

Market Positioning for Cow-Calf Producers

KSU Beef Cattle and Forage Field Day



**OKLAHOMA COOPERATIVE
EXTENSION SERVICE**

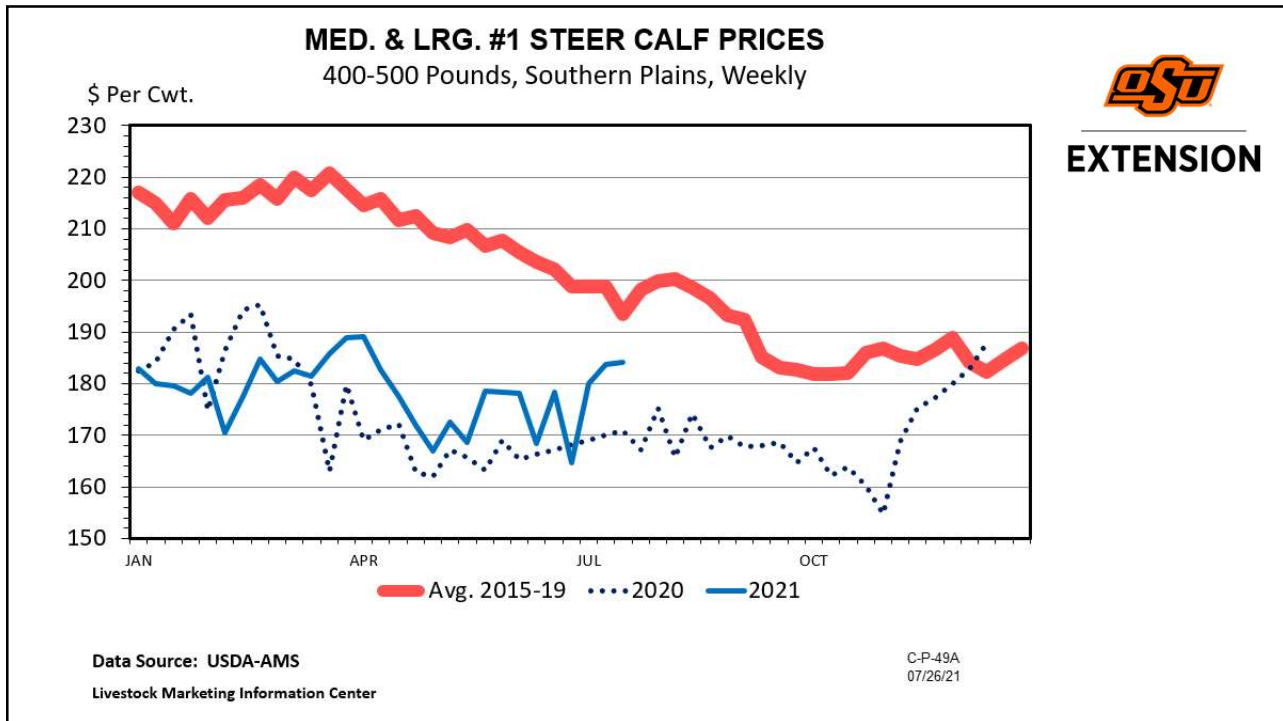
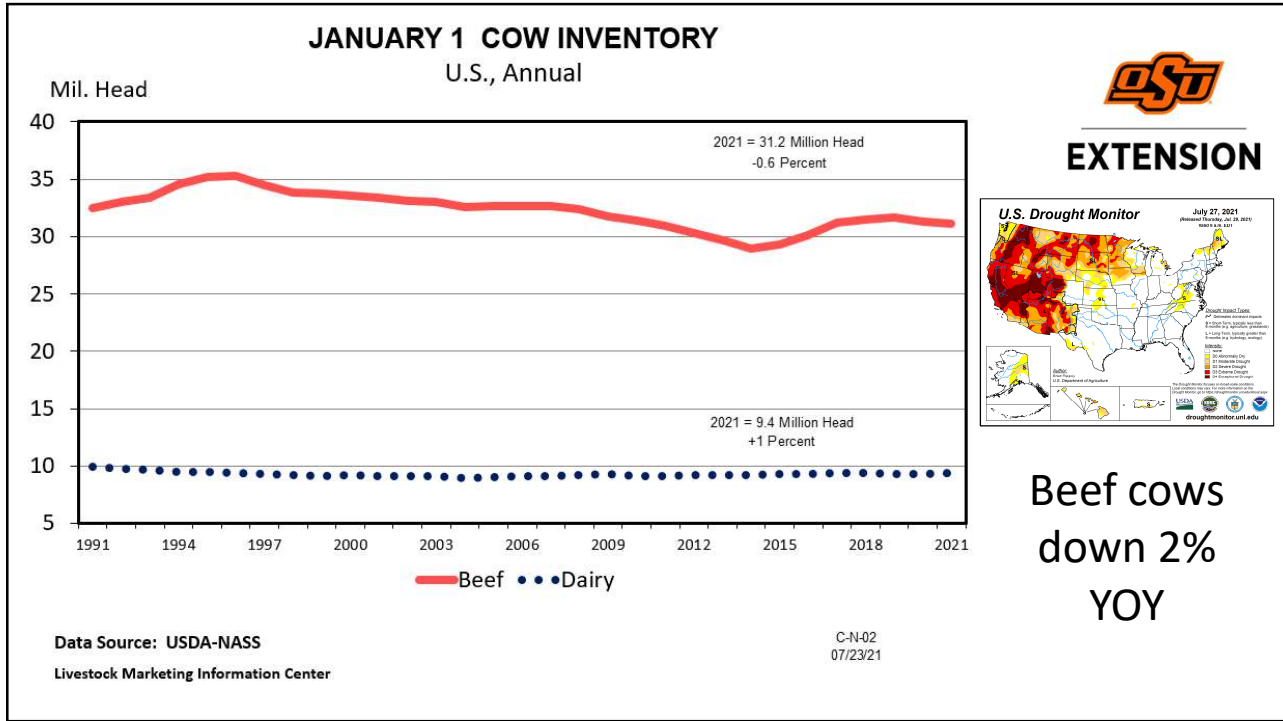
Scott Clawson
Area Ag Econ Specialist
scott.clawson@okstate.edu

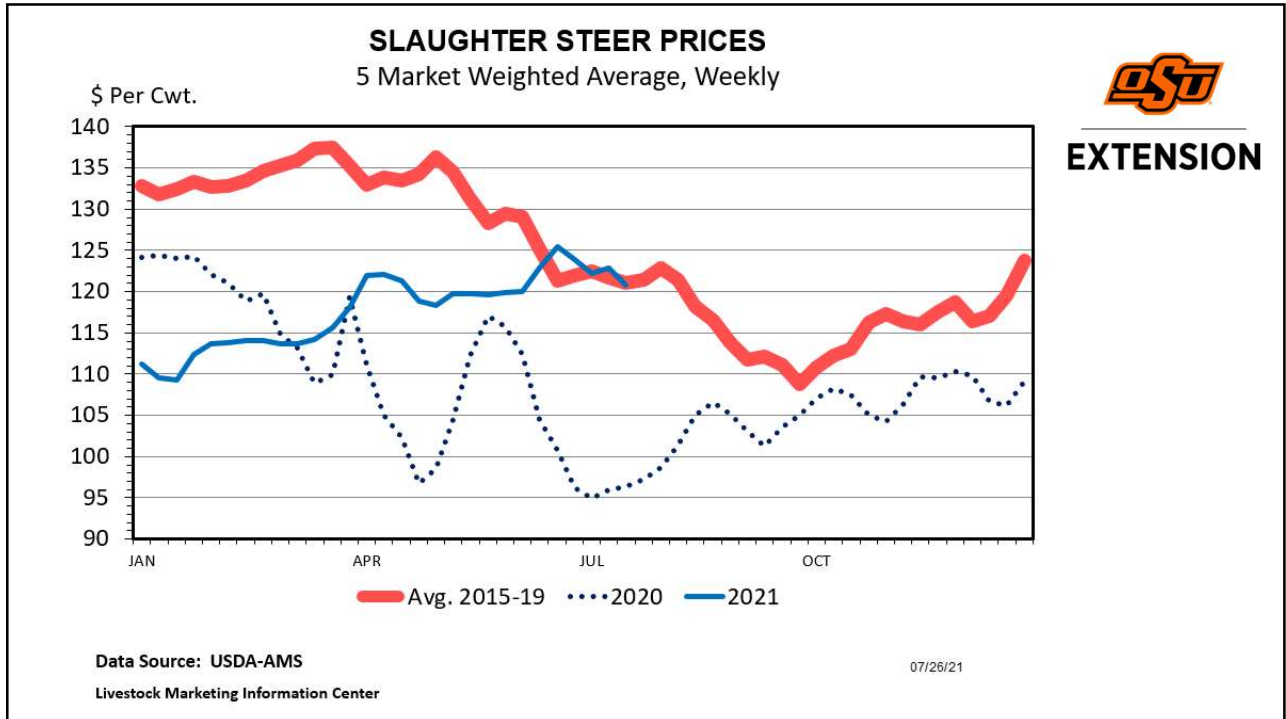
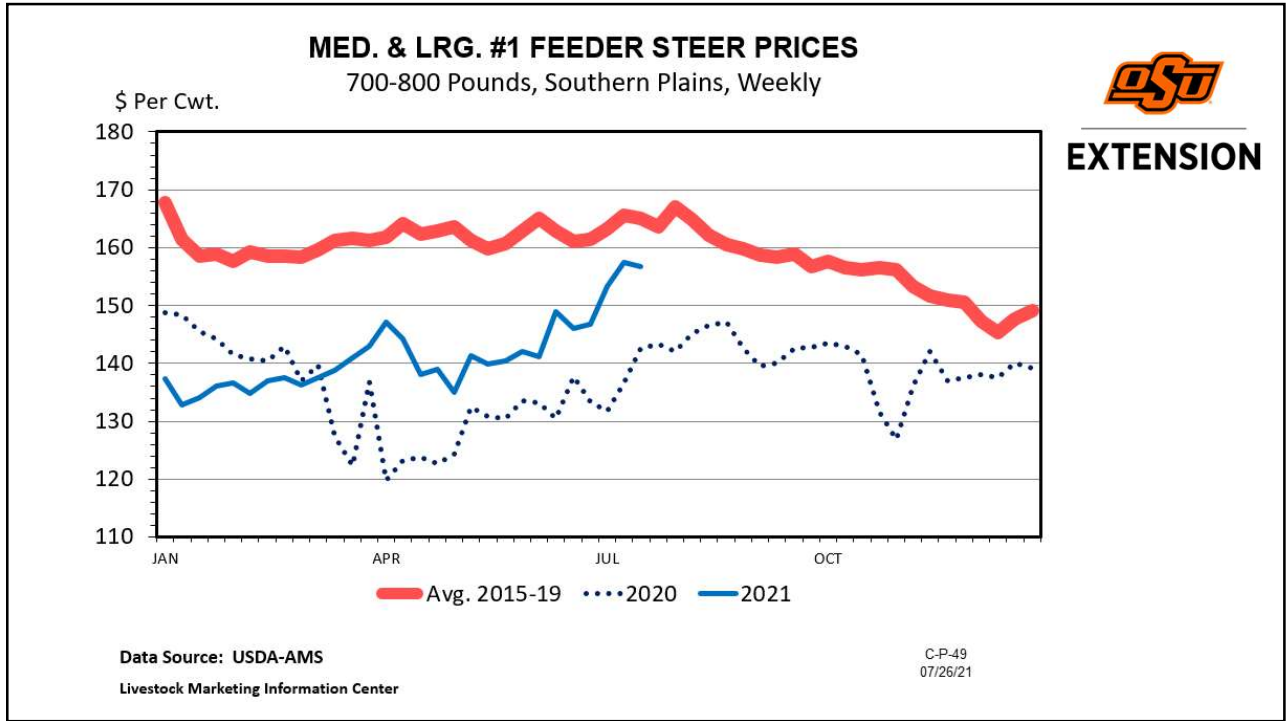
The plan for a few minutes...

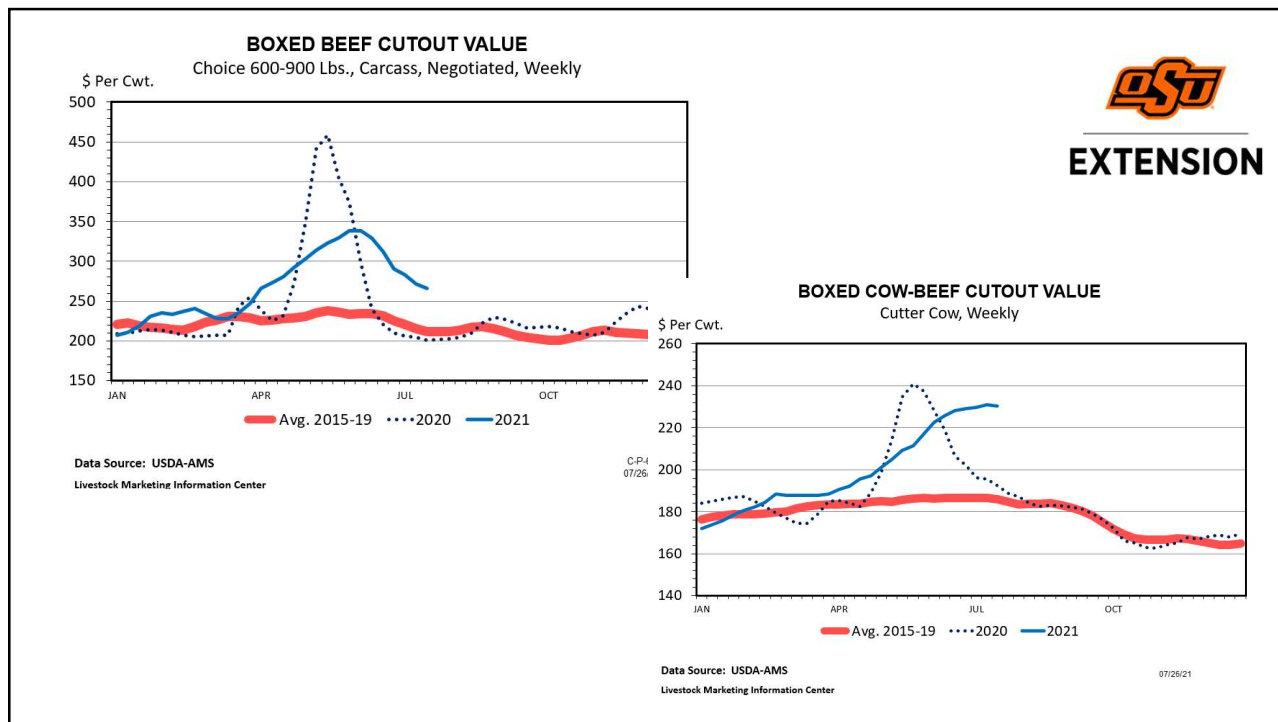


EXTENSION

- Look at current market information
- Look at 3 issues for future planning:
 1. Heifer retention, asset value trend
 2. Price risk management
 3. Overhead costs







Current Market Wrap Up

Reasons for optimism

- Exports-** China, Japan, S. Korea
- Demand-** Retail beef prices and consumption
- Feedlots-** placements lighter and carcass weights
- Cycle-** Liquidation in the beef cow herd generally leads to better prices

BEEFBASIS.COM

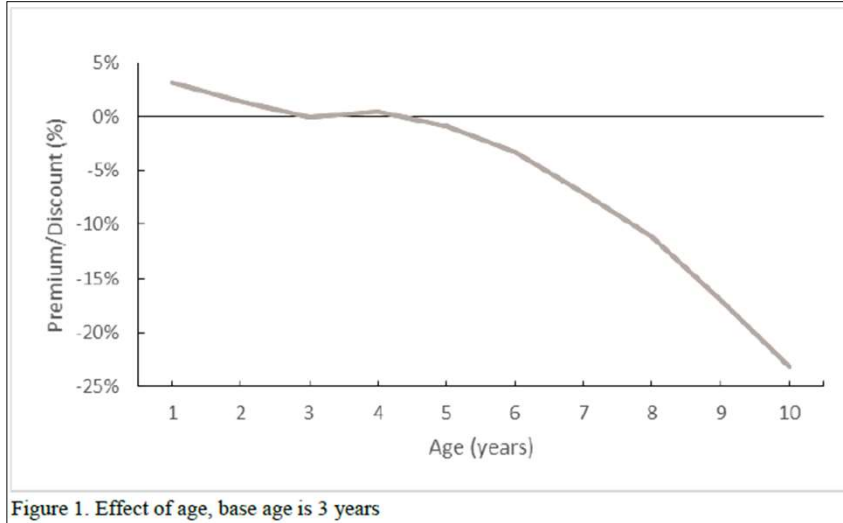
WEIGHT	STEER	HEIFER
450	\$2.02	\$1.70
650	\$1.62	\$1.44
850	\$1.51	\$1.39

Md& Lg. , #1, 10 Head lots

Asset (cow) value trends...



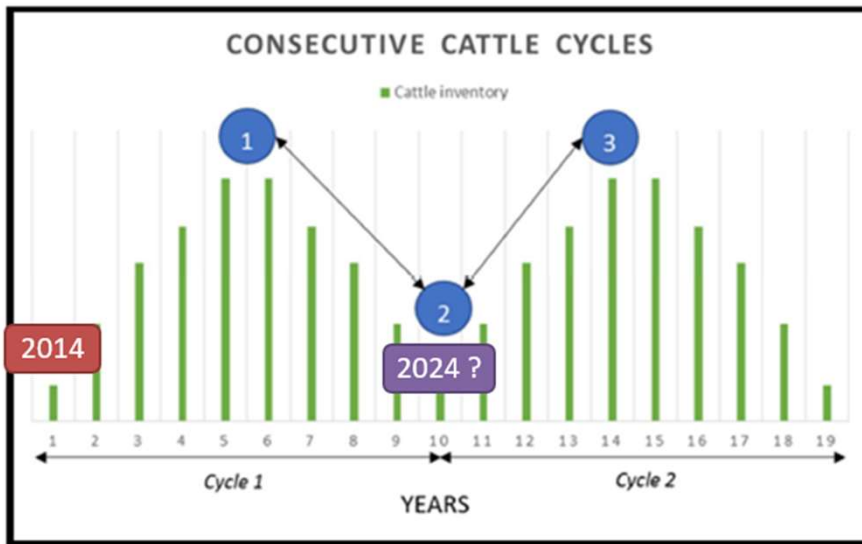
EXTENSION





Strategic replacement...



EXTENSION



Price Risk Mang. - LRP

No. of Head → 1 minimum → 6,000 max per SCE → 12,000 max annually

Basics → Sex → Breed makeup


Weight → Over 600# (Feeder Cattle 2) → Under 600# (Feeder Cattle 1)

Level of Coverage → 70%-100%


Timeframe → 13,17, 21, 26, 30, 34, 39, 43, 47, 52 Weeks

2021 Premium Subsidies

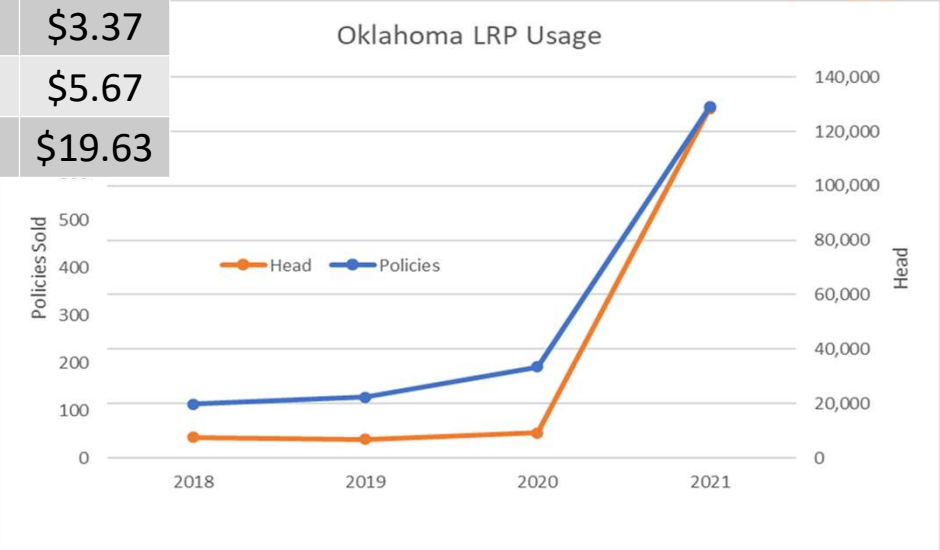
Coverage Level	Subsidy
95-100%	35%
90-94.99%	40%
85-89.99%	45%
80-84.99%	50%
70-79.99%	55%



%	\$	\$/Hd
89	\$1.61	\$3.37
91	\$1.66	\$5.67
98.6	\$1.79	\$19.63



Oklahoma LRP Usage



<https://prodwebnlb.rma.usda.gov/apps/SummaryOfBusiness/ReportGenerator/Results?CY=2021,2020,2019,2018&ST=40&IP=81&ORD=CY,IP,ST&CC=L>

Analyze Overhead



EXTENSION

Support center ratios		
General and administrative	Less than 20.0%	22.9%
Labor and management	Less than 20.0%	23.9%
Machinery and equipment	Less than 15.0%	17.3%
Interest	Less than 5.0%	0.4%
Total	Less than 60.0%	64.6

<https://www.beefmagazine.com/management/rethink-ranch-overhead-it-s-too-late>

THANK YOU!



**OKLAHOMA COOPERATIVE
EXTENSION SERVICE**

“What gets measured gets improved”

“The relevant question is not simply what shall we do tomorrow, but rather what shall we do today to get ready for tomorrow.” – Peter F. Drecker

