

it takes years to raise quality beef

Lots of people think there's plenty of beef no farther away than their favorite food store. But it's not that simple to get high quality beef where people want it and when they want it.

Beef supply is no accident. Actually it's thousands of miles and 20-24 months from conception to consumption . . . from ranges, to feedlots, to packing plants until that steak or roast is finally cut, wrapped and ready at your neighborhood food store. In between are countless management decisions resulting in profits, losses, successes, failures, huge investments and months of long hard work.

There's no quick way to a T-bone steak. Nine months of a cow's room and board until the calf is born...six or seven months with cow and calf on pasture, plus 330 lbs of grain, 70 lbs of protein and 10,000 lbs of hay, silage and grass, just to grow the calf to weaning age of 450 lbs.

Then follows another 4-6 months in the feedlot $\dots 2,200$ lbs more of grain, 360 lbs of protein supplement and 2,300 lbs of hay, silage and pasture before the steer is feedlot-finished at 1,000 lbs-plus and sold to a packer.

No wonder there's a difference between prices paid for cattle and what you pay for beef. A half ton steer, on the average, yields a 615 lb carcass. An additional 183 lbs of fat, bones and waste are lost when the carcass is processed into retail cuts... leaving only an approximate 432 lbs of retail beef cuts—less than half of the initial weight.

Retail prices for beef must cover price paid the producer, cost of processing, refrigeration, transportation, rent, taxes and labor. In the end, retail stores must price their beef so that they sell it all ... never end up with only less-in-demand cuts like pot-roasts and short ribs left in the cooler.



BEEF INDUSTRY COUNCIL National Live Stock and Meat Board 36 South Wabash Avenue Chicago, Illinois 60603

Why price of beef goes Up and Down

There's no short cut in beef production. It takes years to grow the steak or roast you have for dinner. The product is perishable... must be marketed when it's ready.

<u>Supply</u> and <u>demand</u> set the price for beef. But unlike most manufactured products, beef prices fluctuate both up and down because supply and demand are constantly changing.

When consumers buy more beef, supplies are used up, and prices tend to rise. Rising beef prices are automatic "signals" to farmers and ranchers to increase beef cattle numbers. But the effect isn't immediate because it takes three full years from the time farmers and ranchers decide to increase production until there's more beef at your neighborhood food store.

When consumers buy less, there's no way to stop the beef production line. Farmers-ranchers have to market cattle already on hand when they're ready *regardless of price*. So the supply continues even though demand falls off, and beef prices drop. Farm prices paid for beet cattle only recently recovered to the level where they were about 20 years ago. But during that period, farm costs skyrocketed! Farm labor costs are up 230 percent, real estate taxes are nearly 4 times higher, farm machinery and total farm production costs are doubled.

Farmers and ranchers have boosted beef production a whopping 2½ times in the last 20 years despite often discouraging cattle prices. But it's better beef, because cattlemen are producing 4 times as much Choice grade beef as they did then. And it's better because packers and retailers trim and package it better, too.

Meanwhile, U. S. beef consumption has more than doubled—up from 56 to 115 lbs per person today, and it's expected to reach 130 lbs by 1980. Add to this the projected increase in population and the experts predict we'll need to double our beef production again by the end of the century.

We had to double beef production once to supply the beef our people needed. But will our farmers and ranchers find the desire and the resources to double it again? Business-minded beef men say they can with decent cattle prices. And they'll do it if they can just make cost of production and a little profit, too.



A steer's not all STEAK...

AN IMPORTANT FACTOR IN THE PRICE YOU PAY FOR BEEF ...

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