
RANGE MANAGEMENT

Editorial

Boom and Bust

OF great concern to livestock producers, and in no smaller degree to range managers, is the chaotic livestock market of recent months. In a period of less than two years market values have been cut in half and livestock owners have experienced a loss in inventory value of approximately seven billion dollars. What is apt to be forgotten is that in the preceding five years the inventory value of livestock on farms had increased by a like amount.

A quick review of this boom period might yield a few clues leading to the current bust. Following the close of the shooting phase of World War II agriculture generally found itself geared to a production rate 25% in excess of domestic and normal export requirements. Immediate outlets were available for the excess in supplying the needs of the war-torn nations abroad but this was believed to be very temporary. Agricultural producers consequently began making adjustments toward a normal market situation.

Wartime experience indicated that livestock products generally offered some opportunity for expansion without serious disruption of the price structure. High labor and machinery costs caused many producers to turn to a livestock program with particular emphasis on the use of improved pastures. Simultaneously the reclamation of abandoned farm land throughout the Southeastern United States was making available for use millions of acres of new pasturage. The

demand for stock cattle to utilize these new pasture acreages was an important factor in maintaining a stable livestock market in the early post-war years. With the outbreak in Korea the boom was on in earnest. Livestock intended by the original producer to go to slaughter found country buyers outbidding packers, slaughter was reduced, meat prices began to rise, livestock prices followed, and the inflation spiral grew until producers and markets appeared to lose sight of intrinsic values.

History tells that the cattle boom of the 1880's was broken by drouth and two successive hard winters. Each succeeding cycle in the livestock population except that of 1937-1945 has been terminated by drouth or some similar situation where producers found themselves overstocked. Whenever such a situation existed over a considerable area, liquidation meant distressed prices, loss of confidence and a nation-wide demoralization of the agricultural economy.

The boom phase of the livestock cycle violates the basic concepts of sound range management. Failure to stock within sustained yield grazing capacities, to provide a seasonable balance in forage supplies, and to maintain adequate feed reserves will always lead to disaster sooner or later and this is the crux of the present situation.

In 1952 drouth conditions in the Southeast led to distress selling of poorly conditioned livestock; attempts to import feed to maintain a nucleus of breeding stock dis-

rupted the feed situation in other areas. An intensification of the normal drouth condition of the Southwest triggered the real break in livestock prices. A considerable increase in the slaughter of the lower grades of meat animals weakened the price structure of all classes of dressed meats. Failure of retail outlets, including public eating places, to adjust prices in step with those of livestock and of wholesale dressed meat prevented the increased offering from moving into consumption until by January 1953 prices on all grades of livestock were steadily declining at an alarming rate.

In the current year consumption has been increased and storage holdings of meat are now considerably below the recent normal. There is every indication that should weather conditions improve and a reasonable balance between pasture forage and livestock numbers be restored market conditions will quickly right themselves. However those who believe in weather cycles predict that drouth conditions may prevail through 1954. As long as forced liquidation continues any sustained strength in prices is unlikely.

How can individual producers meet the current situation?

1. Adjust livestock inventories to available feed.
2. Maintain quality in breeding stock.
3. Improve management facilities such as stock water and fences.
4. Increase the efficiency of herds and flocks through better disease and parasite control.

If producers generally had followed proven principles of Range Management the current situation

might never have occurred. Universal application of those principles might well prevent the future reoccurrence of the discouraging economic plight facing many operators today and, what is more important, should avoid the accelerated damage to land resources which always accompanies overstocking.

The foregoing is a challenge to the American Society of Range Management. The Society has a responsibility to develop acceptable standards of Range Management and to speed up their adoption by range users. As individuals and as a unit there is an opportunity to render invaluable service in education which will terminate the

boom-and-bust system of economics in the livestock industry and in so doing will help posterity to some small degree by preventing permanent damage to the basic resources of soil and water.—*George E. Weaver*, Pinecroft Ranch, Livermore, Colorado (formerly Production and Marketing Administration, U. S. Dept. of Agriculture.)