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# Seasonal Changes in CATTLE PRICES

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## SEASONAL CHANGES IN CATTLE PRICES

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Beef has been blessed with almost a constantly rising demand in the U.S. Much of the increased demand results from larger populations and higher per capita disposable incomes, but some of it has been caused by an increased preference for beef. Texas is fortunate in these respects since population and income growth in the South has been more rapid than the rest of the nation and because of a preference shift from slaughter calves to fed beef.

Consumer demands, which also reflect packer demands and, in turn, feedlot demands, are fairly constant throughout the year. Variations in feeder animal availability, however, is the result of weather conditions, breeding dates, range conditions and production costs. Such items, then, become major factors influencing price levels.

Many of these factors, however, are consistent from year to year in terms of timing and frequency. Since seasonal conditions indirectly affect marketing levels about the same way each year, some fairly good estimates of future price levels can be obtained by examining past seasonal price patterns.

Two time periods were chosen to reflect seasonal price fluctuations. The first period, 1964-65 represents the "peak" years of the 1958-67 cattle numbers cycle. The second period, 1969-70, is the most recent price information and represents mid-years of cattle herd expansions. Charts and tables used in this publication offer price information from these two periods.

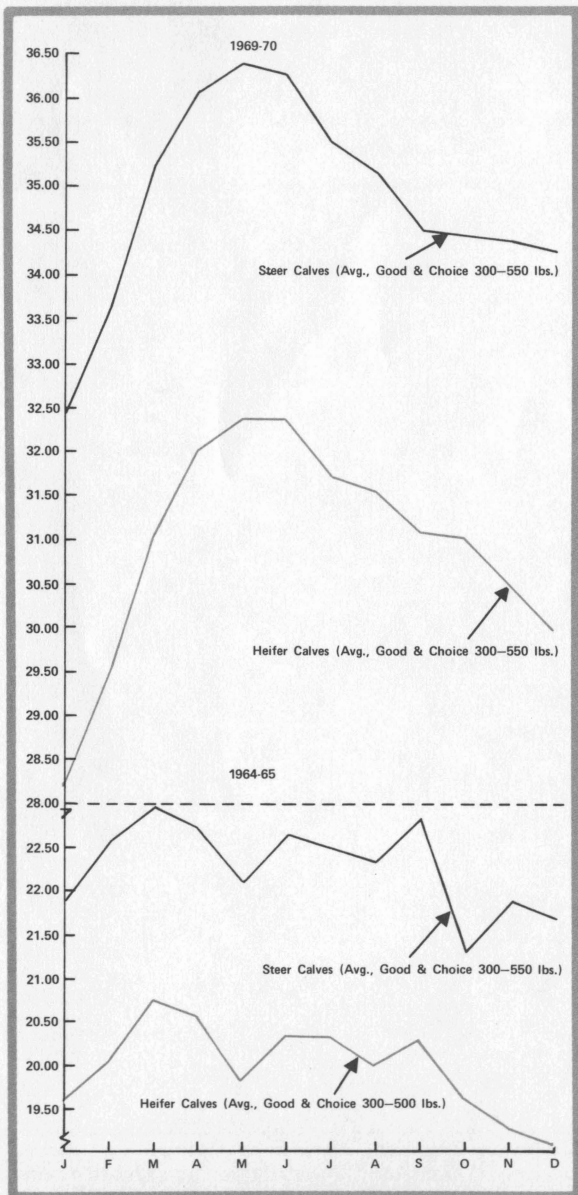
All prices used in this bulletin are those reported by the Consumer and Marketing Service, Livestock Division, USDA. The price data for feeder steers and heifers, bulls and cows were reported at the Fort Worth Stockyards. Price information for slaughter steers and heifers was recorded for the Clovis, New Mexico market and West Texas range and feedlot sales.

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## FEEDER, STOCKER AND SLAUGHTER CALVES

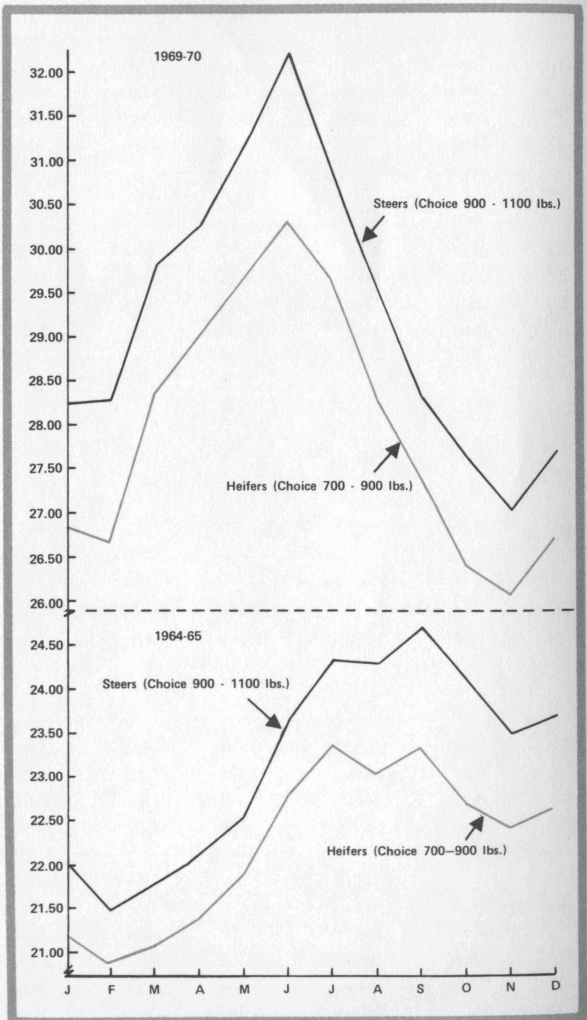
Separate charts and tables were not prepared for each specific class listed in the above subheading. This is due to the difficulty of determining the class of a calf which is primarily based on the intent of the owner or buyer. Normally, Texas calves are dropped during the spring months of February to April and are weaned and sold in the fall months. If the calf is



FEEDER STEERS AND HEIFERS - - - - - Fort Worth, Texas

relatively fat at this time, he may go to a packer as a slaughter calf. If he is of good flesh, he probably will be marketed as a feeder calf. A thin calf may be used as a stocker animal for wheat or winter pasture before moving as a feeder to the feedlots.

The rapid growth of Texas feedlots in recent years has increased the demand for feeder animals and aggressive trading practices have been experienced by feedlots, in their attempt to insure themselves of consistent supplies. Texas-fed cattle marketings, for example, increased 2.2 million head from 1964 to 1970. Growth in this 6-year period represents more than a three-fold increase in the number of cattle marketed from Texas feedlots. Almost all of



SLAUGHTER STEER AND HEIFERS - - Clovis, New Mexico



these fed cattle marketings are the result of large commercial-type feeding operations.

The increase in calf availability has not paralleled this tremendous feeding growth and, consequently, there has been a dramatic shift away from the slaughter of calves. For example, in 1966 there were 584,500 calves slaughtered in Texas compared with 278,100 in 1970.

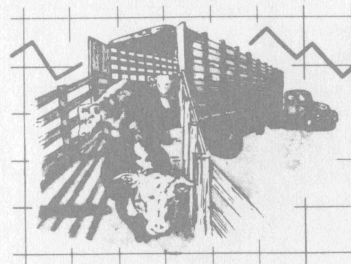
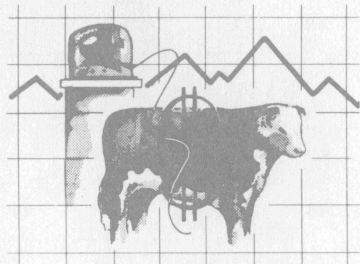
Because of classification problems and the relative reduction in slaughter-calf trade in Texas, only feeder prices are used in this analysis.

### SLAUGHTER STEERS AND HEIFERS

Much of the traditional, seasonal variation of slaughter cattle has been altered because of the feedlot development. Fed cattle marketings in Texas

during 1964 and 1965 varied 44 and 27 percent between calendar quarters. These variations, however, dropped to 11 and 12 percent during the last 2 years. There also has been a substantial increase in the number of slaughtering plants in Texas to accommodate this rapid increase in fed cattle.

Nationally, feedlot marketings account for three-quarters of the total commercial cattle slaughter. Most cattle are placed in feedlots at about 500 to 600 pounds and fed to about 1,000 to 1,100 pounds. The target grade usually is USDA Choice which requires about 120 to 180 days of feeding. Seasonal price variations also are caused by such items as feed costs, tax considerations, feeder availability, holiday affects and other economic factors.

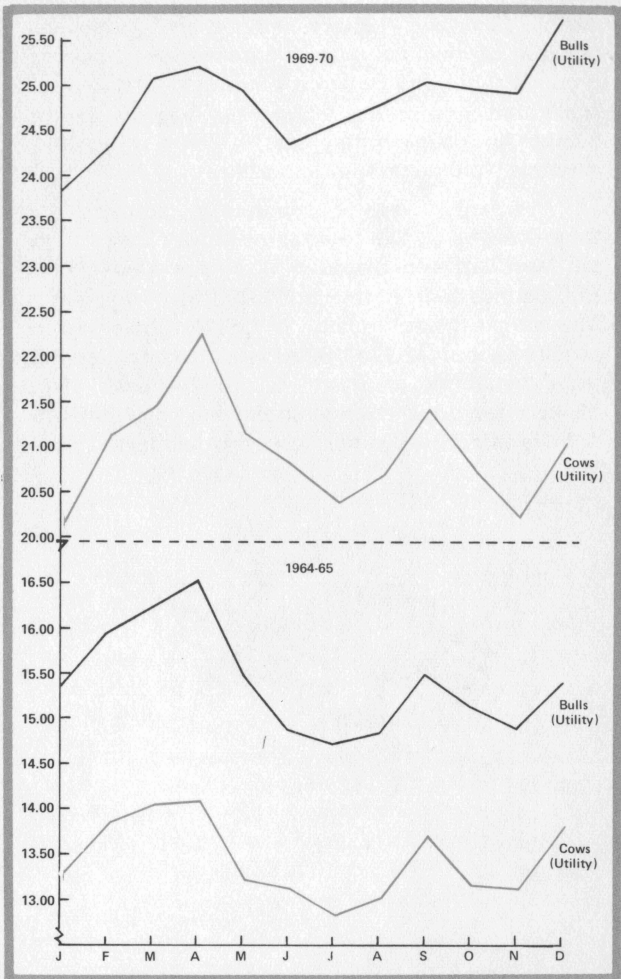


### FEEDER CALVES (Ft. Worth)

Calendar Quarter	Price Range	1964		Price Range	1965		Price Range	1969		Price Range	1970	
		Monthly Avg. High	Monthly Avg. Low		Monthly Avg. High	Monthly Avg. Low		Monthly Avg. High	Monthly Avg. Low			
<b>STEERS</b>												
1	1.46	Mar*	Jan	.81	Mar	Jan**	3.02	Mar	Jan**	2.57	Mar	Jan**
2	2.30	Apr	June	2.17	June	Apr	.78	June*	Apr	.37	Apr*	June
3	1.32	Sept	Aug	.34	July*	Sept	1.24	July	Sept	.74	July	Sept
4	1.12	Nov	Dec**	1.82	Dec	Oct	1.38	Dec	Oct	1.73	Oct	Dec
<b>HEIFERS</b>												
1	1.20	Mar*	Jan	1.18	Mar	Jan**	2.16	Mar	Jan**	3.51	Mar	Jan**
2	2.62	Apr	June	2.16	June	Apr	.90	May*	Apr	.14	Apr*	May
3	1.09	Sept	Aug	1.02	July*	Sept	.50	Aug	Sept	.99	July	Sept
4	1.72	Oct	Dec**	.63	Dec	Nov	.26	Nov	Oct	2.18	Oct	Dec

\*Highest monthly average for year.

\*\*Lowest monthly average for year.



**COWS AND BULLS** ..... **Fort Worth, Texas**

### COWS AND BULLS

Due to the increasing demand for hamburgers, barbecue, frozen dinners and the manufacturing meat trade for hot dogs, bologna, etc., there has been a general strengthening of cow and bull prices in recent years. The supply for this trade comes from three primary sources: culled dairy cows and bulls, culled beef cows and bulls and foreign sources in the form of boneless imported beef. As for the feeder animal, the production pattern of beef provides considerable information regarding seasonal availability of domestic cows and bulls.

In Texas, fewer cows are offered in the months of February, March and April because this is the normal calving season. It has been estimated that 60

percent of the annual Texas calf crop is dropped from January to May. Shortly after the calving period, culling of barren or less thrifty cattle becomes more active. During June, July and August, as calves are

weaned, additional cows are culled and sold for slaughter. Since this also represents the period of the year when range conditions are usually beginning to decline, incentives for such culling are then enhanced.

SLAUGHTER STEERS AND HEIFERS  
(Clovis, N.M.—West Texas)

Calendar Quarter	1964		1965		1969		1970					
	Price Range	Monthly Avg. High	Monthly Avg. Low	Price Range	Monthly Avg. High	Monthly Avg. Low	Price Range	Monthly Avg. High	Monthly Avg. Low			
STEERS												
1	.48	Jan	Feb	.56	Jan	Feb**	1.13	Mar	Feb	2.43	Mar*	Jan
2	1.19	June	May**	2.99	June*	Apr	3.84	June*	Apr	1.22	June	May
3	1.40	Sept*	July	.66	July	Aug	2.72	July	Sept	2.27	July	Sept
4	.82	Oct	Dec	.66	Oct	Nov	1.23	Dec	Oct**	1.28	Oct	Nov**
HEIFERS												
1	.36	Jan	Mar	.44	Mar	Feb**	.84	Mar	Feb	2.52	Mar*	Feb
2	.63	Apr	May**	2.99	June*	Apr	3.28	June*	Apr	1.30	Apr	May
3	.80	Sept*	July	.84	July	Sept	2.80	July	Sept	1.65	July	Sept
4	.46	Oct	Dec	.58	Dec	Nov	1.55	Dec	Oct**	1.13	Oct	Nov**

\*Highest monthly average for year.

\*\*Lowest monthly average for year.

SLAUGHTER BULLS AND COWS  
(Ft. Worth)

Calendar Quarter	1964		1965		1969		1970					
	Price Range	Monthly Avg. High	Monthly Avg. Low	Price Range	Monthly Avg. High	Monthly Avg. Low	Price Range	Monthly Avg. High	Monthly Avg. Low			
BULLS												
1	.73	Mar*	Jan	1.06	Mar	Jan**	.99	Mar	Jan**	1.49	Mar*	Jan
2	2.00	Apr	June	1.32	Apr	June	.15	Apr	June	1.53	Apr	June
3	1.17	Sept	Aug**	.90	Sept	July	.45	Aug	July	.72	Sept	Aug**
4	.40	Oct	Dec	1.01	Dec*	Nov	1.59	Dec*	Oct	.59	Oct	Nov
COWS												
1	1.05	Mar*	Jan	.61	Feb	Jan**	2.01	Mar	Jan**	.82	Feb	Jan
2	2.24	Apr	June	.47	June	May	.76	Apr	June	2.12	Apr*	June
3	1.59	Sept	July**	.19	Sept	Aug	1.12	Sept	July	1.20	Sept	Aug
4	.47	Dec	Oct	1.12	Dec*	Nov	.84	Dec*	Oct	1.20	Oct	Nov**

\*Highest monthly average for year.

\*\*Lowest monthly average for year.

