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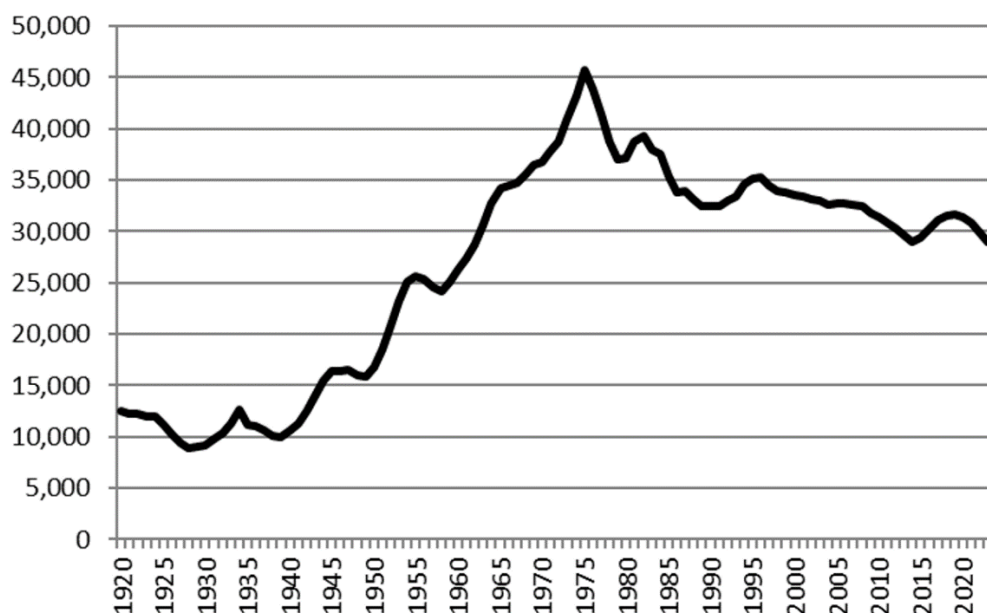
U.S. Beef Cow Herd at Lowest Level Since 1962

Author(s): Kenny Burdine

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USDA-NASS released their January 1, 2023, cattle inventory estimates on the afternoon of January 31st. There was really no question that the beef cattle herd had gotten smaller; it was really just a question of how much smaller it had gotten. A combination of dry weather, higher input costs, and strong cull cow prices resulted in an 11% increase in beef cow slaughter during 2022. This was combined with a decrease in heifer retention as more heifers entered the beef supply chain. USDA estimated the number of beef cows in the US to be down by more than 1 million year-over year. This was decrease of 3.5% and that was after a downward revision of about 0.5% to the January 1, 2022 estimate. For perspective, this puts the size of the US cowherd below 2014 levels and the smallest since 1962.

Figure 1: January 1 U.S. Beef Cow Inventory (1920 to 2023) (1000 head)



Source: USDA-NASS and Livestock Marketing Information Center

While I always tend to focus on beef cow inventory, several other numbers are of particular interest. Heifers being held for beef cow replacement was down 6%, which is a larger decrease than was seen in either the January or July report from last year. This suggests continued reductions in the size of the beef cow herd for the current year. While weather will certainly play a factor here, both cow numbers and heifer retention estimates suggest that calf crops are going to keep getting smaller in the near term.

I would also point to cattle-on-feed numbers. As more females entered the beef supply chain, on-feed inventory ran above year-ago levels for much of 2022. That trend finally changed last fall and note the 4% reduction seen in the following table. This speaks to beef production in 2023, which will be down considerably. In fact, 2023 will be the first year-over-year decrease in beef production that has been seen since 2015.

The Kentucky estimates were also very much worth discussion. A large number of cull cows had moved through Kentucky markets, so a significant decrease in cow numbers was expected. USDA estimated the size of the KY beef cow herd at 895 thousand. This was a 7% decrease from 2022 and the smallest beef cow herd the state has seen since 1967. Beef heifer retention was also estimated to be down by 8% in the Commonwealth.

While the table below speaks to flat dairy cow numbers and a decrease in the number of heifers being held for dairy cow replacement at the national level, the Kentucky estimates did not follow this trend. After a long period of decreasing dairy cow numbers, USDA estimated that Kentucky dairy cow inventory increased by one thousand cows. This 2% increase is significant in that it may suggest a reversal of this trend that has been in place for a very long time.

The USDA report is summarized in the table below and the [full report](#) can be accessed through the USDA website.

Table 1: USDA January 1, 2023 Cattle Inventory Estimates

	2022 (1,000 head)	2023 (1,000 head)	2023 as % of 2022
All Cattle and Calves	92,076.6	89,274.1	97
Cows and Heifers That Have Calved	39,360.1	38,320.4	97
Beef Cows	29,983.1	28,917.9	96
Milk Cows	9,377.0	9,402.5	100
Heifers 500 Pounds and Over	19,916.0	19,172.5	96
For Beef Cow Replacement	5,481.5	5,163.7	94
For Milk Cow Replacement	4,440.6	4,337.2	98
Other Heifers	9,993.9	9,671.6	97
Steers 500 Pounds and Over	16,704.7	16,131.6	97
Bulls 500 Pounds and Over	2,109.6	2,029.0	96
Calves Under 500 Pounds	13,986.2	13,620.6	97
Cattle on Feed	14,694.6	14,157.3	96
	2021 (1,000 head)	2022 (1,000 head)	2022 as % of 2021
Calf Crop	35,165.9	34,464.5	98

Source: NASS, USDA

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Author(s) Contact Information:

[Kenny Burdine](#) | Extension Professor | kburdine@uky.edu