

COW/CALF CORNER

The Newsletter

From the Oklahoma Cooperative Extension Service

October 11, 2010

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Cattle Markets Being Squeezed From Both Ends

Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

Continued erosion of boxed beef values over the last month is squeezing packer margins and pressuring fed cattle prices back into the mid \$90 level. Painfully slow economic recovery has left domestic beef demand stagnant, especially for middle and the restaurant sector. Recent restaurant performance indicators have shown that business has remained virtually unchanged in recent months. Fortunately, strong export demand has continued to support wholesale beef values as it has for the past nine or ten months, helped recently by a weaker dollar. Recent improvement in the stock market is positive but is overshadowed by lingering high unemployment and weak macroeconomic psychology.

At the same time, latest USDA crop reports suggest a significantly smaller corn crop due to lower than expected yields. Current projections call for crop year ending stocks of roughly 1 billion bushels, a level that provokes the market to begin rationing corn. The concern is not that we will run out of corn...markets will raise prices enough to ensure that doesn't happen...but who will be bid out of the corn market.

Cattle feedlots, in particular, are caught in a vice in this market environment. Even before this latest corn market news, feedlots were looking at breakevens approaching \$100/cwt in the fourth quarter based on higher feeder cattle costs this summer. Now the prospects of significantly higher feed costs will push breakevens higher still. And, while high corn prices will dampen feedlot demand for feeder cattle, limited feeder supplies will likely limit any significant feeder price relief for feedlot purchases. Feedlots will continue to make what adjustments they can by continuing and emphasizing trends already in place such as placing heavier weight feeders and reducing days on feed.

On the positive side, these market conditions will continue to send strong signals to stocker producers to utilize forage-based gains to add weight to feeder cattle. The price rollback for added pounds on feeder cattle is already small and may get smaller still, making stocker value of gain even higher. There is opportunity for more creative stocker and backgrounding programs and some confinement and semiconfinement programs may be more feasible now than at times. For cow-calf producers this means that retained ownership of calves into stocker/backgrounding programs should be evaluated.

Understanding the Heightened Interest in Trichomoniasis

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

For many years Trichomoniasis (commonly called Trich) was considered a reproductive disease in cow herds in mountainous, or high desert regions of the United States. In these regions there are large acreages of government controlled grazing lands that allow for multiple herds to graze common pastures during the breeding season. Because of the multiple herd breeding pastures, the venereal disease Trich was hard to control and spread easily from herd to herd.

Unfortunately, trich has become more prevalent in the Midwest and Southern Plains. Infected bulls are considered the most common transmitter of the microscopic protozoa that causes embryonic death and significantly lowered calf crop percentages. Infected herds that routinely have cows pregnancy checked may notice 25 to 50% reductions in pregnancy rates. Other herds may not identify the problem as quickly and will suffer from calving intervals of about 18 months with reduced weaning weights and fewer calves produced over the life of the cows.

The most effective way to control Trichomoniasis is to prevent the introduction of the organism into the herd. Purchasing only young virgin bulls or mature bulls that have a negative test will go a long way toward avoiding the disease introduction into your herd. Artificial insemination with semen from a reputable semen supplier and use of proper hygiene while inseminating the cows is another alternative to reduce the risk of "Trich".

The Oklahoma Department of Agriculture, Food, and Forestry (ODAFF) Animal Industry Division has worked with producer groups, veterinarians, and lab personnel to develop Oklahoma Trichomoniasis regulations. These regulations focus on breeding bulls as the primary reservoir for the transmission of the disease. Requirements for bulls entering Oklahoma via **interstate** movement have already been in place. Bulls entering Oklahoma from any other state must be tested negative for Trichomoniasis with 30 days of entry and be identified with an official identification device. See the [ODAFF fact sheet “Oklahoma Bovine Trichomoniasis”](#) for further details about interstate shipment of bulls and allowable exceptions to the testing requirement.

On January 1, 2011, new requirements for **intrastate** movement of breeding bulls changing ownership with Oklahoma, will take effect. Bulls changing ownership in Oklahoma by private sale, public sale, lease, trade, or barter must have a negative test for Trichomoniasis within 30 days of change of ownership. Again see the [ODAFF fact sheet “Oklahoma Bovine Trichomoniasis”](#) for details. Another source of information about the disease and new regulations can be found at the [OSU Fact sheet VTMD-9134: Bovine Trichomoniasis](#). Contact your local veterinarian about testing details or other questions about trichomoniasis.

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