

Beef is Big Business
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Beef is big business, but just how big of a business is it? Through the first 27 weeks of 2019, weekly average federally inspected beef production was 502.6 million pounds. This weekly average production has resulted in 13.57 billion pounds of beef being produced through federally inspected facilities during the stated time period. This also sets the pace for 2019 total beef production to come in around 26.65 billion pounds. To achieve this beef production, the total number of cattle going through federally inspected slaughter the first 27 weeks of 2019 was 16.91 million head resulting in an average weekly slaughter of 626,331 head. As federally inspected slaughter has increased this year, it is likely total federally inspected beef cattle slaughter will exceed 33 million head.

Maybe the aforementioned values do not put it into perspective, because it is difficult to understand billions of pounds and millions of cattle. If it is assumed a tractor trailer can haul 50,000 pounds of beef, it takes over 10,000 semi-trucks each week to move the beef processed at federally inspected facilities. Similarly, assuming an average weight of 1,300 pounds per head of cattle, it takes over 16,000 loads to haul finished cattle and slaughter cows to federally inspected slaughter facilities. This does not even begin to account for the number of trucks it takes to haul feeder cattle and feed to the feedlot.

A small proportion of domestically produced beef is exported. Through the first five months of 2019, total U.S. beef and veal exports totaled 1.21 billion pounds which is about 11 percent of total domestic production. The beef products exported are generally high valued cuts or beef cuts that have a higher value in a foreign market than they have in the United States. Similarly, beef and veal imports are an important aspect of the beef business. Beef and veal imports from January through the end of May totaled 1.31 billion pounds. U.S. beef and veal imports are generally made up of lower valued processing beef. This means the United States beef business imports over 5,200 truckloads of beef each month and exports over 4,800 truckloads each month. Looking at it from the standpoint of cattle numbers, over 303,000 head of cattle are exported each month in the form of beef while over 326,000 head are imported each month in the form of beef.

The examples of truckloads may still not put everything into perspective. The 2018 Tennessee calf crop was 860,000 head. If all of those calves were placed in the feedlot then the Tennessee cattle industry would still not be able to supply enough finished cattle and slaughter cows to fill two weeks of federally inspected slaughter. Similarly, the Tennessee calf crop would come short of meeting the needs of three months of the beef export total.

If none of the previous information put the size of the domestic beef industry in perspective then it may not be possible. The point of this information is that a single producer, no matter how big or small his or her cattle numbers, is just a blip on the radar. This is not to say that an individual producer cannot influence the industry greatly as some have with improved genetics and management practices, but it is not likely any one producer will make a market move with a single decision.

With the understanding that there are a lot of small fish in an extremely large pond, many producers have resigned that they have no control over the beef and cattle market. This is largely a true thought, but it does not mean a producer does not influence their operation's profitability. Producers should focus on the production and marketing aspects of the business that they can influence and that will have the greatest return. Many times this includes finding ways to reduce costs without negatively impacting production and strategically marketing the product being produced. Maybe this is the time to put the business in perspective. Make changes that will yield a return in business and in life.