

NORTHWEST CATTLE
FEEDERS SHORTCOURSE

THE OHIO CATTLE FEEDING INDUSTRY:

- Prospects
- Competition
- Pricing
- Potential

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UNITED STATES CATTLE BALANCE SHEET (48 States)
(1000 Head)

Year	Total Cows	Cattle Jan. 1	Net Imports	Calf Crop	Total Cattle	Total Slaughter		Death Losses		Unexp. Appearance	Cattle End of Year	Total Beef
	Jan. 1				Supply	Cattle	Calves	Cattle	Calves			Production ^{a/} (Mil. Lbs.)
1961	46,505 ^{h/}	97,485	1,019	40,114	138,618	26,471	8,080	1,530	2,479	91	100,149	15,300
				(86.26%) ^{b/}								
1962	47,561 ^{h/}	100,149	1,231	41,375	142,755	26,911	7,857	1,579	2,535	391	104,264	15,298
				(86.99%) ^{b/}								
1963	48,872 ^{h/}	104,264	829	42,201	147,294	28,070	7,204	1,517	2,470	-316	107,677	16,428
				(86.35%) ^{b/}								
1964	50,341 ^{h/}	107,677	485	43,739	151,901	31,678	7,632	1,594	2,625	397	108,769	18,429
				(86.80%) ^{b/}								
1965	51,113 ^{h/}	108,769	1,074	43,853	153,696	33,171	7,788	1,637	2,597	118	108,621	18,699
				(85.80%) ^{b/}							(-0.1%)	(+1.5%)
1966	50,311 ^{h/}	108,621	1,065	42,448	153,134	34,171	6,861	1,607	2,416	322	108,401	19,694
				(86.36%) ^{b/}							(-0.2%)	(+5.3%)
1967	49,776 ^{h/}	108,401	745	43,688	152,834	34,295	6,107	1,522	2,505	497	108,902	20,185
				(87.77%) ^{b/}		(-0.4%)					(+0.5%)	(+2.5%)
1968	49,940 ^{h/}	108,902	1,039	44,163	154,104	35,414	5,613	1,504	2,471	536	109,638	20,842
				(88.43%) ^{b/}		(-3.3%)	(-7.9%)				(+0.7%)	(+3.3%)
1969	50,267 ^{h/}	109,638	1,002	45,115	155,755	32,574	5,010	1,517	2,604	1,018	112,048	21,126
				(89.75%) ^{b/}		(+0.4%)					(+2.2%)	(+1.4%)
1970	48,875 ^{i/}	112,048	1,080	45,827	158,955	35,354	4,204	1,569	2,728	-868	114,212	21,652
				(93.8%) ^{c/}		(-0.4%)					(+1.9%)	(+2.5%)
1971	49,841 ^{i/}	114,212	875	46,897	161,984	35,897	3,821	1,650	2,831	-123	117,662	21,870
	(+2.0%)			(94.1%) ^{c/}		(+1.5%)					(+3.0%) ^{g/}	(+0.9%)
1972	50,898 ^{i/}	117,662	1,000 ^{d/}	48,368	167,030	36,800 ^{d/}	3,500 ^{d/}	1,700 ^{d/}	2,900 ^{d/}	0	122,100 ^{e/}	
	(+2.1%)			(95.0%) ^{c/}		(+2.5%)						

^{a/} Not including veal.

^{b/} Calf crop as a per cent of January 1 cows and heifers 2 years and older.

^{c/} Calf crop as a per cent of January 1 cows that have calved.

^{d/} Estimated.

^{e/} Residual.

^{h/} Cows and heifers 2 years and older.

^{i/} Cows that have calved.

IMPORTS OF CATTLE AND CALVES FROM CANADA AND MEXICO^{a/}

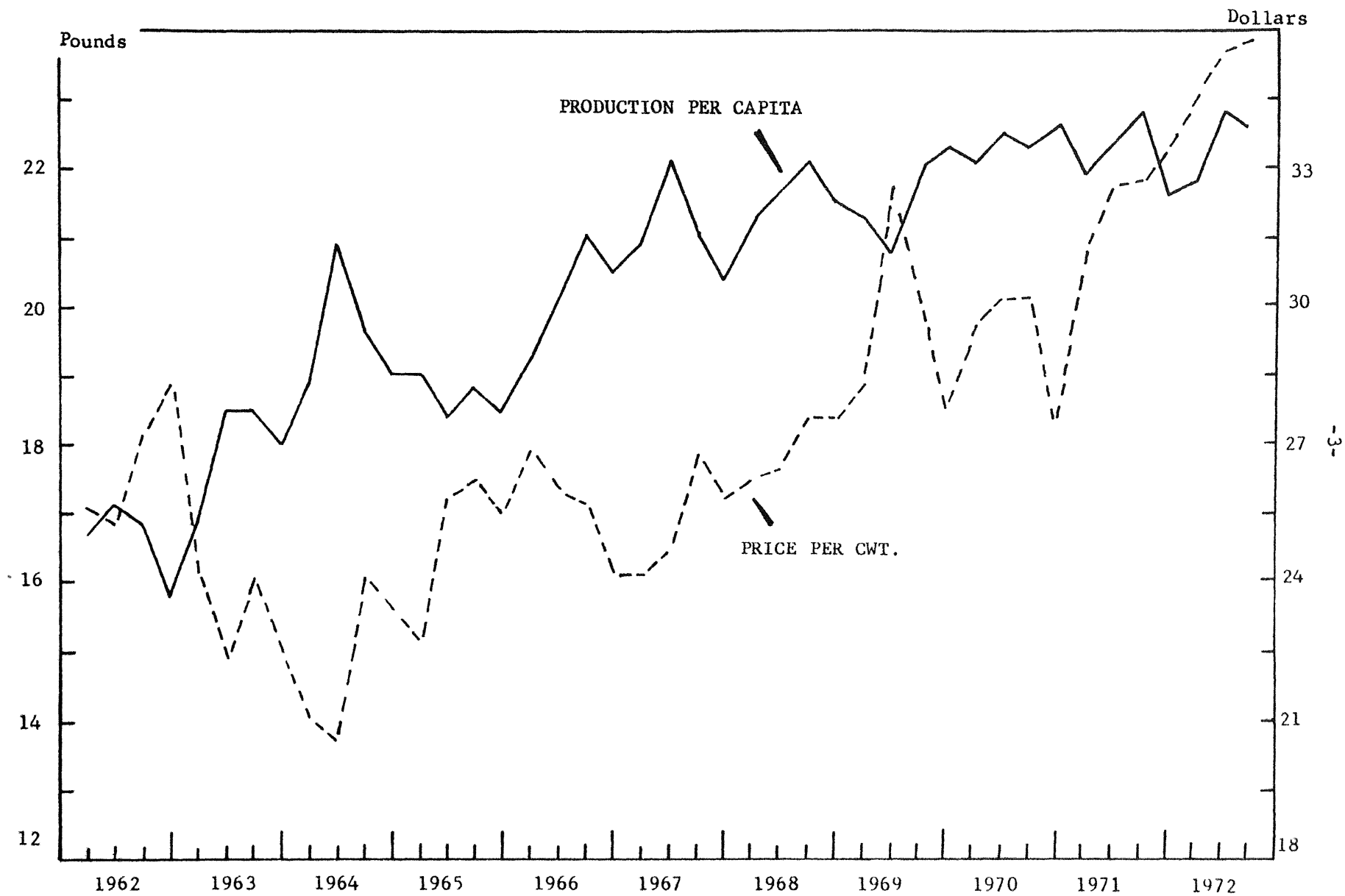
Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Yearly Total
Canada													
1964	13,641	7,634	8,002	19,278	22,069	9,627	8,322	8,441	18,554	41,448	35,990	21,887	214,893
1965	10,004	6,111	13,258	24,733	32,389	38,570	39,066	48,138	66,779	34,067	122,547	97,261	592,923
1966	32,483	24,801	40,648	56,476	39,752	28,435	20,280	37,966	52,683	72,372	71,382	38,756	515,561
1967	7,432	5,002	13,818	21,998	26,503	16,763	12,504	20,402	27,699	38,340	34,419	26,428	251,368
1968	8,406	9,886	38,370	59,846	50,120	23,164	21,270	19,092	23,728	31,230	34,027	17,432	336,631
1969	10,393	11,810	32,438	40,709	37,536	24,454	16,292	9,665	9,799	14,664	13,443	10,555	231,258
1970	7,819	8,140	21,445	33,505	43,920	29,679	21,386	14,304	12,947	12,540	13,877	10,648	230,006
1971	8,068	9,590	24,942	34,428	35,775	27,076	20,181	20,771	14,100	13,369	17,100	12,657	239,040
1972	9,068	10,106	23,996	33,662	27,402	27,000 ^{b/}							
Mexico													
1964	44,083	47,938	44,202	53,153	21,705	3,220	3,214	1,932	1,848	3,981	39,502	66,860	331,038
1965	28,614	43,436	43,834	57,491	52,889	25,103	14,073	8,977	8,258	19,183	101,746	101,891	331,200
1966	69,027	52,913	75,584	36,619	54,358	22,507	3,675	6,554	4,830	23,990	93,471	131,071	581,591
1967	51,233	36,330	46,361	58,179	38,373	14,210	6,581	10,372	6,445	23,090	95,274	112,460	502,418
1968	60,454	46,664	60,299	81,041	60,411	25,643	13,411	13,330	6,730	36,174	116,017	176,302	702,472
1969	78,497	71,540	45,759	70,867	43,175	18,184	20,315	6,170	2,191	51,819	174,589	227,326	810,432
1970	94,605	88,577	90,818	69,376	118,741	62,302	21,417	10,799	5,210	13,592	137,340	203,606	936,583
1971	58,204	58,124	90,281	66,936	46,222	30,379	8,926	9,977	5,977	12,944	127,436	236,115	752,209
1972	102,133	78,348	140,174	64,519	41,161	15,750 ^{c/}							

a/ From Census Bureau data, except for estimates.

b/ Estimates.

c/ Preliminary

STEER AND HEIFER PRODUCTION AND PRICES



Average Per Capita Disposable Income (in 1958 dollars) Related to Average Per Capita Consumption of Beef

Year	U. S. Average Per Capita Disposable Income ^{1/}	Consumption Per Person
1950-54	\$1,684	68
1955-59	1,838	83
1960-64	1,977	91
1965-69	2,399	106
1970	2,603	114
1971	2,679	113

^{1/} Source: Economics Report of the President.

Weekly Expenditures Per Household for Meat and Beef According to Household Income After Taxes*

Income Groups	Pounds			Beef as % of all
	Meat	Beef	Beef/Person	
Under \$5,000	\$ 8.42	\$3.70	1.0	43.9
\$ 5,000 - 9,999	12.69	6.49	1.7	51.1
\$10,000 - 14,999	13.04	6.95	2.1	53.3
\$15,000 - over	14.80	8.32	2.5	56.2

*Source: "Food Consumption of Households in U.S.", Spring 1965, USDA, 1968.

Costs per pound of Gain by Cattle in Ohio and Texas-Oklahoma Feedlots, Selected Years, 1963-1969.

Source of Data	Average Costs per Pound of Gain			Total	Percent Capacity Utilized
	Variable Costs		Fixed Costs		
	Feed	Nonfeed			
Ohio Field Work					
1968-1969 Results	.20	.04	.03	.27	67.9
Best Results	.16	.04	.03	.23	—
Ohio Farm Accounts					
1963-1964 168 Farms	.18	.05	.05	.28	69.3
Best 56 Farms	.14	.03	.02	.20	—
Texas					
1966-1967 Average Feedlots More Than 10,000 Head	.175	.04	.01	.23	73.0
1966-1967 Average Feedlots More Than 10,000 Head	.176	.037	.009	.22	77.6
Oklahoma					
1966-1967 Average Feedlots More Than 10,000 Head	.19	.045	.015	.25	69.1
1966-1967 Average Feedlots More Than 10,000 Head	.18	.044	.013	.24	78.6

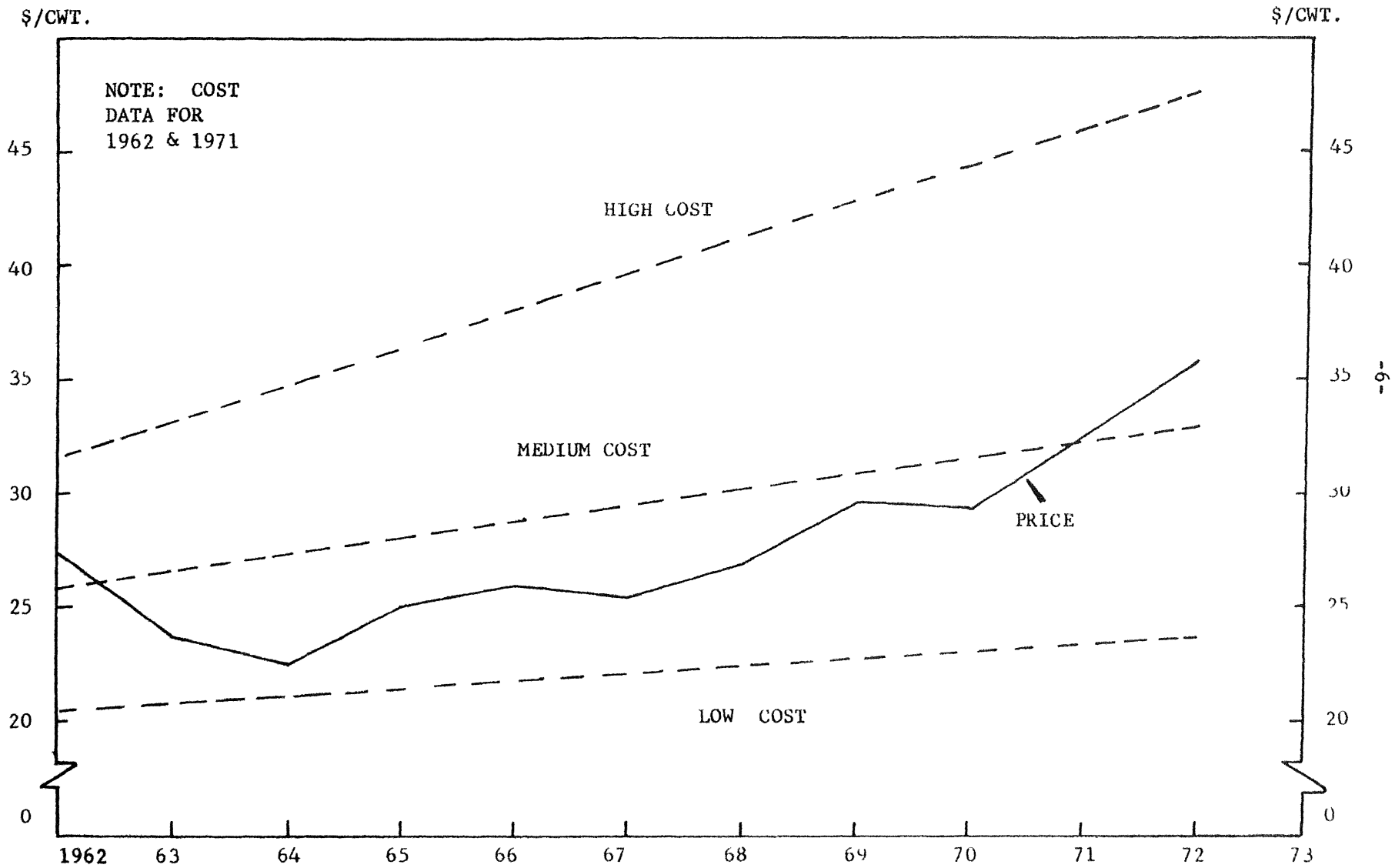
Source: Stout & Berg, OARDC Bulletin 1055, June, 1972.

Procurement Costs (Freight and Shrink) on 500 Lb. Calves into Ohio and Texas Feedlots, 1968-1969

Procurement Cost	Ohio	Texas
Under Actual (Reported) Shipment Conditions (1969)		
Average Miles Hauled	331.5	413.9
Freight per Head	\$3.06	\$3.82
Shrink per Head, Lb.	29.9	41.0
Under Estimated Optimum Shipment Conditions (1968)		
Average Miles Hauled	176.6	341.3
Freight per Head	\$1.63	\$3.15
Shrink per Head, Lb.	18.9	29.9

Source: Stout & Berg, OARDC Bulletin 1055, June, 1972.

STEER PRICES AND OHIO PROD. COSTS



INCREASE IN BEEF OUTPUT -- 1958 TO 1964

18% More Calves

82% Feeding

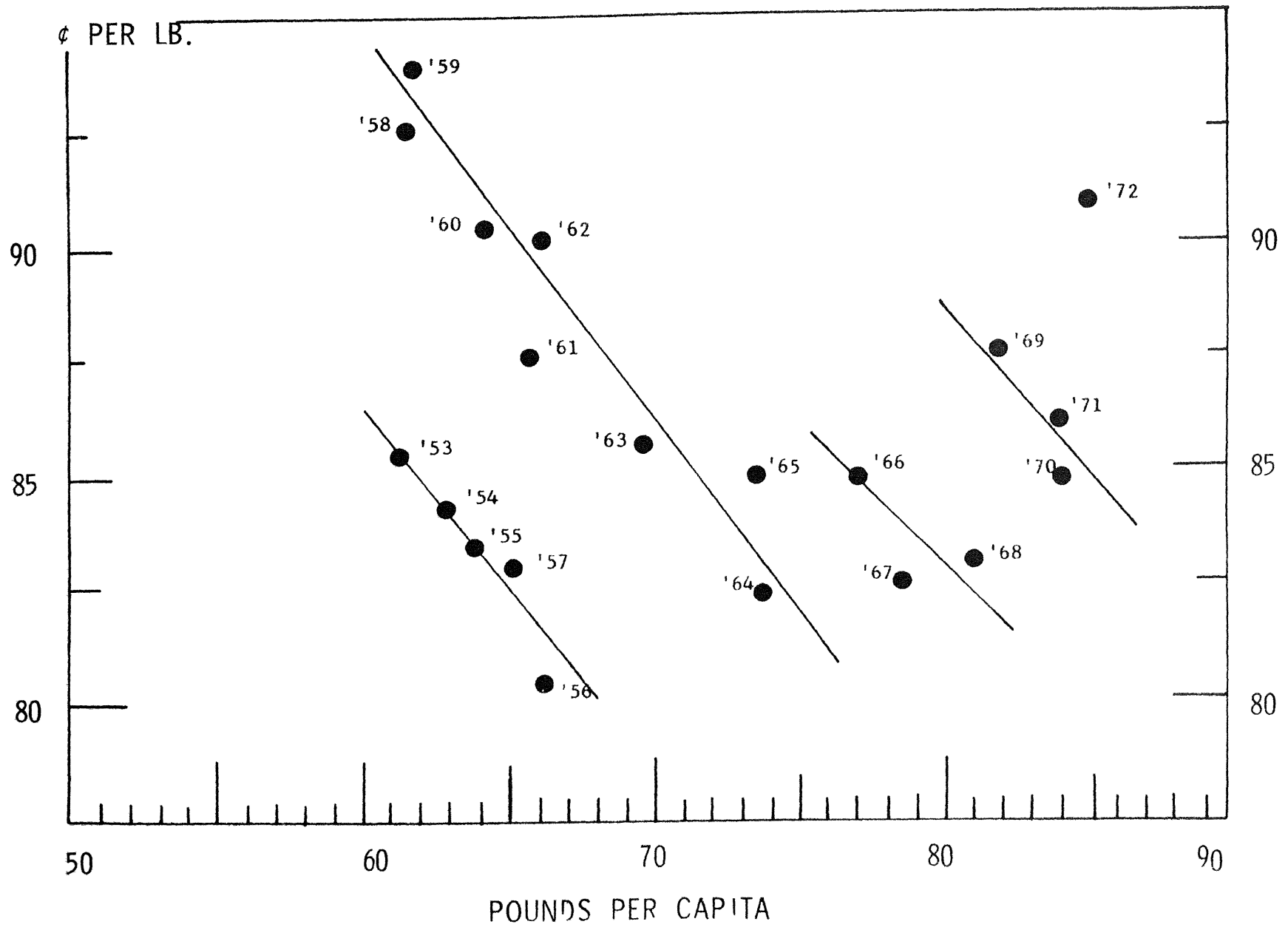
Less Calf Kill	28%
Dressing Pct.	35%
Live Weight	6%
Younger Age	4%
Feeder Imports	9%

BEEF AND VEAL OUTPUT PER COW

Year	Output	
	Per Cow/Year	Increase
1945-49	455 Lbs.	--
1950-54	557 Lbs.	102 Lbs.
1955-59	585 Lbs.	27 Lbs.
1960-64	642 Lbs.	57 Lbs.
1965-69	688 Lbs.	46 Lbs.

Based on beef cows

BEEF: RETAIL PRICE AND CONSUMPTION



PROJECTED DEMAND FOR BEEF PRODUCTION

<u>Given Annual Increases Of</u>	<u>Annual Increases Needed</u>	
	<u>Steer & Heifer Slaughter</u>	<u>Beef Cows</u>
Population 1%		
Per Capita Income 2%	900,000	1.0 mil.
Population 1%		
Per Capita Income 3%	1,000,000	1.3 mil.
Population 1%		
Per Capita Income 4%	1,100,000	1.6 mil.

PROJECTED BEEF PRODUCTION - 1980

Assume

Calf Crop	92%
Dairy Herd	12 Mil. Hd.
Vealers	3 Mil.
Carcass Weights	
Young Cattle	630 Lbs.
Cows - Bulls	520 Lbs.
Per Capita Use	127 Lbs.

HOW MANY COWS? WHERE PRODUCED?

Region	1970	1980	%
	Million Head		Change
Pacific	2.1	2.3	10%
Mountain	4.8	5.8	21
Southwest	9.2	9.9	8
Northern Plains	6.5	8.7	33
Southeast	9.4	12.2	29
Corn Belt	5.0	6.9	37
Northeast	<u>0.3</u>	<u>0.3</u>	<u>0</u>
	<u>37.3</u>	<u>46.1</u>	<u>24%</u>