

2007 Cattle Industry Annual Convention & Trade Show

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Forecasting the Numbers

Cattle-Fax analyst overviews cattle numbers, beef supplies and beef demand.

by Micky Wilson

NASHVILLE, TENN. (Feb. 1, 2007) — “Prices on all classes of cattle are past the cycle high,” Kevin Good, senior market analyst, said Feb. 1 during the 38th Annual Cattle-Fax Outlook Seminar at the 2007 Cattle Industry Annual Convention and NCBA Trade Show in Nashville. Price trends are expected to decrease over the next three to four years as production expands.

This, Good said, is a time to focus on opportunities.

Total cattle numbers have increased 2.7 million head in the last three years, Good said. The total inventory as of Jan. 1 was expected to be at 97.6 million head, up 5% compared to a year earlier.

Also in 2006, cow slaughter was up 12%, totaling 5.43 million head. “The largest increases in beef cow slaughter occurred in the Southern Plains due to drought conditions,” he expounded. Beef cow slaughter is expected to be up in 2007, but just slightly.

Feeder-cattle and calf supplies are expected to be up 2% in 2007, totaling 28.75 million. Good projected higher grain costs will result in cattle staying out of feedyards longer. Feeders will realize lower costs of gain on grazing and backgrounding programs.

Imports of Mexican and Canadian feeder cattle are projected to decrease this year, primarily due to higher costs of gain in the U.S. and lower feeder-cattle and calf values. Good said he doesn't expect much change in imports from these countries in the five-year average.



►Cattle are expected to be on feed for fewer days in 2007 due to expected high costs of gain, resulting in slightly lighter carcass weights, said Kevin Good, Cattle-Fax senior market analyst.

At 774 pounds (lb.), average carcass weights increased by 12 lb. in 2006, Good reported. Cattle are expected to be on feed for fewer days, again due to expected high costs of gain, resulting in slightly lighter carcass weights.

Beef production totaled 26.053 billion lb. in 2006 and is expected to increase slightly more than 1% in 2007. Net beef supplies were 28.059 billion lb. in 2006 and are expected to increase less than 0.5% in 2007.

This will result in a slight decline in beef consumption for the year. Looking a couple of years down the road, Good said, “Per

capita supplies are expected to be flat in 2008 and 2009 as population growth will offset the growth in net beef supplies.”

The Cattle-Fax Outlook is sponsored by Pfizer Animal Health. Summaries of other presentations during the outlook are also posted to the www.4cattlemen.com newsroom.

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