



# Maintaining Profitability with Higher Input Prices

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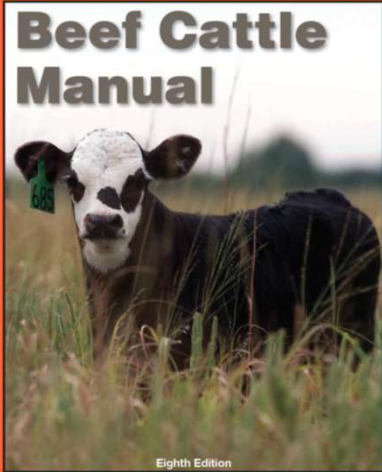
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## Beef Cattle Manual

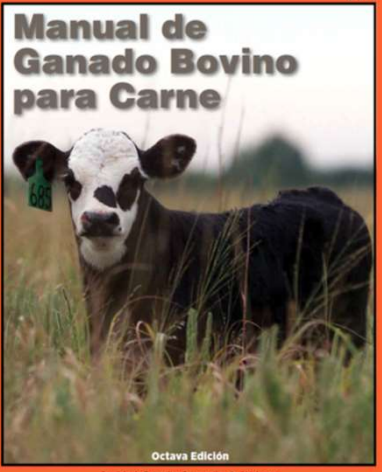


Eighth Edition

Oklahoma Cooperative Extension Service  
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## Manual de Ganado Bovino para Carne



Octava Edición

Servicio de Extensión Cooperativa de Oklahoma  
División de Ciencias Agrícolas y Recursos Naturales  
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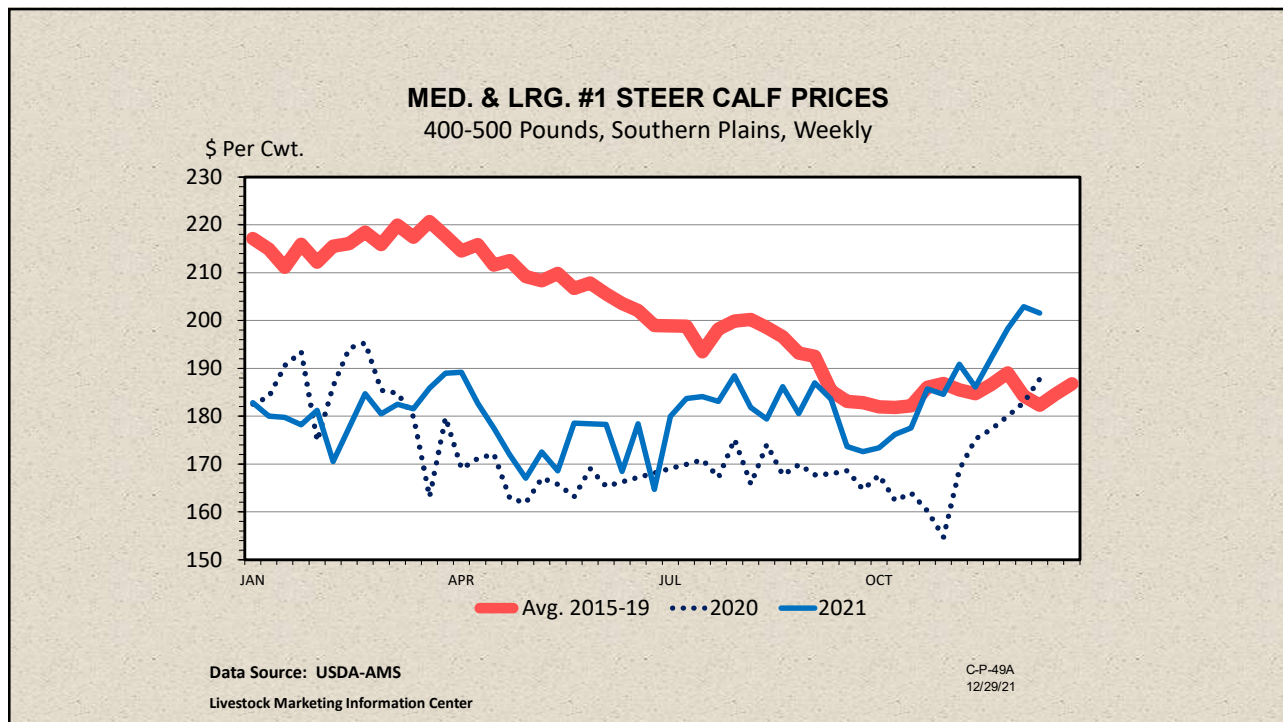
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## Key Cattle Market Factors

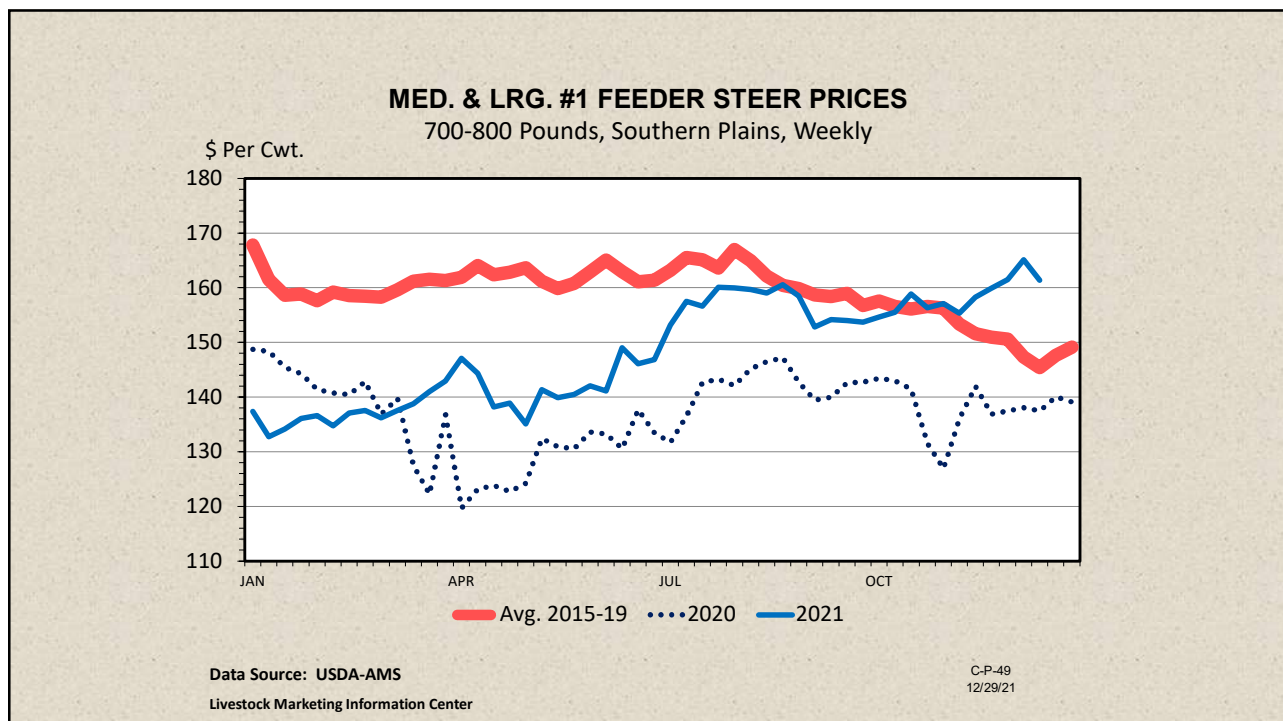
- Cattle numbers declining
- Demand
  - COVID Impacts
- Drought
- Feed Prices



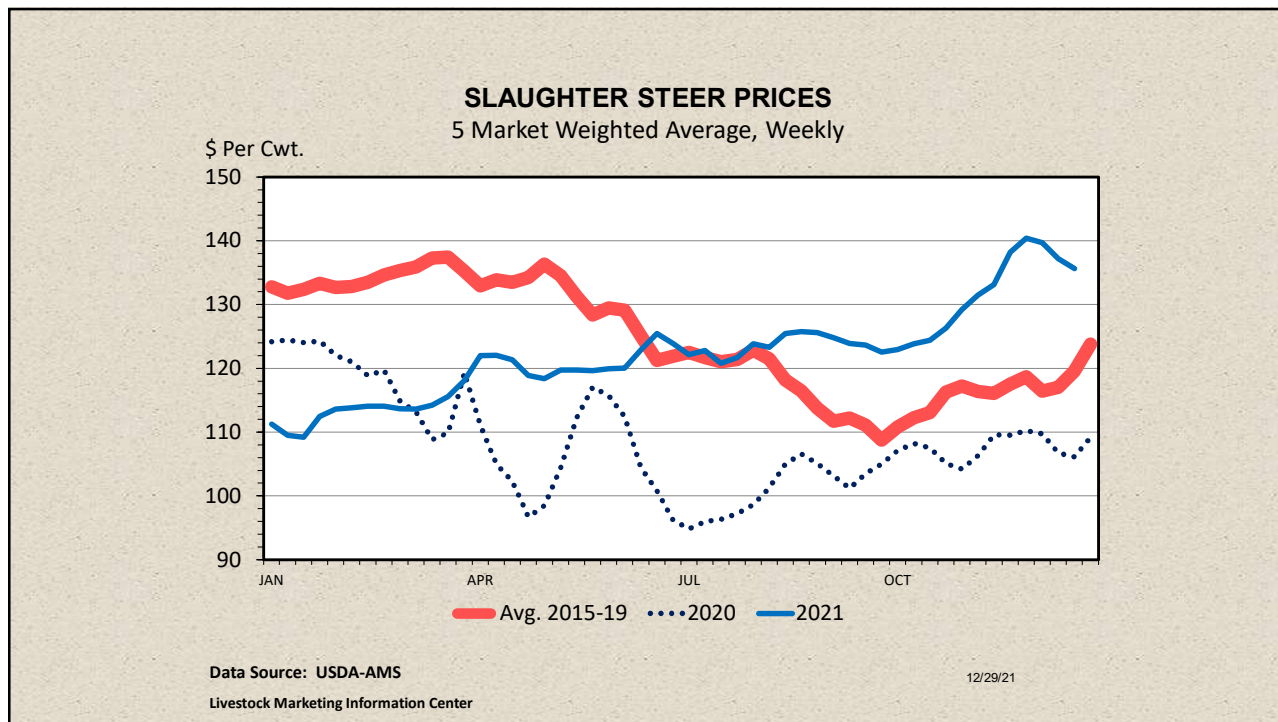
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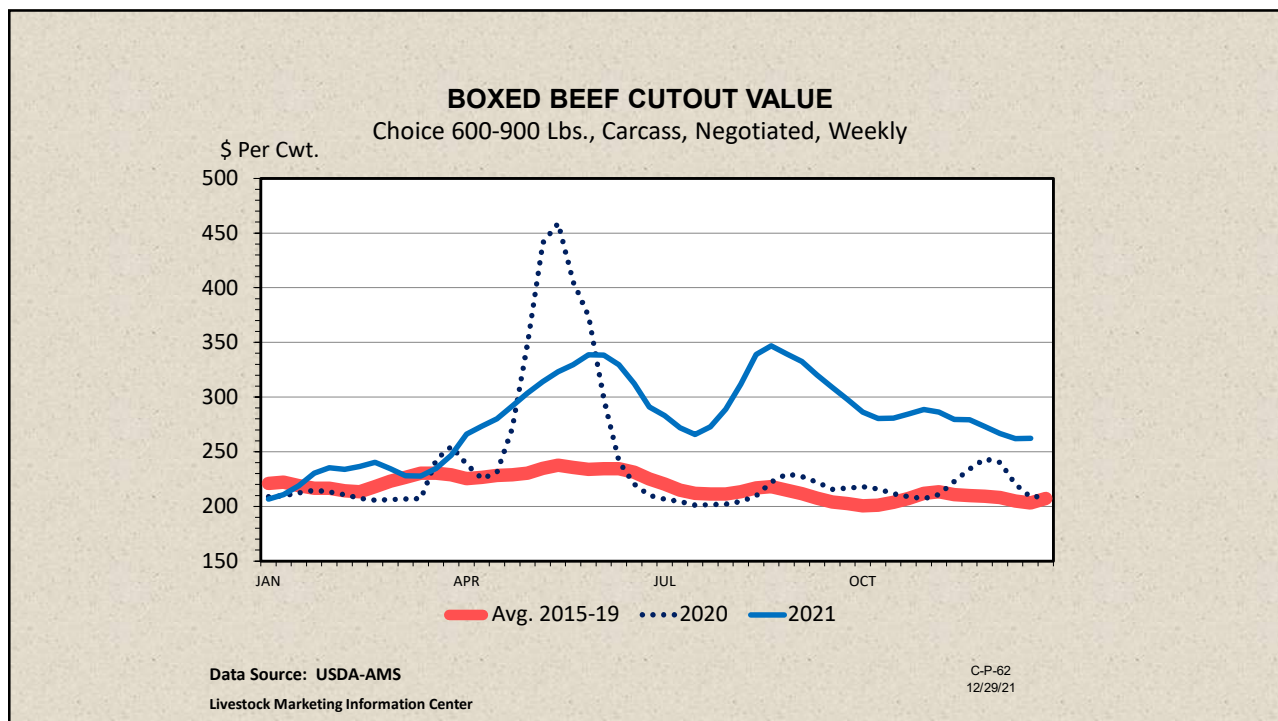
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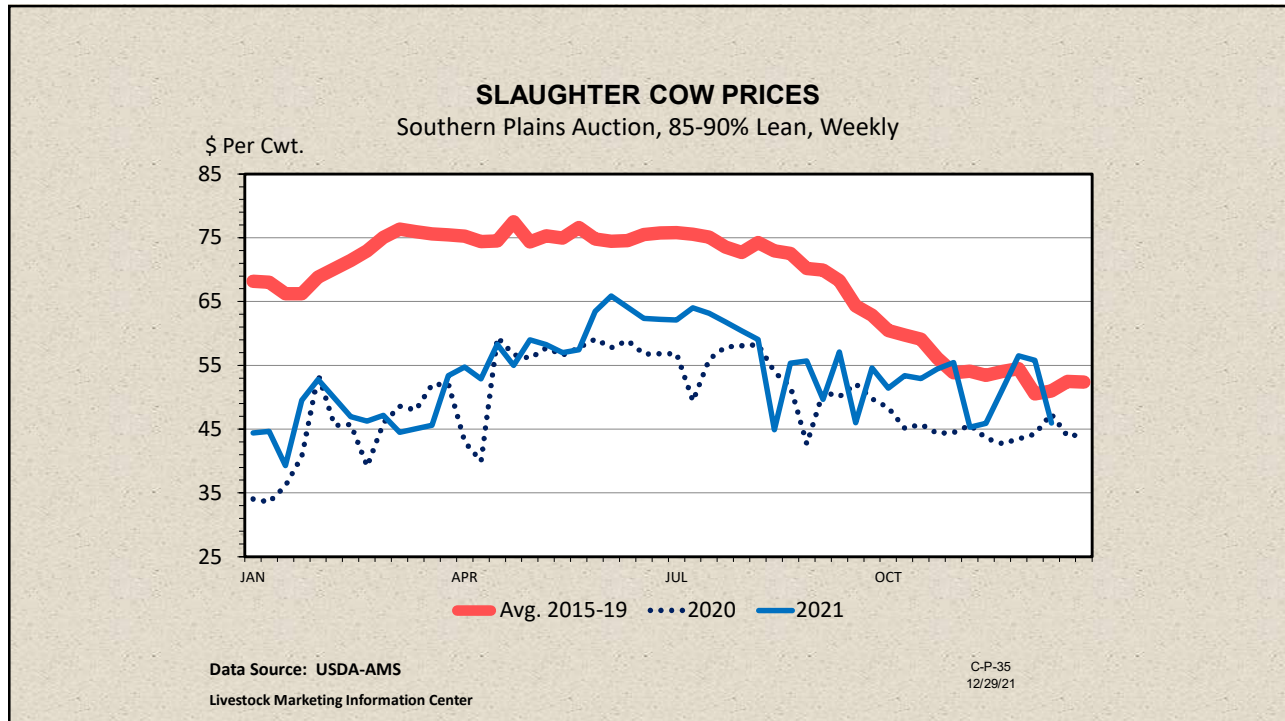
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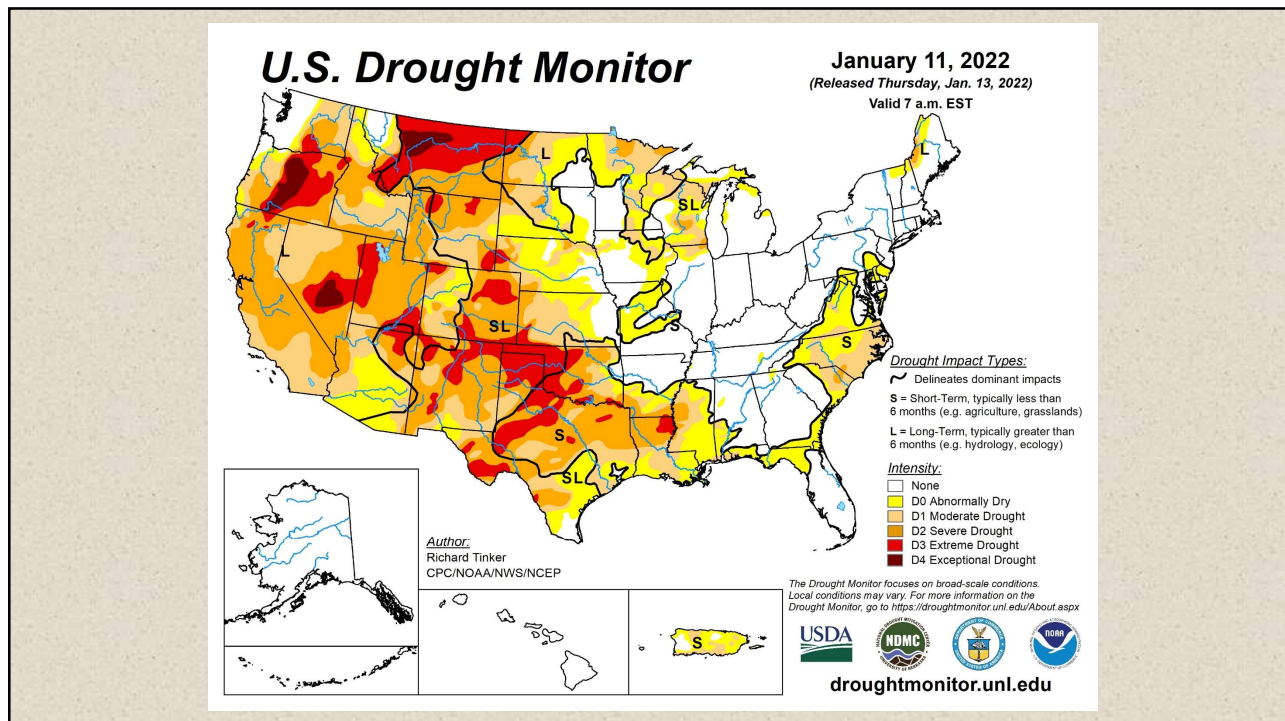
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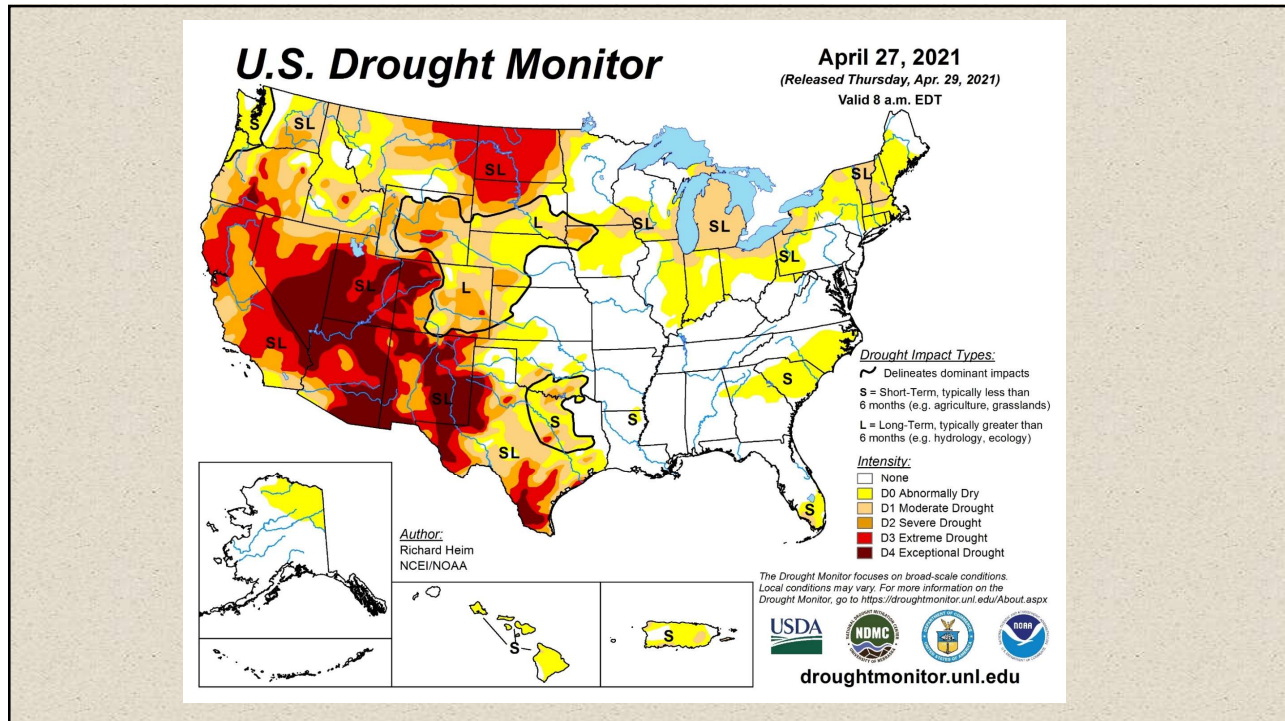
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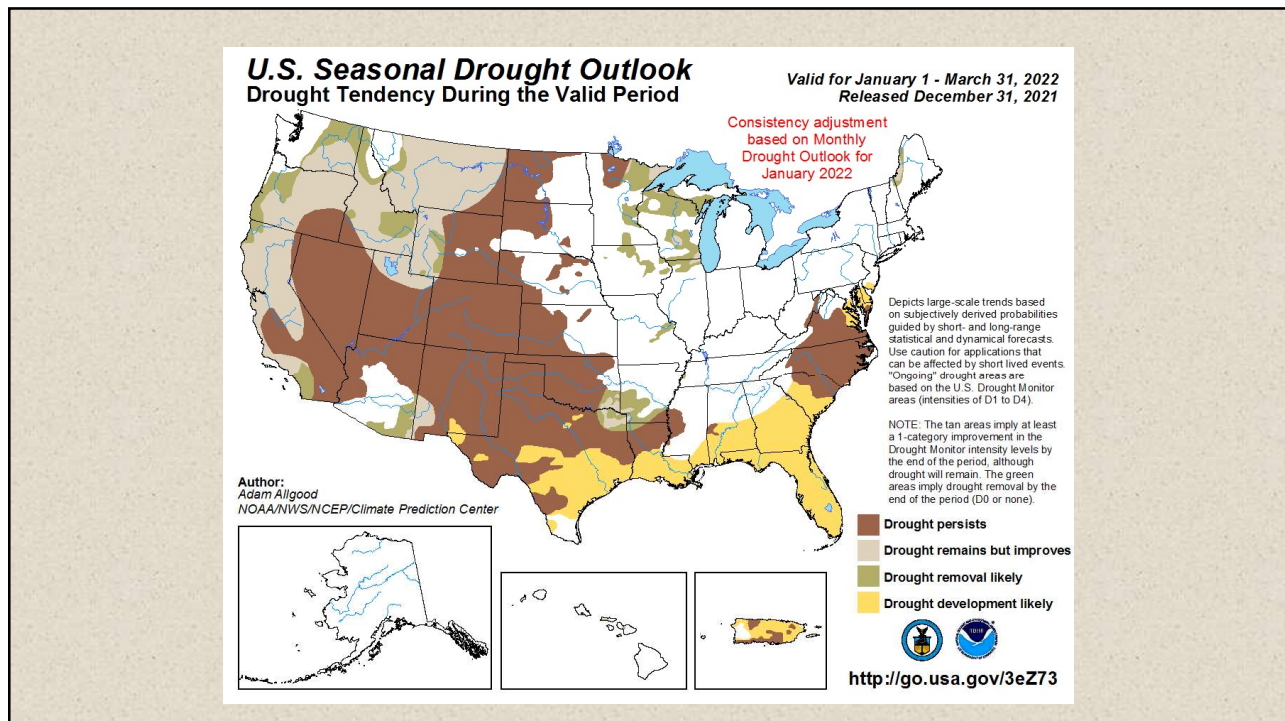
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## U.S. Cattle Inventory January 1

	2018	2019	2020	% Change	2021	% Change
	1000 Head	1000 Head	1000 Head		1000 Head	
All Cattle and Calves	94298.0	94804.7	93793.3	-1.1	93594.5	-0.2
Beef Cows	31466.2	31690.7	31338.7	-1.1	31157.6	-0.6
Dairy Cows	9432.1	9353.4	9342.6	-0.1	9440.4	+1.1
Beef Replacements	6108.2	5884.9	5808.9	-1.3	5812.1	+0.1
Dairy Replacements	4768.3	4701.5	4684.0	-0.4	4604.5	-1.7
Feeder Supply	26124.9	26553.3	25714.0	-3.2	25662.0	-0.2
Cattle on Feed	14146.0	14367.9	14657.7	+2.1	14707.4	+0.3
	2017	2018	2019		2020	
Calf Crop	35758.2	36312.7	35591.6	-2.0	35135.5	-1.3

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### January 1, 2021 1000 Head (% of last year)

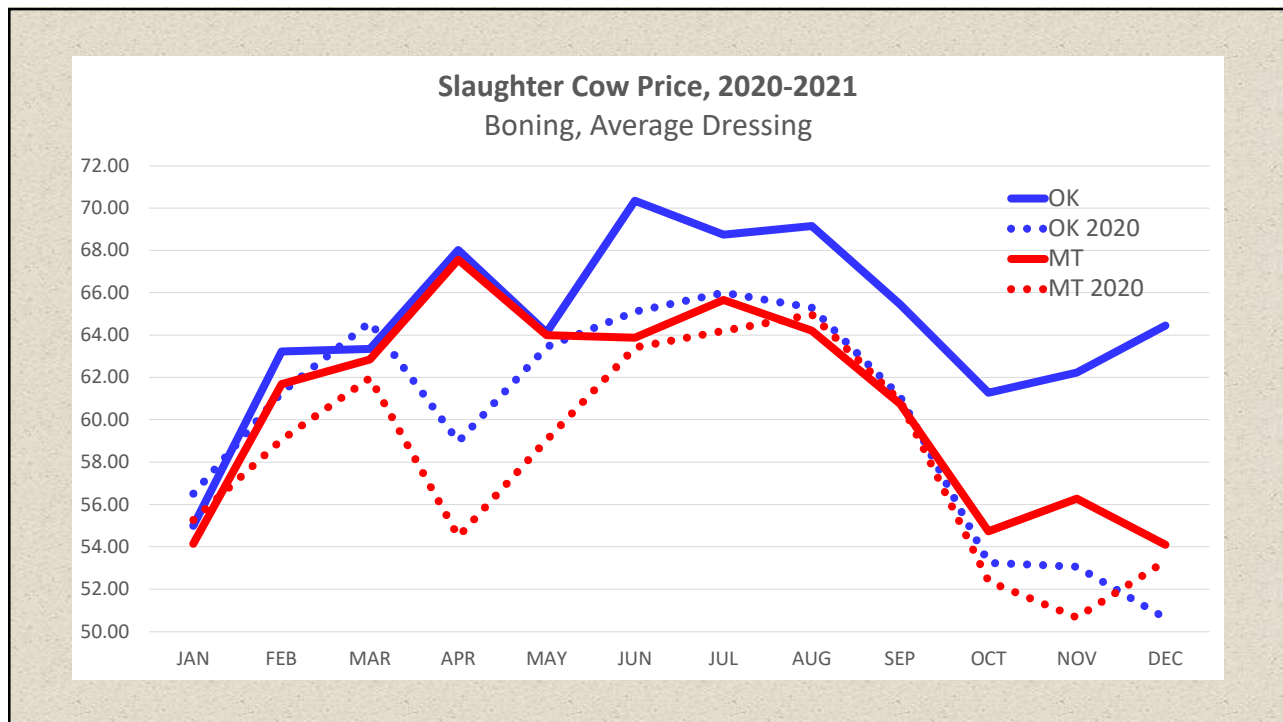
#### Beef Cows

- 1 TX 4,685 (103)
- 2 OK 2,189 (104)
- 3 MO 2,035 (98)
- 4 NE 1,900 (99)
- 5 SD 1,799 (101)
- 6 KS 1,477 (102)
- 7 MT 1,419 (99)
- 8 KY 983 (96)
- 9 ND 975 (98)
- 10 FL 928 (103)

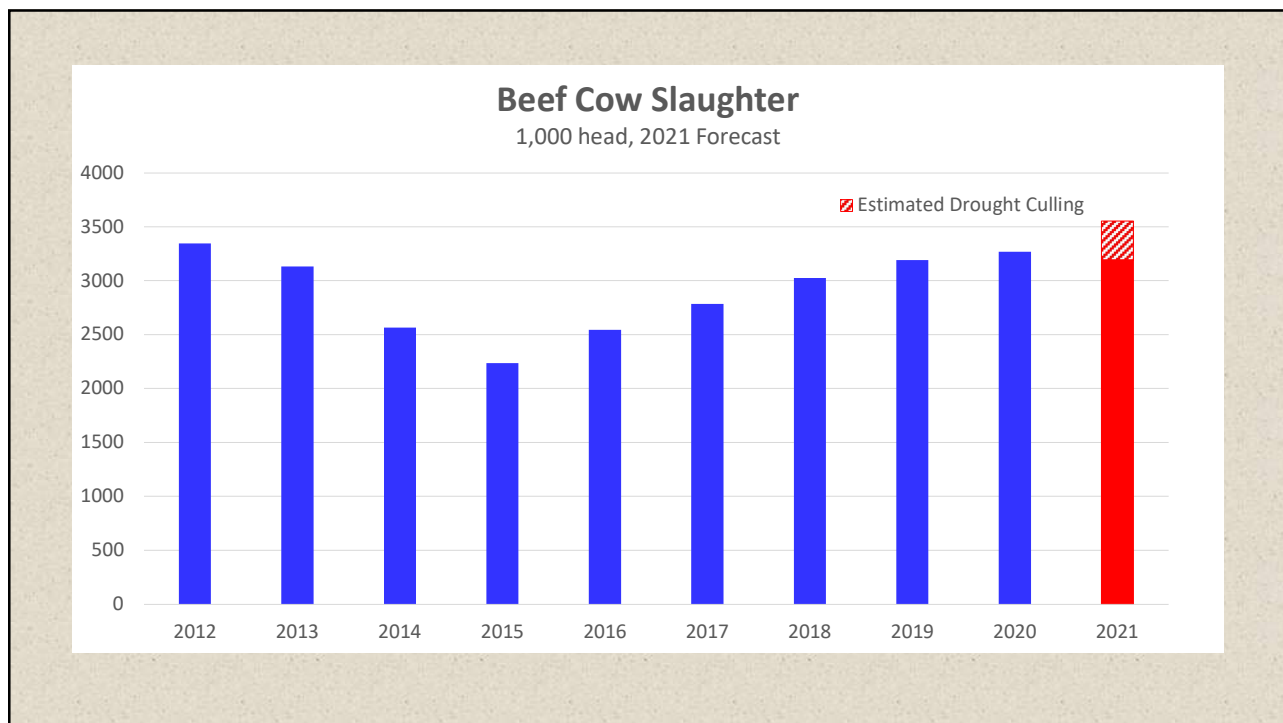
#### Beef Heifers

- 1 TX 820 (103)
- 2 OK 410 (111)
- 3 MT 380 (97)
- 4 SD 370 (103)
- 5 NE 350 (95)
- 6 MO 335 (100)
- 7 KS 270 (108)
- 8 ND 204 (112)
- 9 AR 158 (105)
- 10 IA/WY 155

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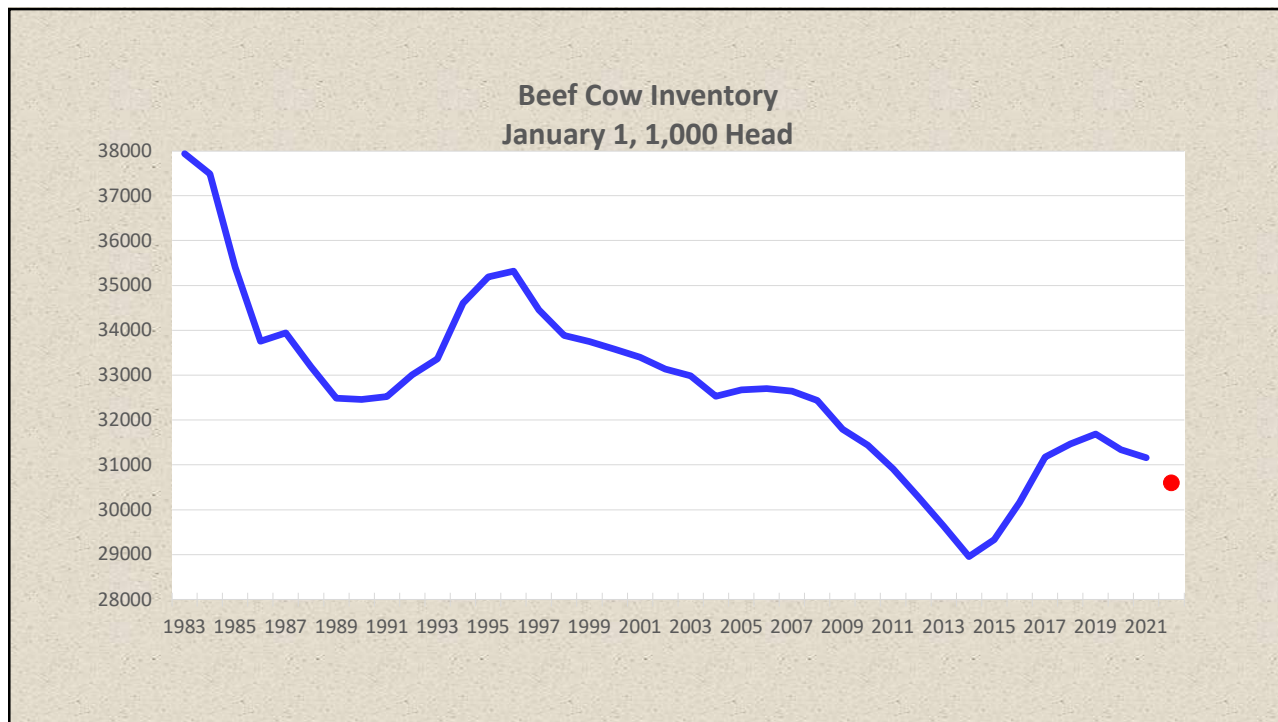


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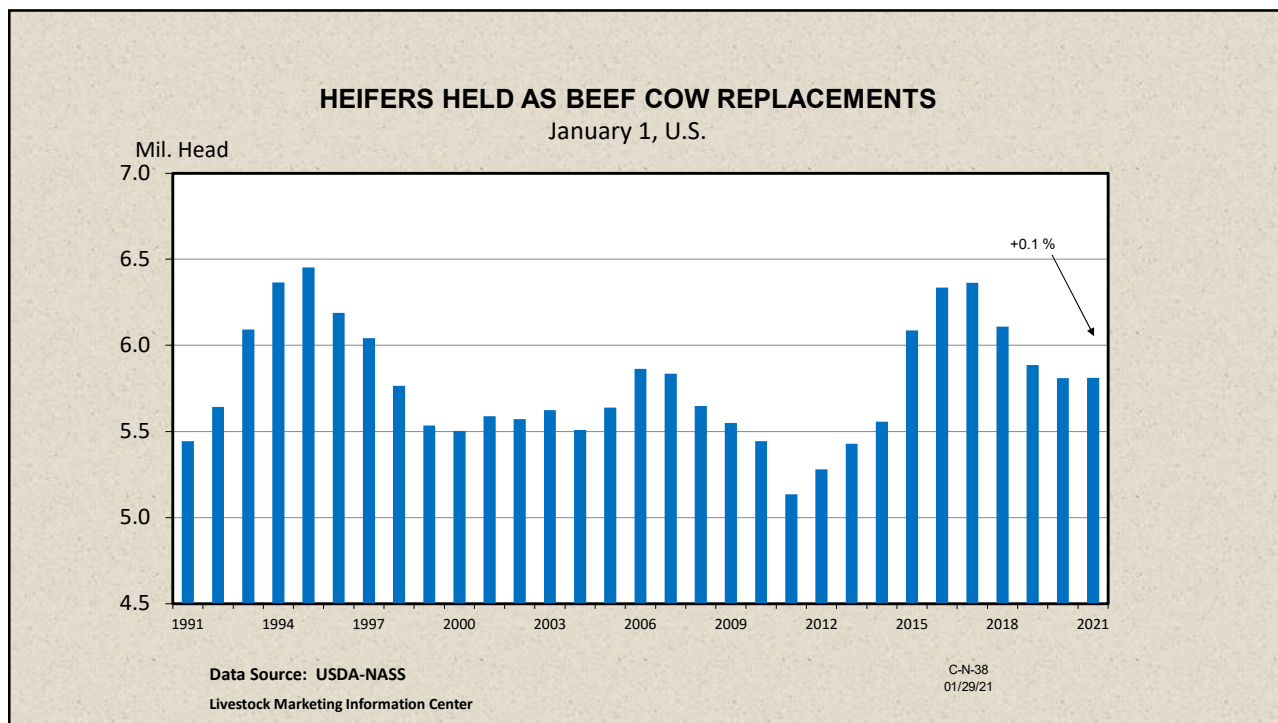


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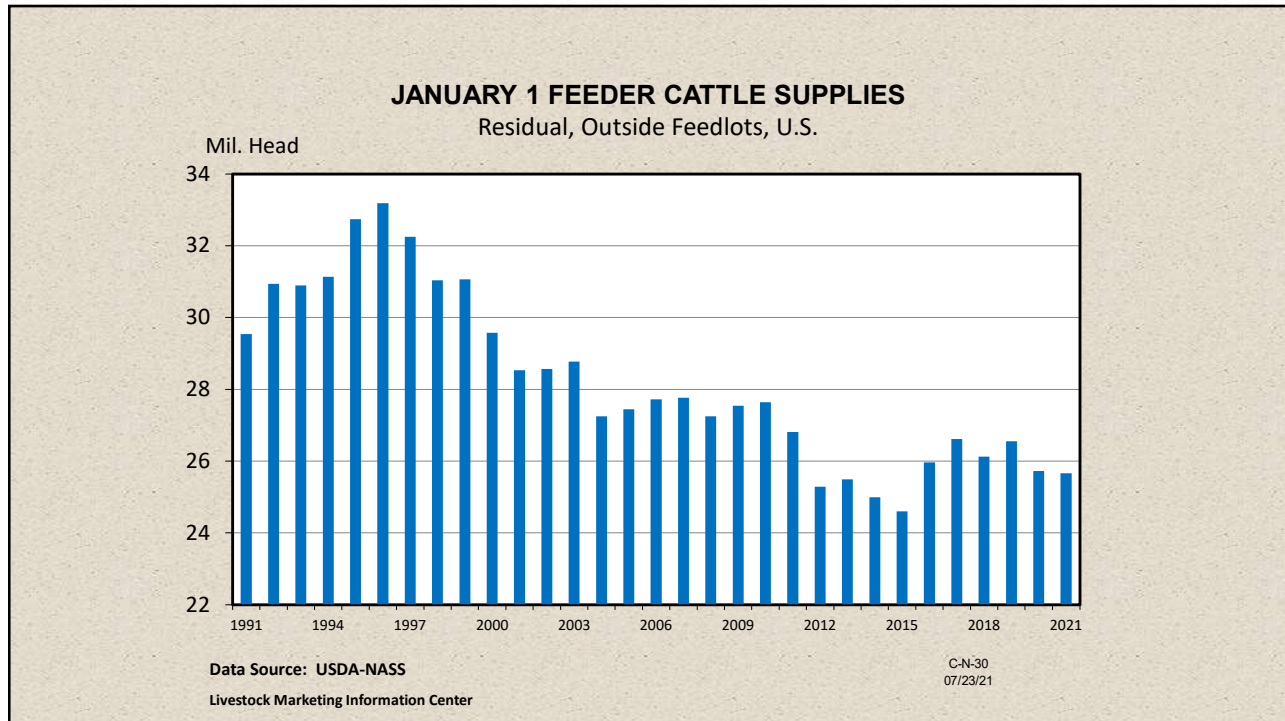




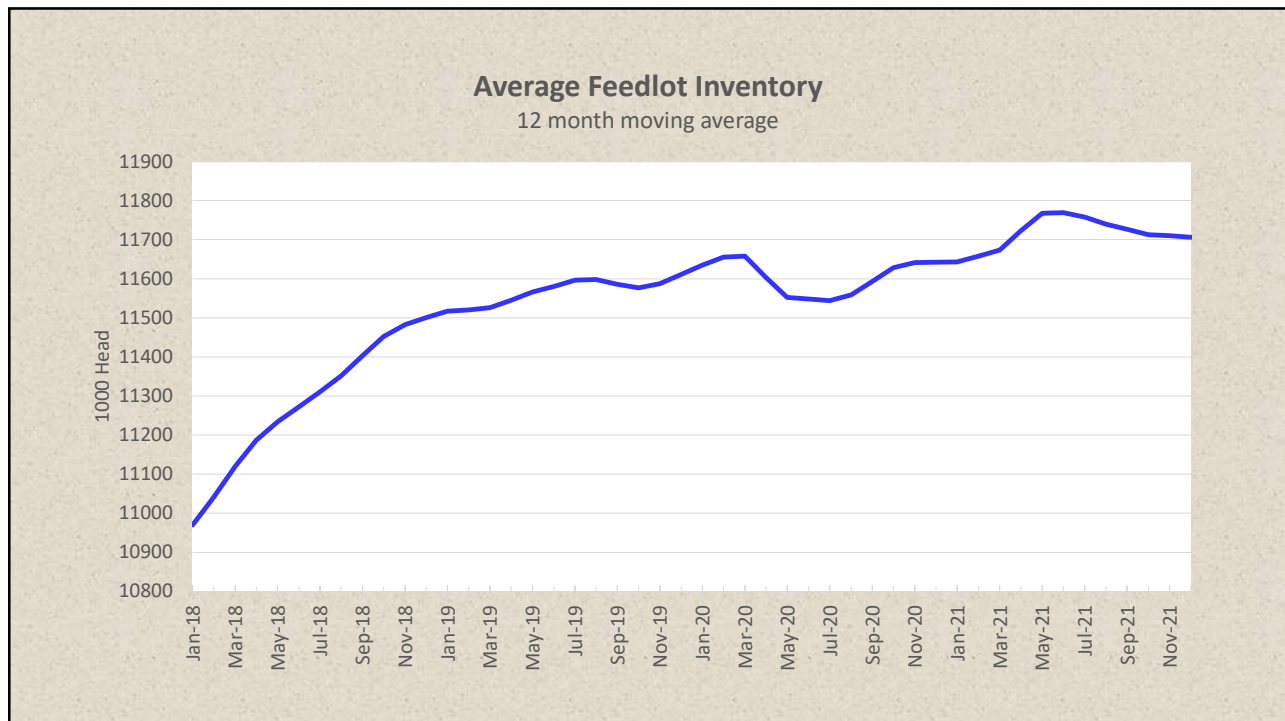
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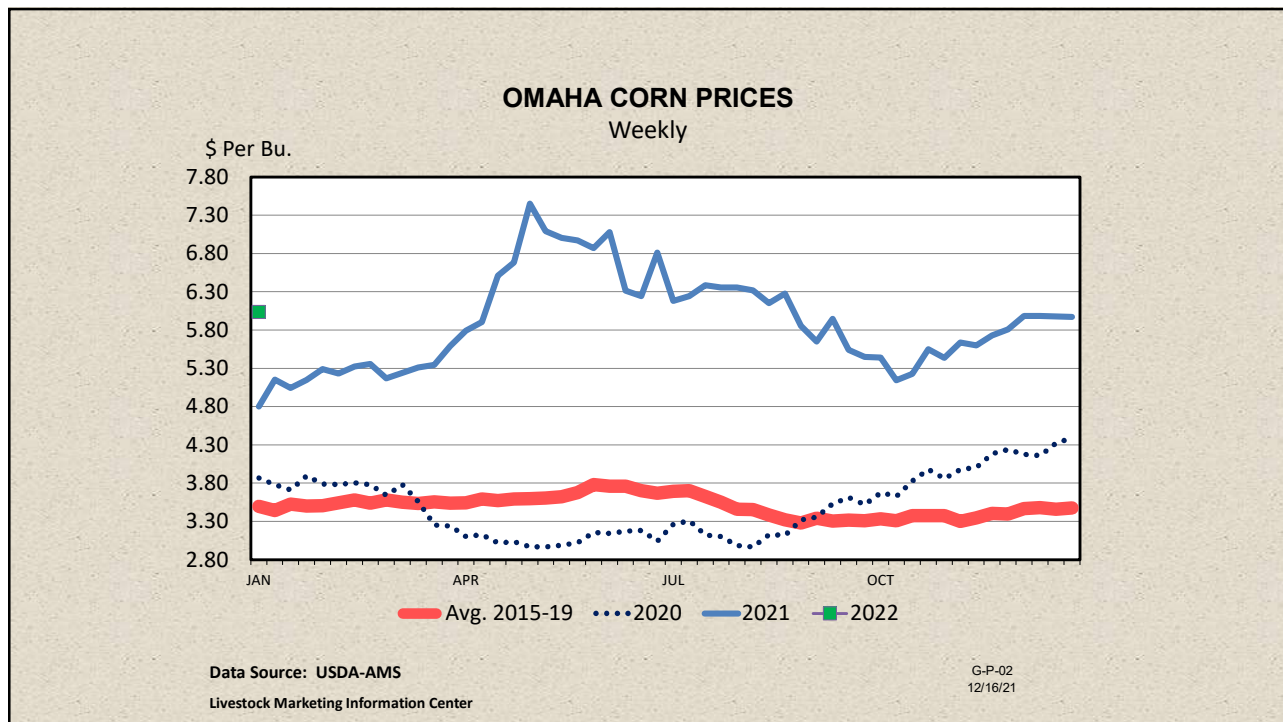
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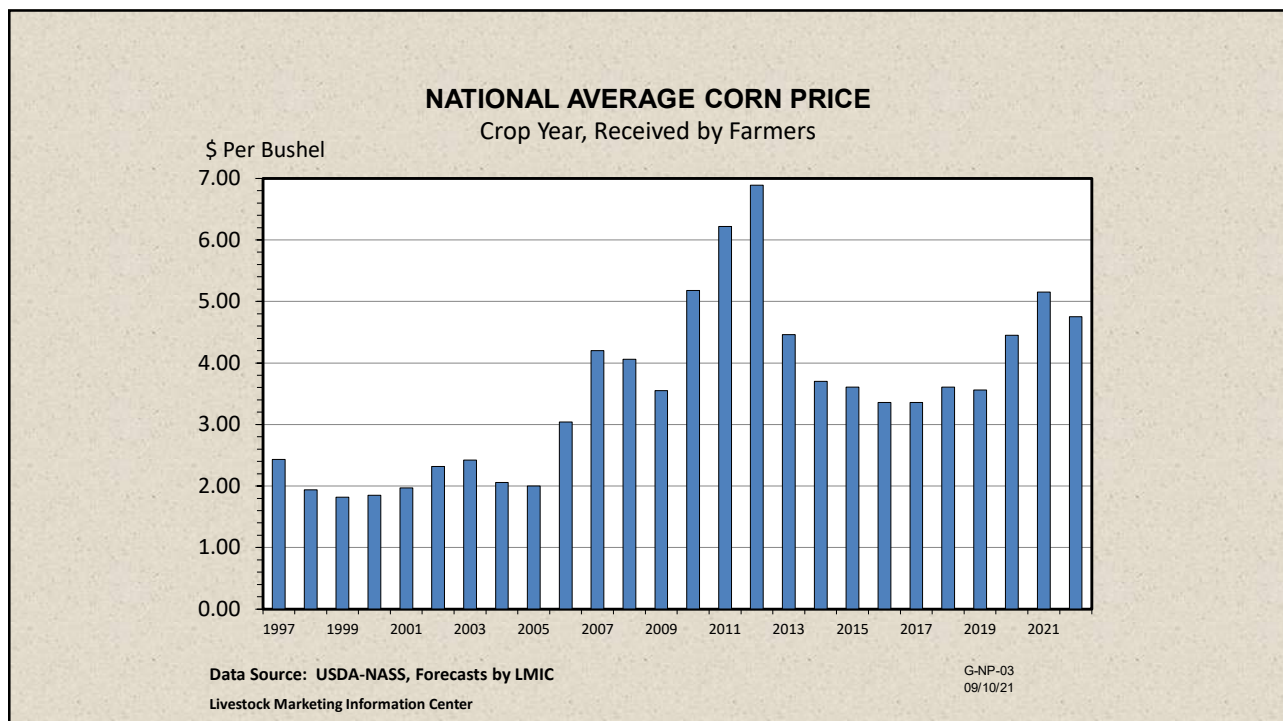
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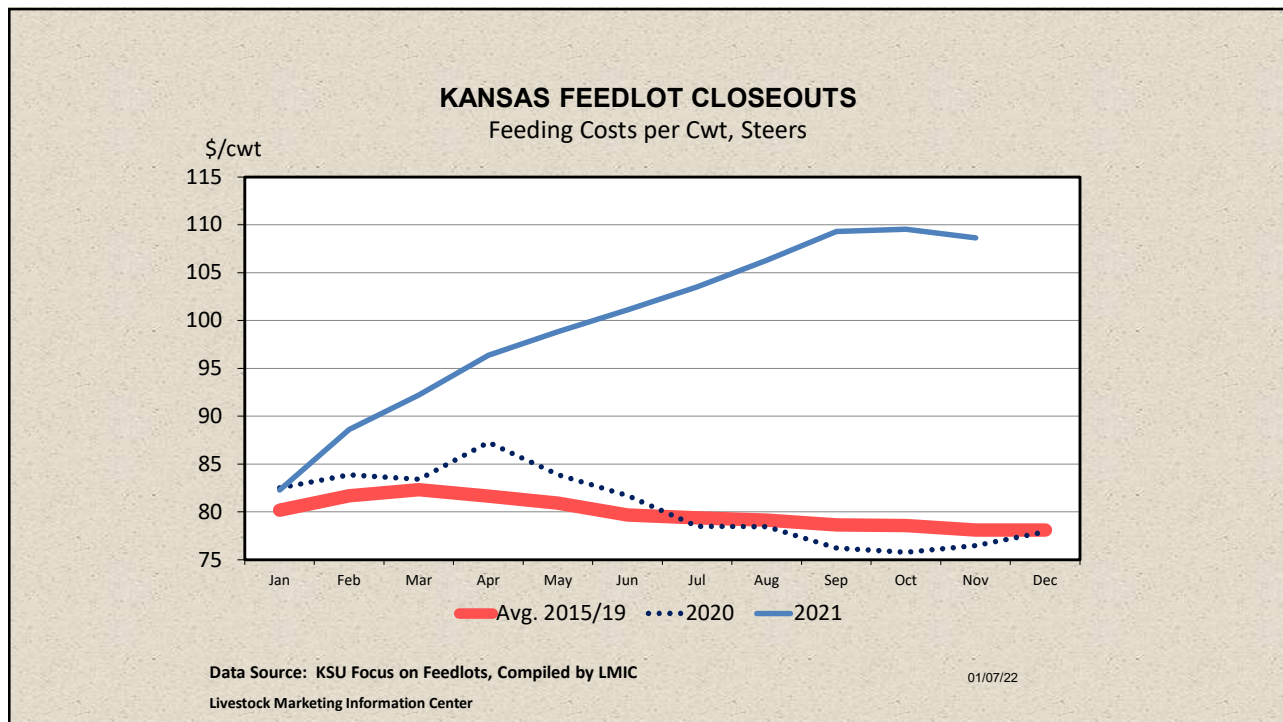
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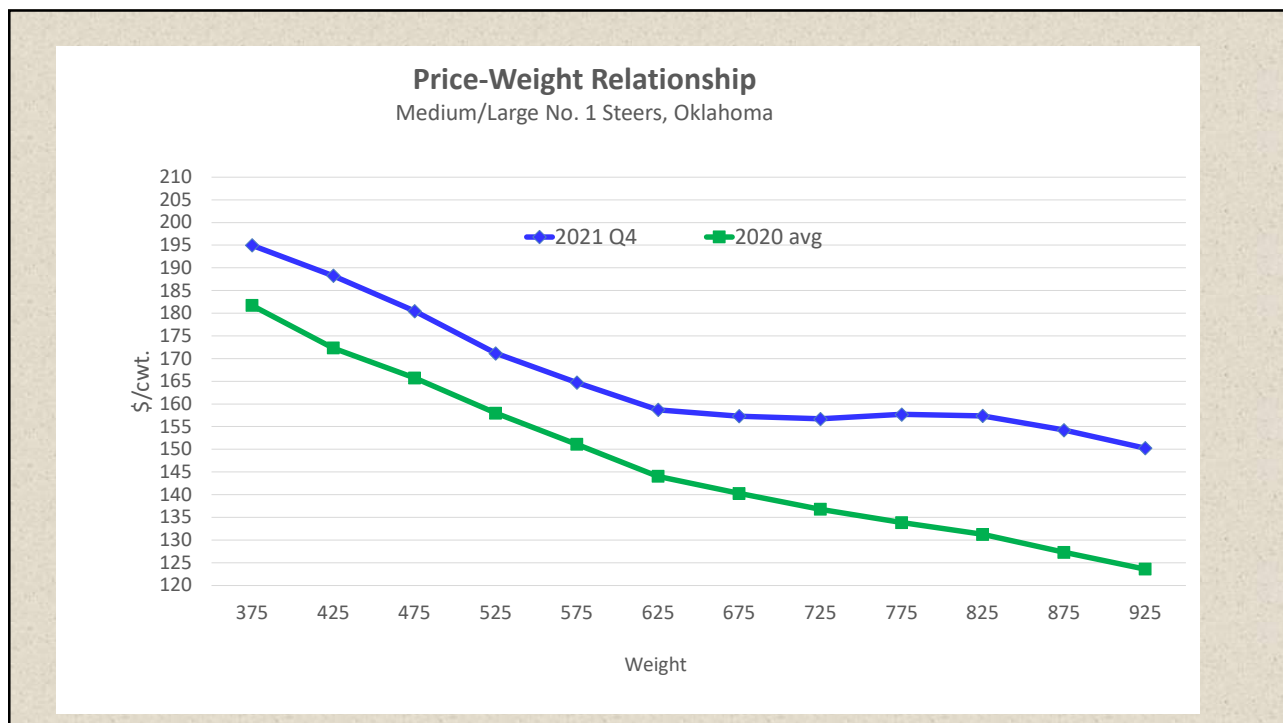
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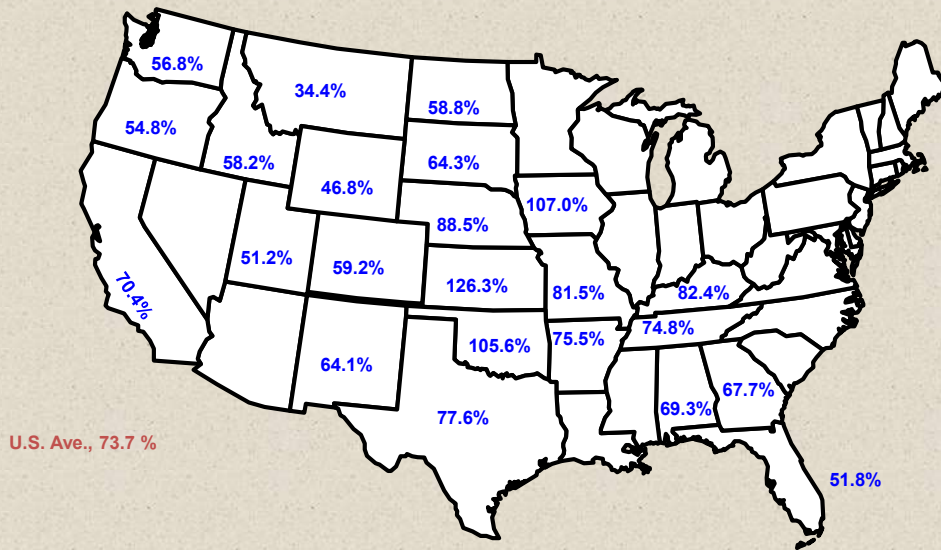
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**Steer Price, Total Value and Value of Gain  
January 7, 2022, Oklahoma Combined Auction**

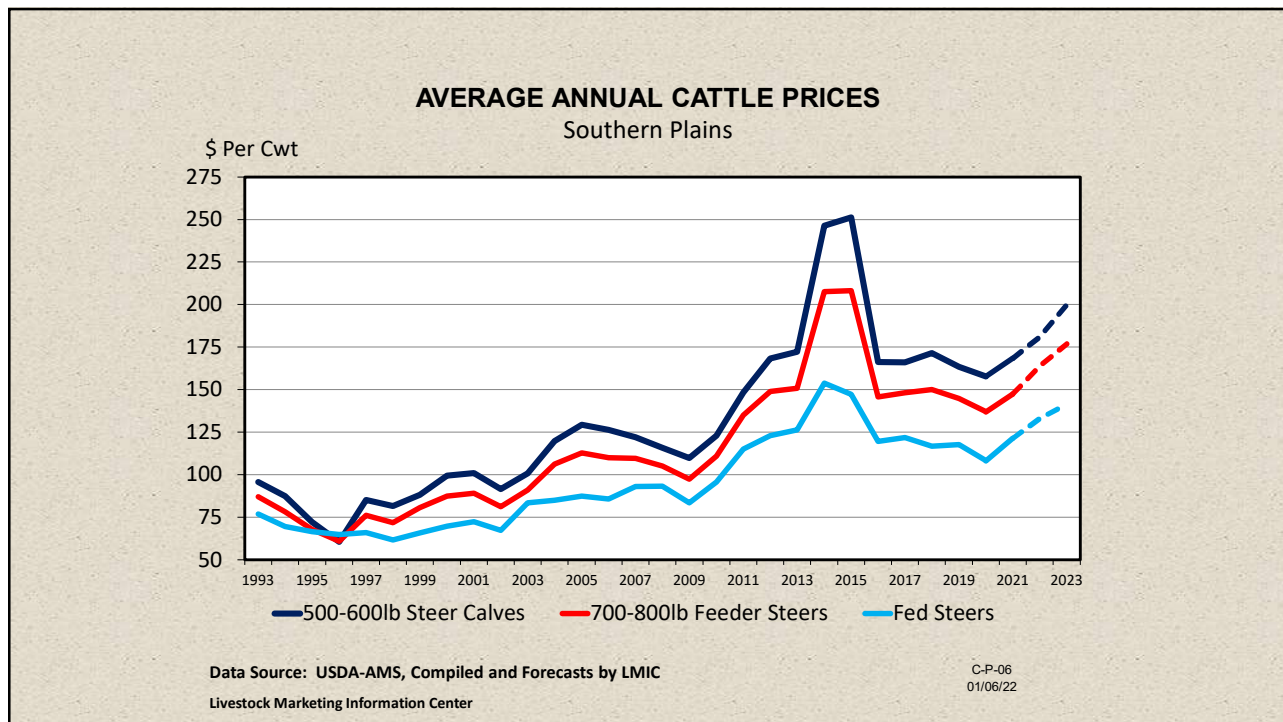
Weight (lbs)	Average Price (\$/cwt.)	Total Value (\$/hd)	VOG 400 lb. Beg. Weight (\$/lb.)	VOG 450 lb. Beg. Weight (\$/lb.)	VOG 500 lb. Beg. Weight (\$/lb.)	VOG 550 lb. Beg. Weight (\$/lb.)	VOG 600 lb. Beg. Weight (\$/lb.)	VOG 650 lb. Beg. Weight (\$/lb.)
400	\$204.13	\$817						
450	\$197.58	\$889	\$1.45					
500	\$190.78	\$954	\$1.37	\$1.30				
550	\$181.63	\$999	\$1.22	\$1.10	\$0.90			
600	\$169.75	\$1,019	\$1.01	\$0.86	\$0.65	\$0.39		
650	\$163.58	\$1,063	\$0.99	\$0.87	\$0.73	\$0.64	\$0.89	
700	\$161.99	\$1,134	\$1.06	\$0.98	\$0.90	\$0.90	\$1.15	\$1.41
750	\$159.52	\$1,196	\$1.09	\$1.02	\$0.97	\$0.99	\$1.19	\$1.33
800	\$157.57	\$1,261	\$1.11	\$1.06	\$1.02	\$1.05	\$1.21	\$1.32
850	\$156.24	\$1,328	\$1.14	\$1.10	\$1.07	\$1.10	\$1.24	\$1.32
900	\$153.97	\$1,386	\$1.14	\$1.10	\$1.08	\$1.10	\$1.22	\$1.29

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**January 1 Stocker Ratio, 2012-2021**



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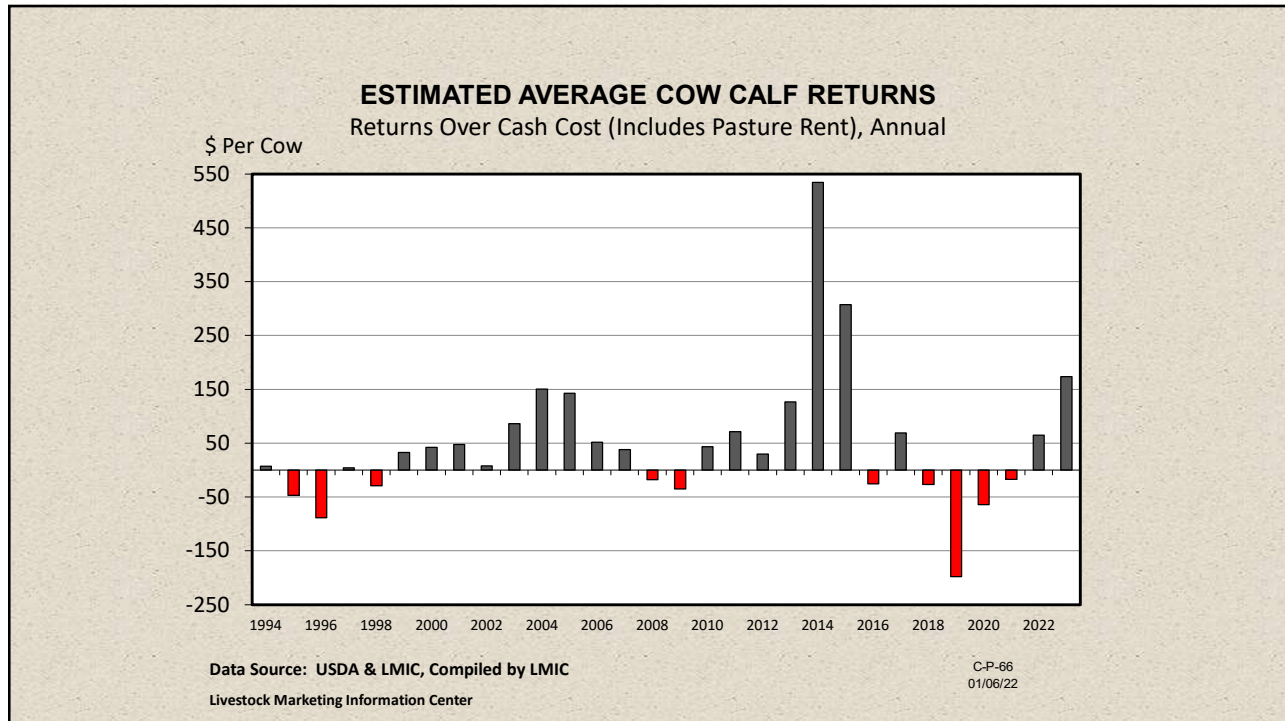
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### 2021-2022 Cattle Price Forecasts

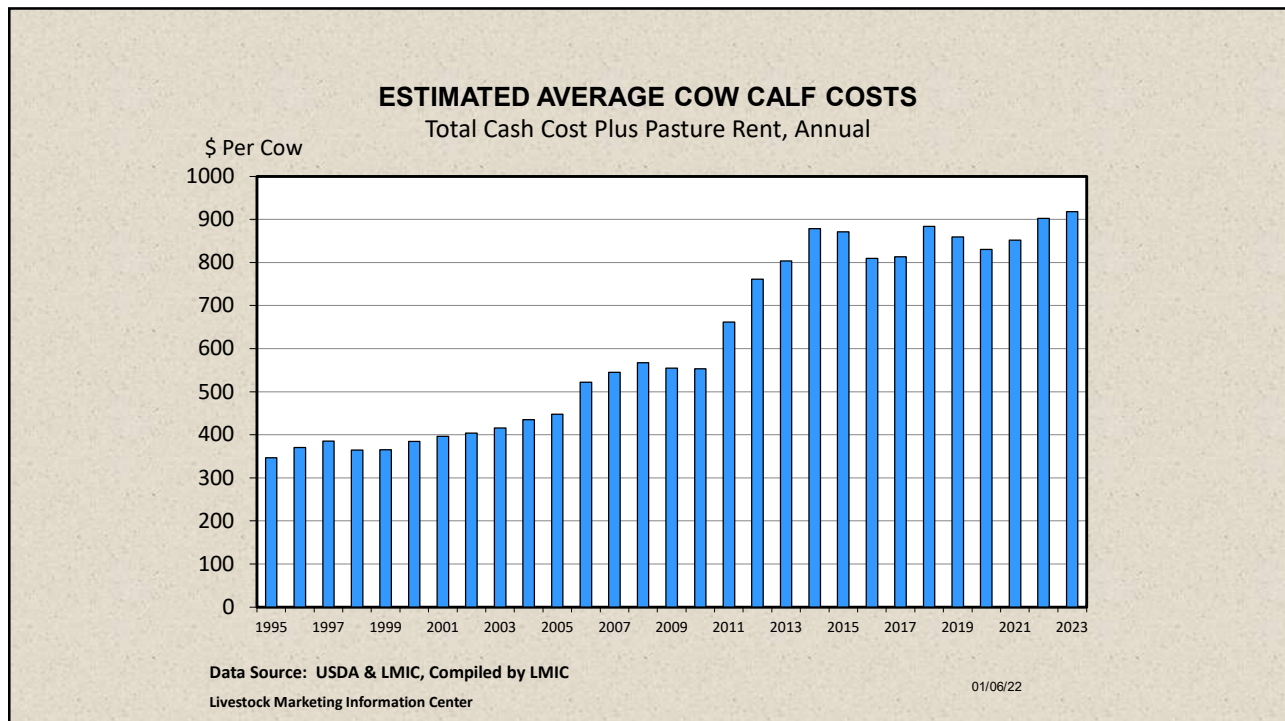
		Feeder Steer Price (Southern Plains)				Fed Steer	
		5-600 lb. (\$/cwt.)	% chg from Last Year	7-800 lb. (\$/cwt.)	% chg from Last Year	5-mkt avg. (\$/cwt)	% chg from Last Year
<b>2020</b>	IV	155.00	-2.0	138.05	-6.8	108.18	-5.8
	Annual	157.82	-3.4	137.09	-5.2	108.51	-6.8
<b>2021</b>	IV	172.17	+11.1	158.62	+14.9	131-132	+21.6
	Annual	168.59	+6.8	148.43	+8.3	121-122	+12.0
<b>2022</b>	I	180-183	+10.1	161-162	+18.2	132-135	+18.2
	II	180-185	+10.3	158-162	+12.7	135-139	+13.4
	III	180-190	+7.6	163-173	+7.4	126-131	+4.0
	IV	178-188	+6.3	158-168	+2.8	130-136	+1.1
	Annual	182-183	+8.3	163-165	+10.5	132-134	+9.5

LMIC, January 6, 2021

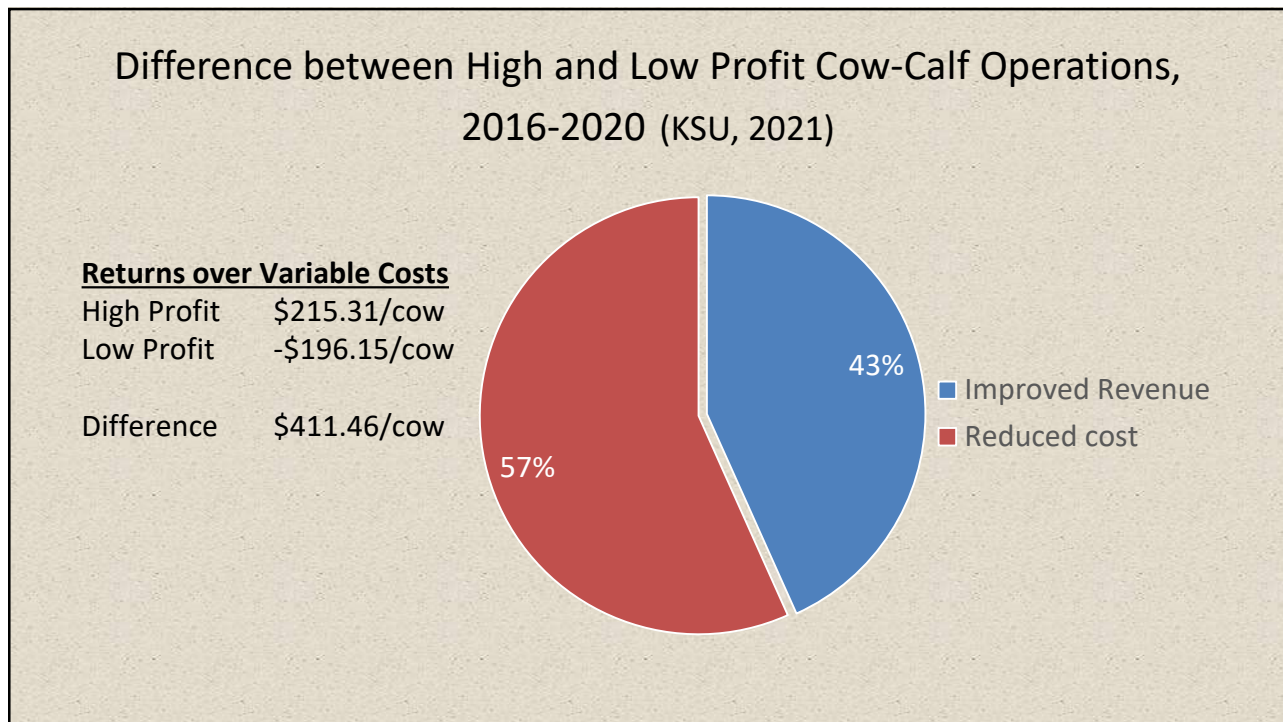
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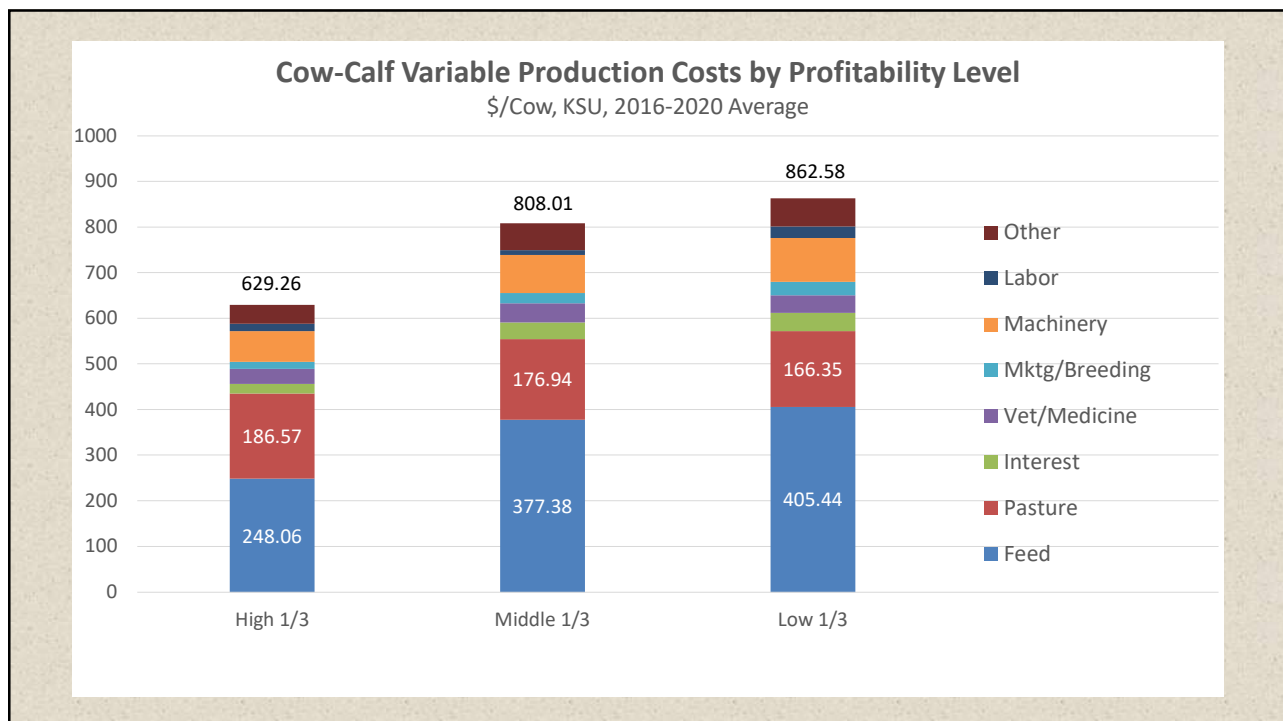
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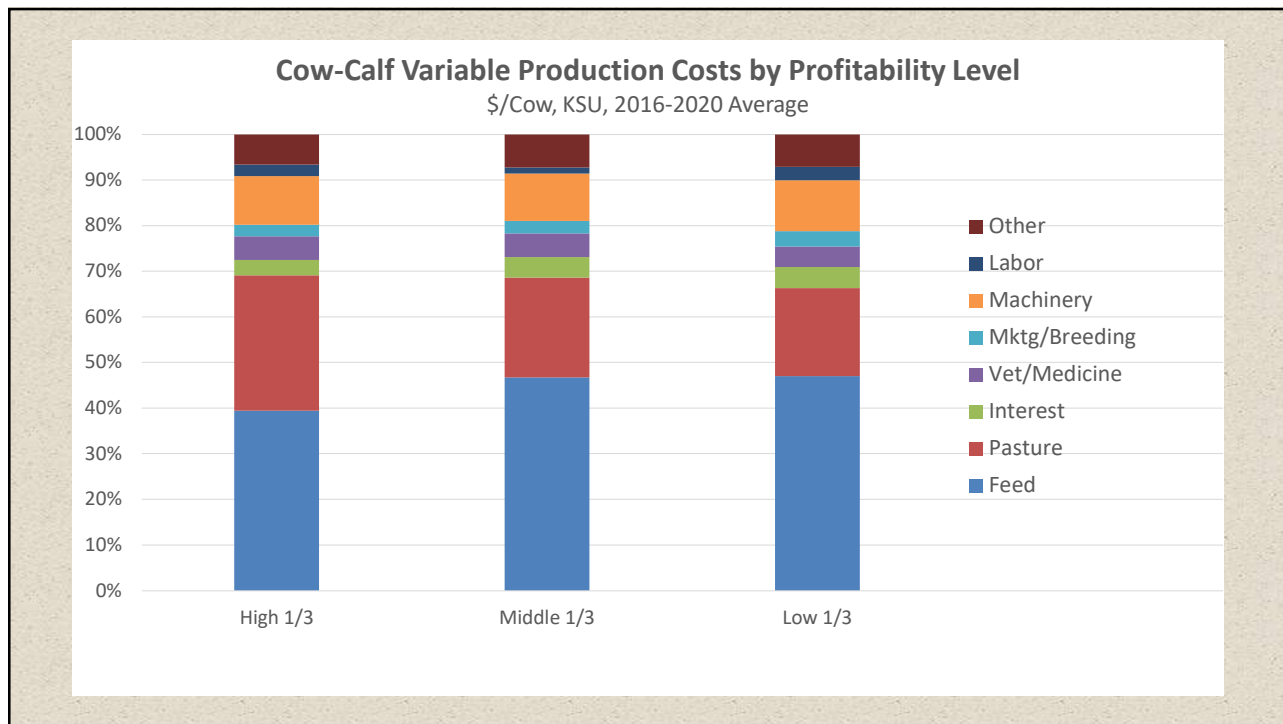


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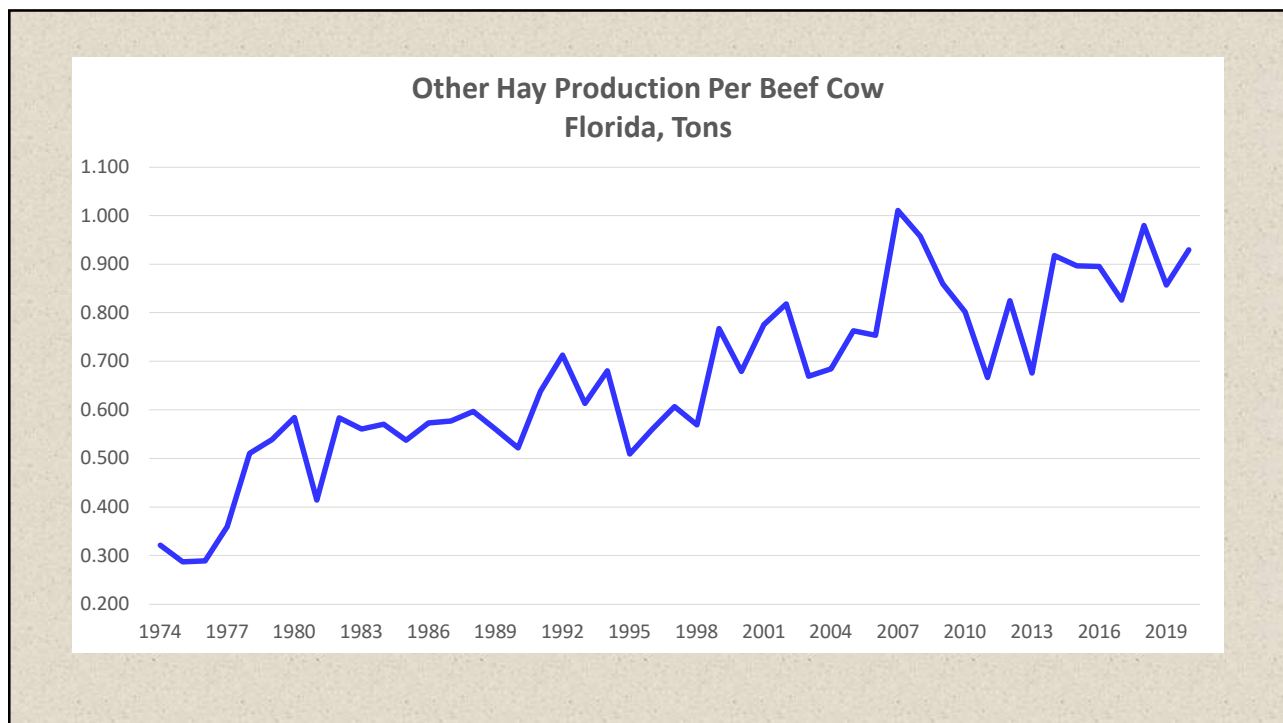


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## Florida Other Hay Use per Beef Cow

- 1974-1983                      0.445 tons/cow                      890 lbs.
- 2006-2020                      0.847 tons/cow                      1,694 lbs.
- Why 804 lbs of extra hay needed per cow?
  - Bigger cows
    - Does not account for increased hay use (maybe 15-20%)
    - 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

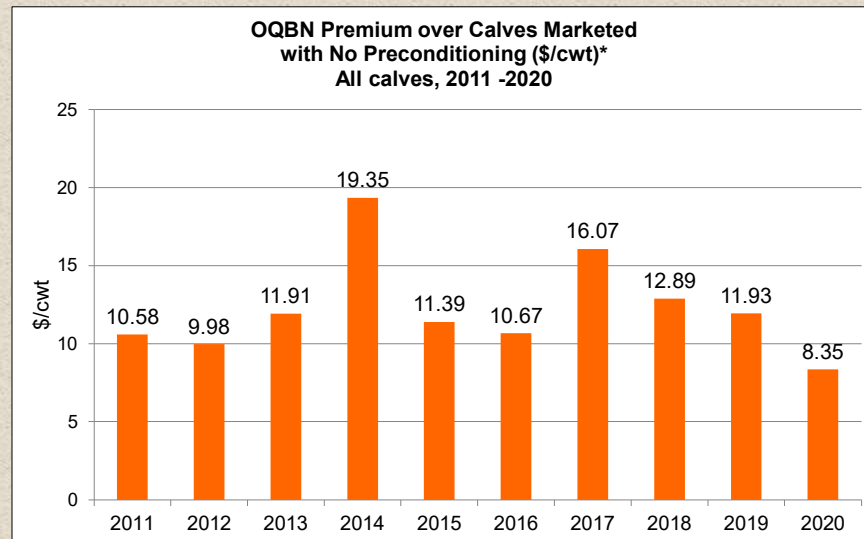


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## Characteristics of High Profit Cow-Calf Operations

- Larger Herds
- Bigger calves and higher weaning percentage
- Higher calf sale price
- More pasture per cow and higher pasture costs
- Less non-grazing feed costs
- Other costs lower (vet, marketing, depreciation, machinery, interest, other)

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\*Premium is weighted average premium for preconditioned calves relative to non-preconditioned calves at same sale.  
Source: K.C. Raper and D.S. Peel, Historical OQBN data collection

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## Considerations for Maintaining Profitability

- Market Grass
  - Grazing management (grazing duration, pasture quality)
- Manage Feed Costs
  - Minimize hay costs
    - Reduce need (i.e. grazing management)
    - Quality, storage, feeding
  - Judicious use of supplemental feeds (nutritional management)
- Preconditioned calves?
- Retained ownership?
- Cull cow marketing

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# Cow-Calf Corner

The Weekly Email Newsletter

From OSU Animal Science and Agricultural Economics

- Send Email to **derrell.peel@okstate.edu**



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