



Hereford Registrations Up 8% Despite Drought

It's been more than 50 years since the Hereford breed has experienced such good times from a market demand standpoint. While the extreme drought conditions and escalating cost to operate have many within the industry under a cost crunch, there is an increasing awareness within the commercial industry that breed complementarity and hybrid vigor from crossbreeding are inexpensive decisions that can make an enormous difference in the profitability of a commercial operation.

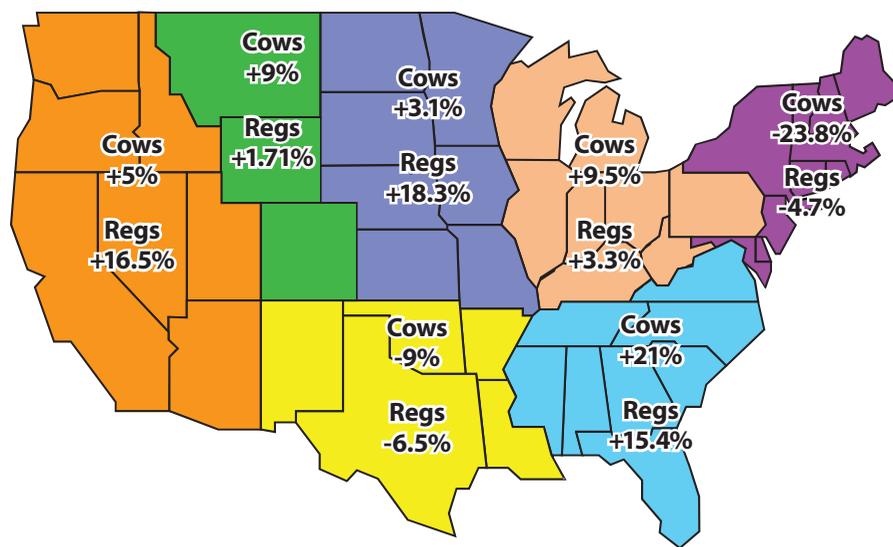
This fact has put the Hereford breed squarely in a solid market position despite the drought conditions that have softened a lot of optimism in many parts of the country. Albert Einstein was quoted as saying, "When you are courting a nice girl an hour seems like a second. When you sit on a red-hot cinder a second seems like an hour. That's relativity."

Relatively speaking, the Hereford breed is experiencing times reminiscent of a young man "courting a nice girl." It's certainly easier to sustain challenges when you're on the high side of the demand curve. While the last few years of drought in different parts of the country have made it difficult on virtually everyone in production agriculture, the Hereford breed seems to continue to gain traction within the industry, which is translating into investment and expansion of the cow base and in annual registrations of calves.

Fiscal year (FY) 2012, which ended Aug. 31, was a rebound year for the American Hereford Association (AHA). The AHA reported an 8.1% increase in registrations of more than 70,000 head for the first time in seven years.

Cow numbers rebounded 3.4% to more than 101,000 cows, a four-year high despite the drought and declining

Percentage change in Hereford registration and cow inventory from 2011 to 2012 by region



cow numbers last year in a large part of the Southwest. Watch for more fiscal year highlights in the *Annual Report*, which will be included in the November *Hereford World*.

The drought's effect on Hereford numbers

In 2012, registered Hereford cow inventories and registrations climbed in every region of the country with the exception of the Southwest and upper New England states. Land values and population density are making it very difficult on all of production agriculture in the Northeastern U.S., but it's the drought that has clearly taken a toll on the Southwest.

Texas and Oklahoma, two of the top five states in the U.S. for registered Hereford cow numbers and calf registrations, took the hardest blow from the 2011 drought, which was said to be the worst on record in over 60 years.

In FY 2012 the region was down 6.5% in registrations and 9% in cow inventory. It's been well documented that commercial cow liquidation in the state of Texas last year was more than 400,000 head, reducing the demand for breeding age range bulls by more than 16,000 head.

Since 2006 the Southwest has experienced a 5% decline in cow numbers due principally to record dry years. That being said, the Hereford breed has remained solid in the region, maintaining strong prices for bulls and females. All indicators suggest that recovery for Hereford breeders in the Southwest is predicted to be strong once range resources heal.

While the Southwest suffered the most in 2011, there have been significant rebounds in both Hereford registrations and cow inventories across most of the rest of the country despite a 2012 drought that canvassed most of the Midwest.

The highest percentage rebound in registrations occurred in the Southeast, reporting a 15% increase in registrations and a 21% increase in cow numbers. The second highest percentage increase occurred in the High Plains region with a 18% increase in Hereford registrations and a 3% increase in cow numbers. The Plains and Missouri River Corn Belt region — including the states of North Dakota, South Dakota, Minnesota, Nebraska, Iowa, Kansas and Missouri — accounted for more than 35% of all the Hereford cows in the U.S., a concentration that seems to be growing in recent years.

With popularity also comes responsibility

The beef cattle industry has certainly opened a door of opportunity for Hereford breeders. The challenge for Hereford breeders will be to keep that door open. As we see the expansion of registered Hereford numbers, it will be increasingly important to maintain the quality of the registered Hereford cow base.

AHA has assembled the largest database in the world of whole-herd fertility and longevity records. The breed has worked hard and invested heavily in performance testing and genetic research. Breeders have culled hard to upgrade convenience traits and reduce cow herd defects.

AHA has one of the strongest databases in the world from which to derive selection information. Careful and prudent expansion of Hereford numbers in a way that maintains acceptable quality and gives rise to better than expected results for the commercial customer is what will sustain future growth in demand. **HW**

2011-2012 drought comparison

