



## January Cattle Inventory and What It Suggests

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The January cattle inventory is published in the “Cattle” report released February 1<sup>st</sup> by the National Agricultural Statistical Service (NASS), USDA, each year.

NASS inventories the cattle population of the U.S. twice a year, in January and July. The January 2002 inventory is below:

Cattle and Calves: Number by Class and Calf Crop,  
 United States, January 1, 2000-2002 1/

Class	: 2000	: 2001	: 2002	: 2002 as : % of 2001
	: ----- 1,000 Head -----			Percent
Cattle and Calves	: 98,198	97,277	96,704	99
Cows and Heifers That Have Calved	: 42,759	42,580	42,209	99
Beef Cows	: 33,569	33,397	33,100	99
Milk Cows	: 9,190	9,183	9,110	99
Heifers 500 Pounds and Over	: 19,649	19,776	19,678	100
For Beef Cow Replacement	: 5,503	5,588	5,561	100
Expected to Calve 2/	: 3,337	3,452	3,452	103
For Milk Cow Replacement	: 4,000	4,057	4,060	100
Expected to Calve 2/	: 2,696	2,724	2,724	101
Other Heifers	: 10,147	10,131	10,057	99
Steers 500 Pounds and Over	: 16,682	16,441	16,800	102
Bulls 500 Pounds and Over	: 2,293	2,274	2,244	99
Calves Under 500 Pounds	: 16,815	16,206	15,773	97
Cattle on Feed	: 14,003	14,201	13,860	98
Calf Crop	: 38,796	38,631	38,280	99

1/ Totals may not add because of rounding.

2/ Replacement heifers expected to calve during the year. Data not available prior to 2001.

The inventory provides information on beef and dairy animals by class. It is very similar to an inventory a person would take of a personal cattle operation. The information can be broken down into two parts: production capacity and inventory that will become beef production within one to two years.

The January inventory report is important because it provides the clearest indications of the productive capacity of the beef cow herd and the animals that will be available for feeding for the coming year and hence beef production. It reflects the biological cycle followed in beef production. Most (70% to 75%) of the calves are born in the spring, and, by January of the following year, can be classified for the report. Also, most culling of the beef cow herd has occurred, and therefore the cow and heifer numbers give a good indication of the productive capacity of the herd.

“Cattle and Calves” is the sum of “Cows and Heifers That Have Calved,” “Heifers 500 Pounds and Over,” “Steers 500 Pounds and Over,” “Bulls 500 Pounds and Over” and “Calves Under 500 Pounds.” It is the total number of cattle and calves on hand at all cattle operations (beef and dairy) on the date the inventory was taken. Increasing numbers mean the national cattle and calf herd is growing, with an implication of increased beef supplies. Declining numbers indicate a shrinkage of the national herd and a future reduction in beef production. Many male dairy calves are used for beef production.

“Cattle on Feed” and “Calf Crop” are different tabulations of the inventory that provide information on near future beef production (Cattle on Feed) and future beef production and productive capacity (Calf Crop).

“Cows and Heifers That Have Calved” are the basic U.S. production capacity figures. As the title indicates, these animals have had calves in the past and are expected to be the base for future production. This number will rise and fall as cows are culled or die and are replaced. If more cows die or are culled than replacement heifers come into the herd, the net effect is a decline in numbers. And, vice versa, if more replacements come into the herd than there are culls and deaths, the number will increase.

If “Cows and Heifers That Have Calved” is declining, it is implied that fewer calves will be produced in the future, suggesting an upward movement in calf prices. However, increased culling of cows may increase beef production in the short term. In contrast, when this class is increasing, it is implied that more calves will be produced in the future with a downward movement in calf prices. Again, however, in the short term, if fewer cows than normal are culled, there may a reduction in beef production.

“Beef Cows” numbers provide an indication of beef production, and “Milk Cows” provide information on milk production potential and some beef production from male dairy cattle and calves.

The estimate of replacements is located in the “Heifers 500 Pounds and Over” classification. The “For Beef Cow Replacement” presents the number of heifers producers have indicated they plan to keep as beef replacements, and “For Milk Cow Replacement” shows milk cow replacements. As conditions change, heifers originally intended to serve as replacements may go to another use. The “Other Heifers” category is heifers that are not intended for replacement use. Basically, these are animals that will be stocker or feeder animals or are currently on feed. However, if production and financial conditions are conducive, some of these heifers would go for replacements.

If the “Heifers 500 Pounds and Over: For Beef Cow Replacement” is increasing, it implies that in the future the cow herd will increase. If the cow herd increases, then there will be more calves produced and downward pressure on prices as the increased calf crop comes to market. The short-term effect, however, is to raise feeder cattle prices as fewer heifers are available to be fed.

If the “Heifers 500 Pounds and Over: For Beef Cow Replacement” is declining, it implies that in the future the cow herd will decline as death and culling occur. If the cow herd decreases, then fewer calves will be produced and calf prices will rise. In the short term, increased heifer availability will put downward pressure on feeder prices and later fed cattle prices as beef production increases.

The “Steers 500 Pounds and Over” are animals that are destined for beef production. They are in grazing operations, cow-calf operations or in feedlots. Increasing numbers imply increased beef production and lower prices.

The “Bulls 500 Pounds and Over” are male animals that have not been castrated. This classification includes herd bulls, potential herd bulls and other bulls. The other bulls will eventually be castrated and fed or fed as bulls. Larger numbers suggest increased beef production and lower prices although this classification is only a small part of the total beef produced.

The “Calves Under 500 Pounds” are young heifers, steers and bulls. Increasing numbers imply more beef production and lower prices in the future.

The “Cattle on Feed” classification is for animals that are in feedlots and will be slaughtered after feeding. The animals in this classification are already counted in the inventory. It is intended to show how much of the inventory is on feed. It includes animals from those that have just gone on feed to those that are ready for slaughter. Increasing numbers of “Cattle on Feed” implies increased beef production from fed cattle in the near future, typically with downward pressure on fed cattle prices.

The “Calf Crop” figure is not a strict inventory classification but, like “Cattle on Feed,” provides information about future beef production from U.S. cattle as well as future productive capacity. It is an indication of more distant beef production volume and capacity. Increasing numbers imply more beef production and lower prices; while declining numbers suggest slowdown in beef production and higher prices.

A new statistic, Cattle and Calves: Number Grazing on Small Grain Pasture, 3-State Total, provides information of the numbers of animals on wheat and other small grain pastures. The animals in this classification are already counted in the inventory. It is intended to show how much of the inventory is on small grain pasture.

Cattle and Calves: Number Grazing on Small Grain Pasture,  
3-State Total, January 1, 2000-2002 1/

Class	:	:	:	:	
Class	:	2000	2001	2002	
Class	:	---- Million Head ----			2002 as % of 2001
Calves, Other Heifers and Steers	:				Percent
Kansas, Oklahoma, and Texas	:		1.78	2.80	157

1/ Data not available prior to 2001.

This number will fluctuate with the availability of wheat and other small grain pasture. If wheat pasture prospects are poor because of lack of rainfall, then numbers will be down. Typically, small grain pasture gains are inexpensive and are one way to increase producers' profits. Also, small grain pasture cattle will have fewer feeding days because they enter feed lots at 700-800 pounds typically. The exact impact on forecasting beef production or price changes is uncertain because of the short time data have been available.

The Cattle Inventory provides information on current and future beef production and is watched for trends.