

Drought, fire and the fall out for West Texans

By Jennifer Holladay Murray
 As I was sitting in the pickup at the diesel pump at a store near Producers' Livestock on Bell Street in San Angelo one evening, I watched the cow trucks drive in to fill up. Then a truck from Texas Tech pulled up with a load of sheep. My mind started drifting. As a personal victim/survivor of the Wildcat fire, just how many of us were still trying to hold on? How many had to sell out? How many cattle were left? The drought had pushed most to the edge, but the fires were the "nail in the coffin." Thus, my research begins.

I started by calling Producer's. The lady that answered the phone said, "Mr. Christensen will have to call you back. We are too busy today." That sounded promising and further fueled my suspicions that cattle numbers are dwindling. I placed another few calls to regional auctions only to get the same answer. Finally, I got a hold of Shirley at Abilene Livestock Auction. I asked her a series of questions which she graciously answered. Notice Table 1 which shows the number of cattle sold by month during the spring and summer of 2009, 2010, and 2011, at the Abilene facility.

From April through July of 2009, 15,286 head of cattle were sold at that one auction. The number comes close to doubling for the same months in 2011, with 28,460 head of cattle sold at Abilene Livestock Auction.

During our discussion I asked her if she thought these numbers were normal for this time of year. This sent us back to 1996 and 1995 when they sold 5516 and 4912 head respectively during the month of April. April and May were the months that most producers are pulling their livestock off of wheat. Since there are very few fields planted with wheat this year, or anything else for that matter, these numbers are an accurate representation of how the drought pushed most producers to the limit. But when the Wildcat fire started in the second week of April, it didn't take long until ranchers were faced with having to make the decision to sell out or keep hanging on.

Alright, my mind was off to the races again! With cattle sales soaring, just how many cattle were left in the United States? Even more specific, how many were left in Coke, Tom Green and Mitchell counties? This led me to the United States Department of Agriculture National Agricultural Statistics Service website,

where my curiosity just had to be satisfied. As a numbers person (I have a degree in accounting), it was an itch that had to be scratched. I had to know the answers to those burning questions. I discovered a line chart (see Table 2 at right) with the July 2011 Cattle inventory for the United States.

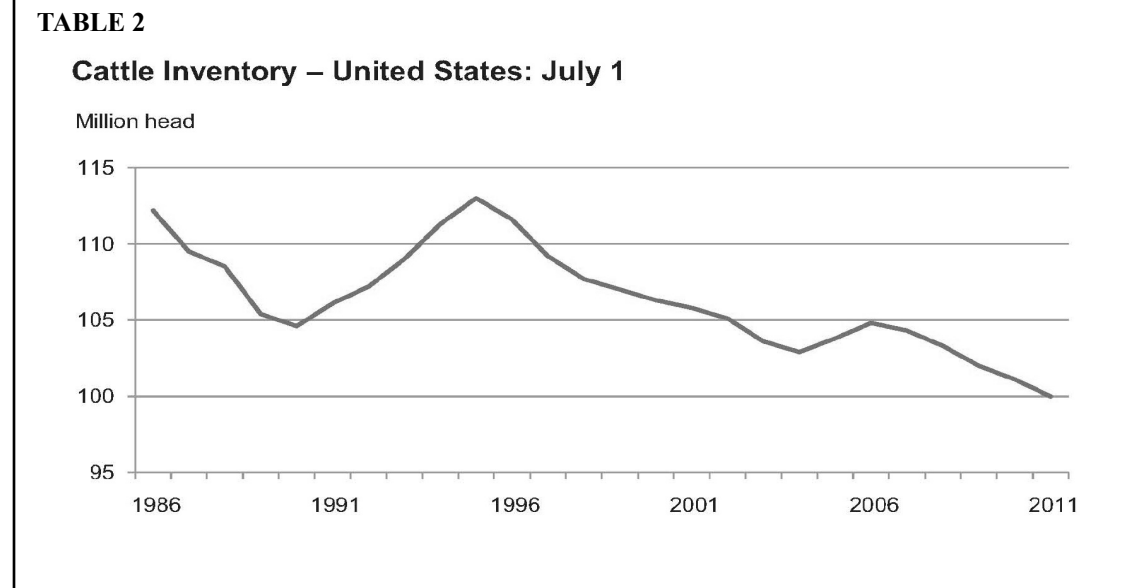
The rise and fall of those lines made me want to go back even further and see just what the cattle numbers had been. Was there a peak? Was there a low? Where are we now? One push of a button and I had my answer. Woo Hoo!! Asked and answered. The lines and lines of data were all there, all the way back to 1973. After digging through numerous reports, more specifics emerged and I was able to summarize it in a legible form in Table 3. This chart shows how many cattle were actually in the different counties, state, and nation for each year.

The chart proves what I had suspected. We are in a steady decline in the number of head of livestock in the United States. Why should we care? How does this affect the average American citizen, both now and in the future? More than likely, ranchers are receiving a decent price for their cattle now. If I remember anything from economics classes, less supply means more demand. The less cattle available means the price per head will rise. For example: Say I sold 100 head for \$500 per head now for a total of \$50,000. Then in 5 years when the drought is over (my prediction/preference), I would more than likely only be able to purchase 50-60 head that same \$50,000. We'll look at the rancher again in a moment, but what about the average person shopping at the grocery store? If there's less beef going to market, beef prices will rise even more sharply than they have in the last few years.

Getting back to the rancher, I hear there is a government program which will pay ranchers rest their land for six months or longer. If the rancher participates, they will receive \$2 for every acre of land they designated for that program. This sounds good at first. However, if the rancher combined the \$2/acre income and the money received for selling his cattle and purchased a CD, interest rates are much too low to make up the difference when the time comes to purchase cattle again. Furthermore, we all know that any money received for selling, deferring, or both would go to pay the feed bill and fuel bill that has been accumulated over the past few years while we were trying to survive. Basically, when everything is

TABLE 1

	April	May	June	July	August
2009	2951	3808	3983	4544	3264
2010	3783	4411	5235	2868	5124
2011	4703	6824	8536	8397	



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Acting Secretary of Agriculture
 Karis T. Gutter

Agricultural Statistics Board
 Acting Chairperson
 Joseph J. Prusacki

TABLE 3

	United States	Texas	Mitchell County	Coke County	Tom Green County
1973	131,467,000	16,400,000			
1974	139,378,000	17,500,000			
1975	140,201,000	17,000,000	49,000	32,000	60,000
1976	133,659,000	16,300,000	43,000	34,000	60,000
1977	130,255,000	16,600,000	43,000	38,000	57,000
1978	121,695,000	15,000,000	35,000	28,000	45,000
1979	118,437,000	14,000,000	33,000	26,000	47,000
1980	122,821,000	15,000,000	23,000	23,000	52,000
1981	124,670,000	14,800,000	31,000	30,000	60,000
1982	124,140,000		27,000	26,000	61,000
1983	123,540,000		29,000	31,000	72,000
1984	121,000,000		26,000	22,000	59,000
1985	116,300,000		20,000	24,000	48,000
1986	112,000,000		20,000	17,000	54,000
1987	109,500,000		22,000	19,000	48,000
1988	108,500,000				
1989	105,400,000				
1990	104,600,000				
1991	106,100,000				
1992	107,200,000				
1993	109,000,000		28,000	24,000	67,000
1994	111,300,000		31,000	22,000	70,000
1995	113,000,000		25,000	26,000	78,000
1996	111,600,000		24,000	28,000	78,000
1997	109,200,000		23,000	24,000	69,000
1998	107,700,000		27,000	19,000	58,000
1999	107,000,000	14,900,000	25,000	19,000	57,000
2000	106,300,000	14,900,000	21,000	17,000	60,500
2001	105,800,000	15,000,000	21,000	15,000	62,000
2002	105,100,000	15,000,000	21,000	17,000	59,000
2003	103,600,000	15,300,000	16,000	11,000	56,000
2004	102,900,000	14,900,000	15,000	10,000	54,000
2005	103,800,000		15,000	10,000	50,000
2006	104,800,000		15,000	11,000	55,000
2007	104,300,000		14,000	11,000	53,000
2008	103,300,000		22,000	22,000	55,000
2009	102,000,000		22,000	22,000	55,000
2010	101,100,000		21,000	21,000	54,000
2011	100,000,000		21,000	21,000	54,000

* This Cattle Inventory report is produced annually each July and can be seen at www.nass.usda.gov.

said and done, there will be no money left to repurchase livestock.

Now that my research and thoughts have come full circle, where does that leave us? We're in the same place as before. Trying to figure out the best way to ride out this drought and the fires it brings without losing everything. But mainly, praying for rain and a little relief from the man upstairs.

DECKER & ARROTT P.C.
 ATTORNEYS AT LAW

Administrative & Eminent Domain Law • Agriculture Law
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NICK E. ARROTT
 127 East McHarg Street • Stamford, Texas 79553
 Bus. Phone: (325) 773-2255 • Bus. Fax: (325) 773-2277
 Email: nick@deckerarrott.com Website: www.deckerarrott.com