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Seasonal Patterns of Livestock Prices
(With Long Range Charts)

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Farm Production Seasonal

Farming is a seasonal occupation. Some crops such as flax are usually harvested all at one season and sold soon thereafter. Others like corn may be all harvested at the same time but marketed throughout the year. Still others, such as some kinds of livestock or livestock products, are produced throughout the year but are far more plentiful at one season than another.

Although farm production is seasonal, the consumer desires a steady supply of most farm products. Wheat is harvested only during the summer but the housewife wants about the same amount of bread every day. The consumption of pork is relatively steady throughout the year but the bulk of the hogs produced are marketed in two different periods. For certain products, such as watermelon and turkey, the seasonality of consumption varies with the seasonality of production. For other products, such as seed, the season of production is opposite the season of heavy consumption.

For each product, consumption must be matched by production and availability. This is done by storage for some products which can be stored economically during periods of heavy production and consumed later when production is slack. Also it is done by adjustments of production and consumption
Seasonal Slaughter Steer Prices*

Seasonal Feeder Cattle Prices*

Seasonal Hog (Barrows and Gilts) Prices*

Seasonal Lamb Prices*

*Chicago Monthly Average Prices
20 yrs. 1928-1947.

*Kansas City Monthly Average Prices
20 yrs. 1927-1946

*Chicago Average Prices
18 yrs. 1923-1940

*Average Prices
1936-1950

Fat Lambs, Chicago

Feeder Lambs, Denver
situation with heifers as there are more definite weight limitations on heifer cattle than on steers.

The seasonal change on cows is very small with late spring showing highest prices and late autumn the lowest.

**Feeder Cattle**

Feeder cattle move from the western ranges into the Corn Belt in large numbers during the fall. Although demand is heavy also in the fall the supply offered is usually large enough to depress prices at this time. In the spring very few feeders move off ranges when grass is plentiful. Demand for stocker and replacement cattle to go on pasture is strong in the spring months. This combination of short supply and strong demand at this time makes feeder cattle high-priced. However, this seasonal pattern does not mean that more profit will always be realized by holding cattle over the winter on the range. Such things as cost of wintering, risk, labor and equipment must be taken into consideration if cattle are to be held over.

**Hogs**

In no other class of livestock is there a more evident seasonal price pattern than for hogs. Large supplies in the fall when the spring pig crop is marketed and in late spring when the fall crop is marketed reduce prices at these times. These changes occur with such regularity that hog producers can materially increase their income by marketing during the months when prices are normally the highest.

Usually at least two things can be done to take advantage of higher price periods.

1. Regulate farrowing dates of sows, and
2. Use forced or delayed feeding to bring hogs to market weight at the high-priced periods.

The seasonal pattern during recent years has seen late August and September as the months with the highest prices with the yearly low points coming in December and January. There is usually a minor price rise in February and March during the interval between marketing of spring pigs and fall pigs. The arrival of the fall pig crop softens prices during April and May.

**Lambs**

As with hog prices the most important factor regulating lamb prices is the supply marketed. Fat lambs are high priced in the spring reaching a peak during June after fed lambs have been marketed and before spring lambs reach the market in volume. There is then a gradual decline until the low point is reached in mid-winter.

Most feeder lambs move to market during the last six months of the year. Prices are usually the lowest in September but gradually increases as demand strengthens and supply decreases.

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that take place as a result of seasonal changes in prices. These fluctuating seasonal prices serve several purposes.

1. They encourage the consumer to take increased quantities of a product when it is abundant.
2. They encourage the trade to carry supplies from time of abundance to time of scarcity.
3. They encourage farmers and ranchers to change their marketing patterns, where possible, to supply an increased amount of the commodity when it is scarce.

Seasonally fluctuating prices are not, as some may believe, a means of exploiting the farmer by depressing the prices at times of abundance. Without storage, which seasonal price fluctuations encourage, the farmers' total income would be lower and the consumer would be deprived of off-season commodities.

Other Price Changes

There are other types of price movement, besides seasonal, which must be considered.

Price Level—Sometimes, as from 1929 to 1932, prices of all products decline and sometimes, as from 1941 to 1952, prices rise. These are price level changes and are different from seasonal variations.

Trends—A persistent change throughout time is known as trend. A downward price trend is usually found for products such as broilers and eggs which are being produced more efficiently with passing time. Upward trends are found for commodities such as lumber whose production costs are rising.

Cycles—Still another price movement is the cycle. These operate along with the price level, trend and seasonal variation. A price cycle results from production trying to adjust to price. For hogs, it takes about 5 to 7 years to complete this cycle. For cattle, the cycle is longer, 15 to 18 years due to the longer periods required from the time of breeding till the production of meat.

Price is complex but even though individual years may show a marked difference over a period of many years a seasonal pattern is evident.

Seasonal Variations

If farmers know the normal seasonal variations of a commodity, they are in a position to buy and sell to greater advantage.

Slaughter Cattle

Better grades of steers and heifers are usually grain-fed. The typical pattern is fall purchase, about 6 months in the feed lot and spring marketing. Large supply depresses prices at that time. A type of feeding operation which is gaining popularity in the Corn Belt now is fall purchase, wintered cheaply and finished with grain while on pasture. This enables farmers to make best use of highest seasonal prices. On the other hand it increases the risk and means less rapid turnover of capital.

Heifers show essentially the same seasonal pattern by grades as steers do. It is a little more difficult to take advantage of the