

## Optimistic Markets

Higher-quality cattle and increased exports offer opportunities for 2021 despite the pandemic and drought.



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Happy New Year! As we welcome 2021, many of you are probably still uncertain about how the pandemic will continue affecting everyone, but rest assured, farmers and ranchers will stay committed to feeding a growing world population. For U.S. cattlemen and women, the signs seem to be fairly optimistic for domestic and export demand for high quality beef. According to CattleFax reports, 83% of U.S. beef in 2020 graded Prime and Choice compared to 67% in 2013. This increase of a consistent, high-quality product has allowed beef to see growth in market share. Additionally, China has entered the market again, and there are some predictions China could become the largest buyer of U.S. beef over the next couple of years. Of course, much of this could be determined by politics, but there is some real opportunity.

This increase in demand coupled with a projected smaller cow herd for 2021 provides good opportunities for all segments of the industry. However, we found last year that situations outside our control have at least a short-

term effect on profitability. In addition, because of the pandemic and drought conditions in some parts of the U.S., feedyards are still working to get back to normal placements. One possible roadblock for feeders is costs, as the grain markets have rallied a bit through this year's harvest.

Even with positive signs, the U.S. cattle industry will be faced with challenges, and this is certainly where Hereford cattle and the American Hereford Association (AHA) membership will gain traction. Quality will continue to be important as consumers demand a consistent, great-tasting product.

### Efficiency endures

In addition to quality, cattle will have to be efficient, healthy and productive. Research shows Hereford cattle lead the way in efficiency at all stops along the production line. Dave Lalman, Ph.D., with Oklahoma State University, proved the value of adding Hereford genetics to a commercial cow herd. His research found the first-generation (F1) cow produces a heavier calf at

weaning, while maintaining a better body condition score on less intake. The U.S. Meat Animal Research Center data has shown Hereford cattle gain more efficiently while hitting a target for quality grade and yield grade, which adds to a producer's bottom line. The AHA is committed to evaluating genetics for efficiency which allows our members to make proven selections and to provide genetics the commercial industry needs for profitability.

The AHA continues to prove the advantage of the F1 female in terms of fertility and longevity, which also adds to the value of efficiency. Sam Buford, owner of Buford Ranches in Hominy, Okla., says it best, "We get everything we need with these Hereford bulls. We can make the cow we need and the steer mates perform very well at the feedlot level."

As commercial producers look toward Hereford genetics, it is very important for our producers to use the tools available to make breeding decisions to benefit their customers. Cheers to the New Year! **HW**