



Making a Difference

2015 – 2016

Farm Management Program Focus Team

Demand and Supply: Helping Livestock Producers Navigate a Rapidly Changing Market

Grand Challenges

K-State Research and Extension: providing education you can trust to help people, businesses, and communities solve problems, develop skills, and build a better future.

Glynn Tonsor
Associate Professor
785-532-1518
gtonsor@ksu.edu

Dustin Pendell
Associate Professor
785-532-3525
dependell@ksu.edu



Kansas State University
Agricultural Experiment
Station and Cooperative
Extension Service
K-State Research and Extension
is an equal opportunity
provider and employer.

Situation

The expansion of cattle numbers that started in 2014 in response to higher prices slowed as prices dropped in the first part of 2016. Low grain prices provided lower feed costs, and abundant rain meant plentiful forage. But cow-calf producers are now less certain as to whether to continue to expand, affecting the entire downstream market. Despite the decline in feed prices, feedlots are still losing money. Demand for beef continued to be relatively high, although demand in 2016 was slightly lower than 2015. Grain farmers are considering whether diversifying into livestock enterprises would be useful in response to low grain prices. Animal health, animal welfare, and mandatory reporting issues continue to affect livestock markets, making analysis and education essential for cattle producers.

What We Did

In response to changing grain markets, as well as livestock markets, Dustin Pendell analyzed diversification of crop farms with livestock enterprises and presented this information at a variety of venues, including the Risk and Profit Conference with nearly 200 agricultural lenders and producers present. He also developed and presented materials on animal health. Glynn Tonsor continued his integrated research and extension program with frequent cattle market outlook presentations, supplemented with extensive presentations and papers on beef demand, animal welfare, and reporting issues. During the programming year, they made more than 40 presentations to producers, ag lenders, and industry groups, with more than 3,000 participants. In addition, livestock Farm Management Guides for beef, swine, dairy, and sheep were updated and posted on *AgManager.info*.

Outcomes

Emphasis on the importance of beef demand has helped producers understand the dynamics of the cattle market and better manage risk in their operation. In addition, market outlook information allows ag lenders to better understand the market situation and other issues that influence the market. This information can help lenders make wise decisions as well as help producers determine appropriate ways to grow their businesses. Further, industry stakeholders better understand how animal welfare issues and Country of Origin Labeling affect their businesses and the industry as a whole and can better decide how to proceed. This is seen in the response of conference participants, shown below, and in the visits to the papers and materials online.

Success Stories

Following his capstone session at the 2016 Extension Risk Management Education National Conference in April, 2016, Glynn Tonsor received the following comments: “Dr. Glynn Tonsor helped to outline some important emerging ideas” and “Dr Tonsor’s presentation was very thought provoking. Thoroughly enjoyed it.”

From the Ag Lenders conference, a lender made these comments about Dustin Pendell’s material on animal health: “I need to look more closely at customers with feedlots and their health management. New perspective to think about. I hadn’t considered this.”