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## Livestock Market Comments

### A Few Program Observations

September 18, 2018

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I've done a couple of county/multi county programs in the last 2 weeks and thought it might be useful to share some observations.

#### Alternatives to High Priced Hay

I did a program at the end of August on alternatives to feeding high priced hay. The program was in Groesbeck and the area has reported some significant drought this summer. There were about 95 people in attendance. I asked a number of questions of the audience on strategies they were currently using. In rough generalities they reported the following:

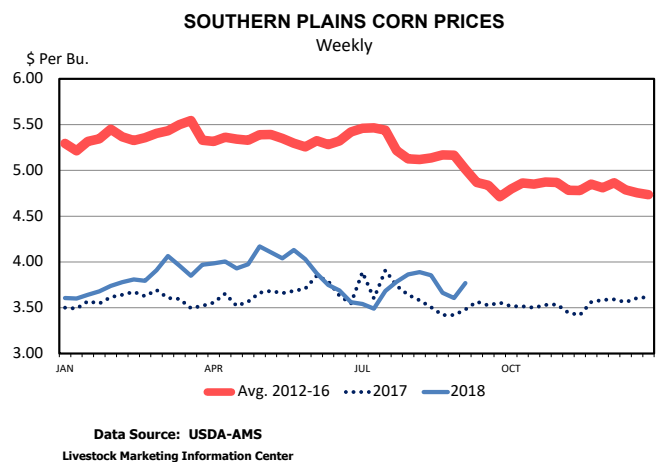
- About 20-25 percent had culled cows earlier than normal. They didn't necessarily report culling deeper than normal.
- About 25-30 percent reported weaning and selling calves early.
- About 5 people were willing to raise their hands that they had moved all their cattle to one "sacrifice" pasture. The goal is to allow other pastures to recover and reduce driving the country delivering hay.
- One rancher raised his hand to admit he had begun feeding a TMR as a cheaper alternative to hay. If a rancher has the ability to feed bulk type feeds then I think it can be done much cheaper than current hay prices.

If I had "gold star stickers" I would have handed them out to the respondents who had started these strategies. My goal was to get the audience to think creatively about alternatives all the way from selling early and deeper in the herd to feeding TMR type feed rations to confined cows and everything in between.

#### Other Observations

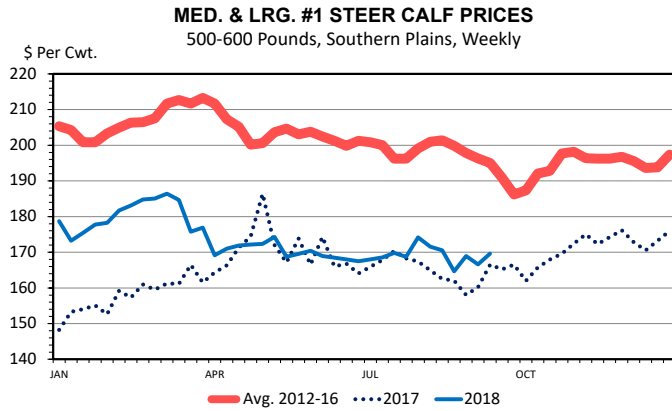
A few more observations from this and other meetings:

- The general reactions to my calf price projections for this Fall and next year is that they are not low enough to trigger any herd reductions. That might generate some

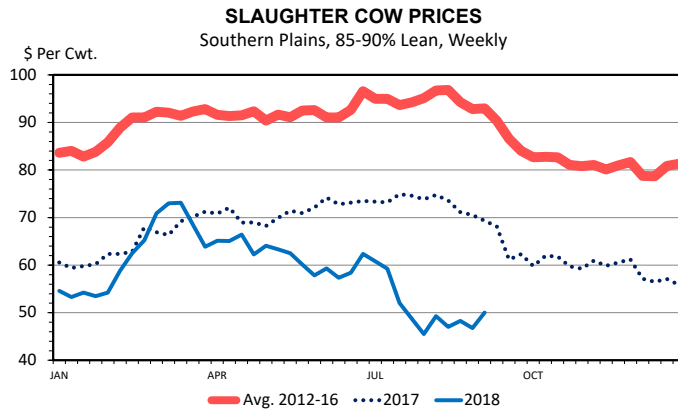


reaction from us economists thinking about production costs. My price projections are well below the feeder cattle futures market. (I have had to raise my price projections from what I was using back in January)

- Those who indicated that they had culled early did not appear to be culling deeply into their herds. Combined with the cow slaughter data might make us think about the rate of herd growth, but maybe not contraction. Some of what we see in beef cow slaughter is drought forced and not economic (price and production cost) forced.



Data Source: USDA-AMS  
Livestock Marketing Information Center



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