COW/CALF CORNER

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In this Issue:

Fed Cattle Supply Fundamentals Supportive

By Derrell S. Peel, OSU Extension Livestock Marketing Specialist

U.S. feedlots moved a lot of cattle through the system in April and May setting up tighter fed cattle supply fundamentals for the second half of the year. The latest USDA Cattle on Feed report indicated that fed cattle marketings in May were up nearly three percent from last year. There was one less business day in May this year so the increase on a daily average basis is about 7.5 percent above last year.

Moreover, placements of feeder cattle in May were sharply lower, down 12 percent from last year. This reflects, among other things, the anticipated lack of wheat graze-out cattle in the southern Plains. With larger than expected marketings and smaller than expected placements, the June 1 on-feed inventory was lower than expected at 10.8 million head, down 4 percent from one year ago. Fewer cattle on feed, combined with carcass weights lower than past year, is pulling down total beef production.

Federally inspected beef production was down 2.6 percent in the first three weeks of June compared to the same period in 2007. This will offset increased beef in April and May to moderate second quarter total beef production. Beef production is expected to be close to last year's levels in the third quarter and decrease 1 to 2 percent in the fourth quarter of the year. These supply fundamental should help support boxed beef and fed cattle prices in the second half of the year but just how much depends on demand factors including the levels of pork and poultry production, general macroeconomic conditions and international market factors.

How Reliable are EPD's?

by Glenn Selk, OSU Extension Cattle Reproduction Specialist

Producers often debate the accuracy of the EPD's (Expected Progeny Differences) reported in sale catalogs. The father-son duo of Dr. Fred Thrift and Dr. Todd Thrift of the University of Kentucky and the University of Florida, respectively, have published an interesting review of scientific literature. (Source: Thrift and Thrift. 2006. Professional Animal Scientist. 22:413-423.) They thoroughly reviewed the scientific publications where Expected Progeny Differences (EPD's) were directly compared to the actual outcomes of beef cattle progeny.

Studies were summarized that compared expected progeny differences with actual realized progeny differences for birth weight, weaning weight, yearling weight, marbling, hot carcass weight, subcutaneous fat, loin eye muscle area, percent lean yield, milk, total maternal and scrotal circumference. Actual progeny differences agreed well with expected progeny differences (EPD) for birth weight and weaning weight, but for yearling weight, realized tended to be greater than EPD especially when yearling weight was the primary sire selection criteria.

When compared to sires with low EPD for marbling, carcass weight, subcutaneous fat, loin eye muscle area, and percent lean yield, sires with high EPD sired progeny with higher marbling scores and greater carcass weight, subcutaneous fat, loin eye muscle area and percent lean. Also, relative to sires with low EPD for milk and total maternal, sires with high EPD sired daughters that produced more milk and weaned heavier calves. Lastly, relative to sires with low scrotal circumference EPD, sires with high scrotal circumference EPD sired daughters that reached puberty earlier but subsequent daughter pregnancy rates were not different.

Results summarized indicate that for beef cattle growth, carcass and maternal traits, sire EPD's, in general, are very reflective of actual progeny differences, although a few exceptions are always going to be found. Similarity between expected and realized progeny differences should be greater when high EPD accuracy sires are involved, or sires that have produced a relatively large number of progeny.