



Countryside Veterinary Clinic, LLP

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Where's The Beef.... Price?

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As most of you know the cull dairy and bull calf prices has slid from the heights of last year. The reason is multifactorial and cumbersome. Some economic reasons for the decline in beef are similar to those in the milk market.

Last year was a perfect storm for high beef prices in a supply-driven market. The Midwest was devastated by years of draught that dwindled cow numbers and ranchers were holding off purchasing replacements to expand their herd. As a result there was short supply of beef from typical beef breeds thereby raising the retail price of the finished product. Consumers also found competing meat protein products were also scarce due to the widespread porcine epidemic diarrhea virus that decimated the pork industry and the avian flu outbreak that did the same to the chicken population.

One reason for the current decline in beef prices is the poor economic environment. This is not just local but global as we have economic indicators that tell us we aren't out of the woods just yet. In addition, now that the chicken and pork supply is coming back into full swing, beef will have more competition in US supermarkets. This has led consumers to reel back on their purchases at the store of the higher priced cuts of beef selecting instead cheaper chicken and pork.

Another reason are the new nutritional guidelines from the World Health Organization that links processed and red meat to colon cancer. This research is based on loose associations and limited evidence, however, if there is anything negative in the media it will affect consumption for a time. (Brenda VanHatten) Finally, decreased American exports due to the high value of the U.S. dollar further hampers beef exports resulting in excess supply and lower prices.

But the future is not all bleak! The retail price of beef has decreased so hopefully it will continue to compete on the store shelf with pork and chicken. On another positive note China is slated to open much more of its market to U.S. beef this summer so exports could benefit substantially.

Now that beef prices have dropped for cull cows and bull calves at the sale barn what can you do? As you know, when the overall beef price is low there can be a dramatic variation of what you will receive when selling your animals. The top priced animals are still the cows in the best physical shape with good body condition. The price reductions are drastic for thin, lame and blemished cows. We don't recommend sending any animal with an open lesion or draining tract as they will be condemned. There may be an economical advantage to hold a thin or lame animal until they recover before sending when prices are low. Prices will rebound at some point but until then sending quality cull cows will realize higher profits.

Congratulations to our Relay for Life Raffle winners!

1st place - Judy Rambone of Great Bend

2nd place - Karen Engell of Remsen

3rd - Bonnie Petty of Thendara

4th - Matthew Moser of Croghan

raised over \$3500 for American Cancer Society

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