



What will the new year bring?

It is no secret that this year’s calf crop will be the smallest it has been in a very long time, since 1963 to be exact, and the January Cattle Inventory report will reveal just how small. The annual calf crop in 2022 decreased by 20 percent since 1963. Additionally, each time it has reached a peak has been lower than the previous cycle. The calf crop was roughly 36 million head in 2018, 38 million in 2002, 40 million in 1995, and so on. Liquidation of the cattle herd in the current cycle started in 2019, contributing to an increase in beef production. Total beef production in 2022 totaled at roughly 2.4 billion pounds. Although heavy liquidation means a short-term increase in beef, it also will result in a long-term decrease in beef as cattle supplies have decreased.

Beef production as of November 2023 is at 2.3 billion pounds, 2.6 lower than 2022. Beef cow and heifer slaughter are below what they were last year by 5.6 percent and 2.8 percent but still higher than the five-year average, indicating that expansion is not occurring and there are fewer cows to cull from the pasture. Overall female slaughter represents over half, 52 percent, of all cattle slaughter. Steer slaughter is below last year’s numbers by 1.5 percent and the five-year average, reiterating that cattle supplies have decreased over the last few years. Total cattle slaughter totaled at 2.83 million head which is 3 percent lower than November 2022. By the end of 2023, beef production is projected to have decreased by 5 percent since 2022 and by another 3.5 percent by the end of 2024. Retail prices for beef are 9.3 percent higher than last year and roughly 28 percent higher than the five-year average (2017-2021).

However, higher dressed weights of cattle help to offset the decrease in cattle supplies. As of November, the average dressed weight of federally inspected steers was 926 pounds, roughly 2 percent higher than the average in 2022, 7 percent higher than the average ten years ago in 2013, and 15 percent than the average 20 years ago in 2003. So even with cattle inventory at an all-time low, the forecast for beef production could be much lower.

Average Dressed Weights of Federally Inspected Steers			
November 2023	2022 Annual Average	2013 Annual Average	2003 Annual Average
926 pounds	909 pounds	863 pounds	803 pounds

Thinking Economically in the Everyday Tasks

The decline in beef cattle numbers along with the tough circumstances the industry is facing can be discouraging. There can be so much volatility and uncertainty in the industry from year to year. But one thing that is not volatile or uncertain is the resiliency and perseverance of cattle producers. Yes, higher beef production is a result of liquidation, but it is also a result of the way the industry has adapted to circumstances by making significant changes such as improving the way we feed cattle and the way we breed for superior carcass genetics. Beef production per cow has increased by roughly 18.3 percent since 1998. So even with limited cattle supplies, limited land and resources, high input costs, and all the other hinderances in the cattle industry, ranchers are to be commended for the hard work and dedication that is put into raising the best cattle in the best ways possible day after day. The simple tasks that are completed each day throughout the year are the ones that can make the biggest impact in the long-run. I wish you all a Merry Christmas and hope that is a time of rest and reflection of 2023, along with a Happy New Year that is a time of planning and new possibilities to be as profitable as possible in 2024!

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See this update and other helpful resources online at <https://rrec-ona.ifas.ufl.edu/about/directory/staff/hannah-baker/>

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