

At last, cattle producers can put production plans into gear

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The removal of drought gives many Oklahoma cattle producers the first opportunity in several years to implement production plans that have been on hold during the drought. Cattle prices advanced dramatically through 2014 resulting in the near record prices levels observed currently.

Oklahoma auction prices for 500-500 lb. Medium and Large, Number 1 steers averaged \$280.53/cwt. in mid-June, up nearly 19 percent from the same time last year. The value is roughly \$1,475/head, up about \$230/head year over year. Comparable heifers are priced at \$256.08/cwt., up a similar percentage as steers from one year ago and valued at \$1,330/head.

Medium and Large, Number 1 Steers at 750-800 lbs. currently are priced at \$226.04/cwt., up 13 percent year over year, with value of \$1,745/hd., adding about \$210/head over year ago values.

There have been numerous examples of auction heifers identified in market reports as sold for replacements. This has been occurring since the fall of 2013 but has become more frequent in the Southern Plains recently as forage conditions have improved. Open replacement heifers often bring \$5-\$15 cwt. more than comparable feeder heifers resulting in higher values of \$50 to \$150/head. For example, the most recent Oklahoma auction summary included 850-900 pound M/L, Number 1 open replacement heifers valued at \$1,830/head, some \$105/head more than comparable feeder heifers. The same auction summary reports bred heifers in the western part of Oklahoma, described as average quality black heifers, priced at \$1,700-\$2,075/head.

Bred cow and cow-calf pair values are sharply higher now compared to one year ago. In western Oklahoma, young bred cows described as average quality black are listed in a range from \$1,800-\$2,375/hd., compared to one year ago at \$1,250-\$1,475/hd. High quality, young black cows are currently quoted at \$2,350-\$2,600/hd. compared to \$1,625-\$1,800/hd. last year. Young, average quality cow-calf pairs are valued at \$2,050-\$2,650/pair, up from \$1,525-\$1,900/pair one year ago. Young, high quality black pairs are priced today at \$2,925-\$3,550/pair compared to \$2,150-\$2,285/pair last year.

In eastern Oklahoma, average quality young black bred cows are priced currently at \$2,150-\$2,400/hd., up from a range of \$1,400-\$1,675/hd. last year. Middle-aged average quality black cows are quoted in a range from \$1,750-\$2,075/hd., compared to \$1,450-\$1,525 one year ago. Average quality, young pairs are listed in a range from \$2,600-\$3,150/pair, compared to \$1,500-

\$2,000/pair last year.

Cattle prices will remain strong in 2015 and through most, if not all, of 2016. I expect it will be 2017, at the earliest, before significant supply pressure may weigh on cattle prices. In the meantime, the market incentives for herd expansion remain firmly in place.