Cow Country Reporter

February 2025 Volume 17 Issue 2

In This Issue

Cattle Producers Of Louisiana
P.O. Box 886
Prairieville, Louisiana 70769
Website: www.lacattle.org

Dave Foster
Chief Executive Officer
fostercrib2@gmail.com
225-335-3345

News from your CEO

The year 2025 started setting price records every week in January for feeder cattle and slaughter cows. How long will this price increase last? Who knows! So again (broken record) I say, contact your marketing rep. (local auction market, video, direct sales) and have a game plan. The USDA Cattle inventory came out January 31, 2025 and ALL cattle and calves in the U.S. were down less than 1% as were ALL cows and heifers. The Louisiana data showed ALL cattle and calves no change and cows and heifers down 2%. Less cattle coupled with good demand makes for higher prices. The January USDA Cattle on Feed Report showed on feed numbers down 1%, placements in December down 3% and December Marketings up 1%. The higher prices for calves and yearlings so far this year show demand for the "top end" cattle very good and for the plainer, light muscled cattle demand is moderate at best with prices $50.00-$60.00 per cwt. lower than the top end price. As we enter the month of February, historically prices for slaughter cows are the highest this month and March. Plan your cull cow marketing with this data in mind. Keep those baby calves alive and growing and enjoy the shortest month of the year!

Dave Foster, CEO

Fewer Feedlot Placements; Less Heifers on Feed

By: Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

The January USDA-NASS Cattle on Feed report shows a feedlot inventory of 11.823 million head, down 0.9 percent year over year. January feedlot inventories were down from December levels meaning that December is the likely seasonal peak in feedlot numbers this season. Feedlot inventories typically peak in the winter, usually from December to February but as early as November and as late as April.

December marketings were about as expected, up 1.0 percent compared to one year earlier. However, December 2024 had one extra business day compared to 2023, so daily average marketings were down 3.8 percent year over year. For all twelve months of 2024, feedlot marketings were down 0.2 percent from the previous year.

December placements were down 3.3 percent year over year. Placements in December were lower than expected and outside the range of pre-report estimates. For all twelve months of the year, total placements were down 1.6 percent from the previous year.

Although marketings were down slightly, the slower pace of marketing decreases compared to placement decreases explains how feedlots were able to maintain inventories on average fractionally higher year over year each month in 2024. Even with fewer placements, the reduced turnover rate resulting from increased days on feed allowed feedlots to hold average monthly inventories about equal to the previous year. With the slower turnover rate in place, feedlots will likely see inventories fall in 2025 with declining placements. Days on feed in feedlots will likely remain large but are unlikely to continue increasing enough to hold feedlot inventories as tight feeder supplies become more apparent.

The January Cattle on Feed report also included the quarterly breakdown of steers and heifers in feedlots. Steers on feed were up 0.7 percent from one year ago while heifers on feed were down 3.4 percent year over year. Heifers accounted for 38.7 percent of feedlot inventories, down from 39.7 percent in October.

While the decrease in heifers on feed is welcome from the perspective of potential herd rebuilding, Figure 1 shows that the decrease is not yet enough to suggest a sustained downtrend in heifer feeding. Similarly, the nearly one percent decrease in feedlot inventories may indicate further decreases in the feedlot total but this modest decrease for just one month is not enough to confirm a declining trend in feedlot inventories. By the time we get to the March quarterly numbers, both heifer feeding and overall feedlot inventory trends may be clearer.

What is a Good Bull Worth in 2025?

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

The spring bull buying season is here it’s time to revisit the age old question. The question has been asked forever, or at least as long as we have been breeding cattle with a notion of trying to make the next generation better. It is a classic and timeless question. It is an important question. At this time of year, when many bulls are being marketed and we are planning ahead for spring breeding season, it is a question that is asked a lot!

The Answer

I remember first hearing the answer nearly 40 years ago as a student at OSU. “A good bull is worth the value of five calves he sires.” I’ve heard that answer again many times over the years. It is a good answer and a good rule of thumb to follow, the problem is it doesn’t exactly narrow down the range. If we do a little “cowboy math,” this answer may in fact lead to more questions. Such as ....

What is considered a “Good Bull”?

For this discussion, qualifications to meet “Good Bull” status are:

- A bull that sells with a registration paper which includes pedigree information and a complete set of genetic values (including EPDs and Bio-economic indices) to be considered in the selection process.
- A bull that has passed a Breeding Soundness Exam (BSE) and selling with a breeding soundness warranty (terms will vary).

When are we marketing our Calves? What is their Value?

According to the most recent (January 21, 2025) Oklahoma Market Report:

524 lb. weaned steer calves (Large, 1) are worth about $3.50/lb. for a value of approximately $1,834 per head. Therefore, if my future marketing plan is to sell weaned steers, $1,834 x 5 = $9,170 is the answer.

912 lb. yearling steers (Large, 1) are worth about $2.53/lb. for a value of over $2,300 per head. Therefore, if my future marketing plan is to sell yearling steers, $2,300 x 5 = $11,500 is the answer.

1,500 lb. finished beef steers are worth $2.00/lb. live for a value of $3,000 each. Therefore, if my future marketing plan is to retain ownership through finishing and sell fed cattle on a live weight basis, $3,000 x 5 = $15,000 is the answer.

So, in the current market, a good bull is worth somewhere between $9,000 - $15,000 to a commercial cow-calf operation. Where exactly in that range depends on your marketing plan and the market conditions at that time. Not an exact number because there are many variables in play. One key point illustrated here is that the longer you own the offspring before marketing, the greater the value of the bull to your operation. Retained ownership gives you more time and opportunity to capture the value of your investment in genetics. It is noteworthy that we haven’t considered the value added to replacement females a bull will sire. **Bulls used to sire the next generation of cows have an even greater long-term economic impact on the profit potential of your operation and should be valued accordingly.**

I encourage cow-calf operations to consider their production system and marketing plan. Doing so should dictate where to apply selection pressure. Genetic values pay when you purchase bulls capable of improving genetic potential for the specific traits that will translate to added value at your intended marketing endpoint.

Keep the following chart in mind as another way to evaluate ownership cost of bulls on a per calf sired basis.

Bull Purchase Price:	**$6,000**	**$9,000**	**$12,000**	**$15,000**
	$40	**$60**	**$80**	**$100**

Cost per calf sired - assuming 150 calves sired over duration of time as a herd bull.

Mark Johnson, OSU Extension beef cattle breeding specialist, discusses the value of a good bull on SunUpTV from January 27, 2024. https://www.youtube.com/watch?v=dDOudyVPEgg

Important Tips for Feeding Cattle in Winter

Feeding cattle in winter is critical to management, especially in regions where forage quality declines significantly during colder months. Proper nutrition during this period ensures cattle health, productivity and reproductive performance.

By: Shelia Grobosky

Feeding cattle in winter is critical to management, especially in regions where forage quality declines significantly during colder months. Proper nutrition during this period ensures cattle health, productivity and reproductive performance. However, low-quality forage alone often cannot meet the nutritional demands of cattle during winter.

Challenges of Feeding Cattle in Winter

Low-quality forage typically contains higher fiber content and lower concentrations of digestible nutrients such as protein and energy. This reduction impacts rumen function and limits the ability of cattle to extract nutrients. Forage with a crude protein content below 7% may not provide sufficient nitrogen for the rumen microbes to thrive. As a result, forage intake and digestion rates decrease, further compounding the nutrient deficit.

Chris Cassady, Ph. D., BioZyme Beef Technical Sales Manager, offers these six tips for optimizing winter cattle feeding.

Assess Forage Quality & Quantity

Test hay and silage for nutritional content, including protein, energy and mineral levels. Supplement poor-quality forage with grain, protein blocks or balanced feeds to meet the cattle’s dietary needs.

Increase Energy & Protein

Cattle require more energy to maintain body temperature in cold weather. Provide higher-energy feed such as corn or other grains to ensure they maintain their body condition. Protein for cattle is essential for growth, reproduction and milk production. Include protein-rich feeds like alfalfa, soybean meal or commercial supplements if forage protein levels are insufficient.

Ensure Clean Water Availability

Dehydration can occur even in winter. Prevent water from freezing by using heated waterers or regularly breaking

(continued page 3)

the ice. Water intake and appetite are directly correlated, and cattle consume less feed if water intake is inadequate.

Feed Consistently

Maintain a regular feeding schedule to support rumen health and digestion. Feed cattle during the warmest part of the day to minimize stress from cold temperatures.

Adjust Rations for Body Condition

Monitor the body condition of your cattle regularly. Thin animals may need additional feed to regain weight, while over-conditioned cattle should have adjusted rations to prevent metabolic issues.

Provide Shelter & Windbreaks

Protect cattle from harsh weather by providing shelter or windbreaks. Reduced exposure to cold winds decreases their energy requirements. If the ground is frozen or mud exists, consider bedding the ground with stalks or straw to give the cattle relief from wet or frozen ground.

Following these tips can keep your herd healthy and productive throughout the winter. Proper nutrition and care are key to maintaining herd performance and profitability.

Did the U.S. Cattle Inventory Shrink Even More in a Year? 60% of Ag Economists Think So

Last year's USDA Cattle Inventory Report showed the smallest cattle herd since 1951. With strong heifer prices and no strong signs of rebuilding underway, the Ag Economists' Monthly Monitor shows supplies may come in even lower than last year.

By: Tyne Morgan

Last year's USDA Cattle Inventory Report showed the smallest cattle herd in 73 years. And with no strong signs of rebuilding underway, along with strong prices providing no incentive to retain heifers, agricultural economists think the U.S. cattle inventory has shrunk even more since last year.

Last year, USDA's Cattle Inventory report showed as of Jan. 1, 2024, the All Cattle and Calves inventory was 87.15 million head, a 2% reduction in just a year. Ahead of the 2025 report, the January Ag Economists' Monthly Monitor asked economists to project inventory as of Jan. 1, 2025.

- 50% said they expect inventory to fall to 86 to 86.9 million head.
- 20 percent expect inventory to remain similar to levels last year
- An additional 20% think inventory will rise to 88 to 88.9 million head.
- And 10% think cattle numbers could to 85 to 85.9 million head.

What would change a producer's minds and give them confidence to grow their herds again? That's exactly what we asked in the latest Ag Economists' Monthly Monitor, which is an anonymous survey of nearly 70 ag economists from across the country. While some said it will just take time, others pointed to the economics of strong cow-calf returns, weaker fed cattle prices and lower prices at the sale barn.

Other economists said:

- "Today's high prices are certainly incentive, along with the expectation of moderate feed costs."
- "Government policies, global demand, price cycle"
- "Better spring forage supplies could be the most important factor in growth. More quality labor could be critical, too."
- "Confidence that the general economy outlook is positive and that there are unlikely to be negative policy shocks. And, of course, there has to be adequate forage."
- "Improved weather pattern in the West, along with profitable margins."

Record-High Prices

Cattle prices continued to hit records this week. And with no signs of those record prices slowing down, it's a question of how high these prices will actually go.

Is it the supply side or the demand side driving prices? According to economists in the survey, it's both. And that's why out of the 10 major commodities, economists are most bullish on cattle in 2025.

Advice to Manage Risk

Even with no end in sight, the Ag Economists' Monthly Monitor asked economists, "What advice you would offer beef producers to consider to make sure they are in the right position to take advantage of high prices now and to be prepared for when the market changes?" Here's what they had to say:

- "Stay sold forward, and avoid over-leveraging."
- "To just keeping looking at their genetics, retaining those with the best traits to continually improve herd quality and meat marketability."
- "For those with adequate forage availability, the near-term outlook for cattle profitability is very positive. Remember, though, that all good things come to an end—those who wait too long may only have more animals to market when prices turn back down again."
- "Consider all options for their risk management strategy, including both insurance products, futures, options, or other strategies."
- "You must have something to sell."
- "Today, there is more downside price risk for cattle prices. Risk management against a significant decline in future cattle prices should be considered today."
- "Hedge sales and inputs both. Hedge the crush!"

Nalivka: What's Impacting the Pace and Extent of Herd Building?

While some operations are increasing cow numbers, there are a couple segments decreasing numbers or exiting for good.

By: John Nalivka

U.S. cattle inventory is largely driven by smaller producers with fewer than 100 cows. According to the 2022 Census of Agriculture, 557,075 cow-calf operations run fewer than 100 cows, which accounted for 89.5% of total cow-calf operations and 39.5% of the total cows. In 2022, the total number of operations represented a 15% drop from the 2017 Census. While the operations with 100 cows or less accounted for about the same percentage of the total cow-calf operations in 2022 versus 2017, they accounted for a smaller percentage of the total cows — down from 44% in the 2017 Census.

I have once again thrown a lot of numbers at you, but the point is that from 2017 to 2022, there was a significant decline in the number of operations with fewer than 100 cows and these operations held a smaller percentage of the total cows.

While some operations increased their cow numbers and moved up the scale in the census survey to 100 to 499 cows, there were also many that simply exited the industry. This would have been evident in the 2022 survey when drought and financial issues prompted liquidation. Unlike herd liquidation in previous cattle cycles, many cow-calf producers exited the industry for good. If that is indeed the case, their permanent departure will be a major factor impacting both the pace and the extent of herd building going forward.

The 2022 Census supports movement toward larger operations. The two groups of operations to drop in number were those with a herd size fewer than 100 cows and 100 to 499 cows. All other operations increased in number of operations. While the total number of operations fell from 2017 to 2022, the number of operations with 500 to 999 cows increased 19% from the 2017 survey and 8% from 2012 to 2017.

Expansion or liquidation of U.S. cattle numbers is mostly driven by small operations. I do believe the decline in their number will impact the pace of herd growth going forward.

CATTLE PRODUCERS OF LOUISIANA
P.O. BOX 886
PRAIRIEVILLE, LOUISIANA 70769
WEBSITE: WWW.LACATTLE.ORG