FAVORABLE SEASONS OF THE YEAR FOR MARKETING CREEP-FED CALVES

by

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INTRODUCTION

A Problem in Fat Cattle Prices

The creep-feeding/1 of calves is becoming a popular practice among the cattlemen of Kansas who own beef cow herds and who desire to market their calves as a finished product. Cattlemen have been able to finish their calves at less cost by feeding the calf grain during the time it is nursing its mother than by other methods.

Though this method of feeding calves was practiced many years ago, it has been only in recent years that it has gained much popularity in Kansas. Several reasons may be given for this change. First, no doubt, is the fact that the bulk of market preference in recent years has been for well finished light weight cattle. Another factor, from the Kansas standpoint, has been the introduction of draught resistant grains into more of the cattle producing sections, thus permitting the cattle producer to finish more of his own cattle and resulting in a westward movement of the cattle feeding area. This practice of creep-feeding the beef

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1. The creep-feeding of calves is usually accomplished by placing a feeder inside a creep or small enclosure which permits the calves to enter, but prevents the cows getting into the feed.

calves also offers an opportunity of getting the heifers fat at an early age when their carcasses are as desirable as those of steers. The safety of a beef production practice from a financial standpoint, which originates as a calf and terminates as a finished product on the same farm, has appealed to many men.

The Advantages of Creep-Feeding

Creep-feeding offers the following advantages:

1. It adds weight to the calf. Usually for each bushel of grain fed, 10 pounds of additional weight is obtained.

2. It adds finish. The degree of finish it adds is dependent upon the quantity of grain fed. If five to seven bushels are fed, the grade of the calf will usually be raised enough to sell at one or two dollars more per hundredweight at weaning time than the calf that is not creep-fed.

3. It makes the calves more uniform. The calves with poor suckling mothers will eat more grain and thus make up for the shorter milk supply.

4. It saves shrink as the calves notice the absence of their mother less and there is not such a radical change in changing them to dry lot feeding.

5. It permits earlier marketing as the dry lot feeding

period is shortened due to the added finish they have at weaning time.

6. It reduces the grain necessary to finish the calves.

7. The cows will carry more condition at weaning time as the calves do not worry them so much when they are being creep-fed.

8. It shortens the production period, giving an earlier income and increasing the rapdity of turnover of the investment in beef cattle.

9. The shorter production period makes possible quicker adjustment to changing economic conditions making desirable a change in the number of cattle produced or to climatic conditions which increase or decrease the quantity of feed available.

10. It reduces the funds needed to invest in the beef cattle enterprise since only one crop of calves is on hand at any given time. It also adds safety to the enterprise.

REVIEW OF LITERATURE

Some previous studies have been made of the methods of production of creep-fed calves. Some study has also been made of the marketing of such calves. However, most of these studies pertain to the production side of the question. A study, Bulletin 208, November, 1930, United States

Department of Agriculture, was made by Sni-A-Bar Farms, Grain Valley, Mo., and the United States Department of Agriculture, relating to the production and quality of beef from calves fed grain before and after weaning.

Short articles have appeared in the Daily Drovers Telegram of Kansas City, Mo., telling of creep-fed calves outselling non-creep-fed calves.

A special mimeographed bulletin put out by J. J. Moxley, Extension Animal Husbandryman, Kansas State College, on "Creep-Feeding Calves" treats of production only.

A special bulletin was put out in July, 1931, by the Santa Fe Railroad and prepared by the extension division of Kansas State College. The marketing information in that bulletin was taken from work prepared for this thesis.

No record of any work has been found dealing with marketing problems involved in the production of creep-fed calves. So far as could be learned this is the first study dealing exclusively with the marketing problems in handling creep-fed calves.

PURPOSE OF STUDY

The purpose of this study is made to determine what season of the year is the most favorable for the marketing of creep-fed calves. It is desirable to know the different factors which influence the price of choice creep-fed calves.

Such information is of particular value to the cattlemen of Kansas who own beef cow herds. Is there a distinct seasonal trend of prices for fat creep-fed calves? Also does the seasonal upturn in prices vary each year and what are the causes of shifts? Such information should aid the cattlemen in determining the most advantageous time to market their calves. It will also aid cattlemen in adjusting their production methods so that they will be better able to sell their calves at the most advantageous time.

METHOD OF PROCEDURE

This study was confined to the state of Kansas, although this method of handling calves is being carried on in other states.

The method of procedure followed was to secure the prices paid for this grade of cattle over a period of years. This method of finishing calves for market at this age is comparatively new. Consequently, this class of beef cattle has been quoted on the market only since July, 1923, when for the first time prices of mixed steer and heifer calves, 800 pounds and down were quoted. The prices used were secured from the market news service of the Bureau of Agricultural Economics, United States Department of Agriculture. (See Table I.) The price trend for each of the eight years, 1924 to 1931, inclusive, was charted from these fig-

Table I.-- Top price by ten-day periods of choice baby beef steers and heifers, 850 pounds and less, Kansas City, Mo. Nominal prices quoted by Market News Service of the United States Department of Agriculture.

		1924	1925	1926	1927	1928	1929	1930	1931	Eight-year average
Jan.	1	11.50	12.25	11.50	12.00	17.25	14.25	16.00	13.75	13.56
	2	11.50	12.25	11.50	12.00	17.00	14.50	16.00	13.50	13.53
	3	11.50	12.25	11.25	12.00	17.00	13.75	15.50	12.75	13.25
Feb.	1	11.50	12.25	11.25	12.00	16.25	13.00	15.50	12.25	13.00
	2	11.50	11.85	11.25	12.00	16.50	12.75	15.50	11.25	12.82
	3	11.25	11.85	11.25	12.00	15.25	13.00	15.50	10.75	12.60
Mar.	1	11.00	11.85	11.25	12.00	15.00	13.00	15.50	10.50	12.50
	2	11.00	11.85	11.25	12.00	15.00	13.65	15.50	10.50	12.60
	3	11.00	11.50	10.75	11.75	14.00	13.65	15.00	10.00	12.20
Apr.	1	11.00	11.50	10.75	11.75	14.00	14.00	14.50	9.75	12.15
	2	11.00	11.60	10.00	11.75	14.00	13.75	14.25	9.50	12.00
	3	11.00	11.35	9.75	11.15	13.75	14.35	14.00	9.50	11.85
May	1	10.85	11.35	9.60	10.75	14.25	14.25	13.50	9.50	11.75
	2	10.85	11.50	9.60	11.00	14.25	14.50	13.00	9.25	11.75
	3	10.65	11.50	9.75	11.00	14.65	14.50	13.00	8.50	11.70
June	1	10.50	11.75	10.25	11.50	14.25	14.85	13.00	9.00	11.90
	2	10.50	11.75	10.25	11.90	15.00	14.85	12.75	9.00	12.00
	3	9.85	12.25	10.40	12.00	15.25	14.60	11.75	9.00	11.90
July	1	10.10	12.60	10.40	12.50	15.65	15.00	11.75	8.75	12.10
	2	10.10	13.00	10.40	12.50	15.65	15.00	11.50	8.75	12.10
	3	10.50	13.35	10.40	13.00	16.00	15.00	11.00	9.00	12.30
Aug.	1	10.50	13.50	10.25	13.50	16.00	15.00	10.75	9.50	12.40
	2	10.50	13.50	10.35	13.50	16.00	15.00	11.25	10.35	12.95
	3	10.50	13.25	10.60	13.75	16.00	14.75	12.00	10.50	12.65
Sept.	1	10.75	13.25	11.00	14.40	16.50	14.75	12.50	10.00	12.90
	2	10.75	13.50	11.75	14.90	16.75	14.75	12.75	10.00	13.15
	3	11.75	13.60	12.00	15.50	16.50	14.75	12.75	9.50	13.30
Oct.	1	11.00	13.75	12.00	15.50	16.50	15.75	13.00	9.75	13.40
	2	11.15	13.75	11.75	16.25	16.25	16.00	13.00	10.00	13.50
	3	11.35	13.50	11.75	16.50	16.00	16.10	13.25	10.50	13.60
Nov.	1	11.35	13.40	12.00	16.75	16.00	15.75	13.65	11.50	13.80
	2	11.35	13.00	12.00	17.00	16.00	15.50	13.65	11.50	13.75
	3	11.35	12.65	12.00	17.00	14.75	15.50	13.50	11.50	13.55
Dec.	1	12.25	12.50	12.50	17.00	15.00	15.50	13.60	10.75	13.65
	2	12.25	11.75	12.75	16.75	14.75	15.50	13.50	10.75	13.40
	3	12.25	11.50	12.25	16.50	14.00	15.50	13.75	10.00	13.10

ures. These price trends give a picture of the seasonal high and low prices of creep-fed calves.

The size of the corn crop in each of these years and its influences on the seasonal highs and lows was also studied. The information regarding the size of corn crops was taken from the United States Yearbook for 1931.

Actual records of Kansas cow herd owners were used to check with the price trends obtained from the Bureau of Agricultural Economics of the United States Department of Agriculture. These were secured from the extension division of Kansas State College through the extension animal husbandry specialist, J. J. Moxley. Also cost of production figures were secured from these records. These materials were used to determine the profit made in proportion to the time of selling the calves. An effort was made to find out when the seasonal high prices occur and what causes them, also what conditions cause the time of the seasonal peak prices to shift from one year to another.

A study was made of the results of the Kansas beef production contest held for the past three years. The methods of handling and the time of selling the calves were studied. It was found that the majority of the cattlemen were losing money because of the time of the year they marketed their calves. The methods used by some of the winners of these contests were investigated. The prices they received for

their calves, and the time they sold on the market were noted. These actual sales made by these cattlemen were compared to the top prices quoted by the Bureau of Agricultural Economics, United States Department of Agriculture.

IS THERE A SEASONAL TREND IN PRICES FOR BABY BEEF SO THAT THERE IS A TIME EACH YEAR WHEN PRICES OF CHOICE CREEP-FED BABY BEEVES ARE HIGHER THAN AT ANY OTHER SEASON OF THE YEAR?

The purpose of this comparison is to determine if it is important for the cattleman to have his calves ready for market by a certain season. This necessarily involves the best methods of production, but by studying the seasonal market trend, it can be seen that it will pay him to adjust his production to meet the market demands.

Figure 1 shows the eight-year average top price of choice creep-fed steers and heifers at the Kansas City, Mo., market. In looking at this chart, it can be seen that the seasonal high for the past eight years has been somewhere between September 1 and December 15 of each year. The prices are usually highest in the months of October, November, and December, usually breaking after January 1 and reaching their yearly low in April or May. This chart, which gives the eight year average, shows the average high price to be during the first 10-day period in November.

Prices are predominantly lowest in late April and early May, the eight-year average low being the first 10-day period in May. Only once was the low price of the year before April and only twice later than May.

This study shows that for the past eight years finished creep-fed calves of good to choice quality that were put on the market from October 1 until December 20 sold for an average of $1.35 per hundredweight more than the same class of calves put on the market during the period of January 1 to April 30. The study further shows that for the past eight years, good to choice creep-fed calves weighing near 700 pounds have sold for an average price of $13.80 per hundredweight when put on the market between October 1 and December 20 at Kansas City, Mo. (See fig. 1.) The average price for the last eight years of these same quality and weight of calves when sold after January 1 and up until April 30, was $12.45 per hundredweight.

WHAT EFFECT HAS THE SIZE OF THE CORN CROPS, BOTH THE CURRENT AND THE PREVIOUS YEAR'S CROP, ON THE TIME OF THE FALL PEAK PRICE?

The purpose of this comparison is to show how the size of the corn crop affects the time of the fall peak price. This study shows that a large corn crop the previous year means a low June to August price and a small new corn crop

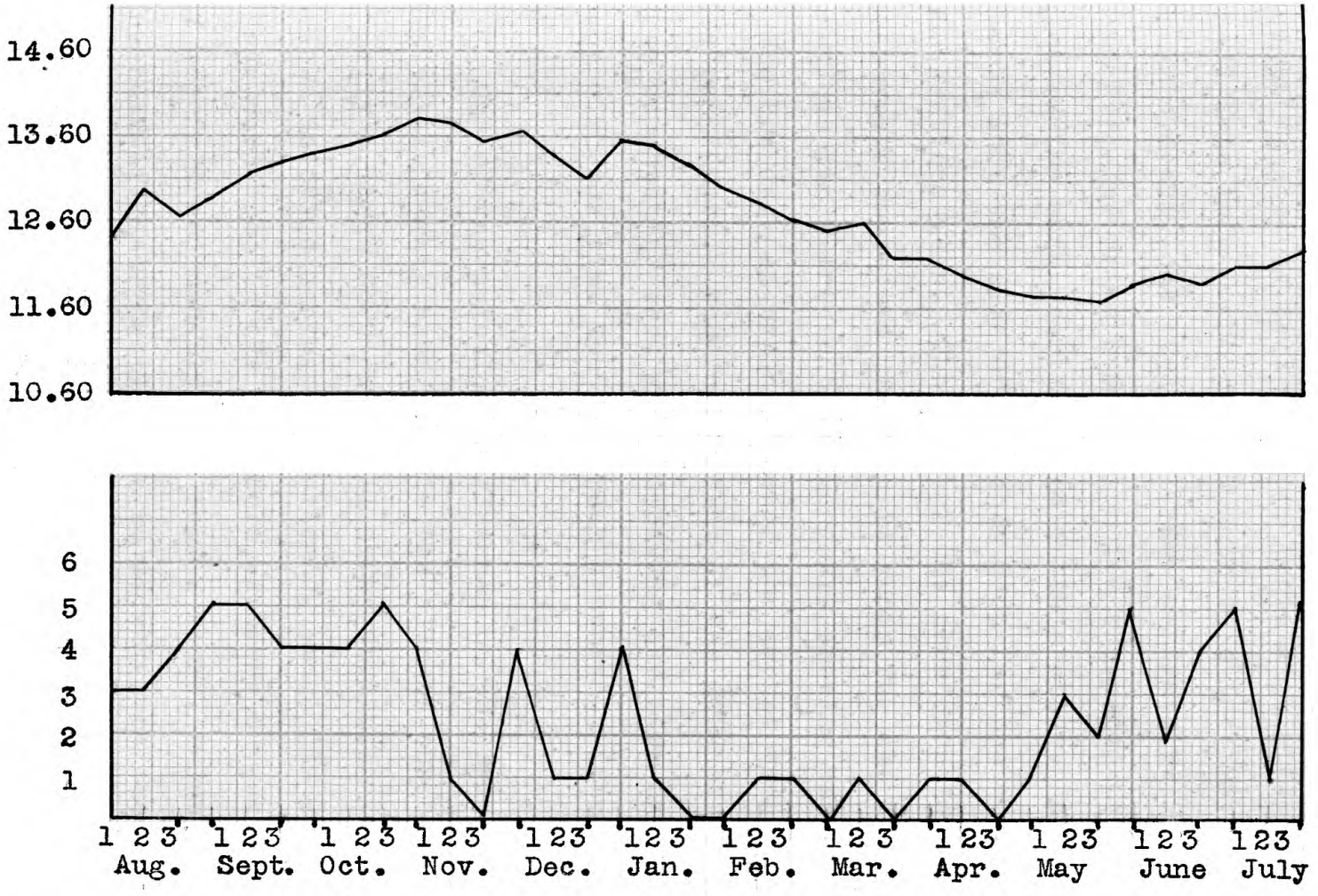


Fig. 1.-- Eight-year average top prices of fat steers and heifers, 850 pounds and less, at Kansas City, January, 1924 to January, 1926, inclusive.

discourages early fall feeding, hence high prices continue until late into December. To show this fact more distinctly in this study, each year was taken separately. (See figures 2 to 9.) The price curve of choice creep-fed calves was plotted for each year included in this study. Also the charts show the size of the corn crop for the current and the previous year. The size of the corn crop in millions of bushels above two millions is shown for the current and previous two years on the same chart showing the cattle price trends. An explanation of the market trend accompanies each chart. The full effect of the size of the corn crop can best be seen when comparing the size of the corn crop with the time the fall peak occurred. (See figures 2 to 9.)

One of the principal influences on the price trend of the cattle market each year is the size of the corn crop. Usually a large corn crop will cause declining fat cattle prices sometime during the following year. In years of a large corn crop in the corn belt, feeders buy cattle early in the fall and usually give them a short or long feed. The bulk of these cattle come to market from the following December 1 until about May 1. In years of a small corn crop cattle feeders usually delay buying feeder cattle until late in the season. This condition usually results in a higher late fall fat cattle market, a lower mid-winter mar-

ket, and a favorable summer market.

For the year 1924, the highest prices came in December. The top price was $12.35 per hundredweight. The price held steady for the entire month of December and carried over into the following January at steady prices. The low price for 1924 occurred in June. The low price was $9.85 during the last week of June. (See figure 2.) In the third week of September there was a sharp rise which continued fairly well into December, when the seasonal high price was reached.

In 1923 there was a large corn crop of 3,000,000,000 bushels. This resulted in a low June, July, and August fat cattle price in 1924. (See figure 2.) It so happens that 1922 was also a large corn crop year. This made two successive years of large corn crops. The effect of this can be seen on the general price level of fat cattle for the whole year. (See figure 2.) With abundant corn supplies, cattle were given a long feed and held until late in the spring and summer of 1924.

Prospects for a new corn crop in the summer and fall of 1924 were not so promising. Nineteen hundred twenty-four was a small corn crop year and the June, July, and August cattle prices were low. Under these conditions, cattle feeders delayed taking out cattle to feed in the early fall. Consequently, there was a rise in price in December which continued through to the following January due to the scar-

city of fat cattle at that time.

For the year 1925 the highest prices came in October. The top was $13.75 per hundredweight. (See figure 3.) From the second week in June until the first of August there was a steady increase in fat cattle prices, the price advancing from $11.75 per hundredweight in June to $13.50 per hundredweight in August. The fat cattle prices then held steady until the second week of October when prices were highest for that year. The low price for the year 1925 came in the fore part of May. The price was $11.35 per hundredweight. This was fully a month and a half earlier than when the low price occurred in 1924. It will also be observed that the peak price occurred two months earlier in 1925 than in 1924. (See figure 3.)

In 1924 there was a small corn crop. The general price level of fat cattle started picking up from the middle of June until the middle of August, 1925, due to the scarcity of long fed cattle on feed, most of them having been marketed during March, April, and May.

The scarcity of corn had its effect on summer feeding during 1925 on the number of cattle fed. It can be seen that feeders took cattle out early that fall and brought back a big supply for the December market which was the highest the year before. This caused prices to decline in December and the peak was in October, two months earlier than

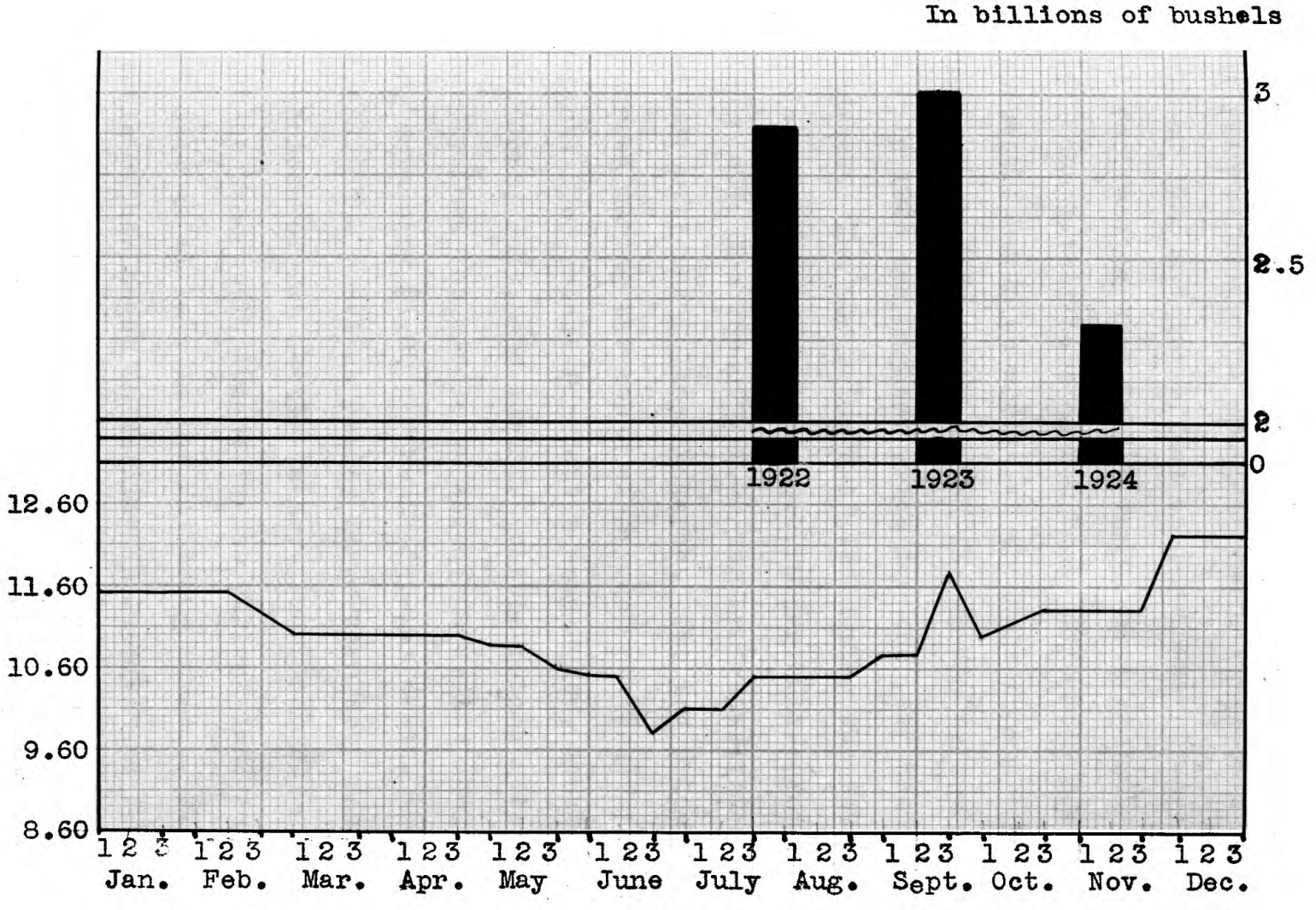


Fig. 2.-- Top price by ten-day periods for choice baby beef (steers and heifers) 850 pounds and less, at Kansas City for the year 1924.

(U. S. corn crop, current and two previous years.)

the year before. The prospect for a large corn crop the fall of 1925 had its effect on the number of cattle taken out for feeding that fall. There was a good strong market until the latter part of October. Evidently numerous short-fed cattle began to arrive at the market about that time and the increased supplies caused the market to decline.

In 1926 the highest price for the year occurred in December. The top price was paid during the second 10-day period of December and was $12.75 per hundredweight. (See figure 4.) The top of $12.00 per hundredweight was maintained until the following March. The low price for 1926 occurred during the month of May and was $9.60 per hundredweight. Top prices for cattle stayed low, however, during May, June, July, and August. Cattle prices rose rather sharply from the middle of August until the last of September, advancing $1.80 per hundredweight during about a 30-day period. The previous year's large corn crop resulted in the low prices of fat cattle in May, June, and July of 1926. Most of the cattle bought in the fall of 1925 were long fed and held until late in the following spring. Also when cattle prices began to decline in December of 1925 a good many feeder cattle that had been bought and put on feed were marketed during the late spring and early summer of 1926 and few were carried into the mid-summer. After most of the long-fed cattle had gone to market, prices began to advance.

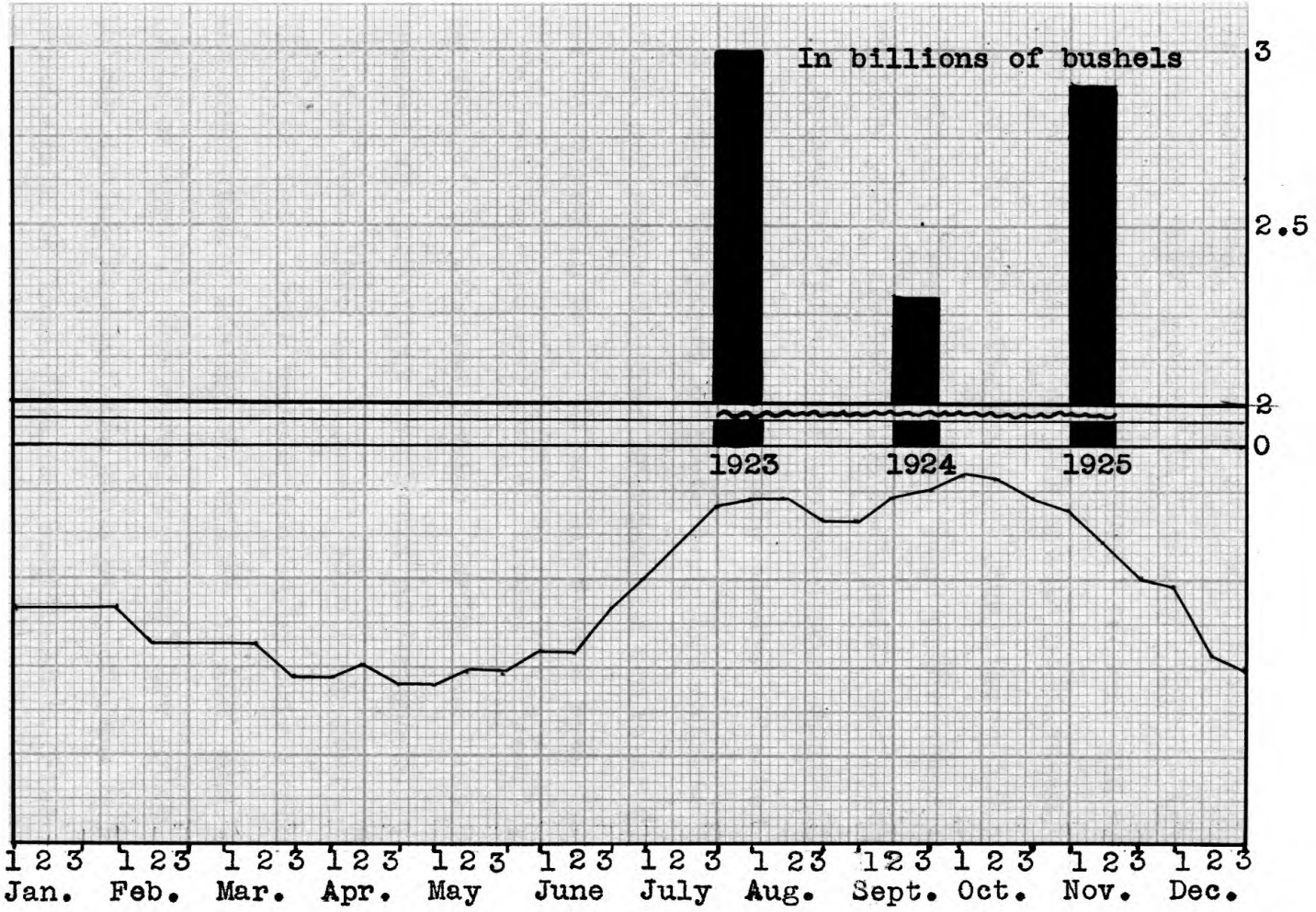


Fig. 3.-- Top price by ten-day periods for choice baby beef (steers and heifers) 850 pounds and less, at Kansas City for the year 1925.

(U. S. Corn crop, current and two previous years.)

(See figure 4.) Prices of fat cattle continued to rise until the peak was reached in December, 1926. Due to the small corn crop in view for 1926, feeders did not take many cattle out and prices of fat cattle held steady until the first of the following April. (See figure 5.) There was a shift in the time of the fall peak price compared with the previous year. In 1925 the peak price was paid in October.

Prices of fat cattle advanced more during 1927 than in any other year included in this study. The top prices were paid during the month of December, the extreme top being $17.00 per hundred. The extreme low price of $10.75 for the year occurred in May. After the second week in May prices of fat cattle advanced and continued to "soar" upward until the peak of $17.00 was reached during the last part of November and the first two weeks of December. (See figure 5)

The year 1926 was a small corn crop year. The winter prices of fat cattle were affected by this factor. Prices continued steady during the winter of 1927 and until the middle of April. The normal seasonal low price of fat cattle was during May and the fore part of June. Prices advanced again by late June and continued to rise until December. The prospect of another light corn crop in 1927 no doubt was a big factor in contributing to this rise. The corn crop of 1927 was only one million bushels larger than the crop of 1926, but was smaller in the corn belt proper.

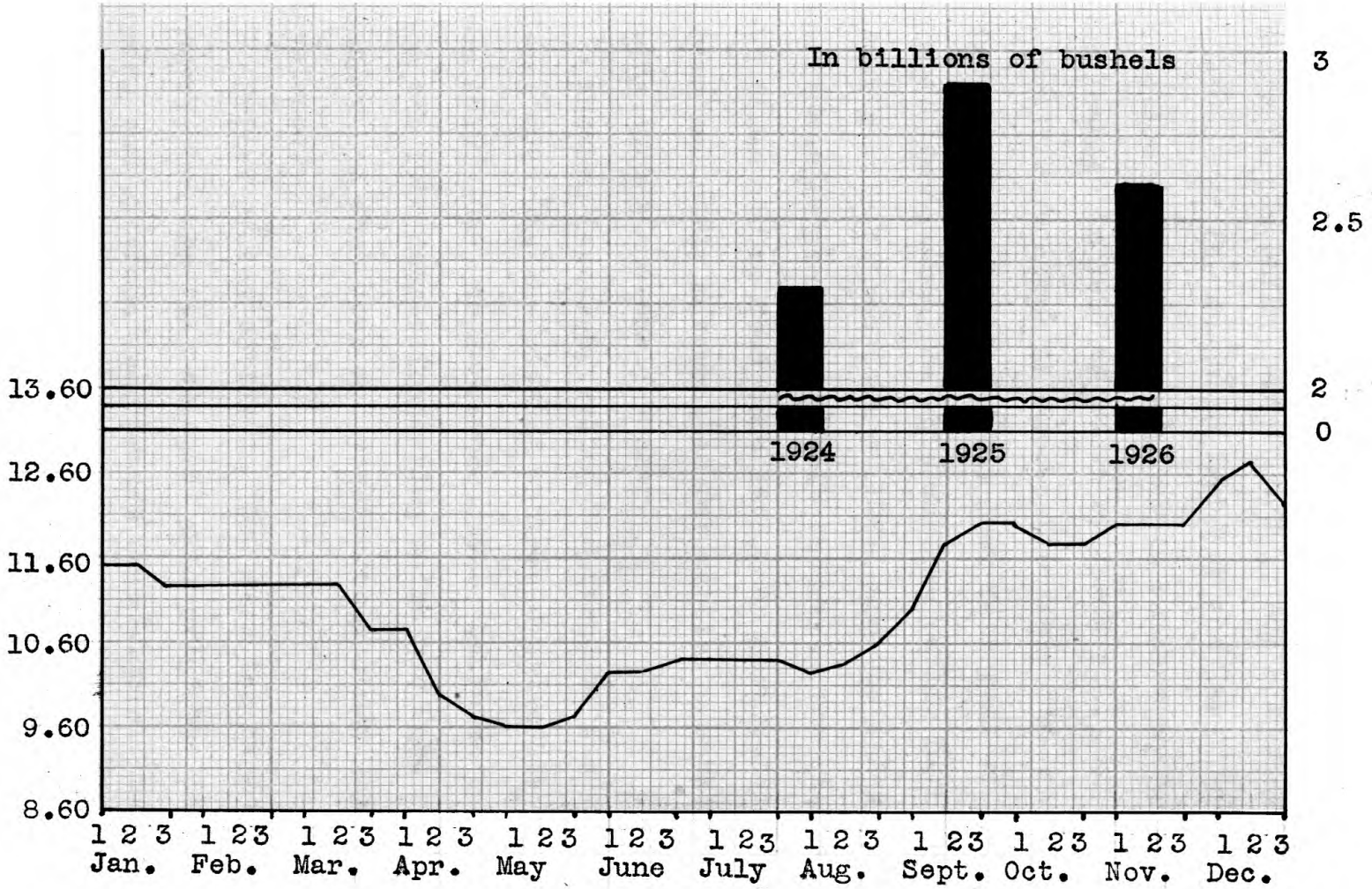


Fig. 4.-- Top price by ten-day periods for choice baby beef (steers and heifers) 850 pounds and less, at Kansas City for the year 1926.

(U. S. corn crop, current and previous two years.)

Another factor which contributed to the higher prices was the effect of the downward trend of the long time cattle production cycle, the low point in numbers on farms having been reached in 1927 as shown by January 1, 1928, figures. Two small corn crops in successive years did not have much effect on the shifting of the 1927 fall peak of fat cattle prices. One reason for this was the rather high price of feeder cattle in the fall of 1927, and the delay in taking out feeder cattle by corn belt feeders. The cattle that were taken out to feed went late, and resulted in a delayed spring and early movement of fat cattle to market the following spring and early summer.

Another factor affecting the trend of fat cattle prices during 1927 was the rise of wholesale commodity prices. From July, 1927, to September, 1928, business was recovering from the 1927 depression during which the Ford automobile factory had shut down and considerable other unemployment developed.

Prices of fat cattle in 1928 were the highest during January, but the fall seasonal peak price was in September. During the previous year prices were highest in the months of October, November, and December, and carried through on a high level until January, 1928, when the top price was $17.25. From that month until April, prices declined. The extreme low for 1928 occurred in April, the price being

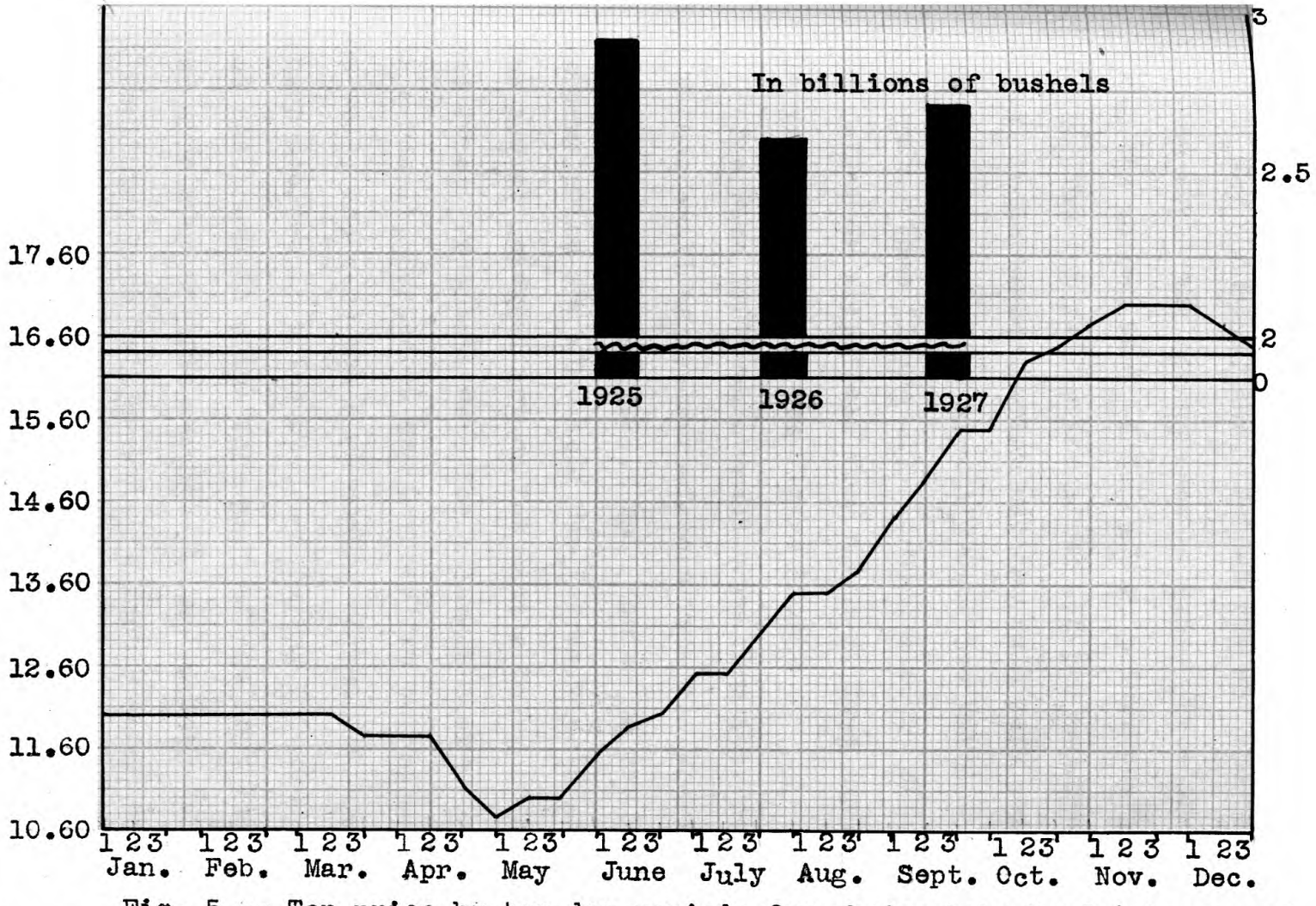


Fig. 5.-- Top price by ten-day periods for choice baby beef (steers and heifers) 850 pounds and less, at Kansas City for the year 1927.
(U. S. corn crop current, and two previous years.)

$13.75 per hundredweight. Prices did not show any material advance until the second week of June. From that period until the second week of September, prices continued to advance. The top fall price of $16.75 per hundredweight occurred in September, which was the fall peak price for 1928. From that time prices steadily declined until the end of the year. (See figure 6.) It will also be observed that the fall peak price came from 40 to 60 days earlier than in the previous year. (See figure 12.)

The year 1927 was a small corn crop year and there was a rather small carry-over of corn from the previous year due to the small crop of 1926. This factor helped hold up the January price and also held the February price fairly well, the normal seasonal low on fat cattle being in April, May, and June. Prospects were for a larger corn crop in 1928. As a result, September and October fat cattle prices held up well, and were the high months of the fall peak. A sharp decline in price occurred during November and December and continued into the fore part of the next year. The larger corn crop of 1928 resulted in an earlier fall peak and a declining late fall market. A factor which influenced the late fall cattle market was the decline of the general commodity price level which curtailed business activity and had a depressing influence on all cattle prices.

For the year 1929 the highest price was paid in

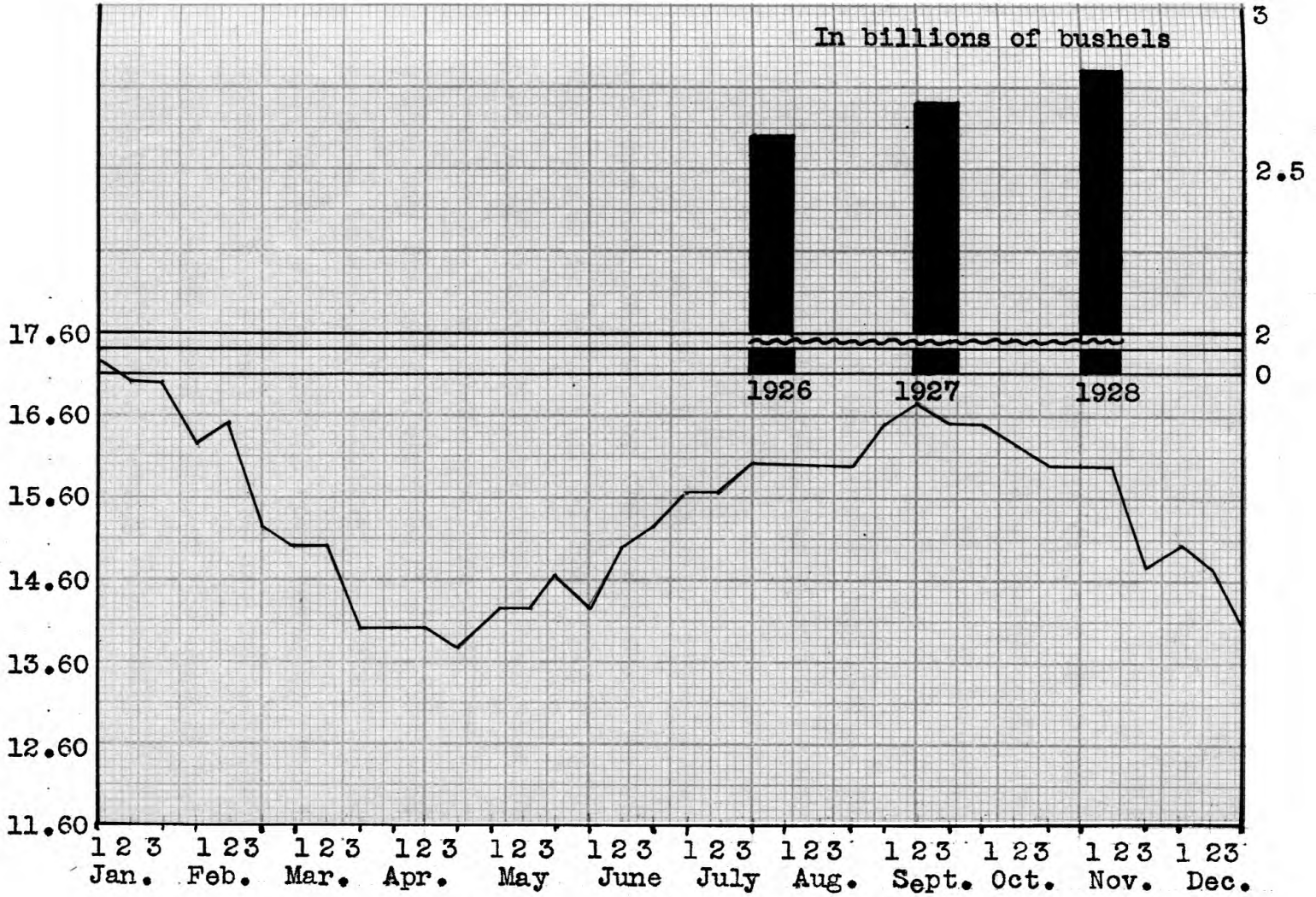


Fig. 6.-- Top price by ten-day periods for choice baby beef (steers and heifers) 850 pounds and less, at Kansas City for the year 1928.

(U. S. corn crop current and two previous years.)

October. The price was $16.10 per hundredweight and was the top price for the year. It established the fall peak in October, just 30 days after the extreme peak price was paid in the previous year. Prices did not break materially during the later part of the fall. Prices held steady from the last of October until the following January at about the $15.50 level.

The low price of the year occurred about the middle of March, which was 60 days earlier than the seasonal low of the previous year.

In 1928 there was a large corn crop. This factor, no doubt, had an influence on the breaking of the fat cattle price earlier in the spring of 1929 than it occurred in the spring of 1928. Most of the cattle that were taken out to feed in the fall of 1928 were sent back for an earlier market than was the case a year earlier. This tended to reduce supplies and to strengthen the summer market of that year. Prices of fat cattle rose steadily from April until they reached their peak in October, 1929. (See figure 7.) There was a rather poor prospect for corn in the fall of 1929 and feeders delayed taking out cattle. This tended to strengthen the cattle market well up toward the end of the year. The fairly late peak may be attributed in part to the fact that the major beef cattle production cycle reached the lowest point in 1927 and was just starting upward.

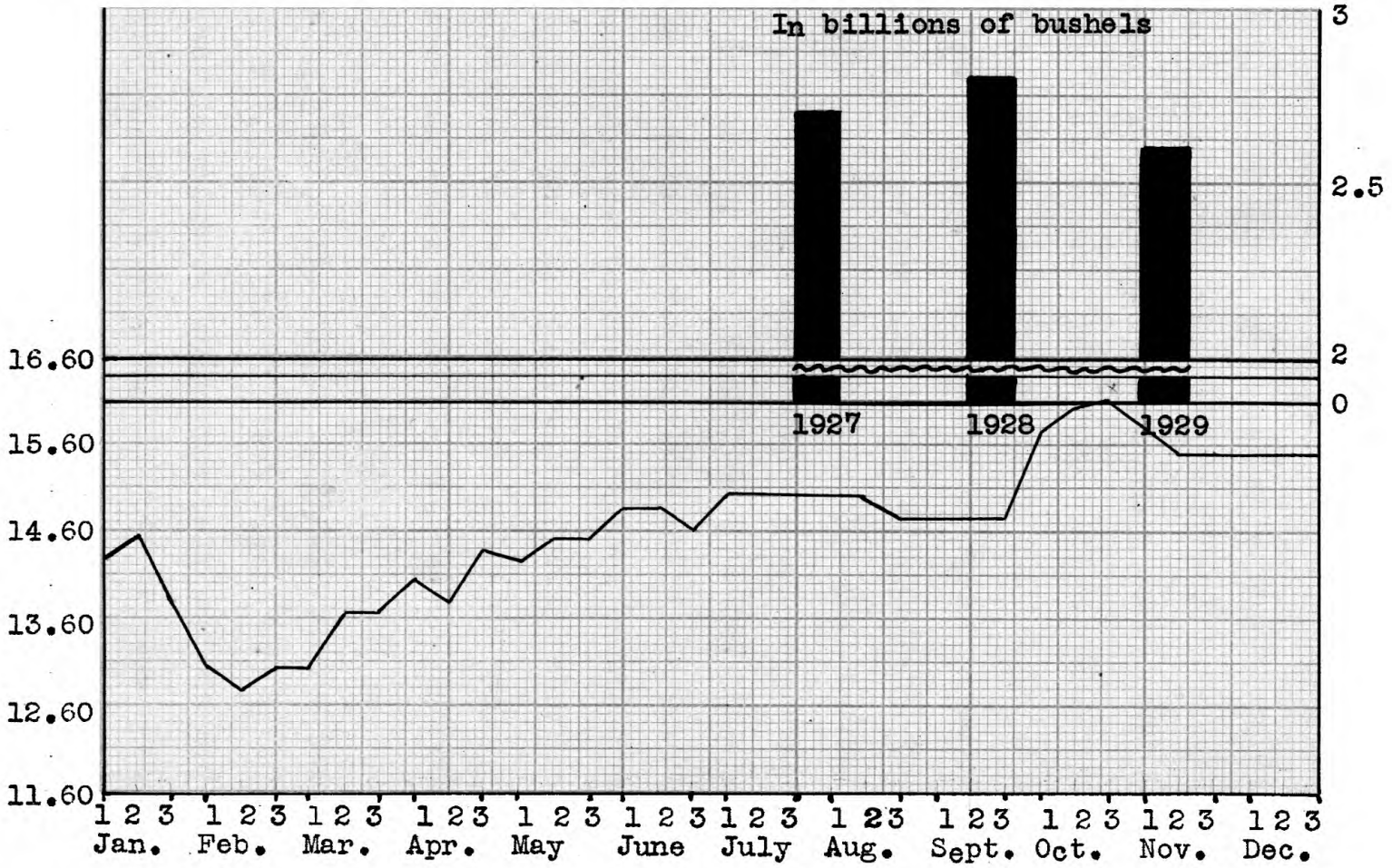


Fig. 7.-- Top price by ten-day periods for choice baby beef (steers and heifers) 850 pounds and less, at Kansas City for the year 1929.

(U. S. corn crop current and two previous years.)

Prices of fat cattle for 1930 were the highest during January, which shows again the major downtrend in prices. During the previous year, prices during the months of October, November, and December were highest, 1930 being similar to 1928 in that respect. The top price was $16.00 per hundredweight. Prices held steady until the middle of March and from then until the first week of August there was a steady decline. The extreme low price of $10.75 per hundredweight for 1930 was in August. During this period from March to August, 1930, the price declined $5.25 per hundredweight. No doubt, one of the reasons for this decline was the stock market crash in the fall of 1929 which was just having its effect on general business conditions in the country. Another factor that made for a low summer fat cattle market in 1930 was the fact that there was a delayed movement of stocker and feeder cattle to the country during the previous fall.

The highest fall price of $13.75 per hundredweight occurred in December, 1930. (See figure 8.) A short corn crop was in prospect during the fall of 1930 and prices steadily increased from August until December when the peak for the year was reached. Stocker and feeder movements were delayed on account of the short corn crop prospects and this tended to strengthen the late market. Also fed steers were scarce in the late fall since none had been taken out ear-

lier in the fall for short feeding when the summer low price was being made in July which was two months later than usual.

In 1931 the highest fat cattle prices were reached in January, as in 1928 and 1930. The previous year the fall peak price occurred in December and held steady in January, 1931. The peak price during January was $13.75 per hundredweight. After January prices declined steadily until the last week in May when the low price of $8.50 for the entire year was reached. (See figure 9.) Also, both June and July were low price months.

The fall peak price of $11.50 occurred in November, 1931, just 30 days earlier than in the previous fall.

The year 1930 was a small corn crop year, in fact, the smallest for many years. This tended to delay the fall peak of 1930. (See figure 8.) Stockers and feeders were taken out later and were held for summer marketing during 1931. Consequently, prices in May, June, and July were low.

A larger corn crop was in sight in 1931 than in 1930. This factor influenced feeders to take cattle out early and send them back as short feds. This resulted in the fall peak occurring in November, 1931, just 30 days earlier than in the previous year. The December market broke rather sharply due to the large proportion of the cattle coming to market as short feds and in half-fat condition.

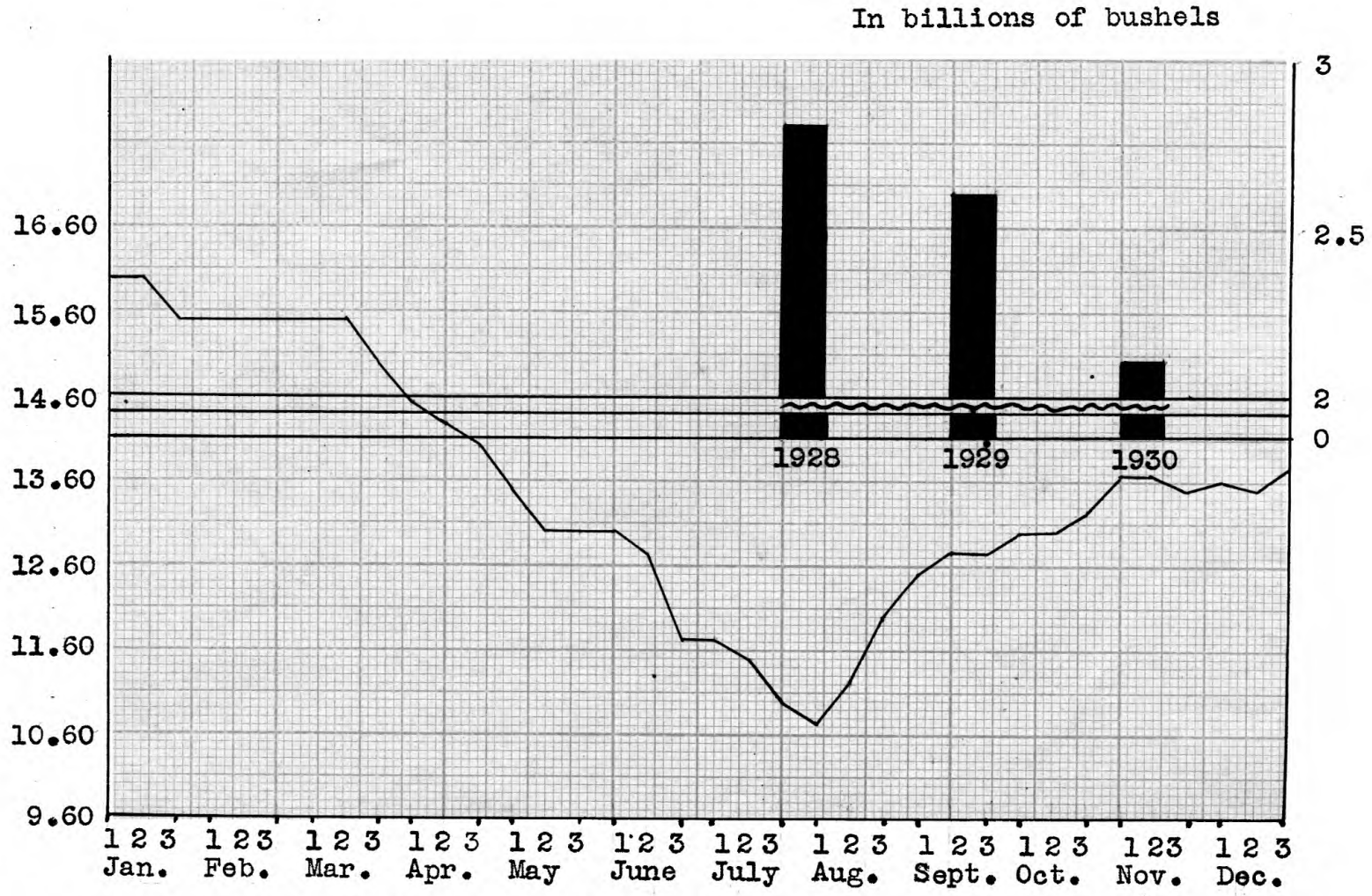


Fig. 8.-- Top price by ten-day periods for choice baby beef (steers and heifers) 850 pounds and less, at Kansas City for the year 1930.

(U. S. corn crop current and two previous years)

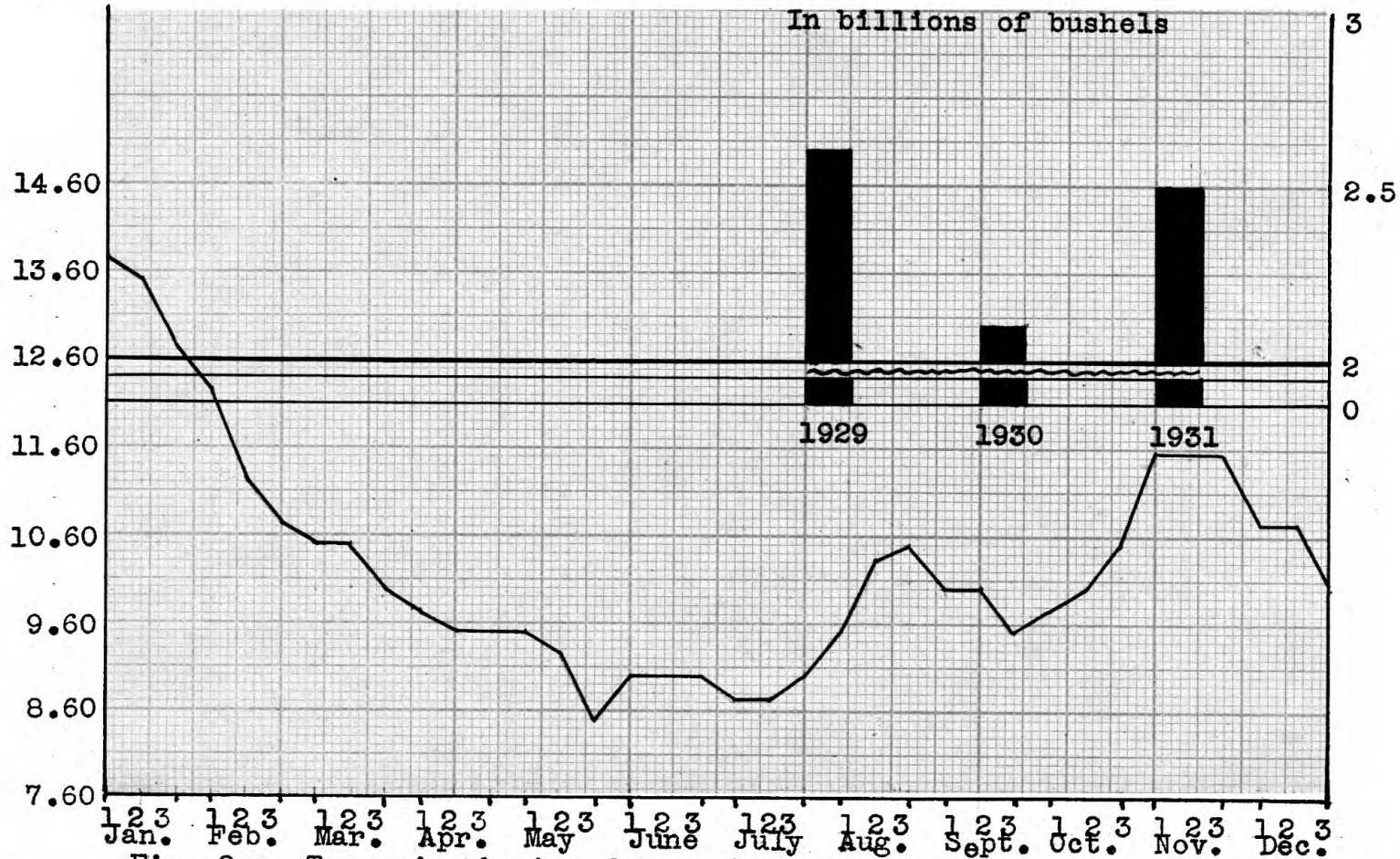


Fig. 9.-- Top price by ten-day periods for choice baby beef (steers and heifers) 850 pounds and less, at Kansas City for the year 1931.

(U. S. corn crop current and two previous years.)

WHAT CAUSES THE VARIATION IN THE TIME THAT THE SEASONALLY HIGH PRICES AND THE SEASONALLY LOW PRICES OCCUR?

This study shows that there is a marked variation in the time of the seasonal high and the seasonal low prices of choice creep-fed calves from one year to another. The price trends for each of the eight years included in this study were all charted on one chart and a comparison was made. (See figure 10.) By following each year through and comparing it with the trend of the next year it can be seen that no two consecutive years are exactly alike. There was not as much variation in the time of the seasonally low price as there was in the time of the seasonally high price. There was more of a tendency for time of the fall peak price to shift from early to late and back again the next year than there was in the shifting of the time of the seasonally low price.

In five out of the eight years of this study, the seasonally low price came during the month of May, or the last 10 days of April. In four of these five year, the low price was paid during May.

During the eight years, the seasonally high prices came as follows: once during September, twice during October, twice during November, and three times during

December.

However, in comparing the occurrence of these peaks by months it was found that the seasonally high prices did not occur during the same month in any two consecutive years. (See figure 10.) The seasonal highs occurred as follows: In 1924, December; 1925, October; 1926, December; 1927, November; 1928, September; 1929, October; 1930, December; 1931, November.

The chart showing the average price trend (See figure 1) shows that prices were predominately lowest in late April or early May. The average low period for the eight years was the first 10-days of May. Only once was the low price earlier than April, and only twice was it later than May.

WHAT CONDITIONS WARRANT BELIEVING THERE WILL BE A LATE FALL TOP PRICE?

The Late Fall Top Price

The purpose of this part of the study is to show how years of small corn crops after a large crop make a late fall peak (October to December) in prices of choice creep-fed baby beef. In this study the above statement was proved by comparing similar years included in this study. The price trend of creep-fed calves took practically the same turn in the years 1924, 1926, 1929, and 1930. Likewise,

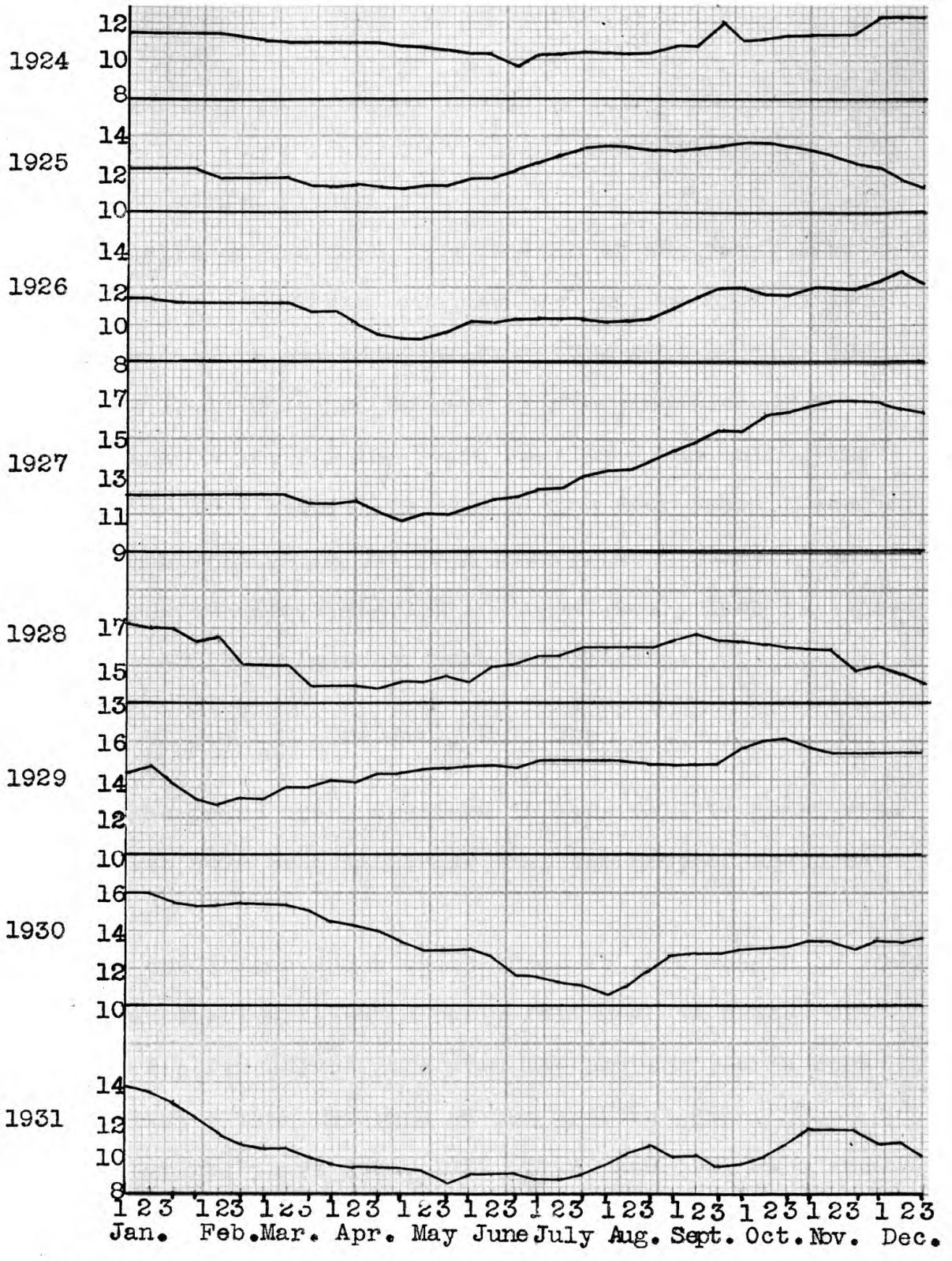


Fig. 10.-- Comparison of seasonal price trends in the eight years included in this study.

prices in the years 1925, 1927, 1928, and 1931 followed the same trend. (See figure 11.)

The size of the corn crop in each of the years 1924, 1926, 1929, and 1930 was considerably smaller than in each of the respective preceding years. (See size of corn crop on figure 12.) This can be seen by studying each of the price trend charts for the years mentioned and noting the size of the corn crops. In each of the four years, December was the month in which the fall peak price occurred. An upturn in prices always started in August and prices continued to climb until the December peak was reached.

The Early Fall Top

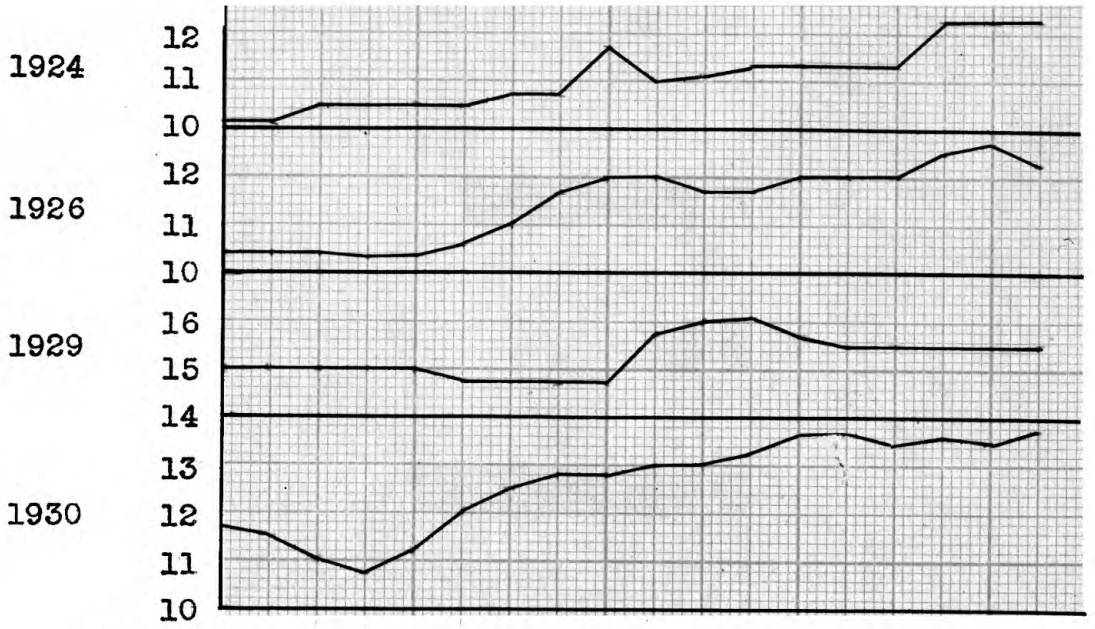
Is the price trend downward in late fall in years when the current corn crop is larger than the crop of the previous year?

The conditions under which there is good reason to believe that there will be an early fall peak in prices of choice creep-fed calves, are when the current year's corn crop is larger than the crop of the previous year. For this reason the years 1925, 1927, 1928, and 1931 were compared. During each of these years the current corn crop was larger than the previous year's crop. (See size of corn crop on charts for each of those years.) An early fall peak occurs in September, October, and early November.

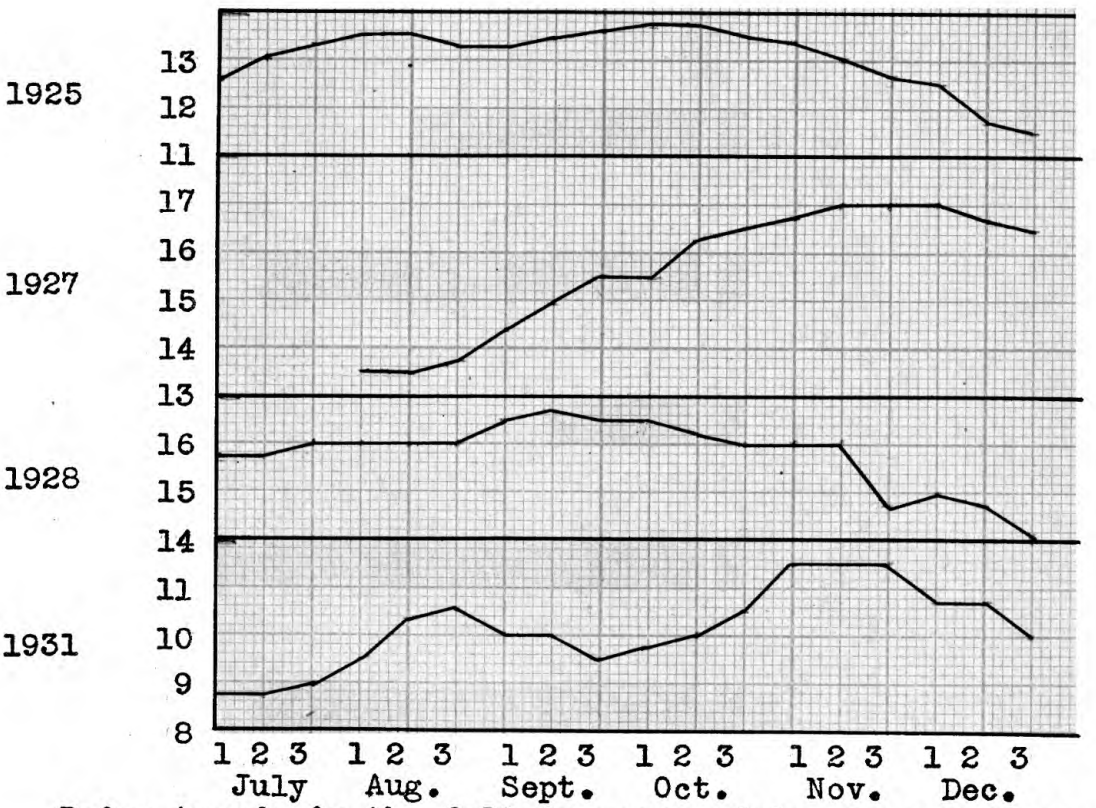
In each of these four years the highest fall price occurred in September, October, or early November. The price usually started to break by the second week in November and continued downward through December. (See figure 11.) The year 1927 did not show quite such an abrupt break into December. However, the best December price was lower than the best November price. Also prices turned down sharply during January and February of 1928. This retarded break or decline was caused by the abnormal distribution of the 1927 corn crop. The 1927 United States corn crop was larger than the 1926 United States corn crop (See figure 12.), but the major cattle feeding sections had less corn than in 1926. That tended to result in cattle price trends similar to those following a current short crop and thus the breaks came later by 30 to 40 days than is usual after large corn crops.

IS THERE A DIFFERENCE BETWEEN MARKETING EARLY AND MARKETING LATE IN THE EFFECT ON THE PROFIT PER CALF?

The purpose of this part of the study is to show in a practical way the actual results of creep-feeding and what can be done by having a definite time of marketing in mind and adjusting the production of creep-fed calves to the seasonal market demands.



Price trends in the fall in years of small corn crops.



Price trends in the fall in years of large corn crops.

Fig. 11.-- Comparison of autumn price trends in similar corn crop years.

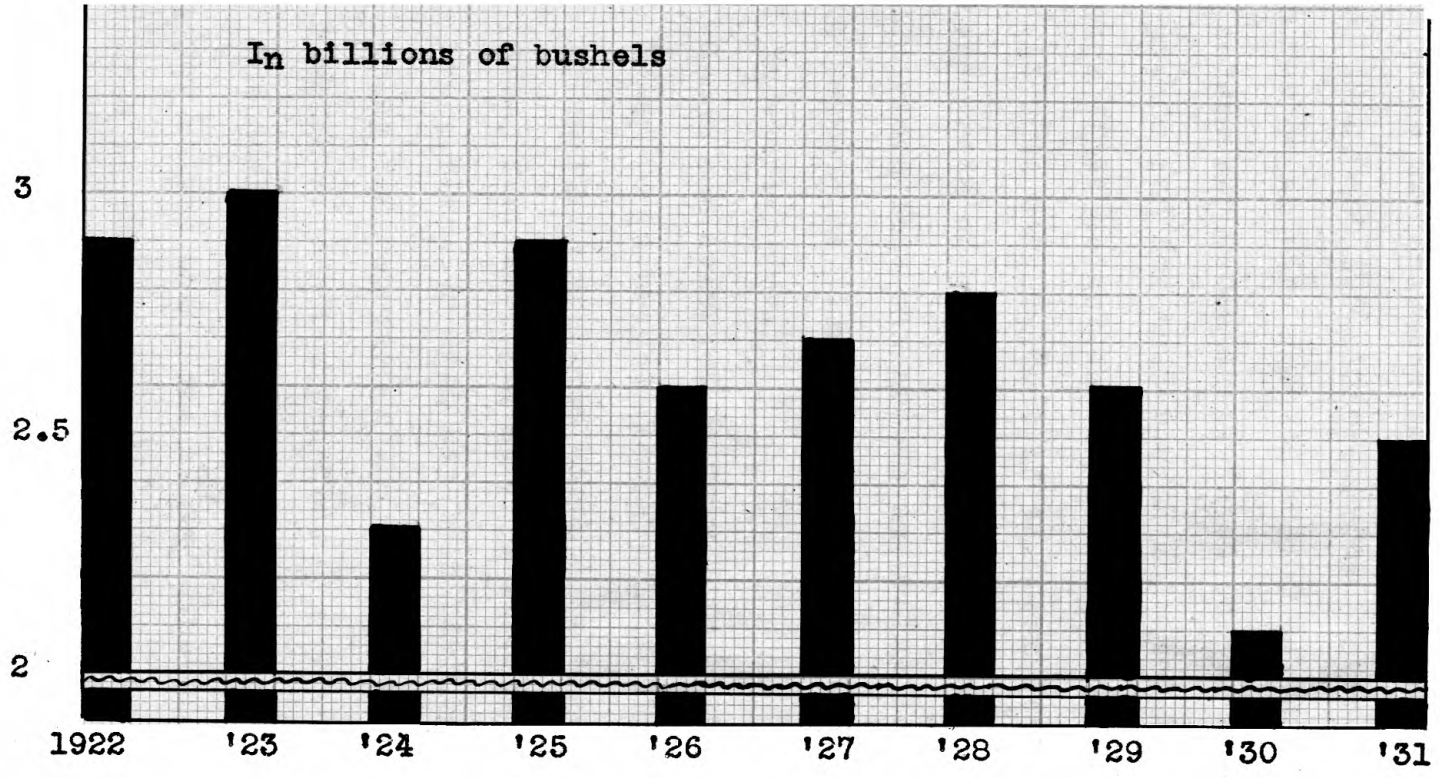


Fig. 12.-- Variation in the size of corn crops in the United States including the years 1921 to 1931. United States Department of Agriculture Yearbook, 1931.

Table II indicates the average results obtained during 1929, 1930, and 1931 in creep-feeding calves in Kansas herds that varied in size from 12 to 150 calves per herd. Most of the calves were sold as finished calves when weighing about 700 pounds and for that reason this weight was used as an average final weight in compiling the data.

At this weight, most of the best quality calves had a carcass grade of government choice. The herds of calves were divided into six groups according to their average birth dates, the first five groups including all of those that were creep-fed.

Group one averaged January 1 in birth.

Group two averaged February 1 in birth.

Group three averaged March 1 in birth.

Group four averaged April 1 in birth.

Group five averaged May 1 in birth.

Group six represents the average of all calves born May 1 which were not creep-fed.

The early calves gave the best results in creep-feeding, yet calves that come at any time of the year may be creep-fed if they can be induced to eat. The early calf did not require as much grain because the cow calving early supplies the calf with milk over a longer period than the late calving cow. The roughage used is not listed as practically all kinds were used. Practically all of the men

There is no page 38 in this thesis.

who kept records also used a protein supplement in varying quantities.

Another interesting feature was that the early calves not only gave the best results in creep-feeding, but returned to the owner the largest percentage of profit per calf. The later the calf was dropped, the more feed it required to finish it to the 700 pound weight. Also, the cost of production runs higher in the later born calves, and they were marketed later in the season. (See figure 13.) The January calves could be sold on the seasonally highest market and at the same time return the largest margin of profit with the smallest feed cost. The younger the calves, the smaller the margin of profit is. (See figure 13.)

The cost of production figures were taken from actual records of cow herd owners cooperating with the extension division of Kansas State College. The figures were taken as an average to represent the time and number of years that this study included.

The figures used were as follows: /2

Average cost of keeping a beef cow winter and summer:

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2. The above figures were taken from data secured from Kansas beef cow herd owners cooperating with the extension division in keeping records of their operations. This was secured through the courtesy of J. J. Moxley, extension animal husbandry specialist, Kansas State College.

Cost of cow. $28.00

(Including wintering, summer grass, interest, taxes, depreciation, equipment, and bull service.)

Prices used in computing costs were as follows:

Corn.	$ 0.76 per bu.
Cottonseed meal	40.00 per ton
Alfalfa hay	15.00 per ton
Av. marketing charge per calf	2.50

Figures taken from data collected from men who have been in the beef production contest in Kansas during the past three years were also used. The actual sale price received by the men for their calves was taken from these data and charted. The months of October, November, December, January, February, and March were considered. (See figure 13.) The actual average price received by these cattlemen follows closely the average price trend of the top market prices of the eight year average.

Each month was considered separately and all the prices recorded were averaged for each month. It clearly shows that the men marketing their calves in October and November received the seasonally highest prices. Also, for each month of later marketing, the price declined. The total margin of profit was also smaller as prices declined and the later the calves were marketed.

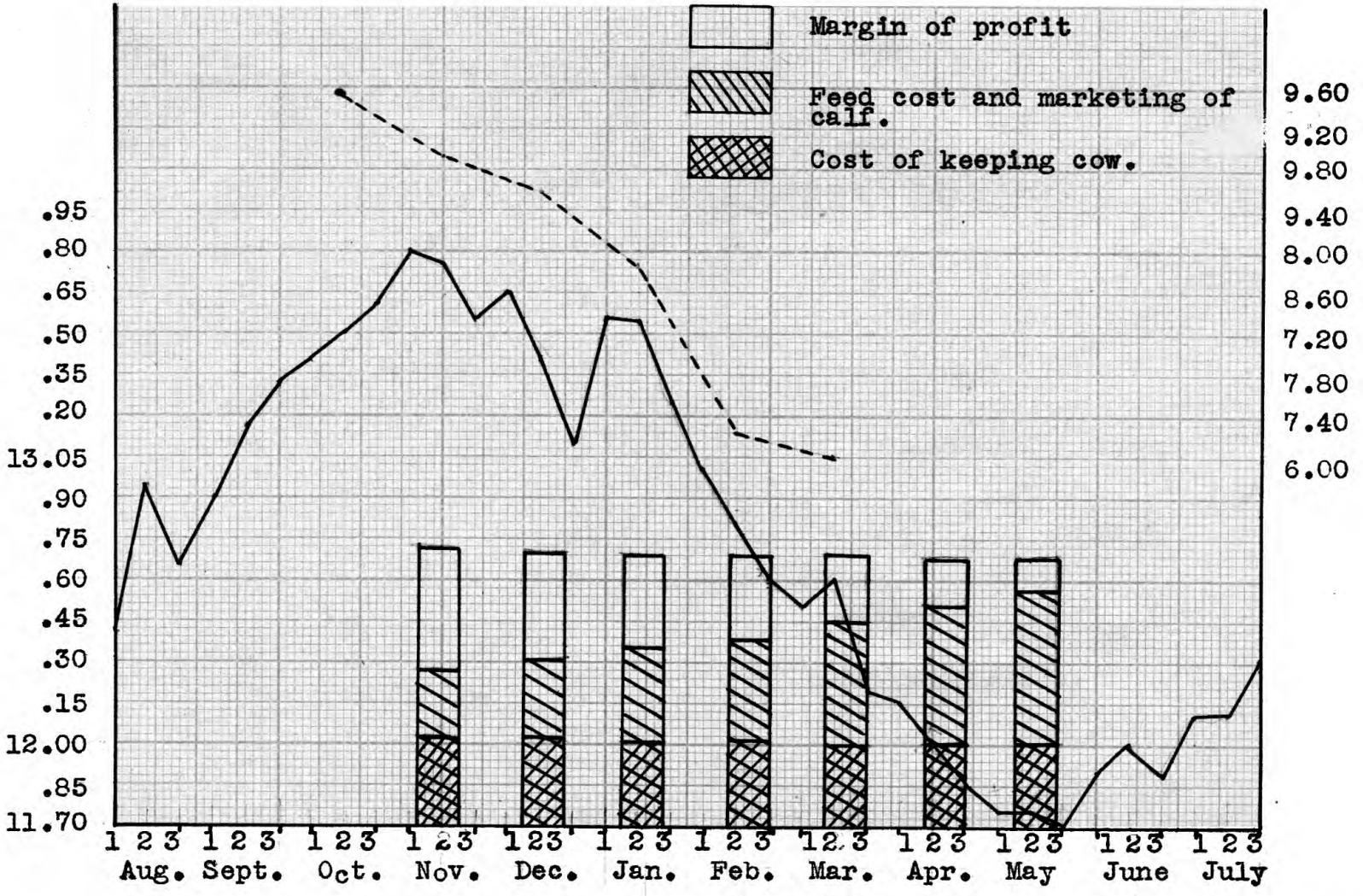
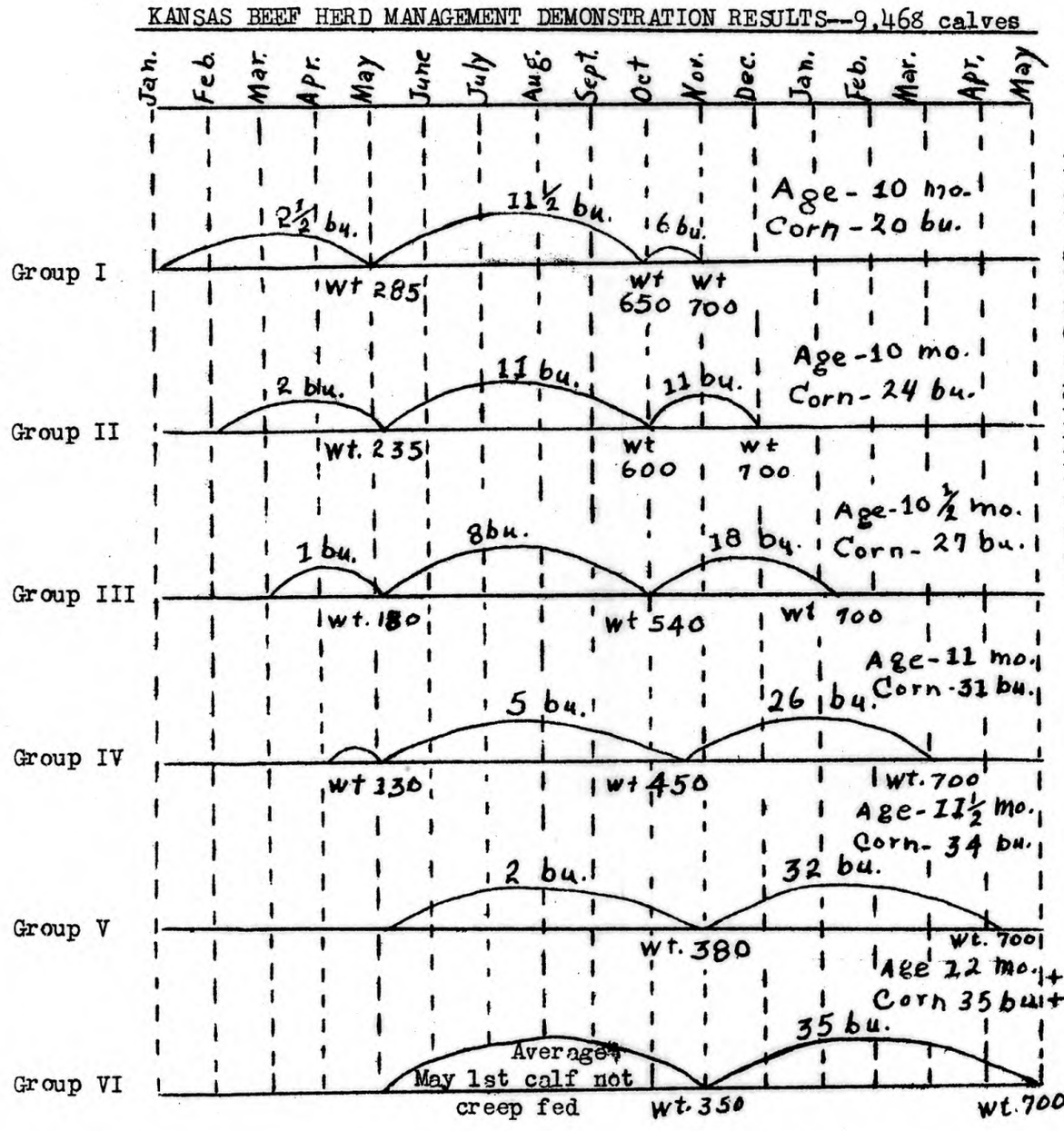


Fig. 13.-- Eight-year average top price of fat steers and heifers, 850 pounds and less, at Kansas City, January, 1924 to January, 1932, compared with actual sale prices and profits from finished creep-fed calves of different ages.

DATA GIVEN: birth date; amount of grain eaten between birth date and May 1st when put on grass; amount eaten in creep on grass; amount eaten after weaning in dry lot; Total amount eaten to reach 700 pounds finished beef; age when finished; Weights indicated are home weights for May 1st and for weaning date, and market weight for final weight.



EXAMPLE:--Calved Jan. 1st, ate 2½ bu. before going to grass on May 1st; then ate 11½ bu. in creep. Weaned Oct. 1 weighing 650# home weight; fed 6 bu. in dry lot and sold Nov. 1, weighing 700 lbs. market weight; age when sold 10 months; corn eaten 20 bu. (group I).

Table II. Kansas beef herd demonstration results.

CONCLUSIONS

1. There is a distinct seasonal tendency for prices of fat creep-fed baby beef to be high between September 1 and December 31 and reach a seasonal low between March 1 and July 1.

2. The man with a well managed cow herd must not think only along production lines, but "When can I market this product to the best advantage?"

3. The cow man who has his calves dropped early (January, February, and March) will be in a better position to take advantage of this seasonally high market.

4. Fall prices of choice stocker calves tend downward while prices of these same calves, if creep-fed, will tend upward at the same time of the year. From October 1 to December 31 during the past eight years there has been an average margin of $2.00 a hundredweight in favor of choice creep-fed calves compared with choice stocker calves.

5. The seasonally high price does not occur in the same month in any two consecutive years.

6. Calves (creep-fed) held over until after January 1 usually show a decided loss to their owners compared with what they could have gotten if the calves were sold between November 1 and December 31.

7. It takes less feed, also less cost, to make an early creep-fed calf ready for market than a late creep-fed calf.

8. The size of the previous year's corn crop affects the prices of creep-fed calves. It also causes shifts in the time of the fall peak price.

9. The younger and the earlier the creep-fed calf is finished and marketed, the higher the profit is. For example, the calf born in January, if creep-fed, is on the November market and shows the greatest profit.

10. A large corn crop in the previous year results in a low June to August price for fat creep-fed calves.

11. A small corn crop discourages early fall feeding, hence high prices for fat creep-fed calves continue until late in December.

12. Prices of creep-fed baby beeves are usually highest in the months of October, November, and December, usually breaking after January 1 and reaching their yearly low in April or May.

13. There was a definite tendency for the fall peak price to alternate from early to late and vice versa one year with another.

14. With the exception of 1930, the lows are more definitely narrowed down to April and May than are the top prices limited to any two months.

ACKNOWLEDGMENT

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