

Cow Country Reporter



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News from your CEO

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A REMINDER, your 23/24 membership dues are now due and thanks to all who have already renewed their membership.

I just returned from a bus tour of a regenerative farm, BDA Farms, which is north of Uniontown, AL. in the heart of the Black Belt prairie. This trip was hosted by Louisiana Grazing Lands Conservation Initiative which CPL has a seat on their Steering Committee. Allen Williams with Understanding Ag, was our host at the farm. Get on your computer and look up BDA Farms, it would be a great experience for all our members to visit. Contact me for more information.

The cattle market continues to "hold its own" price wise and demand for our Louisiana calves is

good. Prices for cull cows weakened a touch at the end of June, however, receipts of cull cows at the auction markets continue to be high compared to a year ago. This trend is all through the states where drought is a problem. The next big beef demand, after July 4th, is Labor Day weekend. As we move into Fall, receipts at the sale barns will be lighter than normal. Calf and cull cow prices will increase and if we get some much-needed moisture in the high drought areas replacement cows and heifers will be in good demand.

Hope y'all had an enjoyable 4th and paused to remember how this country got it's start. Enjoy the summer and keep those calves growing.

Dave Foster, CEO

HISTORICAL REVIEW OF THE U.S. BEEF CATTLE INDUSTRY – PART 1

By: Mark Z. Johnson, Oklahoma State University Extension Beef Cattle Breeding Specialist

As we prepare to celebrate Independence Day, (hopefully with family, friends and delicious beef along with the fireworks), it seems appropriate to reflect on the history of the U.S. beef industry. The history is colorful, interesting and can be helpful in planning for future success.

How It Started

Although many breeds of cattle are in the United States, none are native to this country. The first cattle were introduced by explorers and settlers from Spain and England centuries ago. For over 200 years the U.S. cattle population was Longhorn based. Open range, the ability of the descendants of Spanish Longhorn cattle to thrive in a feral environment and their meat value eventually created an industry. By the end of the civil war the longhorns had reproduced exponentially and millions of head roamed the open ranges of the U.S.

Shorthorn cattle were first introduced from England to Virginia in 1783. The first herdbook to record ancestry of Shorthorn cattle was established by George Coates in 1822. The American Shorthorn Association was established in 1882. Henry Clay imported Hereford cattle from England to Kentucky in 1817. The American Hereford Association was established in 1881. The American Polled Hereford Association would later become established in 1900. George Grant imported Angus cattle from Scotland to Kansas in 1873 and the American Angus Association was established in 1883. James Davis imported the first Zebu cattle to South Carolina in 1849. Simmental cattle were introduced to the U.S. in 1896 but had little industry impact at that time.

Cattle Drives and the Chisholm Trail

After the civil war, trail drives began and one of the most romanticized eras in our nation's history was born. It was at this time that Americans acquired a taste for beef and the Chisholm Trail was considered to be one of the wonders of the western world. Herds with as many as ten thousand cattle were driven from Texas over the trail to Kansas. The trail acquired its name from Jesse Chisholm, who just before the Civil War had built a trading post in what is now western Oklahoma City. During the Civil War, while many Texans were away fighting for the Confederacy, descendants of the Spanish Longhorn cattle multiplied. By 1866 they were only worth four dollars per head in Texas.

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HISTORICAL REVIEW OF THE U S BEEF CATTLE INDUSTRY – PART 1

In the North and East they could be worth \$40 – 80 per head. In 1866 some herds traveled the Shawnee Trail in eastern Oklahoma, but the woods and the region's rough terrain discouraged trail driving.

In 1867 Joseph McCoy built stockyards on the Kansas-Pacific railroad in Abilene, Kansas. He sent men south to encourage Texas cattlemen to send herds to his stockyards. He also encouraged cattle buyers to come to Abilene, where cattle would be waiting. Drovers followed assorted minor trails through south and central Texas northward to the Red River crossing and then joined the famous Chisholm Trail. After being driven north along the Chisholm Trail to Abilene, the cattle were shipped east to the beef packers and population centers.

Herds varied in size from 500 to 10,000; however, they usually averaged from 2,500 to 3,000 head. A rancher entrusted his herd to a trail boss, who would hire 10 to 15 cowboys, a cook and wagon, and a wrangler (horse handler) for the 100 to 150 horses. The trail boss would also provision the wagon and plan the drive. On the trail the cattle were watered in the morning, and then they slowly ate their way northward. The cowboys kept them from stopping, turning back, or leaving the herd. The herd would walk about ten miles per day, stopping only to water and eat. At night, the herd would stop at a watering hole and bed down. These herds were less than ten miles apart and were spaced so that each herd could spend the night at a watering point. At the Abilene railroad the trail boss would sell the cattle and horses, pay the cowboys, and return to Texas with the money for the owner, often repeating the trip year after year.

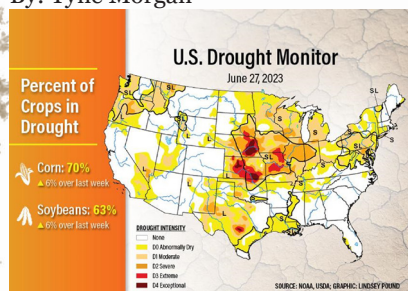
Eventually the Chisholm Trail would stretch eight hundred miles from South Texas to Fort Worth and on through Oklahoma to Kansas. The drives headed for Abilene from 1867 to 1871; later Newton and Wichita, Kansas became the end of the trail. The Cimarron cutoff on the north side of the Cimarron River allowed cattle to be driven to Dodge City, Kansas. From 1883 to 1887 herds headed up the trail to Caldwell, Kansas, making it the last great cow town on the trail.

The biggest cattle trailing years were 1871 and 1873. After 1881 the drives diminished considerably. The range was fenced in the Cherokee Strip after 1884, an 1886 Kansas quarantine law (against Texas fever) prohibited the entry of Texas bovines, and in 1887 a blizzard destroyed most of the range cattle industry. The Land Run of 1889 into the Unassigned Lands opened central Oklahoma to settlement, peopling the plains with farmers, who built fences and towns. These factors ended the trail-drive era. An estimated six million cattle had traveled the Chisholm Trail during its life, giving rise to many cowboy legends that survive to this day. By the end of the 1800s, the plains were being repopulated by the British breeds and the selection trend was for cattle with more muscle thickness.

RECENT RAINS DIDN'T PUT A DENT IN THE MIDWEST DROUGHT, 70% OF U S CORN CROP NOW HIT BY DROUGHT

National Drought Mitigation Center keeps track of the percentage of growing area affected by drought. The latest update show 70% of the U.S. corn crop and 63% of soybeans across the U.S. are covered in drought. (Lindsey Pound)

By: Tyne Morgan



It's now estimated 70% of the U.S. corn crop and 63% of soybeans across the U.S. are covered in drought. While the latest U.S. Drought Monitor shows drought expanded across Illinois and Indiana over the past seven days, increased chances of rain across the Corn Belt, including those two states, could hit at a critical time.

National Drought Mitigation Center keeps track of the percentage of growing area affected by drought. Last week, 64% of corn and 57% of soybeans were impacted by drought. This week's updated look showed a 6-point expansion for both corn and soybeans.

Even with rains sweeping the Northern Corn Belt last weekend, the latest drought monitor shows drought continues to spread across Illinois. The Monitor shows D2 (Severe Drought) conditions, taking a considerable jump in Illinois this

week. Severe drought covers nearly 59% of the state, up 28 percentage points in just a week. The amount of the state considered abnormally dry is 92%, up 10 points in a week.

Missouri is also seeing the impacts of drought take a toll across the state. D3 (Exceptional Drought) spans across nearly 20% of the state, up from 15.7% last week. D2 (Severe Drought) is covering more than half of the state, close to a 10-point spike in a week.

Across the entire Midwest, the Drought Monitor shows:

- 64.71% of the Midwest is D1/Abnormally Dry, a 6 point increase 64.71, was 58.49
- 24.65 is D2, severe drought, up nearly 9 points
- D3 (Exceptional Drought) increased to 3.52%, up from 2.59% last week

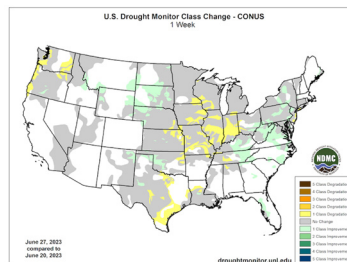
According to the authors of this week's drought update, there were widespread changes across the U.S., including heavy rains in the Northeast.

"The Midwest and east-central Great Plains saw mostly worsening conditions and widespread crop stress and low streamflows after another week of mostly dry weather. A mix of improvements and degradations occurred in Texas, where recent precipitation amounts have varied widely. The northern Great Plains received widespread heavy rainfall this week, leading to large-scale improvements to ongoing drought and abnormal dryness. In the Pacific Northwest, a few areas saw above-normal precipitation and improving conditions, but larger parts of the region saw increasing evaporative demand, continued dry weather and lowering streamflows, leading to worsening conditions."

The authors noted heavy rains hit parts of Ohio and Kentucky, which did improve long-term drought, but much of the region also saw conditions worsen, including in central Indiana, Illinois, Missouri, southwest Wisconsin, southeast Minnesota and southeast Iowa.

"Almost completely dry weather in Missouri and the southern two-thirds of Illinois led to widespread degradations, where streamflow and soil moisture continued to decrease amid mounting precipitation deficits, creating potential problems for corn and soybean production this growing season," the Drought Monitor stated this week. "In Missouri, cold weather in December and April have combined with the ongoing drought to lead to a 70% reduction in wine

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production. Hay production in Missouri was also reported to be one-third of normal. In southeast Iowa, producers reported rolling corn leaves and stunted soybean plants. In the Upper Midwest states, strawberry production was also struggling."

According to USDA-NASS, corn condition ratings across the U.S. dropped to only 50% in good to excellent condition this week. The five-point decline in a week's time means this year's corn crop has only been rated worse one other time in history: 1988.

That's also a change from last week, when both 1992 and 1988 held the record for lower ratings.

Heading into the weekend, farmers across key areas of the Corn Belt hoped for rain. Instead, the system stayed north, producing decent rainfall for parts of South Dakota, Iowa and northern Illinois. It wasn't enough to save the corn crop, with more weekly drops in the following states:

- Illinois: 26% good to excellent, down 10 points
- Indiana: 47%, down 9 points
- Iowa: 56%, down 3 points
- Missouri: 31, down 12 points
- Nebraska: 57%, down 2 points
- South Dakota, 47%, down 1 point

Drought Sprouts Corn Yield Concerns

The drought is stirring up debate on the impact on overall crop production and yield across the U.S. A recent AgWeb found 61% of respondents are getting more worried by the day when it comes to corn yields. 25% aren't sure. 15% say they are feeling good about current yield potential.

USDA currently has a 181.5 bu. per acre national yield penciled into their report. The next WASDE will be released be released July 12th, which will be the next opportunity to update its yield forecast.

It's still early enough for the nation's soybean crop to recover with any rains over the next couple of months, but USDA-NASS field reporters are also growing less optimistic about the U.S. soybean crop. Soybean crop condition ratings are currently the second-worst on record, only behind 1988, with 51% of the crop rated good to excellent. That's a three-point drop in a week.

Better Chances of Rain on the Way

USDA meteorologist Brad Rippey says topsoil moisture is still an issue, especially across Illinois and Missouri that saw very little rain in the storm system that swept the Corn Belt last weekend. However, he does think there are better chances of rain on the way for areas of the Midwest.

"As we move through the rest of this week and into the weekend, we have a little bit of good news for parts of the Corn Belt, and that is the block that has been dominating weather patterns across the Midwest for the better part of two months, has shown enough weakness to allow some moisture and energy to break through and work its way across the Midwest," says Rippey. "Now as we move through the next five days, it looks like the best opportunity for drought easing rainfall will occur generally across the southern part of the Corn Belt. So a band along an axis stretching from the central Great Plains into the Ohio Valley, that general area, which does include some of our driest areas in northern Missouri and Illinois, could see as much as one to three inches of rain."

He says the rain totals will be highly variable just due to the nature of precipitation this time of year.

"But at least there is a promise as we head into reproduction for corn and soybeans, of getting some one to three inch rainfall totals across the southern tier of the Corn Belt," he says.

Rippey says it's also key to keep in mind the moisture deficit many fields are facing, which means one to three inches of rain sounds like a dream of a forecast, but it won't have a dramatic change on the drought that continues to park itself and grow deeper in parts of the Midwest.

He says more rains are needed at such a crucial time of the production cycle, especially considering farmers in the Midwest typically see 1 to 1 1/3 inches of rain every week. He points out that moisture is needed to aid the crop during such a critical time of the crop production cycle.

SURPRISINGLY BIG PLACEMENTS IN THE JUNE CATTLE ON FEED REPORT

By: Josh Maples, Mississippi State University

The latest Cattle on Feed report was released on Friday by USDA-NASS. June 1 total cattle on feed for feedlots with capacity of 1,000 or more head was estimated at 11.55 million head which was 2.9 percent below June 1, 2022. This marked the ninth consecutive month that total cattle on feed was lower than the same month in 2022.

The biggest surprise from this report was the larger than expected placements of cattle into feedlots during May which were estimated at 1.96 million head. Placements were 4.6 percent (86,000 head) above May 2022 totals which was above the pre-report average expectation of a 1.7 percent increase. This was the largest May placements total since 2020.

Placements were higher across all weight classes except for the 900-999 pound group which was down 2.3 percent. Placements of cattle weighing less than 600 pounds were up 4.1 percent, 600-699 pounds up 9.3 percent, 700-799 pounds up 3.2 percent, 800-899 pounds up 6.5 percent, and over 1,000 pounds up 6.7 percent.

Looking at regional placements, most of the overall increase was driven by Nebraska where placements were 13.9 percent higher than last May, and placements were up double digits in all weight categories. Drought almost certainly was a factor in the larger Nebraska placements. Placements in Texas were interesting because of the contrast between light and heavy weight placements. Texas placements of less than 600 pounds were up 7.1 percent (10,000 head) while placements over 800 pounds were down 8.7 percent (10,000 head) as compared to May 2022.

Cattle marketings were reported at 1.95 million head which is 1.8 percent above a year ago. This was slightly higher than expected pre-report but within the range of expectations.

Looking ahead, it will be interesting to watch where cattle on feed numbers go during the summer months. Cattle on feed numbers typically decline in the summer and reach their seasonal low point around August before beginning to expand again for the Fall. Just how low that low-point is this year, and the percentage of heifers, will be informative for discussions on cattle and beef supplies.

MACKEY: PACKERS TRY TO KEEP LID ON PRICES

By: Brodie Mackey

Packers desperate to keep their grasp on the cattle market looked to their inventory to keep the pressure on cash prices. Cattle feeders reluctantly traded lower. The North, unlike most weeks, was the first to see activity. With the onset of the first real dose of hot weather cattle feeders encouraged to open up space looked to packers with the quickest delivery dates. Trade ranged from \$185-190 cwt live and \$296 cwt dressed—the regionals supporting the higher prices. By weeks end, many would report quicker delivery schedules called in on previously sold cattle. The south was extremely light for the week and business concluded at \$182 cwt. When all the regions were tallied the total volume, when compared to a week ago, was down 80,923 head cash and grid combined.

Boxes continue an ascent into new highs. Friday's Choice box was printed at \$343.09. Most analysts will await reports of Father's Day clearance at these high prices. Packers eager to fill orders Harvested 634,000 head, 18,000 more than the week previous. With the more aggressive pace and lighter trade, one begins to question their position in the weeks ahead.

Looking ahead, show lists aren't looking to make big increases. The industry is current. Many have marketed aggressively and are now more cognizant of getting weight on their remaining inventory. Packers will look to keep prices under control waiting for more inventory and buying their time to 4th of July.

A native of Torrington, WY, Brodie Mackey joined Consolidated Beef Producers in the spring of 2013 after earning his B.S. from the University of Nebraska-Lincoln. Brodie's focus at CBP includes customer development, cattle marketing and evaluation in Nebraska, Northeast Colorado, South Dakota and Wyoming. For more about Consolidated Beef Producers visit [here](#).



“This nation will remain the land
of the free only so long as it is the
home of the brave.”

Elmer Davis

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