

Consumers Drive Cattle Dollars

Celebrate Beef Month with Certified Hereford Beef®.



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Money paid by consumers for beef at the cash register can seem a long way from the checks producers receive for calves, stockers and fed cattle, but consumer beef purchases ultimately determine how many dollars are available to distribute between industry sectors. Historically high retail beef prices enable today's historically high cattle prices.

Declining cattle supplies certainly add fuel to the price of live cattle. This year began with 27.9 million beef cows, according to USDA's *Cattle* report. That was 1.2 million head fewer (-4.1%) than the recent cyclical low in 2014. It was 3.8 million head fewer (-11.9%) than the recent peak in 2019, and the smallest beef cow herd in 64 years, according to Derrell Peel, Oklahoma State University Extension livestock marketing specialist, in his early-January marketing comments.

U.S. cattle producers have the opportunity to rebuild the herd with renewed focus on efficiency advantages stemming from maternal heterosis. Judging by Hereford bull sales this spring, more U.S. commercial cattle producers are adding the breed's genetic advantages to their herds or expanding their use. These advantages include fertility, feed efficiency and longevity — overall production efficiency — along with docility.

When it comes to beef tonnage, though, it's important to keep in mind cattle feeders' ability to churn out relatively more beef per head fed with longer feeding periods. The year-to-date estimated total cattle slaughter of 31 million head at the end of last year was 1.2 million fewer than the same time a year earlier (-3.7%); yet the estimated beef production of 26.4 billion pounds was just 169.1 million pounds less (-0.6%), according to the USDA.

Quality leads

Of course, consumers want more than beef. Demand trends over time underscore consumers' preference for the reliability and eating satisfaction

that comes from carcasses grading USDA Choice and higher. As the average quality grade of U.S. fed cattle increases, consumers demand more and are willing to pay more.

Randy Blach, CattleFAX executive vice president, encouraged those attending the CattleFAX Outlook Seminar in February to remember where we came from — decades of continued erosion of consumer beef demand before the industry focused on quality.

"Continued improvements in quality and meeting consumer expectations with a safe, nutritious product and a consistently good eating experience have had tremendous impacts on moving the needle for this industry," Blach explained. "We're moving in the right direction, and we need to keep paying attention to that signal."

Providing consumers the quality they desire and are willing to pay for is why Certified Hereford Beef® (CHB) only accepts Hereford-influenced carcasses that grade Choice and higher. This year marks CHB's 30th anniversary. Food safety and best practices are the ante for acceptance. The latter is helped immeasurably by the industry's standardized Beef Quality Assurance program.

As you entertain your friends and family in May — Beef Month — and over the Memorial Day holiday, be sure to include CHB. Let them enjoy the taste and tenderness of a product backed by producers who are wholly committed to producing this safe, nutritious and reliably high-quality eating experience.

While you're at it, remind folks beef does more than taste delicious. As an essential part of a healthy diet, beef is an unmatched protein source, providing 10 essential nutrients, including B-vitamins, zinc and iron, which support an active and healthy lifestyle. The nutrients in beef provide our bodies with the strength to thrive throughout all stages of life.

Light those grills. **HW**