Cattle Markets and Winter Feeding Considerations

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Oklahoma State University

OKLAHOMA COOPERATIVE EXTENSION SERVICE
AVERAGE ANNUAL CATTLE PRICES
Southern Plains

Data Source: USDA-AMS, Compiled and Forecasts by LMIC
Livestock Marketing Information Center
Key Market Factors to Remember

• Cattle numbers declining
• Demand
• Drought
• Feed Prices
July 20, 2021
(Released Thursday, Jul. 22, 2021)
Valid 8 a.m. EDT

Oklahoma

Drought Conditions (Percent Area)

<table>
<thead>
<tr>
<th></th>
<th>91.45</th>
<th>60.35</th>
<th>49.11</th>
<th>55.63</th>
<th>66.73</th>
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<td>1.13</td>
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<td>0.00</td>
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<td>1.55</td>
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<tr>
<td>Last Week</td>
<td></td>
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<td>07-15-2021</td>
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<tr>
<td>3 Months Ago</td>
<td>60.89</td>
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<tr>
<td>Start of Calendar Year (Oct 1, 2020)</td>
<td>48.03</td>
<td>63.17</td>
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<tr>
<td>One Year Ago (09-25-2020)</td>
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</tbody>
</table>

Intensity:
- None
- D2 Severe Drought
- D3 Abnormally Dry
- D1 Moderate Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

Author:
Brad Rippey
U.S. Department of Agriculture

droughtmonitor.unl.edu

September 28, 2021
(Released Thursday, Sep. 30, 2021)
Valid 8 a.m. EDT

Oklahoma

Drought Conditions (Percent Area)

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<th>23.72</th>
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<td>50.35</td>
<td>72.23</td>
<td>23.72</td>
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<td>Last Week</td>
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<td>39.37</td>
<td>4.92</td>
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<tr>
<td>3 Months Ago</td>
<td>84.11</td>
<td>15.89</td>
<td>1.77</td>
<td>0.34</td>
<td>0.00</td>
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<tr>
<td>Start of Calendar Year (Oct 1, 2020)</td>
<td>58.33</td>
<td>43.17</td>
<td>32.21</td>
<td>7.75</td>
<td>1.45</td>
<td>0.00</td>
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<tr>
<td>Start of Water Year (Sept 1, 2020)</td>
<td>66.73</td>
<td>33.21</td>
<td>17.71</td>
<td>11.97</td>
<td>1.65</td>
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<tr>
<td>One Year Ago (09-25-2020)</td>
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Author:
Brian Fields
National Drought Mitigation Center

droughtmonitor.unl.edu
Indicates Data Not Available

Frozen precipitation, including snow, ice, and hail, is recorded as it melts.

NWS River Forecast Center Rainfall Estimate valid 2:00 PM October 6, 2021 CDT.

Mesonet

10-Day Rainfall Accumulation (inches)
OTHER HAY PRODUCTION 2020
(1000 Tons)

Livestock Marketing Information Center
Data Source: USDA-NASS

US Total  73745

VT  285  MA  99  RI  6  CT  72  NJ  153  DE  24  MD  330

US Total  73745
<table>
<thead>
<tr>
<th>State</th>
<th>2020</th>
<th>2021</th>
<th>% Change</th>
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<tbody>
<tr>
<td>Oklahoma</td>
<td>102</td>
<td>126</td>
<td>+23.5</td>
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<tr>
<td>Missouri</td>
<td>110</td>
<td>110</td>
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<tr>
<td>Kansas</td>
<td>95</td>
<td>103</td>
<td>+8.4</td>
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<tr>
<td>Nebraska</td>
<td>84</td>
<td>104</td>
<td>+23.8</td>
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<tr>
<td>South Dakota</td>
<td>70</td>
<td>114</td>
<td>+62.9</td>
</tr>
<tr>
<td>North Dakota</td>
<td>72</td>
<td>122</td>
<td>+69.4</td>
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<tr>
<td>Montana</td>
<td>140</td>
<td>195</td>
<td>+39.3</td>
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</table>
Other Hay Production
Tons Per Beef Cow
Oklahoma Hay Use per Beef Cow

- 1970-1984 0.87 tons/cow  1,740 lbs
- 2006-2020 2.25 tons/cow  4,500 lbs

Why 2,760 lbs of extra hay needed per cow?
- Bigger cows
  - Does not account for increased hay use (maybe 20%)
  - Should they be bigger? What size cow is most efficient?
- Wasted Hay (maybe 40%)
  - 50% storage and feeding losses
- Longer Feeding Time (maybe 40%)
  - 30-40 days extra feeding
# Cattle Slaughter
Federally Inspected, 1000 Head

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>% Change 2019 to 2020</th>
<th>2021 YTD % Change 2019</th>
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</thead>
<tbody>
<tr>
<td>Steers</td>
<td>16637</td>
<td>16298</td>
<td>15856</td>
<td>-2.7</td>
<td>-1.3</td>
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<tr>
<td>Heifers</td>
<td>9167</td>
<td>9819</td>
<td>9445</td>
<td>-3.8</td>
<td>+0.4</td>
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<tr>
<td>Dairy Cows</td>
<td>3153</td>
<td>3224</td>
<td>3064</td>
<td>-5.0</td>
<td>-3.6</td>
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<tr>
<td>Beef Cows</td>
<td>3024</td>
<td>3190</td>
<td>3268</td>
<td>+2.4</td>
<td>+12.5</td>
</tr>
<tr>
<td>Bulls</td>
<td>538</td>
<td>539</td>
<td>518</td>
<td>-3.9</td>
<td>+2.8</td>
</tr>
<tr>
<td>Total</td>
<td>32518</td>
<td>33069</td>
<td>32151</td>
<td>-2.8</td>
<td>+0.3</td>
</tr>
</tbody>
</table>

Latest data: September 18, 2021
Oklahoma Slaughter Cow Prices
Boning, Average Dressing

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

$/cwt.

2019 2020 2021
WHOLESALE BONELESS BEEF PRICES
Fresh, 90% Lean, Weekly

Data Source: USDA-AMS
Livestock Marketing Information Center
Cull Cow Marketing Considerations

• Health/Physical Condition
• Body Condition
  • Thin cows can add weight
  • Sell fleshy cows now
• Feed resources
  • Extra feed – marginal quality
  • Best use of hay/standing forage?
• Management/facilities
  • Time and a place to keep them
Breaking Cows Seasonal Price Index,
Oklahoma, 2010-2019
% Change in Breaking Cow Price From Previous November
Oklahoma, 2010-2019

- JAN: 0%
- FEB: 15%
- MAR: 20%
- APR: 20%
- MAY: 15%
Cull Cow Feeding and Marketing Benefits

• Market cows at heavier weight
  • Weight gain during the feeding period

• Market into the upward trend in the seasonal price pattern (from November to July)

• Price premium
  • Improved body condition score (BCS)
  • Improved slaughter grade and dressing percentage

• Pregnant?
Cull Cow Feeding Cautions

• Cull cows may be a good way to utilize some medium quality hay or standing forage but...

• Cow are inefficient in feed conversion

• Important to carefully plan rations and manage feeding
# Feed Ingredient Prices, $/ton

<table>
<thead>
<tr>
<th>Ingredient</th>
<th>2020</th>
<th>2021</th>
<th>% Change</th>
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</thead>
<tbody>
<tr>
<td>Soy Meal</td>
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<td>314</td>
<td>-4.8</td>
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<tr>
<td>CSM</td>
<td>320</td>
<td>335</td>
<td>+4.7</td>
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<tr>
<td>Cottonseed</td>
<td>210</td>
<td>375</td>
<td>+78.6</td>
</tr>
<tr>
<td>Corn Gluten Feed</td>
<td>190</td>
<td>225</td>
<td>+18.4</td>
</tr>
<tr>
<td>DDG</td>
<td>149</td>
<td>225</td>
<td>+51.0</td>
</tr>
<tr>
<td>Wheat Midds</td>
<td>115</td>
<td>155</td>
<td>+34.8</td>
</tr>
<tr>
<td>Corn, #2 Yellow</td>
<td>124</td>
<td>187</td>
<td>+51.0</td>
</tr>
</tbody>
</table>
ESTIMATED AVERAGE COW CALF RETURNS
Returns Over Cash Cost (Includes Pasture Rent), Annual

$ Per Cow

Data Source: USDA & LMIC, Compiled by LMIC
Livestock Marketing Information Center

C-P-66
09/01/21
Summary

• Higher cattle prices expected
• Higher grain/feed/hay prices will persist
• Other input prices rising
• Better profitability prospects but cost management critical
The Weekly Email Newsletter
From OSU Animal Science and Agricultural Economics

• Send Email to
derrell.peel@okstate.edu