



Major Factors or Inputs Affecting Profitability of Beef Cow Herds in the Western United States

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Factors affecting the profitability of Western States beef cattle herds are numerous, diverse, and often interconnected. The impact of profitability factors may vary between Western States cattlemen due to geographic location. For example, the circumstances which impact the profitability of a remote Idaho beef herd located at 6500 feet above sea level can be significantly different from those that impact the profitability of a Western States beef herd located in Southern California. However, a review of topics addressed in the Nevada Cattlemen's Update from 2010 to 1998, reveal major factors or areas of concern that may affect the profits of nearly all beef producers in the Western United States. During the past 11 years the Nevada Cattlemen's Update has reported on specific issues in the following areas that affect profitability: herd health, herd genetics, feed cost, feed availability and quality, government, market conditions, and operational management (Cattlemen's Update, 2010).

Herd Health

The health of beef herds is a concern cattlemen worldwide (International Livestock Research Institute, 2010). But, Western United States beef growers have herd health problems unique to western locales that significantly affect profitability.

Public grazing lands in the Western United States are an affordable and profitable resource available to many cattlemen. But, the use of public grazing lands by Western States beef producers can expose

range herds to unique health problems brought about by plants (Bagley, 1997; Ranson, 2011) and animals that cause stress, disease, or death (Clark and Johnson, 2009; Associated Press, 1992; Associated Press 1997; Belair, 2008). Cost of prevention and treatment of these health problems significantly impacts the profitability of Western States beef herds.

Physical and psychological changes also affect the health of Western States range herds. During weaning, calves which have spent most, if not all, of their lives away from men, buildings, corrals and machines go through an abrupt change of environment. Weaning stress can significantly impact profits (Carter, 2010) of Western States beef producers through weight loss, disease or death of calves.

Western States beef producers often have public grazing operations that span hundreds of miles. Large distances limit access to range herds for health management. This is a unique and challenging problem affecting profitability of western cattlemen. Herds which are spread out over vast distances cannot be monitored as efficiently as farm herds (Marsh, 1952). Consequently, western beef herds are more susceptible to disease, adverse weather, theft, and predation. All these challenges significantly impact the profitability of Western States beef herds.

Often Western State beef herds are transported by truck to summer range, winter range, sale yards, and feedlots, etc. Stress from shipping causes health problems in range cattle and therefore impacts profitability. Shipping stress can cause cows to abort (Fields & Perry, 2009). Shipping stress can also lead to bovine respiratory disease, infectious bovine rhinotracheitis, impact performance (Richeson et al., 2008), cause weight loss (Thomas, 2008) and require valuable time for animals to recover or even receive expensive medication (Holt, 2010). The large transportation requirement of western range cattle negatively impact beef producer profitability through herd health issues

Feed Cost, Availability, and Quality

There are many factors which determine feed cost for the cattlemen in western states. Climate (Rushton, 2010), world grain markets (Schmahl, 2010), feed types (Torell, 2010), geographic location of the beef producer, and competition for feed from other industries are all factors that positively or negatively affect feed cost (Torell, 2007). Arid conditions in the Western United States make cattlemen particularly sensitive to feed cost. During dry or winter seasons beef cattle in the Western U.S. have limited grazing and must have supplemental feed (Torell, 2010). Supplemental feed is a major factor that affects the profitability of Western States beef producers.

The cost of grazing on public lands is also a major factor affecting profits of cattlemen in western states (Easthouse, 1997). Cattlemen in western states have utilized public grazing land profitably for generations. But, in recent years, environmental activist have started competing for government grazing rights (Idaho Statesman, 1998). By bidding against legitimate cattlemen, activist have increased the cost of grazing or forced cattlemen to move their operations to less profitable locations (Stein, 2002).

Many Western States are experiencing rapid population growth. This population growth is causing the problem of urbanization (Sokolow, 2007). As pastures and range are developed for housing or other human activities, land becomes unavailable to western cattlemen, increasing costs of operation. Urbanization makes grazing land too expensive to purchase or rent for pasture.

Urbanization also negatively impacts the profitability of Western States beef herds through urbanite and cattlemen conflict. Often beef cattle operations and urbanite values do not exist harmoniously and conflicts arise. When litigation ensues the profitability of cattle operations can be greatly impacted.

Government

The profits of nearly every business in the United States are impacted by Government regulations and policies, both directly or indirectly including the profitability of beef herds in the Western States, and in fact all commercial beef producers. The impact of government on the profits of cattlemen is complex and diverse. The National Cattlemen's Beef Association identifies the following areas in which government impacts the beef industry: animal health, cattle markets, farm policy, federal lands, food safety and nutrition, international trade, national resource management, taxation and financial credit (Government Affairs, 2011).

Some governmental influences that impact profits of Western United States cattlemen are unique from those experienced by other beef producers in the United States. Environmental policies governing the use of federal lands and threaten or endangered species have cut deeply into the profits of many cattlemen in the Western United States (Brokaw, 2005; Bagley, 1997). Wolf reintroduction and expansion of grizzly bear habitat are examples of government programs that have significantly impacted the profits of many Western States cattle producers (Clark & Johnson, 2009). These programs have cost Western States cattlemen profits through loss of National Forest and BLM grazing allotments and predation (McClatchy, 2010; Christian Science Monitor, 1992; Wallace, 1991).

Government trade policies can negatively and positively impact the profitability of Western States beef producers. Through policies which control the amount of foreign beef entering U.S. markets, the profits of Western States producers are protected. Government trade policies have also been implemented to influence countries to import beef from the Western United States. For example, the U.S. government has been very active in getting beef into China, Korea and Japan (Gatula, 2010; Japan, 2010; Seoul, 2010; Adams, 2010).

Government energy policies that have mandated ethanol production have impacted the profits of western states beef producers by increasing grain cost and consequently the price of forages (Torell, 2007). Grain prices are at record level. Therefore, farmers have plowed out forages to plant more profitable grain and created forage shortages. High forage costs precipitate the downsizing of beef herds and hence the size of future calf crops, therefore impacting calf numbers.

Herd Genetics

Through beef herd genetics profits of Western States beef producers are impacted in many feed efficiency, ease of calving, maternal characteristics, beef quality and hardiness to climate can increase or diminish profits of cattlemen (Angus Advantage, 2011).

Conclusion

The same factors which affect the profitability of beef herds throughout the United States such as growth rates, feed, death loss, and reproductive management, etc., also affect the profitability of beef herds in the Western States. However, within these common factors which affect beef herd profitability, are circumstances and conditions unique to Western States producers. Western States beef producers may not be able to control many of the actions, events, or conditions that affect the profitability of their beef herds. But, through education, good management practices, and political involvement, Western States beef producers may minimize or eliminate the impact of factors that negatively impact their profits and enhance the factors that increase profitability.

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