2019
Integrity Beef
Preconditioning
Information
Integrity Beef Sustainability Pilot Project

Integrity Beef Annual Sale
Data Included:

2 Sale Methods for Pilot:
• Off-Farm Contracting
• Individually at the Sale Barn

1 Sale Method for Non-Pilot:
• Individually at the Sale Barn
Integrity Beef Sale Volume* (# hd)

* Sale Volume comes from the total of all reported sales receipts.
Integrity Beef Sale Volume* (#/hd.)

* Sale Volume comes from the total of all reported sales receipts.
Integrity Beef Sale Volume* (#/hd.)

* Sale Volume comes from the total of all reported sales receipts.
Preconditioning Evaluation
Weaning Information

Setting our baseline
Weaning Weight (lbs.)

10 year average = 581 lbs
Weaning Prices ($/cwt)
Marketing costs not included

Values assigned at weaning based off of the OK State Weighted average on weaning day.
Weaning Gross Revenue ($/hd)
Marketing costs not included

10 year average = $831/hd
Post Preconditioning Information
Sale Weights (lbs.)

10 year average = 710 lbs
Sale Prices ($/cwt)

Marketing costs not included.

10 year average = $151.20/cwt
Preconditioned Gross Revenue ($/hd)
Marketing costs not included.

10 year average = $1081/hd
Performance Information
Avg Daily Gain, ADG (lbs/day)

10 year average = $1.02/lbs
Avg Total Cost of Preconditioning ($/hd.)

- 2011: $185
- 2012: $165
- 2013: $118
- 2014: $120
- 2015: $133
- 2016: $115
- 2017: $124
- 2018: $141
Value of Gain, VOG ($/lb.)

10 year average = $1.02/lbs
Cost of Gain, COG ($/lbs.)

10 year average = $1.17/lbs
Profit Margin ($/hd)

10 year average = $123.60/hd
Value of Gain, VOG ($/lb.)

Sale Barn Only

10 year average = $0.975/ lbs
Cost of Gain, COG ($/lbs.)
Sale Barn Only

10 year average = $1.18/lbs
Profit Margin ($/hd.)
Sale Barn Only

10 year average = $117.90/hd
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El Reno, Oklahoma
12/4/2018

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Number of Lots: 356
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Data Collection: Derrell Peel, Kellie Curry Raper
Summary: Kellie Curry Raper, Agricultural Economics
What occurred in 2018?

• Pilot Project, Year 2.
What occurred in 2018?

• Pilot Project, Year 2.
• Market didn’t play along.
What occurred in 2018?

- Pilot Project, Year 2.
- Market didn’t play along.
  At all...
What occurred in 2018?

• Pilot Project, Year 2.
• Market didn’t play along.
  At all…
  Not even a little bit…
Futures Outlook...

as of September 18th, 2018

Source: CME Feeder Cattle Index and CME Feeder Cattle Futures
Futures Outlook... as of February 11th, 2019

Source: CME Feeder Cattle Index and CME Feeder Cattle Futures
OKC West Sell Prices for 2018

Monthly average prices 750-800 lbs. Steers - El Reno

- 9/26: 2018: 153.54
- 12/5: 2018: 132.97
What occurred in 2018

- Pilot Project, Year 2.
- Market’s didn’t play along.
- Missing some preconditioning sheets...
Integrity Beef Sale Volume vs. Reported* (# hd.)

* Sale Volume comes from the total of all reported sales receipts, & Reported Volume comes from the Preconditioning Forms submitted.
Quick Cattle Market Outlook
Feeder Cattle Futures Outlook…
as of February 12\textsuperscript{th}, 2019

$\$/cwt
750-850 Lb. Steer

Source: CME Feeder Cattle Index and CME Feeder Cattle Futures
Seasonality Related to Cattle Marketing
2 “Seasons”

Cattle Cycle

Annual Cycle
Cattle Cycle

- Average 11-12 years in length
- Triggered by cattle inventory and price
Cattle Inventory & Price Cycle 1867-2018

Jan 1 U.S. Cattle Inventory

Oklahoma Cattle Price

MILLION HEAD

DOLLARS PER CWT

YEAR

Cattle Inventory through Jan 1, 2018
Oklahoma Cattle Prices through 2017
Cattle Inventory & Price Cycle 1988-2018

Jan 1 U.S. Cattle Inventory

Oklahoma Cattle Price

Cattle Inventory through Jan 1, 2018
Oklahoma Cattle Prices through 2017
Feeder Cattle Futures Outlook… as of February 12th, 2019

Source: CME Feeder Cattle Index and CME Feeder Cattle Futures
Annual Cycle

• Driven by forage availability and demand
• Best viewed as an Index
Questions?