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TRENDS IN AND OPPORTUNITIES FOR CATTLE FEEDING IN SOUTH DAKOTA

In 1972, South Dakota ranked eleventh among the states in the number of fed cattle marketed. Based on the estimates of cattle on feed January 1, 1973 South Dakota marketings may pass Missouri marketings in 1973 and the state may advance to the tenth place. The value added in feeding the 561,000 head sent to market from South Dakota feedlots in 1972 makes cattle feeding one of the major sectors of agriculture and a large contributor to the strength of the economy of the state.

The number of cattle fed annually in South Dakota has been short of the potential suggested by the extent of outshipments of feeder cattle and feed grains. It is estimated that the state's net feeder cattle outshipment increased from about 407,000 head in 1965 to 671,000 head in 1972. See Table 1. Yet annual outshipments of feed grains averaged two million tons during the period.

Since 1965, in the United States, not only has beef consumption risen from

104 pounds to 115 pounds per capita but the number of consumers has increased so that total annual beef consumption has increased by 20 percent. Export demand for beef has increased strongly as well. To the livestock producer and the economy of the state this increased demand means an opportunity to share in the growing volume of production required to fill it. How has the cattle-feeding industry in South Dakota shared in the increased world-wide demand for beef?

There has been little change in the number of fed cattle marketed annually for slaughter from South Dakota feedlots since 1965. This contrasts with the calf-producing sector of the cattle industry which has kept its total output growing in step with the increase in demand. The annual calf crop in South Dakota increased by 18 percent overall from 1965 to 1972. The number of beef calves raised annually has risen about 20 percent partly because of a shift from dairy to beef cows.

Table 1. Calf Crop and Disposition, South Dakota, 1965 and 1972

Year	Calf Crop	Beef Calves for Feeders*	In South Dakota Feedlots	Outshipments
1965	1,690,000	971,000	564,000	407,000
1972	1,994,000	1,232,000	561,000	671,000

Source: Crop and Livestock Reporting Service and Bulletin 585, S.D.S.U.

*Excludes dairy, herd replacements, death losses, slaughter off grass.

Nationally, the cattle fed out in feedlots has been growing very rapidly reflecting a shift away from grass-finished cattle. Since 1965, the number of fed cattle marketed annually increased from 18.7 million to 26.8 million, an increase of 43 percent. South Dakota has shared little in this growth. In fact, the growth in marketings of fed cattle in just four states, - Texas, Nebraska, Kansas and Colorado - was equivalent to 92 percent of the total national increase from 1965 to 1972.

Feed grains and hay prices in South Dakota are among the lowest in the nation. Moreover, it is generally less expensive to ship meat than the equivalent in cattle and feed. However, feedlots in these other states apparently realize sufficient net gain from some combination of higher fed cattle prices, lower operating costs, higher feeding efficiency, and lower risk expectancies that they import large quantities of feeder cattle and feed produced in South Dakota.

There was little change between 1965 and 1972 in the number of cattle marketed by feedlots with capacities under 1,000 head and 77 percent of the growth in number marketed occurred in feedlots with 16,000 or more head capacity.

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