

# Weekly Article

3-20-2023

## Bright Future for Beef

Hello, my name is Richard Purdin with OSU Extension, Ag and Natural Resource Educator, and Community Development Educator for Adams County. I hope to better inform local producers and the public of the latest news in the world of agriculture. This week is the first official week of spring and currently, the Month of March is running at an average for both temperatures and precipitation. If you were asking me, I would say it has been cooler than average but when February spoiled me with its extremely warm days. The past week presented some opportunities for producers to get out and start some fieldwork, from plowing the ground to frost-seeding clover, farmers took advantage of dryer soil but very cool windy conditions. I also had a chance to meet many horse owners across the region at a local horse clinic sponsored by W-C Milling Company and Kent Nutrition Group. There were a lot of different topics discussed at the meeting, nutrition, pasture management, vaccinations, worming, and insurance needs were the main topics of interest. After the meeting, there were many different personal farm discussions and one of those discussions was about how far along the grass was for mid-March, and one person told me that they have already mowed their lawn! As the grass greens up the livestock markets begin to heat up, I like to refer to this as a symptom of green grass fever. Beef cattle stocker operators have acres of grass looking for a harvester, this could be the new holland discbine mower or the 500lb weaned Angus calf. Many choose the calf route to save on the equipment and labor cost of mechanical harvesting. This year many stocker operators will be writing sizable checks to load those pastures but fortunately, the finished product is in high demand.

Beef demand has grown considerably on a global scale and the demand for U.S.-raised beef has seen a steady increase in demand, combined with the lowest U.S. Cow numbers since 2014 and record numbers of slaughter of both cull cow and heifers, production is at an all-time low. I am not an economist but when you combine low production with high demand that usually equates to higher prices. As a cattle manager there are many different factors that can put stress on your pocketbook but for the 2023 and 2024 marketing year value of your product looks bright. As I look at the cattle market from both an Extension educator and a farmer these are signals for cattle profits.

1. Future feeder calf markets are strong- Fall delivery of feeder cattle is trading at 2.20/lb. This shows optimism in the market and for larger cattle operations this can be a great way to protect against price loss.
2. Strong first quarter- Both fed cattle and feeder cattle markets had a tremendous first quarter with fed cattle trading on average 1.63/lb.

3. More uncertainty in the corn market. With future corn production and unknowns in trade relationships with Mexico, corn prices could fall as the year continues. If corn prices fall buyers will be willing to purchase more cattle to fill the feedlot and capitalize on lower feed costs.
4. Domestic demand is unwavering- Americans love their beef and they are willing to pay for it even when prices get high in the stores.
5. Herd rebuilding is not on many producers' minds- Both herd rebuilding and expansion is not a focus for many producers as strong grain price competes for pasture and hay land and drought condition and expansion concerns increase in the mid-western plains.

At the end of the day, I believe it is a good time to be in the Beef cattle industry but as always never let your guard down. Keep calculating your budgets and stay frugal on waist and cut feed costs as much as economically possible while maintaining animal health. It still pays to precondition calves, weaning, vaccination, castration, and dehorning still pay dividends at the sale. The beef industry has a bright future ahead buckle up and have a fun ride!

**Other information:**

- Agronomy Update Meeting – March 28<sup>th</sup>. 6:00- 8:30 pm at the Cherry Fork Community Center, 14815 State Route 136 Winchester, Ohio 45697 Sponsored by Erwin Family Farms and Pioneer Hybrids.

**Ag Educator Words of encouragement** – “To make Agriculture Sustainable, the grower has got be able to make a profit”. **Sam Farr**