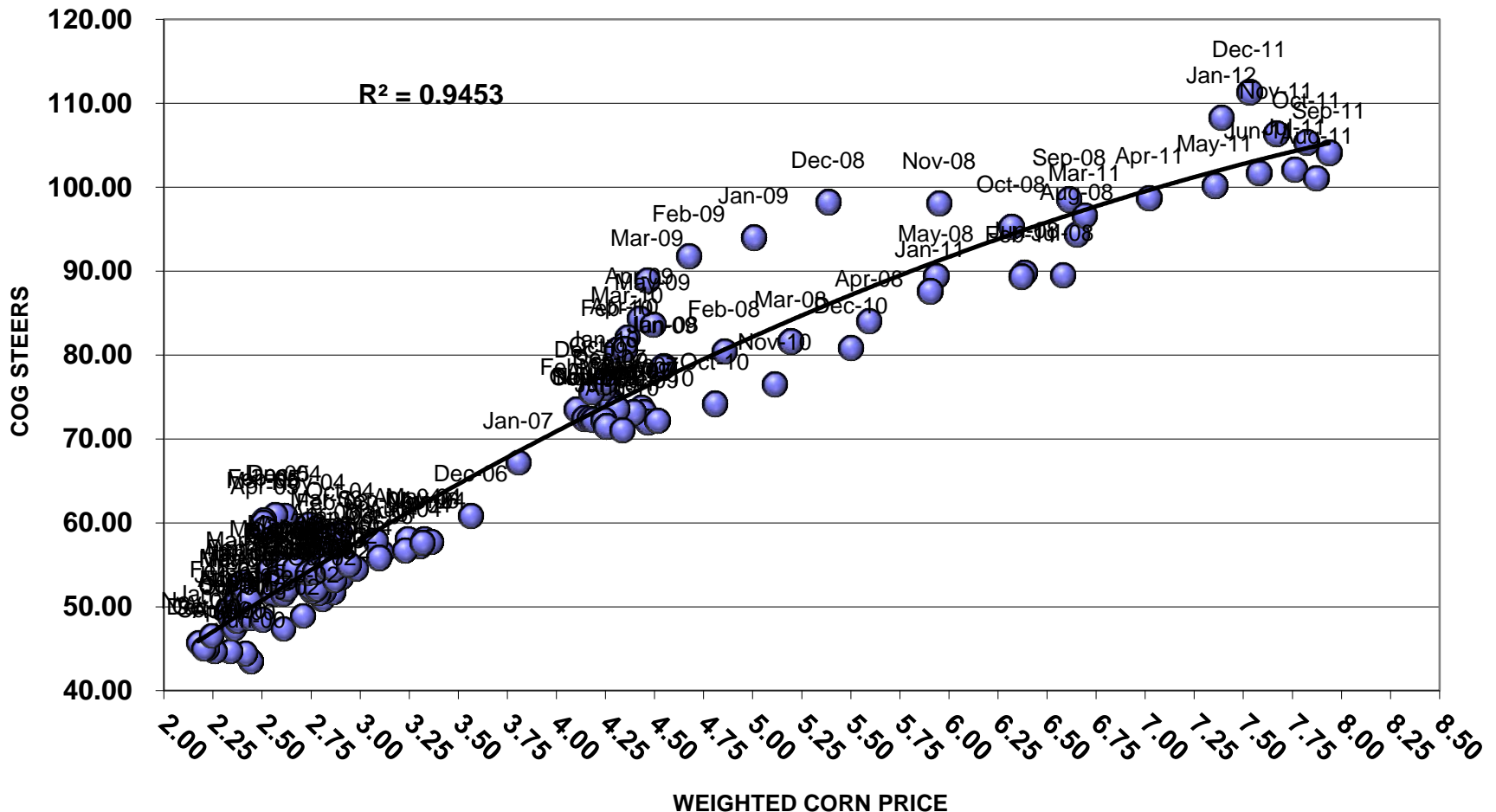


Cost of Gain (Steers)

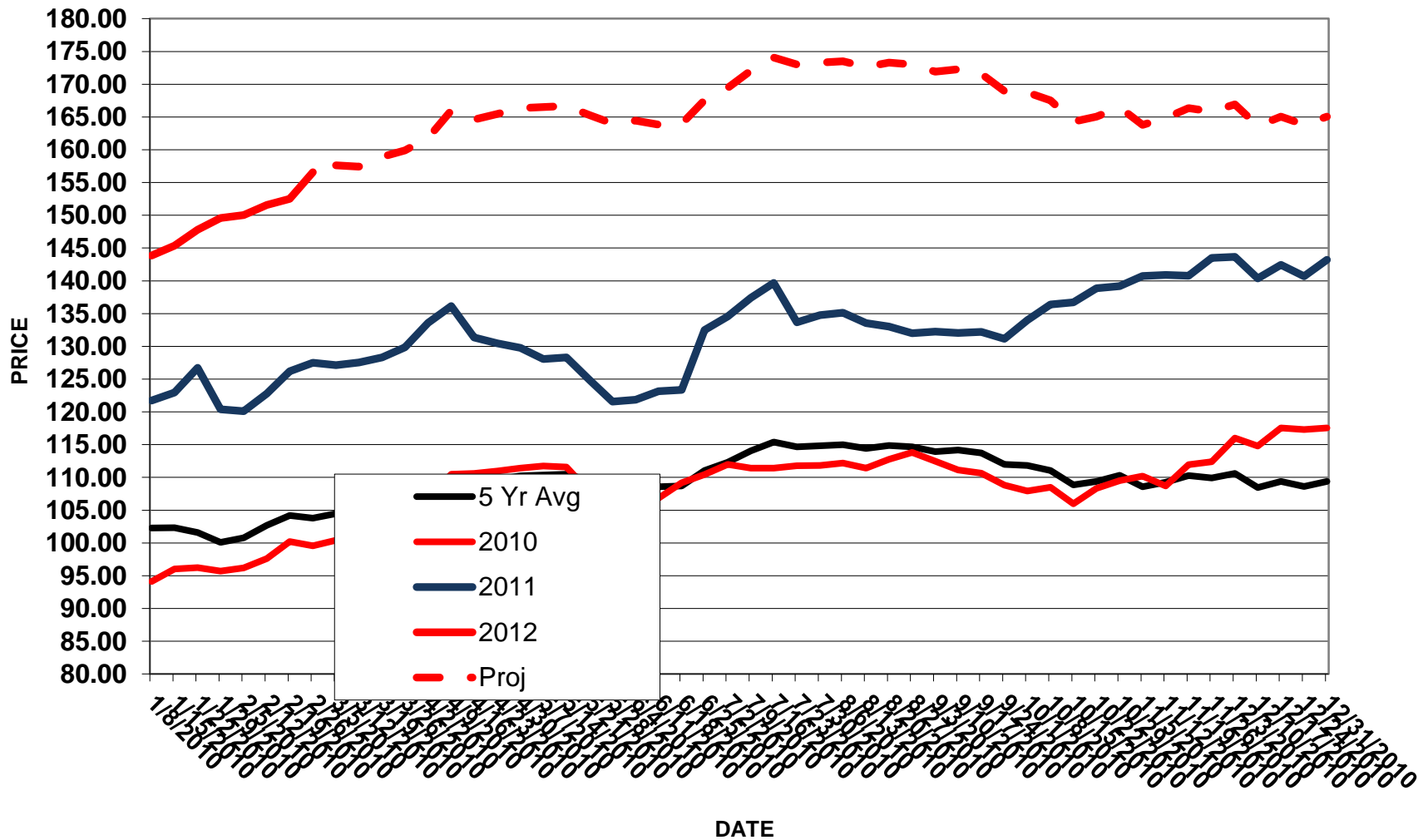
Dr. Marcus Hoelscher



6 Months WEIGHTED CORN (HEREFORD) & COG STEERS



TCFA FEEDER INDEX



What Will Change the Outlook?

- Capital Requirements Exceeding Equity
 - Another Summer of Drought
 - Wide Spread Seasonal Rains to Recharge Soil and Ground Water
 - Economic Turmoil in Europe
- Surging Energy Prices that Curb Consumer Spending and Flatten Vacation Season