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U.S. Imports of Mexican Cattle Disrupted

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The November 22, 2024 announcement that New World screwworm was detected in southern Mexico resulted in temporary suspension of live cattle imports from Mexico, raising many questions about implications for U.S. cattle markets. History and context can help us understand potential impacts.

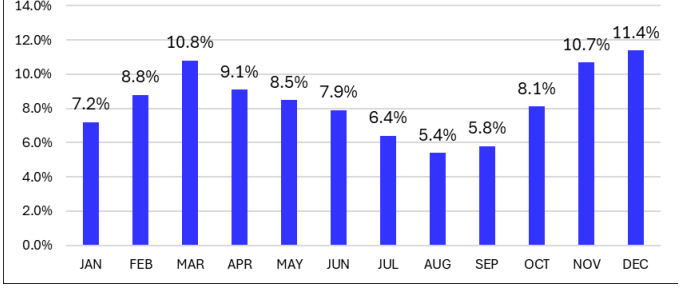
An average of 1.17 million head of Mexican cattle per year were imported into the U.S. from 2004-2023, ranging from a minimum of 703,000 head in 2008 to a maximum of 1.47 million head in 2012. Mexican cattle imports represent 3.3 percent of the total U.S. calf crop on average. Figure 1 shows the average seasonal pattern of Mexican cattle imports for the last five years, indicating peak months in the spring and in November/December with lows in summer.

USDA indicated an expected border closure of at least three weeks from the announcement. Protocols are being developed for a partial border opening (New Mexico and Arizona ports) which will include a pre-export inspection of all cattle; treatment for insects; and a seven-day quarantine, followed by the usual border inspection and crossing process. It seems likely that few, if any, additional Mexican cattle will be imported in 2024. Preliminary weekly Mexican cattle import data through November 23 shows a total of 1.24 million head, which may well be the import total for the year.

Official import totals through September show imports of Mexican cattle were up 21.3 percent year over year for the first nine months of 2024, suggesting that total annual imports would have been about 1.5 million head. November and December typically account for roughly 22 percent of annual imports. Given the import suspension and given 2024's pace of imports so far, it is likely that annual imports will be reduced by 200,000 - 250,000 head from the expected 2024 total.

The lack of Mexican cattle imports for the remainder of 2024 will have immediate impact reducing an already tight feeder supply. However, some feedlot impact is not immediate because a portion of imported Mexican cattle are lightweight and typically go through stocker/backgrounding programs before feedlot placement. From January–September this year about 24 percent of the imported cattle were less than 441 pounds. It's important to remember that most of the cattle not imported for the remainder of 2024 will enter the U.S. eventually…just with a delay. As long as the current situation does not drag out excessively or result in some permanent changes in import regulations, the primary feeder cattle market impact will be a change in timing with a short-term tightening of supply and the delayed cattle arriving in the coming weeks/months.

Figure 1. Seasonality of Mexican Cattle Imports
Percent of Annual Imports, Average Monthly, 2019-2023



Cattle Market Situation and Outlook: Looking Ahead to 2025

Derrell S. Peel, Ag Econ. Breedlove Professor of Agribusiness & Extension Livestock Marketing Specialist

2024 So Far

Cattle Inventories

On January 1, 2024, the U.S. had the smallest cattle industry in decades as indicated by numerous measures reported in Table 1.

Feedlot inventories peaked in 2022 but have declined relatively slowly since. For the past year, feedlots have held average monthly inventories equal to the year prior with continued heifer feeding and by increasing average days on feed. However, both feedlot placements and marketings are declining on average.

Cattle Slaughter and Beef Production

Cattle slaughter is down in 2024, but by less than previously expected. Through the first 46 weeks of the year, total cattle slaughter is down 3.7 percent year over year. Fed slaughter is down 0.5 percent for the year to date with steer slaughter up by 0.2 percent from last year, and heifer slaughter down 1.5 percent year over year. Steer and heifer carcass weights have increased sharply in 2024, with steer carcasses averaging 24 pounds heavier than last year and heifer carcasses up 20 pounds year over year. Total fed beef production is up by 2.1 percent year over year through mid-November.

Cow slaughter is sharply lower, with beef cow slaughter down 18.1 percent year over year and dairy cow slaughter down 13.0 percent from one year ago in the first ten months of the year. Total nonfed beef production is down 13.1 percent year over year, contributing to a total beef production decrease of 0.5 percent thus far in 2024. Total beef production may be plus or minus unchanged from last year by the end of the year.

Boxed Beef and Beef Demand

Retail beef demand has remained robust in 2024. Retail all-fresh beef prices have averaged 6.2 percent higher year over year through October. Choice boxed beef prices have averaged 2.6 percent higher compared to last year despite increased fed beef production. The sharp decline in nonfed beef production pushed wholesale ground beef prices to record levels in 2024.

International Beef and Cattle Trade

Higher U.S. prices and a generally strong dollar have been headwinds for beef exports in 2024. However, beef exports are showing some strength in the second half of the year. Beef exports for the first nine months of the year were down 2.9 percent, after decreasing by 14.3 percent year over year in 2023. Beef exports remain weak to China/Hong Kong, South Korea and Canada but are recovering in Mexico, Japan and Taiwan.

Beef imports are up 21.1 percent year over year through September. Beef imports are led by Canada, followed closely by Australia, along with Brazil, New Zealand and Mexico. However, beef imports from Mexico are down from last year, the only decrease among major sources of U.S. beef imports.

Cattle Prices

Cattle prices continued to advance in 2024. Prices for calves have averaged about 20 percent higher year over year, while feeder cattle prices are roughly 15 percent higher. Fed cattle prices have averaged over six percent higher compared to last year.

What's Ahead in 2025

Low cattle inventories and tight supplies will continue to dominate cattle and beef markets in the coming year. Total cattle inventories are expected to be smaller going into 2025. Despite reduced beef cow slaughter in 2024, limited inventories of beef replacement heifers are expected to result in a smaller beef cow herd in 2025. Potential for any herd rebuilding in 2025 is limited as the supply of replacement heifers going into the year remains tight. Beef production is expected to decrease roughly four percent year over year with feedlot inventories falling to reflect tighter supplies of feeder cattle.

Drought is still a threat in late 2024 and could extend into 2025. This and other reasons are holding producers back from any noticeable attempts to begin herd rebuilding. Cattle prices are expected to increase to new record levels, but producers have not yet responded with increased heifer retention. If producers begin retaining heifers for breeding in 2025, cattle prices will advance faster and farther.

Cattle Market Situation and Outlook: Looking Ahead to 2025 (cont.)

While the outlook for cattle prices is bullish and higher average prices are expected, volatility will remain high, and prices are subject to short-term setbacks. Both domestic and international markets are subject to considerable macroeconomic and political volatility. Producers should use risk management tools, such as futures options or Livestock Risk Protection (LRP), to protect marketing windows.

Table 1. Beef Cattle Inventories, January 1, 2024

Category	Head	Smallest Since:
All Cattle and Calves	87.16 million	1951
Beef Cow Inventory	28.22 million	1961
Beef Replacement Heifers	4.86 million	1950
Estimated 2024 Calf Crop	33.1 million	1941

How Do Your Bulls Look Going Into This Winter?

Brian Freking, OSU Extension SE Area Livestock Specialist

Winter is a time when cow-calf producers direct their attention to calving and developing replacement heifers. But herd bulls are often a second thought until spring appears and the breeding season is just around the corner.

Now is the time to carefully manage your herd bulls so they are ready for the breeding season. Bulls should be body condition scored just like cows. Body condition score (BCS) ranges from 1 (an extremely thin animal) to 9 (a very fat animal). Ideally, a bull should have a BCS of 5.5 to 6 on this 9-point scale before breeding season.

The difference between scores is ~7% of mature weight in pounds. So, if the 1400-2000 lb. bull this fall is a BCS 5, he will have to gain 100+ pounds to achieve a BCS 6. This weight gain should be gradual (1 to 1.5 pounds per day). At one and a half pounds per day, it will take 60+ days for the bull to improve one body condition score.

Aim for optimal condition six weeks or more before the start of the breeding season. Bulls that are too thin during the breeding season are less active and will not breed as many cows and heifers. This will reduce breeding success.

Age and BCS have a major impact on scrotal circumference. A larger circumference is positively related to fertility. However, excessive fat in the scrotum can negatively affect semen quality. Semen quality is reduced for bulls in a BCS 7 or greater or those with a BCS less than 4.

In addition to optimal nutritional management, bulls should be maintained in facilities with wind protection and dry bedding. The bull's ability to withstand cold is dependent on a clean, dry hair coat. Bedding is necessary to prevent sore feet and frost-bitten scrotums – both of which will reduce the number of pregnancies in the upcoming breeding season.

Resources for Cattle Producers Interested in Direct-to-Consumer Beef Sales

Courtney Bir, Extension Specialist - Farm Management & Agricultural Finance
Rodney Holcomb, Extension Food Industry Economist

The possibility of direct-to-consumer meat sales is still a point of interest for many producers. As the days get shorter, now may be a good time to pencil out the possibilities. Shifting to direct-to-consumer meat sales is a big change for many producers. You are no longer selling livestock, you're marketing beef, which adds complexities to your operation. Consumers may be fickle, not in your area, or have strong preferences. You will have additional complexities from feeding out cattle or grazing longer.

One of the first steps to deciding if you want to sell direct-to-consumer, is understanding the different types of meat inspection and marketing considerations. Custom exempt processing is often the simplest option. Under this system the animal is not inspected during processing, so the meat cannot be sold as individual cuts and is marked "not for resale". The buyer purchases the live animal (e.g., a whole, half, or quarter share) and multiple buyers can make up the whole. You can transport the sold animal to the processor, but the buyer coordinates with the processor on the cut sheet (carcass breakdown instructions) and pays for processing. There are more custom exempt processors in Oklahoma than state or federally inspected ones, offering greater flexibility. Pricing is straightforward, as sales are based on the animal's live weight or per-head price. This also simplifies your profit calculation and limits sales to whole animals or shares instead of individual cuts.

State-inspected plants have ODAFF inspectors conducting pre- and post-mortem inspections, allowing you to sell individual cuts within Oklahoma. Federal (USDA) or Talmadge Aiken Act (USDA/ODAFF partnership) inspections permit sales across state lines and potentially internationally with additional certifications. Selling individual cuts may require extra freezer space or a retail location. Alternatives include subscription services or online sales. Pricing can be challenging, as you must balance the relationship between cut prices (e.g., steaks vs. hamburger) while attracting customers and maintaining profitability.

This brief introduction barely scratches the surface in terms of considerations for direct-to-consumer meat sales. We have multiple resources in the form of fact sheets ranging from marketing plans to challenges meeting farmers market regulations available online at https://extension.okstate.edu/programs/direct-to-consumer-meat-sales/. If you are interested in a more interactive learning experience, we now have available an online class: https://learn.extension.okstate.edu/courses/direct-to-consumer-meat. This class covers components of a business plan marketing options faced by livestock producers including direct-to-consumer sales. Videos and other interactive elements help you learn the differences between the cuts found in the front and hind beef quarters, as well as key points to working with a meat processor. Customer pitfalls and marketing opportunities are also covered in the class. Additionally, regulatory requirements and selling capabilities for custom exempt, state, federal, and TA processing are explained. The class takes approximately three hours to complete and has a fee of $20 which covers the costs associated with maintaining the online class. Interactive quizzes and learning activities will ensure you have a good understanding of the material. The class is self-paced, meaning you can take up to 120 days in the classes available to you 24 /7.

Another helpful tool is AgPlan (available at https://agplan.umn.edu). AgPlan helps you develop a business plan and is tailored for the specific needs of agricultural producers. The original design included commodity livestock and crops, but it now has been expanded to include value added, organic transition and other flexible small business plans. Business plans are an important component of seeking funding, and AgPlan provides videos and other helpful tips as you develop your business plan. You can add reviewers, so if you are working with your county educator, family members, or other stakeholders they can also view your plan. Since there is added risk and costs associated with selling direct-to-consumer, having a strong and clear business plan can increase your chances of success, or at least help you identify potential pitfalls.

OSU Research Launch: Asian Longhorned Tick

Rosslyn Biggs, DVM, Oklahoma State University

Originally from eastern Asia, the Asian longhorned tick, *Haemaphysalis longicornis,* has successfully established itself in countries around the world and now the United States. In the summer of 2024, the tick was identified on cattle in northeast Oklahoma counties.

The Asian longhorned tick parasitizes multiple species including humans, pets, livestock and wildlife, including birds. Relatively small in size when compared to native ticks, it is a three-host tick. It spends 90 percent of its life off the animal. Larva, commonly called seed ticks, feed on smaller animals. The nymph and adult stages then feed on larger animals including humans and cattle. The four most common animals this tick has been found on within the United States are dogs, white-tailed deer, raccoons and cattle.

The female tick can reproduce without mating and may produce 1,000 to 2,000 eggs at a time. A single female tick has the potential to create an established population in a newly introduced location in two to three weeks.

Severe infestations of the Asian longhorned tick in cattle can lead to death from the stress of excessive blood loss. Production losses including decreased milk production and growth are substantial. The Asian longhorned tick has also been recognized as a vector for multiple diseases of both humans and animals including viral, bacterial, and protozoan agents.

In other countries, the tick is the primary vector of *Theileria orientalis* Ikeda genotype in cattle. The protozoal agent causes clinical signs similar to anaplasmosis-anemia, fever, lethargy, jaundice and death. The mortality rate for cattle infected with *T. orientalis* Ikeda genotype varies from three to 90 percent. *T. orientalis* Ikeda genotype has been identified in the United States, but as of this time not in Oklahoma.

Beginning in late 2024, Oklahoma State University College of Veterinary Medicine researchers will launch a project to evaluate the status of the pathogenic *T. orientalis* genotype Ikeda and the Asian longhorned tick in cattle herds from Oklahoma and eastern border states. 30 to 50 farms have the opportunity to participate by submitting blood, ticks, or both.

Each participating herd will provide five to twenty blood samples. Herds that test positive to *T. orientalis* will be followed up with once or twice during the study. Ticks will also be collected from the animals. Tick trapping may also be performed. A maximum of 15 ticks will be analyzed from each sample collection site. All samples will be tested at the Oklahoma Animal Disease Diagnostic Laboratory.

Sampling supplies, shipping labels, and testing will be provided at no cost. Samples may be collected by veterinarians or producers with a consulting herd veterinarian. Blood submissions will process twice weekly with results emailed to the address on the submittal form and the consulting herd veterinarian. *Anaplasma marginale* testing will also be provided free of charge (up to 20 samples per herd) if anaplasmosis is suspected in the herd.

For more information or to participate in the study please contact a member of the research team:

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How Expensive is Cheap Hay?

Eric A. DeVuyst, Professor, Agricultural Economics; Roger Sahs, Associate Extension Specialist; Andrew Foote, Associate Professor, Food & Animal Science; and David Lalman, Professor, Food & Animal Science

When looking at hay offered for sale this fall, there is a wide range of prices and types of hay out there. Hay from 2023 is still listed on some sites alongside prairie hay, mixed Bermuda/native grass, Bermudagrass, and baled small grains. Older hay and weedy hay are usually offered at a substantial discount to higher quality grass hay. But the relevant question is, "How much is it worth?" Or perhaps, "how expensive is cheap hay in comparison to quality hay?"

Using data from Montgomery (2020), we compare the value of alternative hay bales using an OSU spreadsheet tool "Estimating Hay Value Based on Chemical Analysis" (McGrann et al. undated). The spreadsheet uses baseline hay and compares the value of alternative hays based on the value of protein and TDN in the two competing bales of hay. In short, "If I buy the cheap hay, how much would it cost to bring up the protein and TDN to the levels in the quality bale of hay?"

Hay starting at 7.1% protein and 56.2% TDN (corresponding to June prairie grass) is compared with prairie hay from July, August, September and October (see Table 1).

Assuming the cost of corn is $4.50 per bushel and soybean meal is $350 per ton, the spreadsheet tool compares the implied market value of the different hay qualities. We assume that June-baled hay is available at $50 for a 1400-pound bale. The results of the comparison are given in the right two columns of Table 1. The results demonstrate 1) the need to test hay before purchasing it and 2) that cheap hay might not be worth the price. Hay advertised for $30 per round might be worth far less than that based on the market value of its nutritional content, resulting in the need for high-cost supplementation of wintering cows.

References

Montgomery, D. 2020. Analysis of Seasonal Effects on Nutritive Value of Native Forages in the Southern Great Plains and Its Relationship to Sampling Method. MS Thesis. Oklahoma State University Department of Animal and Food Sciences. Stillwater, Oklahoma.

McGrann, J. L. Falconer, N. Green, J. Parker, J. Stone, C. Rolle, D. Doye, and R. Sahs. Undated. "Estimating Hay Value Based on Chemical Analysis," Oklahoma State University Cooperative Extension Service.

Table 1. Protein and TDN Percentages by Month* and Implied Market Values

Month	% Protein	% TDN	Implied Market	Implied Market
June	7.10	56.22	$71	$50
July	5.95	53.65	$57	$40
August	4.44	52.72	$40	$28
September	3.81	50.56	$31	$22
October	2.52	48.74	$11	$8

*Source: Montgomery (2020)

Make or Save Money with Enterprise Budgets

Roger Sahs, Agricultural Economics, Associate Extension Specialist

What a difference several weeks make! Recent rains have replenished soil moisture profiles and have improved late season grazing prospects, mostly for those that have cool season pastures and for those operations who had wheat emergence prior to the rain. However, our drought did take a toll on hay supplies and standing forage. If it looks like it's time to consider Plan B (or C or D), you are not alone. Alternatives can be head-scratchers and require additional business planning.

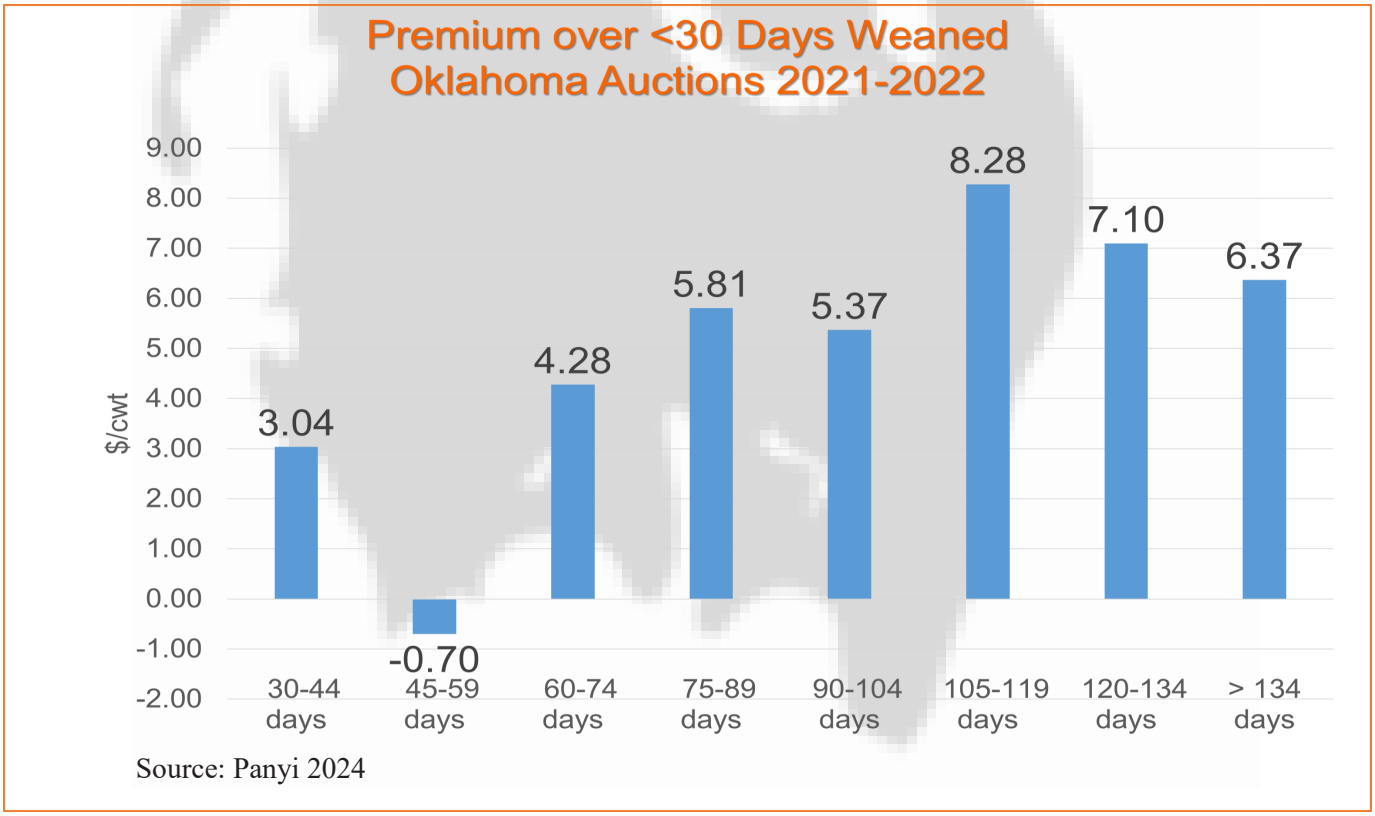
OSU enterprise budgets can help evaluate options one commits and/or shifts resources. And along the way, budgets can help identify key cost components as it is important to manage costs in today's recent price environment. OSU enterprise budgets are available free online at https://extension.okstate.edu/programs/farm-management-and-finance/budgets/sample-budgets/ The Excel spreadsheet budgets can be quickly customized to fit individual situations.

The upcoming year will be another tough one to navigate. While inflationary pressures have moderated, costs have remained elevated. Successful producers understand that there are no easy answers and often no simple solutions. They succeed because they are flexible and adapt. And they discover that life is a whole lot easier controlling risks and costs through budget planning. Accurate records and budgets are tools successful managers use to make or save money in their operations.

Additional information on OSU enterprise budgets is available through your local county extension office.

Snapshot: What's Weaning Worth?

Kellie Curry Raper, Livestock Marketing Specialist and Amadeo Panyi, PhD Graduate, Agricultural Economics



Source: Panyi 2024

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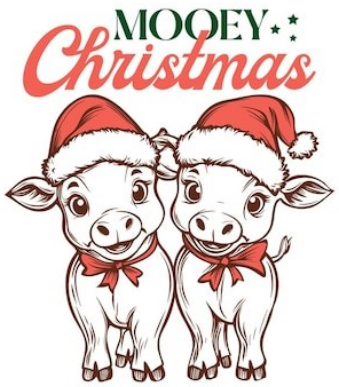

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