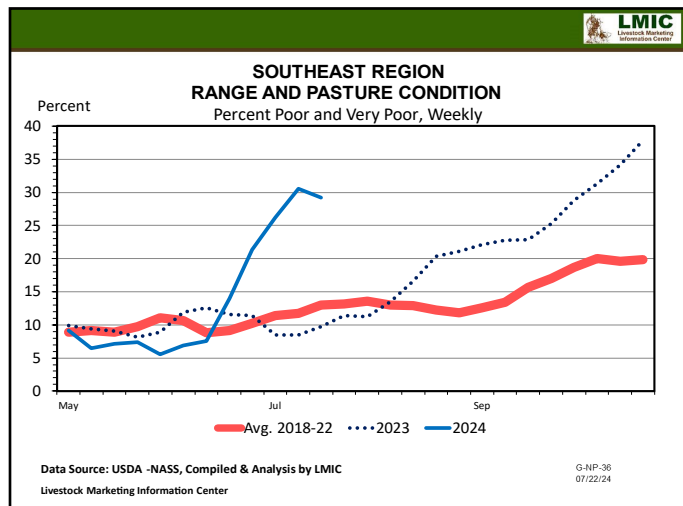
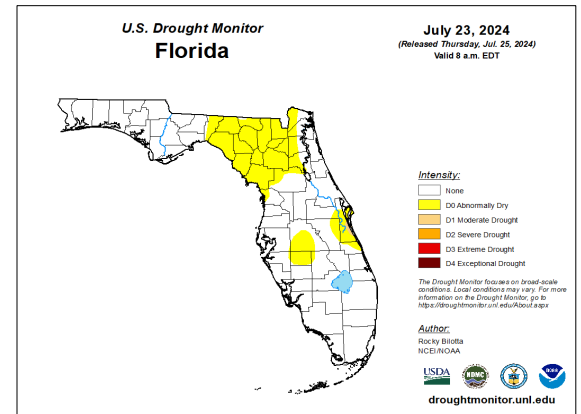




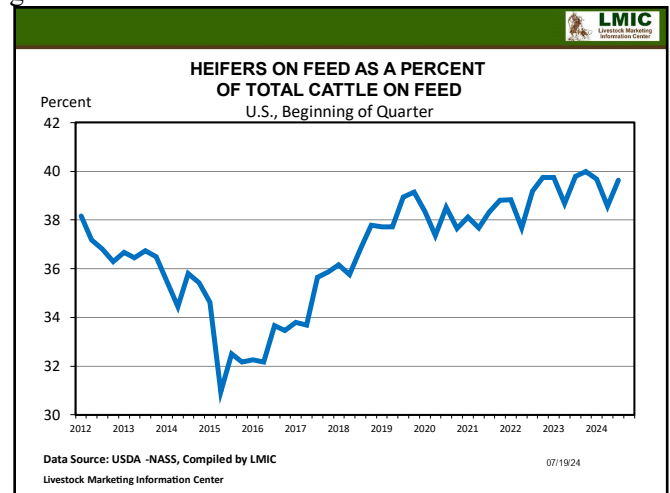
Pasture Conditions, Cattle on Feed, & Prices

USDA’s decision to discontinue the July Inventory report causes us to examine other reports and aspects of the industry to gather a conclusion on if expansion has begun in the beef cow herd.

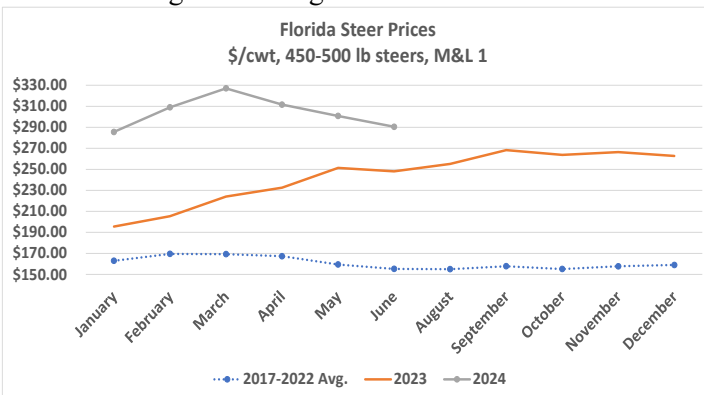
Specifically in the southeast, drought is affecting more than 60% of pastureland in AL, GA, FL, NC, SC, and VA and about 30% has been reported to be in poor or very poor condition. At the time of writing this, recent rains in Florida (ranging from 0.5 to 6 inches) have relieved most of the state from drought conditions altogether. However, if drought conditions persist across the southeast, it will impact calf prices as producers start making decisions of how soon to wean and sell calves and start culling.



The quarterly USDA Cattle on Feed report is another way we can examine the rate of heifer retention. The number of heifers on feed as a percentage of all cattle on feed is 39.6%, only 0.2% lower than last year. During the last expansion, this percentage dropped to about 32%. It is safe to say that heifer retention has not begun.



Drought and forage conditions will influence when and how fast producers will begin rebuilding, which will affect calf prices. With inventory levels as they are, we have been seeing record level prices for calves over the last year, and with expansion not happening yet, we can expect these high prices for a while. However, prices historically decline in the fall due to the majority of calves being sold during that time.



As we get closer to the fall months and further into shipping season, we have already started to see this seasonal decline in average prices, but prices for 450-495-pound steers are still 17% higher than July 2023. The timing and intensity of the decline will be influenced by producer decisions concerning forage availability. More available forage may entice the notion of keeping calves a little longer, spreading out the seasonal decline. But if drought intensifies, we could see a lot of calves being sold at one time, driving prices lower. Either way, it is not expected that we will see prices fall and stay there since expansion is still bound to start at some point and cattle supplies will be lower going into 2025.

Questions, contact Hannah at h.baker@ufl.edu

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

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