

**CATTLE PRICES
AND MARKETING FACTS
OF INTEREST TO
OKLAHOMA PRODUCERS**

A. W. JACOB, Extension Economist, Marketing



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CATTLE PRICES AND MARKETING FACTS OF INTEREST TO OKLAHOMA PRODUCERS

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The objects of this bulletin are:

1. To acquaint producers with the important economic facts surrounding the prices and marketings of beef cattle in Oklahoma.
2. In light of these facts to indicate trends in marketing and prices which may be expected under similar conditions in the future.

THE IMPORTANCE OF THE OKLAHOMA CATTLE INDUSTRY

Oklahoma farmers keep cattle for direct sale, sale of by-products and for home consumption. A secondary use of all livestock, but especially cattle, is to furnish manure for maintenance of soil fertility.

It will be noted from Table I, which shows total cattle numbers for the state for the period, 1900-1935, that the highest production was in 1900 when we had 3,209,116 head. While the United States cattle numbers increased by .8% from 1900 to 1935, the number in Oklahoma decreased 17.9%. The Oklahoma reduction was brought about by the breaking up of the native pasture lands and by the desire of farmers to grow cotton and wheat in preference to feed crops. From 1925 to 1935, Oklahoma cattle numbers increased 14.6%. Oklahoma cattle numbers made up 2.7% of the United States total in 1925, and by 1935 this had increased to 3.8% of the total. This change is significant as it indicates a trend in production numbers which is a vital factor in developing a future marketing plan.

Table I. Number of Cattle on Farms in the United States and in Oklahoma, and Rank of Oklahoma Production among the other states by periods from 1900 to 1935.

Year	Cattle		Rank ₁
	United States	Oklahoma	
	Numbers	Numbers	
1900 ²	67,719,410	3,209,116	4
1910	61,803,866	1,953,560	11
1920	66,652,559	2,073,945	11
1925	60,760,366	1,656,763	12
1930	63,895,826	2,097,576	11
1935	68,284,409	2,632,388	7

¹ Rank of Oklahoma among the states in point of number.

² Includes Indian Territory.

Source: 1900, 1910, 1920, 1925, 1930, and 1935 United States Census, United States Department of Commerce, Washington, D. C.

PRICES

There are two types of cattle prices gathered by the U. S. Department of Agriculture. The first of these is the central market prices. These prices are gathered daily at the larger markets by local representatives of the Bureau of Agricultural Economics, U. S. Department of Agriculture, from daily sales of cattle on the market.¹ This report usually gives the high and low prices of the different grades of cattle and other livestock. These daily reports are used as data for monthly and annual prices for the market on all grades of cattle offered for sale by producers at the central market, including stockers and feeders. These prices are especially useful in studying the numbers, prices and fluctuations of the several grades of cattle sold at public markets.

The second set of prices gathered by the Bureau of Agricultural Economics, U. S. Department of Agriculture, is known as "farm prices." These are for the states and for the United States. This set of prices which includes those for cattle and calves is gathered by some 10,000 selected crop and livestock reporters over the United States. These prices represent, in the case of cattle, a weighted price of all grades consolidated in one price which is given for the 15th of each month. It is not the average price for the month. This price is available through the U. S. Department of Agriculture, separately for cattle and calves; the only two cattle classifications. These prices are valuable in working up the farm price comparisons with different commodities, and for the comparison of farm prices of cattle and calves for different periods and areas.

In many studies it is desired to study prices and numbers of the several grades of cattle. In these cases the central market prices are the only ones used. In the following discussions of "factors affecting prices of cattle" it can be seen that these factors affect both types of prices, but in order to get at the cause of the change in "farm price" a detailed study of "central market prices" is often needed.

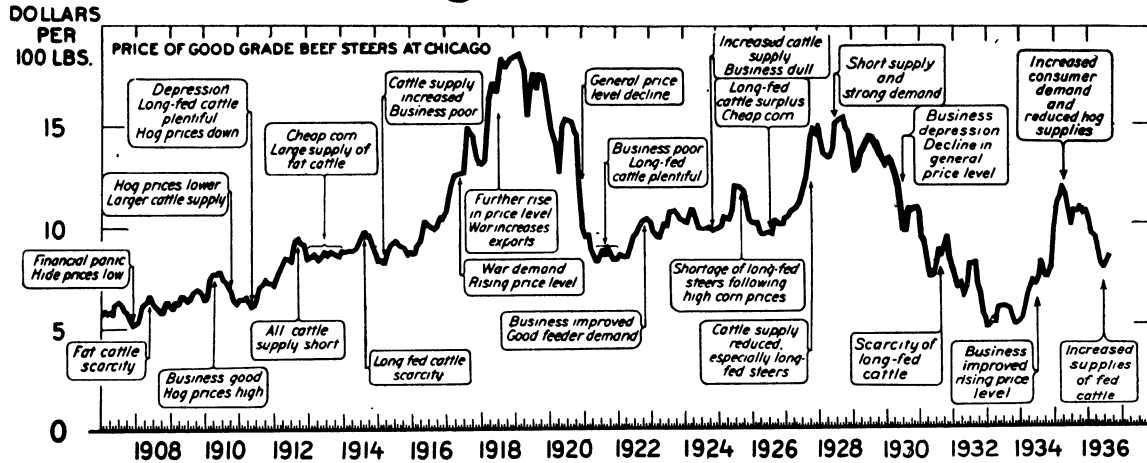
Factors which affect cattle prices may be classified as:

1. Long-time trend factors, which affect prices from two to twenty years later.
2. Short-time trend factors, or those which affect prices from one to four years later.
3. Seasonal trend factors, which affect prices throughout the year and which are usually seasonal in character year after year.

Fig. 1 outlines the effect of the most important of these factors on the price of "good" steers at Chicago, 1907 to 1936. From these data, cattlemen should gain some knowledge which will assist them in judging future reactions of like nature on their business.

¹ Daily Livestock Market Prices can be obtained by anyone from the important cattle markets. The Oklahoma City prices can be obtained by writing E. H. Richardson, local representative, Bureau of Agricultural Economics, 204 Livestock Exchange Building, Oklahoma City, Oklahoma. The Kansas City report may be obtained from M. Y. Griffin, local representative, 964 Livestock Exchange Building, Kansas City, Missouri.

Factors Affecting The Price of "Good" Beef Steers



U S DEPARTMENT OF AGRICULTURE

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Fig. 1. The principal factors regulating the price of beef steers are; (1) market supplies of cattle; (2) the general price level; (3) consumer incomes; (4) prices of competing meats, and (5) the demand for stocker and feeder cattle. These causal factors are influenced by numerous other factors. Under unusual conditions, such as prevailed during and immediately following the World War, factors that are normally of minor importance may from time to time be a great influence in affecting cattle prices.

The line of division between the long-time and the short-time price trends as outlined above is difficult to make as sometimes a factor which fluctuates frequently refuses to do so and the factor in its new (apparent) form becomes a long-time trend factor.

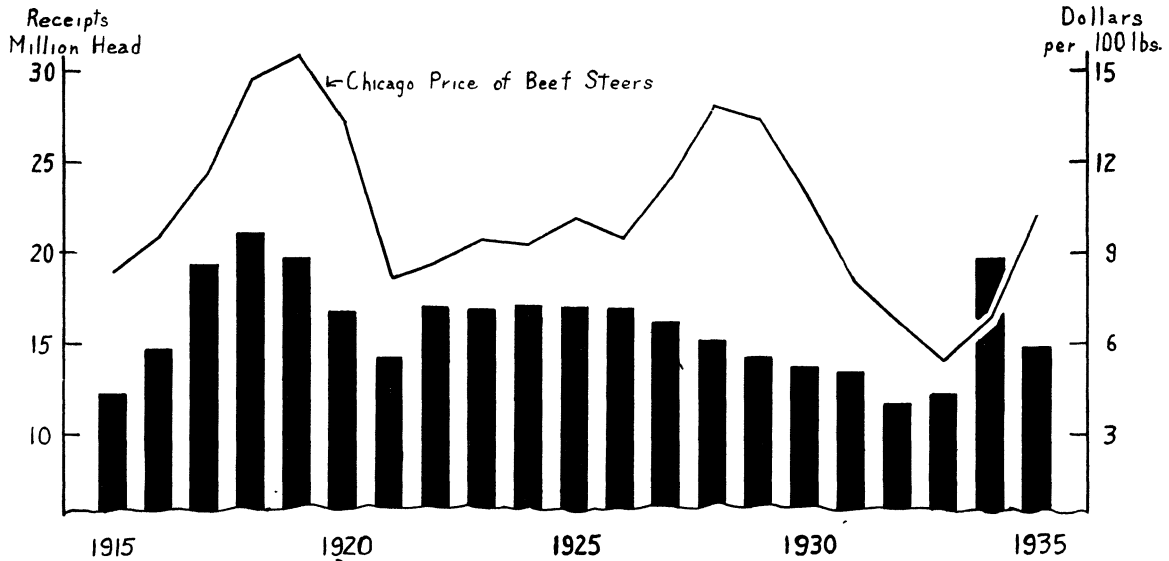


Fig. 2. Total receipts of cattle at public stockyards (approximately 62 markets) and average price of beef steers per 100 pounds at Chicago, 1915 to 1935, inclusive.

Source: Livestock, Meats and Wool Market Statistics and Related Data, 1933, page 15; 1935, pages 9 and 107, by Livestock, Meats and Wool Division, Bureau of Agricultural Economics, U. S. Department of Agriculture.

A brief discussion of the important factors affecting all cattle prices but particularly the central market prices under the usual classification given above will help in a logical study of them.

1. Long-Time Trend

(a) The general commodity price level.

This is one of the most important factors in the long-time price trends. The high price for cattle which prevailed in 1918 was due to good business conditions. The downward movement of prices in 1930 was due to depressed business conditions. The 1934 low level was due to several factors, the most important of which were depressed business, large supplies of cattle and the low feed supply on the farms in the Middle West due to the drouth. Both the drouth and depressed business aggravated unemployment which reduced consumption.

(b) Supply of cattle and current market receipts.

When supplies of cattle on the farms become large there is a tendency for more than normal marketings by producers from 15 to 24 months later (Fig. 2). In these periods with an abundance of feed and a low commodity price level producers may delay their marketing from a few months to one year, but finally the over-supply comes to the market and the prices are reduced because the supply is in excess of the immediate demand. Such a condition existed in 1934. The numbers were becoming excessive in 1933, but because of low prices and an abundance of feed many cattle were held over. When cattle numbers are low in the number cycle and feed supply is plentiful, the reverse is true and prices are high because of the small market receipts. Then prices are also subject to adjustment in marketings due to the general price level, feed supply and other factors. Fig. 2 also shows the factor of general price level affecting cattle prices, for in 1915 to 1918 cattle marketings and prices rose together. This was due to the war which caused a high general commodity price level and high cattle exports. From 1925 to 1930, there were decreased marketings and prices rose until 1928 when unemployment, decreased building and other adverse factors brought down the general commodity price level. There was some expansion of the dairy cattle industry in new areas during this period.

(c) Exports and Imports.

Export outlet for beef was a vital force in the expansion of the cattle industry in the United States from 1890 to 1912. Since that date, the exports of live cattle have been rapidly reduced and with the exception of the years 1921, 1922 and 1925, they have been under 100,000 head annually. The last year of heavy exports of fresh and frozen beef was in 1920. Frozen beef was exported in large quantities from 1890 to 1909. This was followed by five years of light exports; then from 1915 to 1919 exports were heavy.

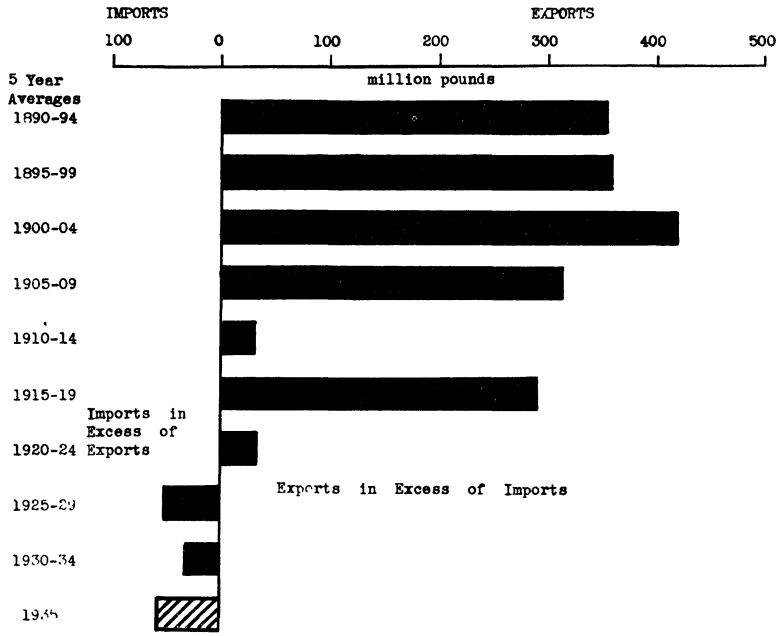
Cattle Prices and Marketing Facts

Fig. 3. Exports and imports of beef and veal for the United States (five-year averages, except 1935 shown as year's net total) 1890 to 1935, inclusive. Chart shows excesses.

Source: Livestock, Meats and Wool Market Statistics and Related Data; 1933, 1935, Bureau of Agricultural Economics, U. S. Department of Agriculture.

(d) Outlook and production of competing farm products.

This is an important factor. The rapid plowing up of the Panhandle counties of Oklahoma and Texas during the World War period to grow wheat is a splendid example. In this change cattle pastures competed with wheat fields for farm income. Changes in many lines take place more slowly than this, however, and when the changes are made it is difficult and impracticable for the producers to shift back. Producers make these changes because they see a long time trend toward more profitable employment of their labor, and surely for more income through adopting the new practice. This trend from cattle to cash crops took place all over Oklahoma from 1900 to 1910 when cattle numbers were reduced from 3,209,116 head to 1,953,560 head. In southwestern Oklahoma, the competing crop was cotton. There is continually a shift from the lowest income crops or livestock products to the production of the most profitable. In some sections there is a shift to cattle from cash crops. Too frequently producers, prompted by short-time tendencies, shift production when they really should view the problem from a long-time basis, which may indicate that shifts were unprofitable.

(e) Transportation and marketing costs.

These are rather constant and where producers find these excessive or especially low they make shifts in production which will make them the largest net income. The production of mature cattle was the only class of farm commodity which was found profitable in Oklahoma before statehood because there were no railroads to transport the farm production. There was not much choice in selecting a "crop" which could be transported to Kansas railroad points for shipment to Chicago or other eastern points. Calves could not stand the long trip and only two to five-year-old steers were marketed in large numbers. Marketing costs are set by government regulation and heavy permanent investments and do not vary much from year to year. Therefore, this item is classed as a long-time trend factor. Transportation costs of cattle from Oklahoma to the large central markets are high and producers, therefore, limit their long hauls to shipments of selected animals well suited to these distant markets. The cheaper grades of animals go to more adjacent markets for local slaughter. Similarly with feeder cattle sales, shipments to the Corn Belt feeders should be only of good to fancy grade animals as the low price of medium to inferior grades do not warrant the extra expense. These grades are not well adapted to the Corn Belt feeders' conditions, and therefore, a low price is paid. The outlet for medium to inferior beef cattle is rather limited. This factor may keep the man who continues to put this class of animals on the market from prospering. Excessive marketing costs and limited outlets may require that he shift to production of a better grade of cattle or to another enterprise, or possibly to forestry in some areas.

2. Short-time Trends**(a) Purchasing power of consumers and consumption.**

These are very closely related. The consumer exchanges his dollar for supplies that he needs. If meats are high in price in terms of wages, then there will be less consumption. If meats are cheap in terms of consumer purchasing power they will be purchased more liberally. When the consumer is fully and profitably employed he eats large amounts of choice meats. When he is unemployed he reduces his purchases and shifts in his purchases from the high priced cuts of beef to the lower priced cuts. We say he is "price minded." He really is economizing and paying as he goes. Reduced consumption is first felt by the retailer who finds his meats unsold and he orders less from the wholesaler. The wholesaler orders less from the packer, and the packer buys less from the farmer. The packer's price plan in a time like this is to buy all that is offered but pay a lower price for live animals.

There seems to be a definite relationship between the extensive use of labor saving machinery by laborers and the consumption of meat, particularly beef. Table II shows that the consumption of beef per capita has been decreasing since 1910. Labor saving machinery and automobiles have come into use during this period. This table indicates only slight changes in the consumption of other meats, as veal, mutton and pork. Besides the reduction in amounts, the shift in beef has been from the consumption of larger beeves to baby beef

during the last 25 years.² This tendency is of vital interest to the producer for: (1) if this is the kind of beef that the consumer wants it is the kind the majority of producers should produce; (2) if baby beef is demanded, and this seems apparent for the future, it will continue to take larger cow herds on the farms to supply the needed number of cattle for annual slaughter. (3) With limited pasture in the Corn Belt states there seems to be a definite place in the national cattle program for "feeder cattle" producing areas such as Oklahoma.

Table II. Meat Consumption. Average Annual Consumption of Meats Per Capita in the United States, 1910-1932, Inclusive, by Five-Year Periods.

Years	Beef Lbs.	Veal Lbs.	Pork ex- cluding lard Lbs.	Lard Lbs.	Mutton Lbs.	Total Lbs.
1910-1914	67.8	6.2	69.7	11.5	7.5	151.3
1915-1919	59.9	6.4	68.6	13.4	5.6	140.2
1920-1924	60.5	8.04	77.5	13.8	5.3	147.3
1925-1929	57.4	7.6	71.3	13.4	5.5	140.2
1930-1932	49.0	6.8	70.0	14.5	6.9	133.1

Source: Statistical Abstract of the United States, 1921-1934, inclusive. U. S. Department of Commerce.

A further study of Table II shows that during the period 1910 to 1932, beef and veal dropped in consumption from 74 pounds per annum per capita for the period 1910 to 1914, to 55.8 pounds per capita for the period 1930 to 1932. The drop was nearly all in the consumption of beef. During this period there was practically no change in pork and lamb consumption, and lard consumption increased two to three pounds per capita. The total drop in beef and veal consumption was 18.2 pounds per capita and the total meat and lard consumption dropped a similar amount. The total United States consumption dropped during the period although population numbers increased materially.

(b) The demand for stockers and feeders by country feeders.

This has a short time reaction on cattle prices as there are always in the market varying numbers of cattle which may go for slaughter or back to the country for future feeding and finishing. This demand is usually heavier in the spring than in the fall, but varies from year to year. In the fall, if corn is plentiful, large numbers of grass cattle go from the southwest to the feed lots in the Corn Belt. If these lots are well filled and feed is plentiful it is apparent that there will be a liberal supply of corn fed steers on the slaughter market six to twelve months later. The selling price of finished cattle will go low. On the other hand if feed is scarce and a small number go on feed, central market prices will be down and the feed cattle price the following year should be high, unless other major factors overweigh the price situation.

² U. S. Department of Agriculture Yearbook of Agriculture, 1933, page 223.

(c) Supply of beef substitutes.

Pork is the chief competitor of beef on the consumer's table. If there is a liberal supply of pork as compared with beef there will be a tendency for light beef consumption and pork consumption will increase. Lamb, poultry and vegetable protein substitutes are also important under certain economic and social conditions.

(d) Supply of by-products.

By-products of the beef industry are extremely useful in other industries. The most important of these is the hide. When hides are scarce live cattle prices rise in line with the increased price and when they are low the reverse is true. On the chart in Fig. 1 it is noted that low hide prices were a major factor in the price decline of 1908.

3. Seasonal Trends**(a) Stocker and feeder cattle.**

Over a period of years feeder cattle prices have rather definite seasonal variations, reflecting the demand and supply of these grades of cattle. The general tendency is for prices to be highest during the spring and lowest during the late fall months. In the spring when grass is coming on and pasture is abundant and cheap, there is a heavy back-to-the country demand for feeders. Few producers want to sell, and consequently because of the relative scarcity of supply, the price rises. Abnormal conditions such as a drouth, abundant feed or other factors, may alter this regular seasonal price change. Mature feeder cattle are usually a crop proposition and "must go on in" but with calves and yearlings, if the prices are low and feed is plentiful, producers may hold over enough for one year to alter the seasonal supply and price currently and for the following year. In seasons of abundant grain and feed many cattle usually marketed in the fall may be held over until the next spring. In seasons of short pasture the fall flush may start early. Then with local or general rains the supply usually available in the fall months may be limited.

(b) All fat cattle.

Choice fat cattle have a different normal seasonal trend of prices than common fat cattle. Under normal marketing conditions, there is not a lot of substitution of one grade of meat for another, but should supplies of one grade of meat become unusually plentiful and other grades scarce in supply, there will be a considerable substitution in supplying retail trade which will affect the prices of the particular grades of live cattle involved.

In the spring the spread between choice cattle and common cattle is less because of: (1) a large supply of choice cattle; (2) a small supply of common cattle. This condition tends to lower choice cattle prices and raise feeder and common cattle prices and there is a narrowing of the margin. In the fall a reversal is normally true because of the scarcity of fed cattle and the abundance of grass fat cattle. The margin is much wider.

(c) Slaughter steers.

A study of Fig. 4 shows price data for the years 1922 to 1935 on the different grades of steers. The four grades of fat steers for this

market followed a rather consistent general price trend throughout with two notable exceptions, and these were: (1) choice and prime steer prices reach high peaks in prices which are not closely followed by other grades; (2) common steers are usually low in their price cycle for the year at times when choice and prime steers are high, and vice versa. The supply of the better grades of beef is scarcest in the fall, and consequently the price is the highest. There are heavy marketings of grass cattle in the fall and the price of these grades is the lowest. This gives a widening of the margin between common and choice cattle at this season of the year. In the spring when there is much demand for stockers and feeders to go to the country, and there are fewer on the market, we find a good price for these grades. Many of these common steers are of such flesh and conformation as to go either way, as stockers and feeders or as butcher cattle. This triple demand at this season puts the price up.

(d) Feed supply and pasture.

While considerable hay and grain is carried over on farms and in commercial storage from season to season there is usually a very sharp adjustment of cattle prices to abundant and short current feed crops. Many farmers who have the cattle cannot get commercial feeds without additional costs. In all such cases when current feed and pasture are short they sell their cattle. These marketings increase the receipts to a point where prices are lowered. A good example of low price due to excessive marketings caused by feed shortage was the excessive marketings and low prices in 1934. The 1936 price was stabilized by government purchases and the drouth effect was not greatly noticed. The number on farms was also smaller. In seasons of abundant feeds the price is raised because of the demand for cattle to stay on the farm to use up the feed. Thus the current crop of feed and pasture is a seasonal factor which will alter the price of all grades of cattle.

MARGINS — FEEDER AND SLAUGHTER PRICES OF CATTLE

In a study of the margins between the purchase price of 500 to 700-lb. feeder steers on the Kansas City market, and the sale price of good slaughter steers on the Chicago market for the years 1925 to 1935, inclusive, it was found that there was a variation in margins from \$7.96 to a minus \$1.25 per hundred pounds (Fig. 5). During this period there was a tendency for the margin to be widest during periods of high prices, and narrowest during periods of low prices. The chart in Fig. 5 was constructed by taking the Kansas City feeder price for 500 to 700-lb. steers² and placing above this price line the Chicago price of good slaughter steers six months later.³ The Chicago price of slaughter steers is "lagged" six months. The widest margin during the 11-year period was on steers purchased in October 1934, with \$8.24 per hundred pounds; the narrowest margin on steers purchased in February 1930, with a loss of \$1.06 per hundred pounds.

² A chart was also constructed using 800 to 900 pound Kansas City feeder steers and the Chicago good steer prices for the same period. This chart (not included in this publication) followed Fig. 5 closely in margins throughout the period, there being only short-time deviations.

³ "Beef Cattle Price Facts," Leaflet 164, 1932, W. B. Stout, University of Indiana, Extension Division, Lafayette, Indiana.

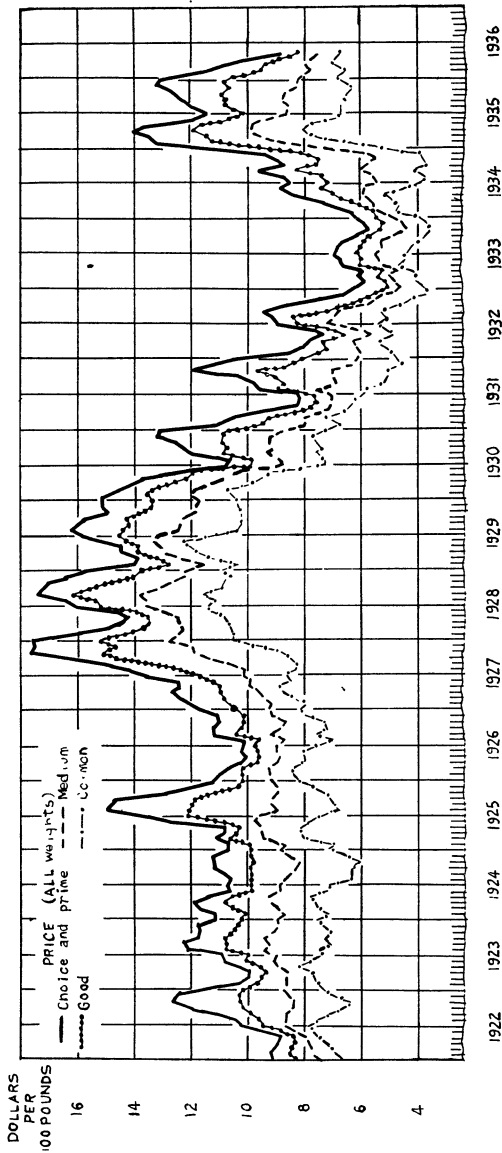


Fig. 4. Monthly prices of different grades of steers at Chicago, 1922 to 1936.

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture.

In six out of the eleven years studied, the margin averaged the greatest on steers purchased the last six months of the year. In five of the years, the margins were widest on steers purchased the first

Cattle Prices and Marketing Facts

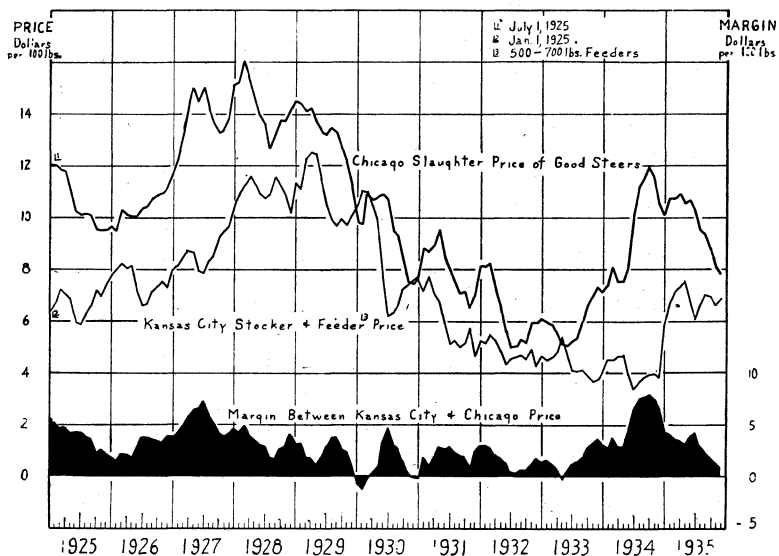


Fig. 5. Margins on cattle feeding. Prices of good slaughter steers at Chicago and 500 to 700-pound steers, Kansas City, by months, 1925 to 1935; the Chicago price "lagged" six months.

Sources: Third Statistical Handbook, Livestock, Meats and Wool, Market Statistics and Related Data, 1935, Bureau of Agricultural Economics, U. S. Department of Agriculture, June 1936. Market Review and Statistical Summary of Livestock, Meats and Wool, monthly publication, January to August, 1936, same.

part of the year. The margins indicated in the chart are somewhat greater than actually existed because the feeder had a total of 35 to 50 cents freight per hundred pounds from Kansas City to his feed lot and from his lot to Chicago. The margin is closely associated with profitable and unprofitable feed lot operations. Usually as the length of the feeding period increases the greater the margin needed to assure a profit. The comparison between the Kansas City feeder and the Chicago sale price was made because it represents a practical way of purchasing and selling for the Corn Belt feeder desiring Oklahoma cattle. For some sections purchases and sales at other markets may be the most profitable.

OKLAHOMA AND UNITED STATES FARM PRICES

1. **Cattle.** The Oklahoma farm prices of cattle for the period 1920 to 1935, inclusive (Fig. 6) shows that on the average the highest price was in May. Then the farmers market the smallest number of cattle of any month in the year. From May to August, there was a gradual drop in price; from August to October the drop was less pronounced, with a slight raise in November, and the lowest average price for the period in December.

The United States farm price of cattle was somewhat higher than the Oklahoma price throughout the year (Fig. 6) for the period. The

United States price was the highest in May, but showed less tendency to fall from May to September than the Oklahoma farm price; then the price broke abruptly to a low average price for the period in December. These weighted average prices for Oklahoma are influenced a great

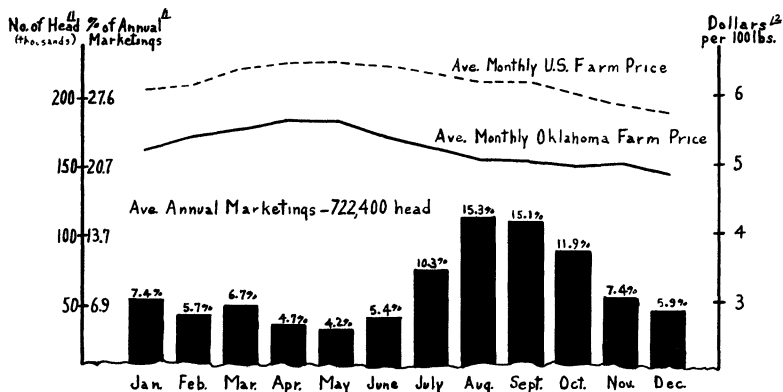


Fig. 6. Cattle—average monthly Oklahoma and U. S. farm price and number marketed from Oklahoma, 1920 to 1935, inclusive.

1 Number marketed with per cent monthly figure is of annual total.

2 Average monthly Oklahoma and U. S. farm price of cattle for the period.

Sources: Number marketed—unpublished reports, U. S. Department of Agriculture; Oklahoma farm price—Current Farm Economics, Supplement, Oklahoma A. and M. College; U. S. farm price—1928 Yearbook of Agriculture, page 911; 1935 Yearbook of Agriculture, page 560; Crops and Markets, U. S. Department of Agriculture, January 1936.

deal by higher freight differential and the large percentage of marketings of grass fed cattle, dairy cows and young cattle in the fall. In other words, the low percentage of corn fed fat cattle marketed in the fall did not carry enough weight in the price to show the seasonal high price of finished cattle in the fall for the United States or Oklahoma. The fall drop in price was greater in Oklahoma than for the United States.

2. Calves. The Oklahoma farm price of calves (Fig. 7) for the period 1920 to 1935 was highest in April when the smallest percentage of calves was on the market. Prices reached low points in August and November. The Oklahoma price remained highest throughout the spring and early summer months, while the United States price dropped heavily in May and then rose gradually until August, rose abruptly in September, maintained its height in October and then broke to the low of the year in December. The lower price for Oklahoma calves during the heavy marketing season suggests: (1) a heavy financial loss to growers which is probably not all compensated for by cheap grass pasture production, and; (2) that if producers must market in the fall, and this appears inevitable, it would be much more profitable to offer for market a larger percentage of calves of choice to good quality in order to command a price nearer the United States average for September and October. The United States price averaged \$2.20 per hundred higher in September than the Oklahoma price. This difference in the United States price

Cattle Prices and Marketing Facts

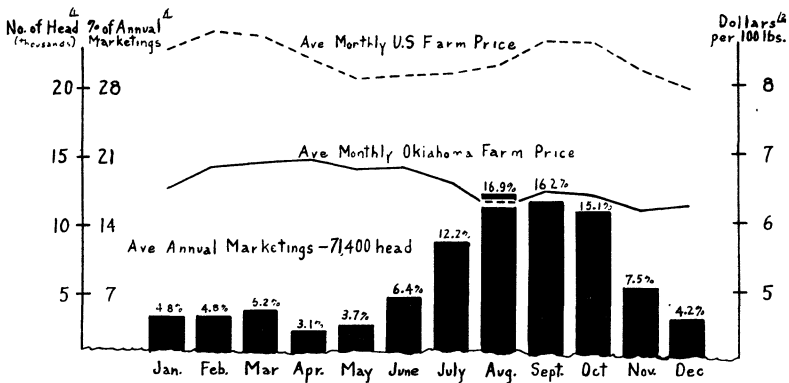


Fig. 7. Calves—Average monthly Oklahoma and U. S. farm price and number marketed from Oklahoma, 1920 to 1935, inclusive.

1 Number marketed with per cent monthly figure is of annual total.

2 Average monthly Oklahoma and U. S. farm price of calves for the period.

Sources: Number marketed—unpublished reports, U. S. Department of Agriculture; Oklahoma farm price—Current Farm Economics, Supplement, Oklahoma A. and M. College; U. S. farm price—1928 Yearbook of Agriculture, page 912; 1935 Yearbook of Agriculture, page 560; Crops and Markets, U. S. Department of Agriculture, January 1936.

and the Oklahoma price of calves may be in part accounted for by freight charges to the central markets and a higher percentage of the Oklahoma calves being of low quality (grade). Also the high United States price in the spring may be influenced by the large supply of veal calves from the dairy sections coming to market at this season.

ANNUAL OKLAHOMA MARKETINGS

The average annual movement of cattle to market from Oklahoma for the period 1930 to 1935, inclusive, was 722,400 head. The monthly marketings for this period are found in Fig. 6. This chart indicates that the heaviest marketings were in August, September and October, with 42.9 per cent of the year's totals in these three months. These marketings may be contrasted with those for March, April and May, when only 15.6 per cent were marketed during the period.

Calf marketings from the state averaged 71,400 head per year for the period 1920 to 1935, inclusive. Fig. 7 indicates that 58.2 per cent were marketed during August, September and October, and only a total of 12 per cent were marketed during the spring months, March, April and May. This seasonal marketing indicates a strong tendency to produce calves on grass, the calves being dropped in the spring on grass and the surplus calves and cows moved to the market when fall pastures begin to dry up. The calf marketings in the three months of August, September and October amounted to 35,500 head for the period studied.

This seasonal bulge in marketings fits in well with the general seasonal movement of grass cattle from Kansas, Oklahoma, New Mexico, Colorado and other states. A study was made of these receipts on the Kansas City market for the years 1926 and 1927, and is reflected in Fig. 8.

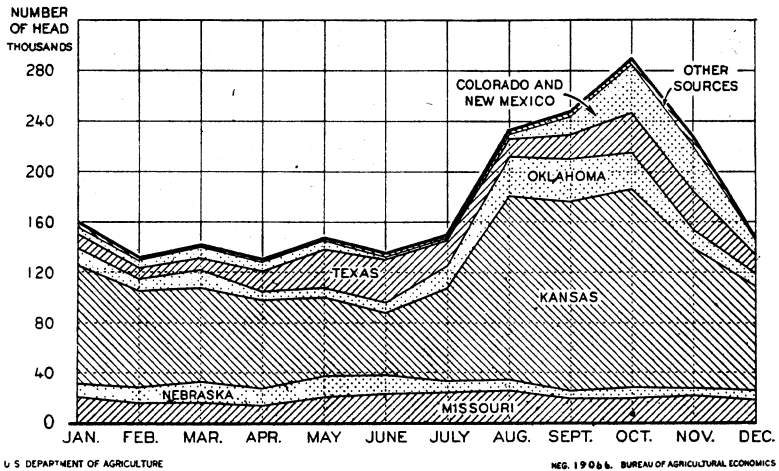


Fig. 8. Kansas City is the largest market for range or grass cattle. About 40 per cent of the cattle received are reshipped to feeding sections for fattening. The increase in fall receipts is due to arrivals from the range areas of Kansas, Oklahoma, Colorado and New Mexico. Receipts at Chicago, the leading fat-cattle market, do not show so great an increase in the fall as do receipts at Kansas City. (Chart based on average of 1926 and 1927).

Kansas City is the largest market in the United States for range or grass cattle. A large percentage of the cattle going into winter pasture and feed in Iowa, Missouri, Illinois and other corn belt states comes through this market,¹ a stop-over feed lot freight rate to market being established which aids stockmen in carrying out this practice. Cattle are also moved toward the market as they are finished and increase in weight.

Oklahoma City Market

Oklahoma producers are marketing a large run of cattle and calves each year at the Oklahoma City market. Fig. 9 gives the monthly marketings of cattle and calves in numbers at this market from January 1918 to August, 1936.

The cattle numbers marketed at Oklahoma City declined somewhat from 1918 to 1931. Since 1931, the annual marketings have increased substantially each year with a bulge coming in 1934 which can be attributed to the drought marketings for that year. The marketings throughout the period show the characteristic southwest grass cattle bulge in the fall.

Calf marketings were about one head for each three to four head of cattle for the period 1918 to 1935. The numbers each month followed the cattle marketing quite uniformly as indicated by Fig. 9.

¹ "Feeding in Transit" rate, Stillwater to Chicago 59½ cents per 100 lbs. (stop-over point, Springfield, Ill.)

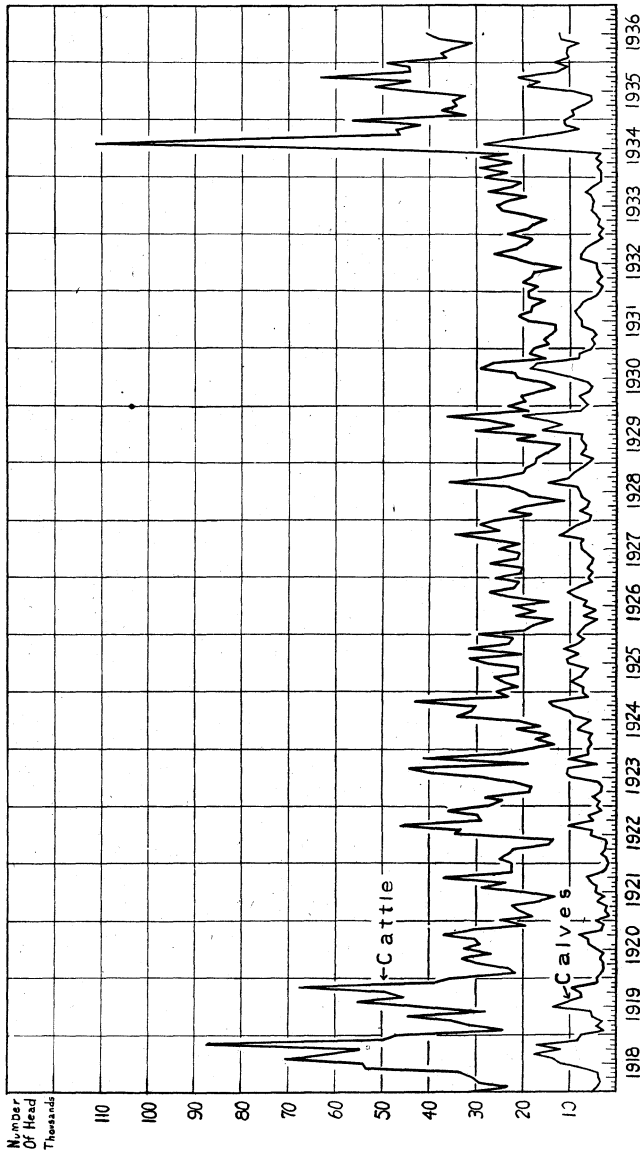


Fig. 9. Monthly receipts of cattle and calves at Oklahoma City, 1918 to 1936.

Sources: "Seasonal Variation in Cattle and Calf Receipts and Prices, Oklahoma City, 1918-1931," by Lippert S. Ellis, associate professor, and Elco Greenshields, student assistant, Department of Agricultural Economics, Oklahoma A. and M. College; Crops and Markets, U. S. Department of Agriculture, 1930-1936.

The state as a unit is especially adapted to the production of grass cattle. Since this type of production seems best suited, it appears that Oklahoma cattlemen are a vital cog in the operations of the Corn Belt feeder who buys feeder cattle annually. The Corn Belt feeder is a man who observes his cattle at close range each day and figures closely on daily gains throughout the feeding period. He usually has a set of

scales at his feed lot. He weighs his feed and representative feeders often to keep a close check on costs and gains. He invariably is informed on the type steer he wishes to feed and usually specializes in the feeding of the fancy or choice cattle. With this rather strict demand for good quality feeder calves and cattle, it appears that the Oklahoma producer should cater to this feeder outlet.

High freight to the central markets puts the Oklahoma producers of plain slaughter or feeder cattle at a disadvantage over nearby Chicago Corn Belt feeders.¹ This disadvantage must be met in some way. Freight and selling costs are the same on a carload of common quality as prime quality cattle. Therefore, the producer expends a higher percentage of his costs of production in marketing common cattle. The cheaper cattle also have a narrower use in the market and are the first, usually, to feel price reductions. It appears certain that Oklahoma producers must produce "fancy to good" feeders and stockers if they wish to have the widest outlet for their cattle and to get the highest net income.² Unless the local markets are used for slaughter cattle it is equally important that this class also be as good as or better than the good grade.

SUMMARY

1. Cattle numbers in Oklahoma decreased from 1910 to 1925. The decrease, while general, was the heaviest in the western one-third of the state. The cash crops of wheat, cotton and broomcorn displaced the production of pastures and feed crops. Since 1925 cattle numbers have started to increase indicating a shift back to livestock production.
2. Prices of cattle are influenced by many factors, but the most important are general commodity price level and supply of cattle.
3. Limited feed grain production in Oklahoma puts the local cattle producers to a disadvantage over producers in other states in finishing cattle for the market. Therefore, the production of good feeder cattle has been extensively carried on.
4. The Corn Belt feeders usually demand high grade feeder cattle in large numbers each fall.
5. The Corn Belt feeders can pay \$2 more per hundred pounds for feeder cattle of fancy to good grade than for the medium to inferior grade.
6. A large back-to-the-country movement of feeders has an immediate buoyant effect on market prices while a smaller movement tends to lower prices. This feeder movement is usually heaviest in the fall of the year. A heavy country feeder movement likewise has a depressing effect on the market six to twelve months later and the light movement has a buoyant effect.

¹ Freight Stillwater to Chicago, 51 cents per hundred pounds; to Kansas City, 33 cents.
² " . . . the feeder of the good steers in the years 1922 and 1923 could have paid as much as \$7.73 per hundred pounds for them, while \$5.18 was the most that could have been paid for common steers if the feeders were to break even." Costs and Methods of Fattening Beef Cattle in the Corn Belt, 1919-1923, Technical Bulletin 23, December, 1927, pages 51-52, R. E. Wilcox, R. D. Jennings and G. W. Collier, United States Department of Agriculture, Washington, D. C.

7. Choice to good slaughter steers have generally the highest price in the fall while medium to inferior grade slaughter steers are highest in the spring.

8. Beef consumption decreased from 67.8 pounds per capita in 1910 to 1914 to 49 pounds per capita, 1930 to 1932. Veal consumption increased .6 pound per capita during the same period. Total meat consumption per capita decreased 18.2 pounds per capita during this same period.

9. Fifty-two and nine-tenths per cent of the Oklahoma cattle marketings for the years 1930 to 1935 occurred in the three months of August, September and October; 58.2 per cent of the calves were marketed during these same months.

10. Oklahoma producers should consider price factors more generally the Corn Belt feeders' demands for feeder cattle and endeavor in

11. Oklahoma producers of beef cattle can well afford to closely study the Corn Belt feeders' demands for feeder cattle and endeavor in the future to fill his needs more accurately.

COOPERATIVE EXTENSION WORK
IN
AGRICULTURE AND HOME ECONOMICS

STATE OF OKLAHOMA

ERNEST E. SCHOLL, Director

Oklahoma Agricultural and Mechanical College and United States Department
of Agriculture, Cooperating. Extension Service. County Agent Work.

Stillwater, Oklahoma

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