

Beef Pricing Remains Strong, But Drought Dings Forage

BENTONVILLE, ARK.

Poor soil moisture conditions, coupled with high fertilizer prices will play havoc for the beef industry in 2011, carrying over into 2012 and beyond, said Robert Seay, Benton County staff chair for the University of Arkansas Division of Agriculture.

Benton County has the least drought area in the state, according to the April 5 U.S. Drought Monitor.

"The 2-foot snowfall in February was the best moisture pattern to hit since early July 2010," Seay said. Even so, "producers are edgy about the economics of nitrogen even under good moisture conditions."

In northwest Arkansas, fescue is the No. 1 forage crop by acreage, so lowered production whether caused by inadequate moisture or reduced nitrogen applications, will impact animal

carrying capacity and total hay production throughout the remainder of the year, he said.

"When forage production is inadequate, there's no economical replacement," Seay said.

The good news is that the "beef market outlook is projected to remain strong for the next two years," he said. "However, for producers to capture optimistic market conditions, livestock numbers and daily gains will have to be maintained and replacement animal numbers increased."

The National Agricultural Statistics Service estimated there were 30.9 million beef cows in the United States, down 2 percent from Jan. 1, 2010. Beef replacement heifers were down 5.2 million or 5 percent. All cattle and calves in Arkansas as of Jan. 1 of this year totaled 1.72 million head, down 10 percent from a year earlier. Δ



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