

COW/CALF CORNER

The Newsletter

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Recent FMD Cases in England are a Reminder to be Vigilant

By Derrell S. Peel

Two new cases of Foot and Mouth disease (FMD) in England this week are a reminder that producers need to constantly maintain vigilance about disease threats. The FMD cases reported this week follow two cases reported in August in an area southwest of London. British authorities were just ready to announce that the August cases were controlled and no more problems remained when the new cases popped up this week. The new cases are presumed to be related to the August outbreak but it is not known at this time how the disease has survived this long between outbreaks. This illustrates the difficulties and challenges of controlling this extremely contagious disease.

These events should serve as a reminder to all producers to review biosecurity plans or develop one if you do not currently have one. FMD in England seems far away but it might not be that far at all. The 6 mile surveillance zone around the new FMD cases this week includes London's Heathrow airport. Having the disease so close to a major transportation hub is a bit scary. There is no reason that this should cause undue alarm but it highlights the fact that disease threats can move long distances rapidly and control is more difficult when large human populations are involved. All producers should make it a normal practice to be aware of who is coming and going from your operation. After all, the person visiting your farm or ranch today might have come through Heathrow airport yesterday.

Beef Demand Ceiling Squeezes Packer and Feedlot Margins

By Derrell S. Peel

As is often is in the beef cattle industry, assessing whether the market situation is good or bad depends on which side of the fence you are on. Feeder cattle prices are generally strong and likely to stay strong given the limited feeder cattle supplies that are available the rest of this year and for 2008 as well. At some point we may try to save some heifers for replacements and that would squeeze feeder supplies even more for several months. Of course, feeder prices will likely decline seasonally this fall but even that may be less than usual. In Oklahoma, it will depend in large part on how much and how fast wheat pasture develops in the next few weeks. It appears at this time that wheat pasture demand will develop more slowly than usual as there have been some delays in planting wheat for pasture.

Fed cattle prices are in the low \$90s and are simultaneously squeezing packer margins and feedlot margins. Feedlots are selling higher priced feeder cattle placed in the spring and summer and that, combined with continued high cost of gain means that feedlot breakevens are increasing this fall. Many feedlots will need mid-\$90s or higher for fed cattle the rest of the year to cover high feeder cattle and feed costs. Meanwhile, packers continue to see a ceiling on boxed beef prices relative to fed cattle prices which has produced a significant period of poor packer margins. Recent gains in boxed beef prices came unraveled this week as packers encountered resistance to higher beef prices. The squeeze play is likely to continue for packers and may get worse for feedlots. The demand ceiling suggests that there is little upside potential for cattle prices and the tight supply situation suggests that there is little downside risk for general price levels. Nevertheless, the tug-of-war in the middle may produce considerable short run volatility.

Increasing Feeder Calf and Cull Cow Value Focus of Chandler Cattle Conference

By Donald Stotts

Cattle producers can get a peek inside the thought process of an experienced order buyer at the **Central Oklahoma Cattle Conference** Oct. 25 in Chandler, and that knowledge could potentially result in increased value for their animals. “One of our goals with the conference was to clear up some confusion producers can have about why their cattle don’t bring the same price as those of somebody else,” said Kent Barnes, Oklahoma Cooperative Extension Service area livestock specialist.

To accomplish that goal, conference planners sought out Jim Loftin, a highly experienced and respected order buyer and rancher from Tahlequah, to provide insights into real-world evaluation of live feeder calves and cull cows.

“It’s going to be a live-animal demonstration that will provide producers with management ideas that can improve the marketability of their cows and calves,” Barnes said.

The 8:30 a.m. to 3:15 p.m. conference will take place at the Agri-Civic Center, located at the Lincoln County Fairgrounds on Highway 66, west of Chandler. Cost is \$10 per person if pre-registering and \$15 per person at the door. Registration forms will be available at all Oklahoma Cooperative Extension Service county offices beginning in September. Participants are asked to pre-register by Oct. 18.

“Pre-registering really helps us out in terms of meal planning and preparation, as well as ensuring we have sufficient numbers of hand-out materials available to all participants,” said Mick Jones, Lincoln County Extension director.

The conference will feature a number of sessions in addition to the live-animal demonstration. Glenn Selk, Oklahoma State University Cooperative Extension cattle reproduction specialist, will lead a session about factors that affect cull cow prices. Dave Lalman, OSU Cooperative Extension beef specialist, will share recommendations about using byproduct feeds as a supplement to various quality forages. Dr. Dan Thomson, Kansas State University veterinarian, will discuss practical tips on producing healthier, more valuable calves.

“Beef producers are involved in one of the most rapidly changing industries in the United States,” Selk said. “Management tools that can add value to calves and cows are beneficial additions to any cattle producer’s operational toolbox.”

Scott DeWald, executive vice president of the Oklahoma Cattleman’s Association, will provide introductory remarks at the conference. A trade show will be featured to allow participants to view agricultural-related products and services they might find of value.

The conference is sponsored by the Lincoln County Cattle-Producers’ Association and Oklahoma Cooperative Extension Service, part of the OSU Division of Agricultural Sciences and Natural Resources.

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