

## Poised to grow — if conditions permit.



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With the beef cow inventory at its lowest level since the 1960s and calf prices near all-time highs, signals point to expansion of the national cow herd. But cattlemen aren't yet following those signals. Drought, uneasiness due to global unrest and macroeconomics, input costs, and the bird in the hand of \$1,500 weaned heifer calves as feeder calves have put the brakes on growth.

According to CattleFax Analyst Patrick Linnell, the national cow herd inventory at the start of 2023 was a little more than 28.9 million head, 1.06 million fewer cows

than the year before. A record culling rate of 13.4% in 2022 resulted in the lowest beef cow inventory in 61 years.

Predictions are, it's going lower. While the pace of beef cow slaughter has slowed, Linnell says the 2023 culling rate is expected to be 11.2%, ending in an expected beef cow herd of 28.3 million to begin 2024. The culling rate would need to drop to 9%-10% for herd numbers to stabilize, he says.

Heifer numbers as a percent of the fed-cattle mix indicate cattlemen haven't yet started to retain heifers to grow the herd. And some analysts are predicting it will be 2025 and possibly 2026 before herd numbers start to increase. Others looking at the average age of farm and ranch owners and current land prices wonder if we are headed toward a large structure change in the beef industry.

### That's why we asked the questions

To get a better grasp of what cattlemen are planning to do, Angus Media teamed with CattleFax to ask cow-calf and feedlot operations about their future intentions and feelings toward Angus genetics. Angus Media President Clay Zwilling presented the first official reveal of the results — summarized in the *Industry Insights* report — during an Angus University session at the 2023 Angus Convention in Orlando, Fla. (see page 120). You can find a link to the full report on the inside back cover of this issue.

According to survey responses, most cow-calf producers are planning to maintain or expand their herds within the next three years (see Fig. 1). In fact, one in five herds is planning to increase by 20% or more. Compound that with the fact a greater percentage of the extremely large herds (those with 1,000 or more cows) are planning to expand, and herd numbers are poised to grow.

While 13% of respondents did say they would downsize, only 2% indicated they were planning to liquidate their herd.

There were regional differences. For example, a greater proportion of ranchers in the Southeast indicated they were planning to downsize (17%) or liquidate (3%). On the other hand, 50% of ranchers in the

West were planning to increase herd size.

Factors outside the beef industry may influence how soon cattlemen will be able to act upon their intentions. Drought, higher open rates and dwindling forage supplies certainly forced more culling than maybe planned in 2023. Geopolitical and economic uncertainties have added to the hesitation.

But, it will rain, and as Troy Marshall points out in his "Market Closeout" commentary on page 90, psychological factors (fears and greed) may dominate the market short term; but, in the long term, underlying market fundamentals will play out.

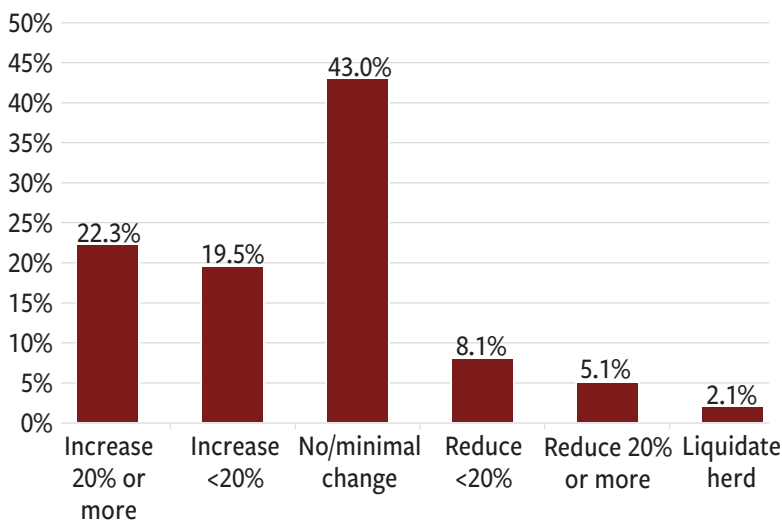
### Rebuild right

That said, with a smaller herd to build from and more expensive heifer development, it is more important now than ever to rebuild right — with the right genetics managed with the right health and nutrition protocols.

As herd size, forage availability and marketing opportunity differ from one herd to the next, there is no one plan that fits all situations, though there are some common denominators. We've filled this issue with articles to help "Ready the Replacements." You can find more information to supplement the theme in our *Angus Beef Bulletin EXTRA* e-newsletter and our *Angus At Work* podcast.

One of my favorites is the American Angus Association's announcement that the expected progeny difference (EPD) for functional longevity (FL) has entered the research phase (see page 68). To rebuild the herd, we'll have to count on those cows staying in the herd longer. Ask your seedstock supplier if they are enrolled in inventory reporting and if they have access to the research FL EPDs on their cow herd. **ABB**

Fig. 1: Herd size intentions for next three years



SOURCE: Fig. 30, *Industry Insights Powered by Angus Media and CattleFax*, Cow-calf survey, 2023.

## There's more waiting for you in your inbox and online

Did you miss receiving the *Angus Beef Bulletin* in November and December? A service to you as a buyer of registered Angus bulls, we publish and mail the magazine during the spring and fall sale seasons (January, February, March, September and October) and the "Feeder-Calf Marketing Guide" in June.

You can access more information — all year round — through the *Angus Beef Bulletin EXTRA* electronic newsletter and the *Angus At Work* podcast. Both vehicles are designed for the profit-minded cattleman and feature management, health, nutrition, genetic, marketing and industry information relevant to your bottom line.



## Wound for sound

For those who prefer to listen to their beef industry information while driving or relaxing in their easy chair, *Angus At Work* provides a welcome option. For each episode, our editors interview technical experts on topics ranging from bull selection to animal health issues to capturing premiums on calves with Angus genetics.

We publish two episodes a month, alternating with the *Angus Beef Bulletin EXTRA*'s schedule. Below is a sampling of our most recent episodes.

A testament to the growing popularity of the podcast, in mid-December we celebrated 25,000 downloads. *Angus At Work* is available on most popular podcast platforms. We encourage you to listen in.



## EXTRA in your inbox

Delivered to your inbox twice per month, the *Angus Beef Bulletin EXTRA* electronic newsletter is a true supplement to the magazine. It carries about a dozen stories in each edition, complementing the magazine edition and the season. A sampling of headlines from December edition includes:

- ▶ Cattle Nutrition is Vital to the Immune System
- ▶ Adding Another Family Member to the Farm Payroll
- ▶ Beef Cattle Budgets
- ▶ Cotton Byproducts in Beef Cattle Rations
- ▶ Many Reasons for Open Cows
- ▶ Credit End Meats with CAB Value-Add
- ▶ In the Cattle Markets: Beef Price Action Before Christmas

The current edition and an archive to past editions are available online at [www.angusbeefbulletin.com/extra](http://www.angusbeefbulletin.com/extra). The page's search function allows you to search for topics by keyword. In sync with this issue's "Ready the Replacements" theme, searching for "replacement heifers" would pull up a wealth of articles, including:

Deciding to Keep or Sell Heifers



Select Heifers That Stay in the Herd



Tips for Selecting Replacement Heifers



Heifer Development: Selection and Management



Preparing for Financial Opportunity — Heifer Retention



Subscribe to the **EXTRA**



Jan. 3

### Capturing Value Using Angus Genetics

We dig deeper with Capturing Value panelists Travis Mitchell and Lydia Yon and moderator Troy Marshall to share how commercial cattlemen can capture premiums in the marketplace with their Angus calves.



Dec. 11

### Industry Insights Revealed With Clay Zwilling

Meet Angus Media President Clay Zwilling and learn more about *Industry Insights Powered by Angus Media and CattleFax* — an industrywide survey honing in on producer sentiment toward Angus genetics and the future structure of the beef industry.



Nov. 29

### Considerations for Successful Heifer Development

Lee Jones of Boehringer Ingelheim discusses successful development strategies and why considering protocols in advance of weaning is advantageous, whether purchasing or developing their own replacements.



Nov. 15

### A Packer's Perspective on Consumer Beef Demand

Cargill Protein's Glen Dolezal discusses pressure points within the beef industry, what consumers are looking for and how the demands of consumers reflect on the beef industry as a whole.



Oct. 31

### Bovine Respiratory Disease Signs and Treatment

Shawn Blood, technical services veterinarian for Zoetis, discusses bovine respiratory disease (BRD), including what producers should be looking for to identify affected cattle and a new product showing promise in treating the disease.



Oct. 18

### Beef Market History and Status

Industry consultant Nevil Speer shares insights on the beef industry's focus on product improvement, opportunities for producers to capture premiums for their cattle and the importance of telling our story to younger consumers.

