

COW/CALF CORNER

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Fed and Feeder Cattle Markets: Where to From Here?

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In mid-March it appeared that cattle and boxed beef prices had peaked seasonally but not so. In the last two weeks markets have pushed even higher and once again appear to be at a peak, albeit at a higher peak than anyone expected. Does the market have any more upside potential at this time? Somewhat nervously, I would say probably not but you can't rule it out entirely.

Higher than expected spring peaks are the result of several factors looking backwards and forwards. Look back, there is no doubt that the market continues to benefit from the lingering effects of winter weather. Cattle carcass weights are running about 22 pounds lighter than one year ago. In the most recent week, lighter carcass weights offset two-thirds of a 4.6 percent increase in slaughter and resulted in only a net 1.7 percent increase in beef production. The result is that feedlots are quite current and light carcass weights are helping them stay that way. That fact and lower feedlot inventories takes off some of the normal seasonal pressure on boxed beef prices going forward.

Combine these fed cattle and beef supply factors with stronger beef demand and we have higher than expected prices. There are several anecdotal indications of stronger retail and restaurant beef sales, bolstered by a recently reported restaurant index that reached the highest level in 27 months in February. The strength of demand trends is hard to anticipate. Uptrending demand could more than offset seasonal supply pressure resulting in continued increases in boxed beef and fed cattle prices through April and into May and June.

A more likely scenario is stronger beef demand sufficient to plateau beef and cattle markets for a while before the normal June peaks in slaughter and likely recovery in carcass weights catch up with the market and pressure prices seasonally lower. Maintaining current beef market gains Post-Easter will be important and, if successful, may carry the boxed beef market into the first part of May until Memorial Day beef buying is completed. Time will tell. Starting from higher than expected spring peaks and with continued demand growth, the summer lows could well be less pronounced than usual.

Feeder cattle markets, on the other hand, have benefited not only from stronger fed cattle prices but excellent grazing potential in the face of tight feeder supplies. The first planting intentions reports suggests that corn producers intend to plant plenty of corn acres and that should help keep feed prices under control. However, spring field work and planting preparation is already behind and we have a long time to speculate about possible crop problems. This is likely to result in volatility in feed grain markets and that is the biggest risk to feeder cattle markets. Unless feed markets rise up as a big issue, positive demand and supply factors would suggest that feeder cattle prices are likely to face less seasonal price pressure than normal in the second half of the year. It is entirely possible that heifer retention could increase this fall further limiting feeder cattle supplies and supporting prices at the end of the year.

Observe Bulls Closely as Breeding Season Begins

By Glenn Selk, Oklahoma State University Extension Cattle Reproduction Specialist

Another title for this article could very well be: “A lesson nearly learned the hard way”. Quite a few years ago, at the Eastern Oklahoma Pasture Research station we were involved in a field study using synchronized mature cows in a natural breeding pasture. At the time not much was known in the scientific literature about cow:bull ratios when estrus synchronization was involved. Therefore we observed very closely as a mature experienced bull was placed in a pasture of full of 25 cows synchronized to come into heat together. He had passed a breeding soundness exam. What I observed was a lesson for all commercial cow calf ranchers AND had nothing to do with the original purpose of the study. The bull selected to mate with this group of heat synchronized females could not, or would not, physically inseminate any of them. He was successful at impregnating cows the year before, but something had changed since the previous breeding season. Fortunately, we observed the problem and found a replacement bull within hours of the start of the breeding season. In many herds this bull may have caused a partial or complete loss of a calf crop.

A good manager keeps an eye on his bulls during the breeding season to make sure that they are mounting and inseminating cows. Occasionally a bull that has passed a breeding soundness exam may have difficulty serving cows in heat, especially after heavy service. Inability to complete normal service and low fertility are more likely to be detrimental to calf crop percentage than failure to detect cows in heat. Many physical problems or low semen quality can be detected by breeding soundness exams. Low libido or inadequate sex drive probably will not be detected before the breeding season. Such problems can best be detected by observing bulls while they work. Therefore producers should (if at all possible) watch bulls breed cows during the first part of each breeding season. If problems are apparent, the bull can be replaced

while salvaging the remainder of the breeding season and next year's calf crop. Likewise a small proportion of bulls can wear out from heavy service and lose interest. These, too, will need to be replaced. The greater the number of cows allotted to each bull in the breeding pasture the more critical it is that every bull be ready to work every day of the breeding season.

Injuries to bulls during the breeding season are relatively common. When a bull becomes lame or incapable of breeding, because of an injury to his reproductive tract, he needs to be removed from the breeding pasture and replaced with another bull. No one can watch all of the bulls all of the time, but the "lesson learned" was to be as observant as possible as bulls are turned out to the breeding pasture this spring.

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