

Inflation Shadow-Boxers Aim at Beef

BEEFSTEAK is a symbol of acceptable middle class standards of living. Therefore, meat has become a target for attack by those engaged in political shadow-boxing against inflation.

Barry Bosworth, director of the Council on Wage and Price Stability, said in an interview: "If consumers took off just 2 or 3 percent from the demand side, we'd probably have no further substantial increases in meat prices. Maybe people ought to stop eating meat one day out of 10." Many families are way ahead of him.

When President Carter announced increases in meat import quotas, he declared, "We have a lasting shortage of lean beef."

People want to eat meat and they want to buy it cheaply.

When Americans developed a taste for well-marbled steaks and roast, producers delivered what they wanted because consumers were willing to pay premium prices to get it.

In recent years, popularity of hamburgers and the fast-food business combined to boost demand for ground, lean beef. Cattlemen are producing more of it.

Cattle are moving through feedlots more rapidly, consuming less grain, and going to market with less fat. Large-framed European cattle breeds have been introduced to crossbreed with American breeds of British origin. These crosses yield higher percentages of lean meat.

John Ikerd, Oklahoma State University agricultural economist, says that increasing meat imports to hold down prices will tend to deter producers from building up their herds again.

That is significant. Herd reductions made during the recent era of unprofitable prices resulted in per capita supplies being cut to around 118 pounds of beef per capita this year. This is down 11 pounds per person from the record 129 pounds available in 1976.

A further decrease to less than

110 pounds per capita is expected by 1980, and the U.S. Agriculture Department has predicted that retail beef prices may average 20 percent higher this year than last.

Cattlemen can reduce beef herd numbers rather rapidly by selling for whatever the market will bring. Then, after they decide to expand again, it takes years to build back up to larger production.

Even with expansion under way, the beef supply-demand situation may continue to be tight most of the time from now on.

In a recently published worldwide study of meat animals, Winrock International Livestock Research and Training Center, Morrilton, Ark., stated:

"Increased world population and increased consumer buying power will create a demand for 74 percent more milk, 82 percent more beef and 90 percent more sheep and goat meat in the year 2000 than was consumed in 1970."