



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

January 28, 1976

NUMBER OF CATTLE ON FEED UP SHARPLY

THE CATTLE FEEDING INDUSTRY has regained much of the volume lost during the past couple of years. The Crop Reporting Board of the USDA announced that almost 12.3 million cattle were on feed January 1. This was an increase of 28 percent from the 9.6 million head on feed a year ago, yet still substantially under the 1974 figure of 13.1 million or the record high of 13.9 million recorded in 1973.

The major increase in cattle on feed came from the custom feeding areas, where grain sorghum is a major feed. The increase in Texas alone was 550,000. Texas, Kansas, Nebraska, Iowa and California accounted for 72 percent of the increase.

KINDS OF CATTLE ON FEED

Steers and steer calves on feed January 1 numbered 8,256,000--up 20 percent from last year. Heifers and heifer calves were up 50 percent, at 3,963,000. The increase of almost 2.7 million head on feed was about equally divided between heifers and steers. This sizable increase coming in numbers of heifers on feed is encouraging to the cattle industry. Heifers will be marketed at lighter weights, thus increasing the total tonnage of beef much less than an equal increase in steers would produce.

EXPECTED MARKETINGS

Feeders indicated they planned to market 12 percent more fed cattle this quarter (January - March) than a year ago. The weight distribution of cattle on feed would seem to indicate that the large part of the increase will come during the latter part of the quarter.

Combining the number of steers in particular weight classes with heifers of the next lower classification gives some guide to expected marketing patterns. The heaviest category, steers over 1,100 pounds and heifers over 900 pounds, totaled 986,000. This was a reduction of 11 percent from last year. Most of these cattle have now been marketed. Steers in the 900- to 1,099-pound range and heifers weighing 700 to 899 pounds numbered 3,995,000--a 24 percent increase from last year. These cattle will provide the bulk of the marketings through March. Steers at 700 to 899 pounds and heifers at 500 to 699 pounds provided the largest increase, totaling

4,172,000. This is a 43 percent increase from last year. These cattle will be moving to market from March on and will provide the bulk of the spring marketings.

IMPLICATIONS

Consumers might view this report as good news. Yet, the numbers do not mean nearly as great an increase in beef supplies as the percentages might indicate. More high-quality fed beef will be available, but the amount of non-fed and lower quality beef will be reduced. Beef supplies reached a record high in 1975 of about 120 pounds per person. This may be increased by 4 or 5 pounds in 1976.

For cattle feeders, the sharp increases will cause concern about the market prices of cattle. A key factor will be how soon and how much the slaughter of cows and non-fed cattle is reduced. Total slaughter is at record levels. Cow slaughter will probably continue to be large in relation to past years, but is likely to decline.

The prices of fed cattle will show some further weakness, but will be well above the average of about \$36 per hundred for choice cattle in the first quarter of 1975. When spring pasture arrives and the slaughter of cows and non-fed cattle is sharply reduced, prices will improve but will not show the sharp increase that occurred last year. Second-quarter prices will be below the \$48 average for choice cattle which occurred last year, but will still show a seasonal rise.

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