

CATTLE MOVEMENT THROUGH THE TEXAS BEEF SYSTEM

Charles R. Long

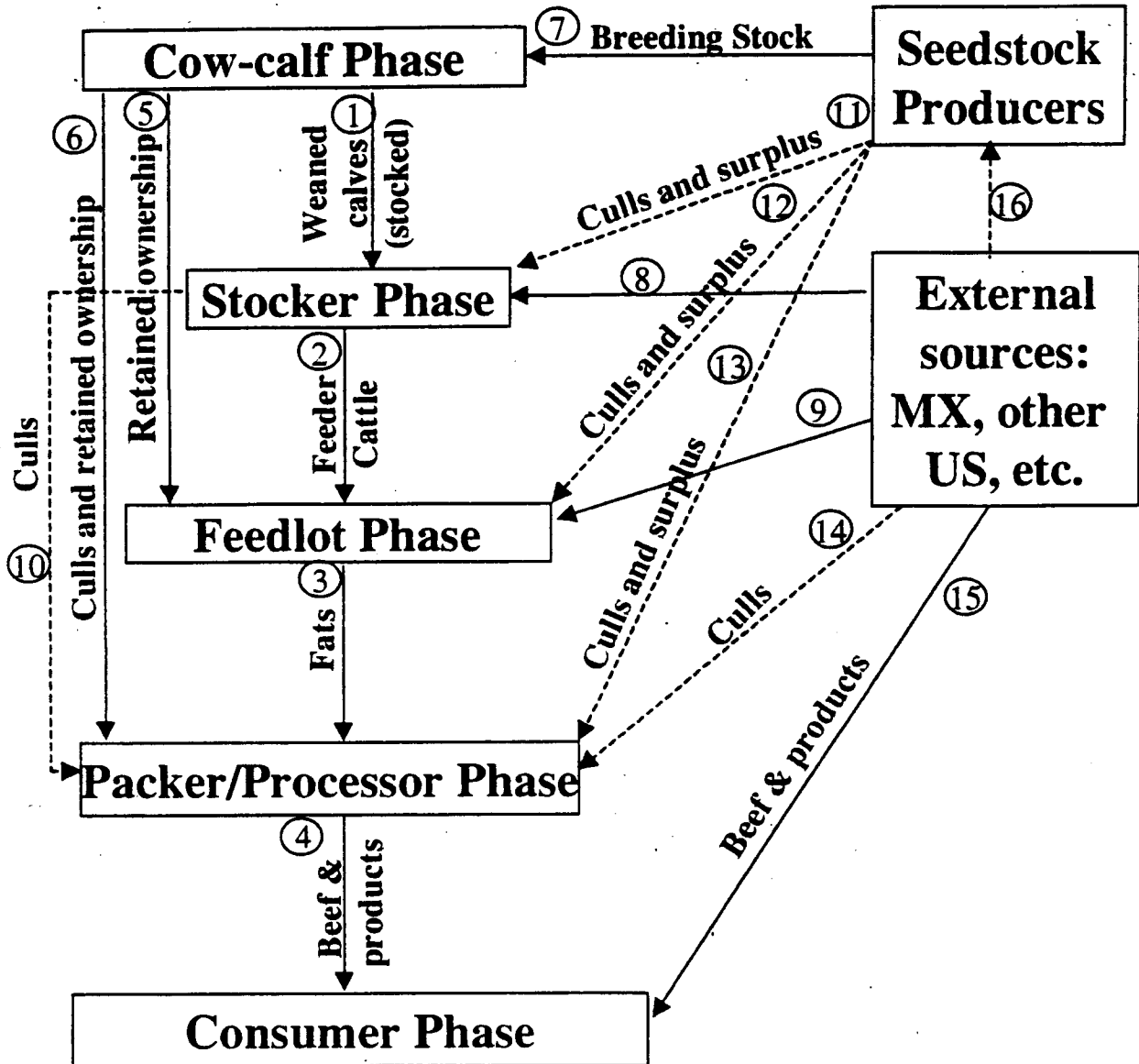
The Texas Beef Industry is a complex system composed of five primary phases: Cow-calf, Stocker, Feedlot, Packer/Processor and Consumer: with high levels of capital investment and a myriad of business arrangements. One aspect of this system is the change of ownership of cattle and beef among the various phases of beef production. While many innovative ideas are currently being implemented in many areas of beef production, change in ownership between phases is likely to continue to be a major issue within the industry (perhaps to a lesser degree or with a different structure). Furthermore, cattle producers should be aware of these issues in order to make decisions relating to the production and marketing of their cattle.

The diagram on the next page is a representation, not necessarily complete, of many of the ownership changes which can occur. Described here are the numbered pathways of exchange. Pathways 1, 2, 3 and 4 represent direct exchange in which ownership changes between all phases. Pathways 5 and 6 represent retained ownership by a cow-calf producer through the stocker or feedlot phase (also cull cows). Pathway 7 is the flow of breeding stock into the commercial cow herds. Pathways 8 and 9 represent importation of live cattle, such as from Mexico. Pathways 10, 11, 12, 13 and 14 are movement of culls into production and/or slaughter. Pathway 15 and 16 represent imported beef and products and seedstock, respectively.

While other exchanges may be visualized (stocker-feeder operations are not shown) these sixteen pathways represent the majority of ownership changes and cattle flow in the Texas beef industry today. Some modification of these exchanges may come about through alliances or other arrangements. Also, some of the exchanges are being enhanced through innovations such as premium calf sales of commingled, backgrounded calves. One may expect new ideas and innovations in the future. Awareness of this aspect of the Texas Beef System will help producers adapt to future trends.

Texas Beef Systems Cattle Flow Diagram

———— primary - - - - - secondary



Each arrow represents change in ownership