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THE BEEF CATTLE BUSINESS

How Beef Cattle Add to the Farm Income

The influence that the beef cattle enterprise has had on the farm business in the past few years is well demonstrated from the records of a given farm in Redwood County from 1922 to 1925. During this four year period detailed records on the beef enterprise and a complete financial record of the entire farm business were kept. There were 370 acres in this farm, of which 60 acres were good permanent pasture and the rest was in crops. Forty acres of hay and 60 acres of crop land were rented from a neighbor. The barn was large enough to shelter the work horses and breeding cows during bad weather. There were sheds in the feeding yards for the fattening cattle and hogs. A double corn crib was in one of the yards close to the bunks. Two silos contained sufficient silage to carry the stock thru the year. A scale had been installed in the driveway of the corn crib to make it convenient for weighing stock.

The labor for the operation of this farm was furnished by the operator, two boys of school age and hired labor to the extent of about one man. The boys were in school nine months of the year and furnished little help except for chores during that time. They worked at home during the summer.

TABIE I

	<u>With Cattle</u>	<u>Without Cattle</u>
<u>Receipts:</u>		
Horses.....	\$110	\$110
Cattle.....	9831	-
Hogs.....	2240	1821
Poultry.....	208	208
Crops.....	1028	4477
Unclassed.....	1291	658
	<u>\$14708</u>	<u>\$7274</u>
<u>Expenses:</u>		
Horses.....	80	80
Cattle.....	4062	-
Hogs.....	539	131
Poultry.....	6	6
Crops.....	326	351
Additional feed.....	1211	-
Labor.....	463	463
Real estate.....	1388	1268
Unclassed.....	1507	1288
	<u>\$9582</u>	<u>\$3588</u>
Excess of Receipts over Expenses	5126	3687
Interest on Investment, Jan. 1, 5%	3406	3222
Returns for Labor and Management	1720	465
Added returns due to cattle feeding	1255	

Table I shows the average income and the expense on this farm for the four year period and what they would have been if there had been no beef cattle kept and the feeds had been sold at the prices at which they were charged to the cattle. Only one cow of dairy breeding was kept on this farm to supply the house with milk. All other cattle were of beef breeding so the effect the beef enterprise had on the farm business is clearly demonstrated. About thirty calves were raised and fed out on this farm annually and additional feeders were purchased and fattened to make the total number of cattle fattened about 125.

The excess of receipts over expenses due to beef cattle was \$1439. This is on the assumption that the feeds fed to the cattle would have been sold had there been no cattle on the farm. The returns for labor and management on all the farm business ~~were~~ increased by \$1255 by having the cattle. Factors responsible for this increased return for labor and management were (1) the spread between price of feeder cattle in the fall and of fat cattle the following spring, (2) return for unmarketable feed and labor, and (3) return above market price for feed which could have been sold.

The \$1255 does not include the value on crop yields of the manure from the beef enterprise. There was an average of 439 tons of manure produced each year from the cattle. At 75 cents per ton it would have had a value of \$329, thus making the total return \$1584 more by having ~~had~~ the cattle. While this is not an unusually large return for the number of cattle considered, it should be remembered it came during the time when farming was in a very unfavorable position and beef cattle returns were at the low point in the cycle.

A comparison of the crop yields on this farm with those of the county for the four years is shown in Table II.

TABLE II

	1922		1923		1924		1925	
	This farm	County	This farm	County	This farm	County	This farm	County
Corn	45	27	50	40	40	27	60	40
Oats	45	39	77	46	61	48	70	49
Winter wheat	13*	15*	33	10	33	24	20	14
Rye	26	21	20	16	23	24	20	13
Flax	-	11	11	11	15	12	10	12
Tame hay	1.4	1.5	1.5	1.2	2.0	1.7	2	1.7
*Spring wheat								

The larger yields obtained by this farmer are unquestionably due in part to the constant application of manure. Without livestock his yields would probably have been no higher than the county average, according to this farmer's own statement.

The Outlook for Beef Production

Producers of agricultural products are interested in the possible future return to them for producing a certain product. Producers of beef will be interested in Table III which shows important trends in the beef industry.

TABLE III

Year	No. of cattle per 1000 of population*	Per capita consumption of beef and veal	Net export in millions of pounds**	Purchasing power per head 1910-14* 100
1907	590	86.8	690	76
1908	563	79.2	579	76
1909	545	83.9	419	76
1910	446	79.2	286	78
1911	424	80.9	266	92
1912	393	74.5	234	91
1913	374	65.8	170	109
1914	369	63.3	289	132
1915	374	60.0	210	141
1916	396	63.4	386	123
1917	410	68.5	408	97
1918	428	72.4	575	92
1919	432	65.5	565	92
1920	420	70.0	326	77
1921	393	66.0	162	77
1922	383	68.7	194	72
1923	381	70.4	150	68
1924	372	70.9	153	69

*Milk cows not included

**Includes fresh, corned, pickled and cured beef, oleo oil, oleomargarine, tallow and stearine from animal fats.

The table shows that the number of cattle on farms has not kept pace with the increase in human population. There has been a reduction in the amount of beef and veal consumed per capita and in the total amount exported. If the usual amount of beef is included in the diet and there is no indication of any increase, and the ratio between beef cattle and human population continues as it has in the past few years it will not be long until the United States will be on a beef import basis. Should a tariff on beef be in existence at that time producers will receive a benefit.

The exchange value of beef for other commodities is shown by its purchasing power. This runs in quite regular cycles of twelve to fifteen years in length. The table indicates that beef prices should be in a more favorable position in the cycle for the next five or six years than at present. On the whole the outlook for beef producers for the next few years seems favorable.

L.F. Garey.