

Cattle Inventory for Tennessee: Is the Beef Herd Growing?

Andrew P. Griffith

UT Agricultural and Resource Economics

The January 1 Cattle Inventory Report was released at the end of January and the report shows the first increase in all cattle and calves since 2007. Total inventory in the United States is still at its lowest point since 1952 except for 2014. As of January 1, all cattle and calves totaled 89.8 million head which is an increase of 1.27 million head or an increase of 1.4 percent from the previous year's report.

The all cattle and calves number aggregates beef cattle and dairy cattle. Thus, it may be beneficial to look at the beef herd singularly. The number of beef cows increased 2.1 percent from the previous year and now sits just under 29.7 million head. Additionally, the number of heifers for beef cow replacement increased nearly 4.1 percent in the past year and stood at 5.78 million head as of January 1. This is the largest number of heifers for beef cow replacement since 2007. Heifers for beef cow replacement as a percentage of the number of beef cows is at its highest level since 1970 and currently comes in at 19.5 percent of the number of beef cows. At first glance that statistic may not mean much, but in reality it is a component in the overall age of the beef cow herd. The current breeding stock in the beef cow herd is likely one of the youngest herds that have been seen in quite some time in the United States, which many would hope translates into a long productive period of the current breeding stock.

The story does not end with the breeding herd as it stretches to the calf side. The 2014 calf crop grew 0.5 percent to 33.9 million head. Increases were also seen in bulls weighing 500 pounds and over; steers weighing 500 pounds and over; and heifers, steers and bulls under 500 pounds while a decline occurred in the category of other heifers. Overall, the report communicated that the beef cattle industry is in expansion mode.

Many readers of this article are likely curious to the direction of the Tennessee beef cattle herd. All cattle and calves in Tennessee declined for the fifth consecutive year. All cattle and calves in Tennessee totaled 1.73 million head as of January 1, 2015 which is a 2.0 percent (30,000 head) decline from the previous year. However, this decline in total cattle and calf numbers does not accurately depict what is happening in the state with the beef herd.

The number of beef cows grew by 2.2 percent (19,000 head) from the previous year and sits at 883,000 head. Similarly, the dairy cow herd also grew 2.2 percent and sits at 47,000 head. The increase in the cow numbers resulted in a 1.2 percent increase in the 2014 calf crop compared to the 2013 calf crop. Additionally, Tennessee producers increased the number of heifers for beef cow replacement to 135,000 head which is a 3.8 percent (5,000 head) increase from the previous year while the number of heifers for dairy cow replacement declined 5,000 head.

So, what caused the decline in all cattle and calves inventory in Tennessee? The answer must lie with the calf side if cow and heifer replacement numbers increased. The number of heifers, steers, and bulls under 500 pounds declined 20,000 head (-4.9 percent) from the previous year while the number of steers 500 pounds and over declined 15,000 head (-11.1 percent). Additionally, the number of other heifers also declined 15,000 head (-17.6 percent) while the number of bulls 500 pounds and over was unchanged from a year ago.

The decline in calf numbers in the state may be surprising to some and may not be surprising at all to others. However, there is a good explanation for the number of calves in all these aforementioned categories declining from the 2014 report. One reason for lower numbers

was the impact from record high cattle prices in 2014. A number of producers sold calves earlier than normal to capitalize on record high calf prices.

Working in tandem with record high calf prices was the low number of calves available for purchase and the depletion of the cattle herds in the Southern Plains (Texas and Oklahoma). Many producers in Texas and Oklahoma who were forced to market large numbers of cattle during drought years were looking to restock pastures that had rejuvenated. Many of the producers who had to market cattle were cow-calf producers, but there have not been enough heifers on the market to replenish the number lost so many of those producers have moved into the stocker business to harvest forage.

All in all, the national beef cattle herd is growing as is the Tennessee beef cattle herd. Further intentions of expansion in the beef herd will support prices through 2015 and likely 2016.