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TEXAS CATTLE FEEDERS ASSOCIATION

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TCFA Convention Panelists Examine Herd Decline

What's holding back growth in feeder cattle supplies? There's no simple answer to that question because many issues are involved. But a panel of experts at the Texas Cattle Feeders Association (TCFA) Annual Convention agreed that a big challenge is land – its availability and its affordability. The dilemma is compounded by the fact that the cattle business has a lot of competition for land use including hunting and other recreation, wildlife preservation, soil and water conservation, crop production, and the control of large amounts of land by the federal government.

Dave DeLaney, a TCFA Board member and vice president and general manager of livestock and ranching operations for the King Ranch, served as the panel's moderator. DeLaney pointed out that in South Texas cattle have been displaced on land converted to more profitable uses such as growing sugar cane or wildlife habitat. "In South Texas we're running about half the cows we ran as recently as the late 1970s and early 1980s."

Joining DeLaney for the discussion were Steve Swigert, agricultural economist with The Samuel Roberts Noble Foundation located in Ardmore, Okla.; John Nalivka, president and owner of Sterling Marketing, Inc., an agricultural economic research and advisory firm located in Vale, Ore.; and Wes Williamson, vice president and general manager of Williamson Cattle Company, an agricultural operation with approximately 8,000 cows in Florida, Alabama and Texas.

In analyzing the decline in the cow herd in the Midwest, Swigert pointed to the difficulty of obtaining land at a price that makes sense for a cow-calf operator who also has to factor in a \$1,000 per animal cost for replacement females. "When you go from \$300 to \$400 an acre back in the early 1990s to \$1,200 to \$1,500 an acre now, there is a disconnect between the land ownership and the ones that have the cows on the place."

Nalivka noted that cattlemen out west are hampered by the huge amount of land that is government-controlled. "The competing interest for natural resources is becoming greater and having a greater role in where we take the cattle industry in the western United States and the Pacific Northwest where ranchers are so dependent on public lands for grazing." He noted that in many western states, federal land constitutes roughly 50% or more of the total state land area.

Williamson said private land available for leasing is also scarce in Florida, and when it comes to public lands cattlemen are often frustrated because their needs are not well understood by government managers. "They (the government) tell you how many cattle

you're going to stock on it (the lease), and unfortunately, if you stock the amount of cattle at the low density they recommend, you can hardly make that work."

Difficulty in acquiring sufficient land is certainly not the only barrier to the hopes of increasing feeder cattle supplies. The negative impact of various government policies is an enormous obstacle to overcome. During the discussion, the panelists agreed that cow-calf operators could enjoy healthier bottom lines if they could get relief from estate taxes, property taxes, ill-conceived environmental regulations and the significant increase in feed costs that has resulted from federal subsidies for the ethanol industry. But panel discussion also acknowledged that the beef industry needs to do its part by working together to grow beef demand and making sure cow-calf operators share more of the proceeds.

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