

COW/CALF CORNER

The Newsletter

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Beef Demand is the Key to Higher Cattle and Beef Prices

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

Feeder and fed cattle and boxed beef prices are all near record levels in early 2010 and expected to go higher. Just how much higher is a much more difficult question. Beef production is forecast to decrease 2 to 2.5 percent in 2011. Considering beef as an aggregate, the demand estimate estimates from several research studies would suggest an increase in retail prices ranging from about 2.9 percent to 6.25 percent. A few studies have resulted in very inelastic demand estimates that would indicate roughly a 10 percent increase in prices as a result of a 2.5

percent decrease in beef production. It seems clear that the supply fundamentals will support potentially significantly higher wholesale and retail prices.

However, there are many factors that will affect the situation in 2011. First, the demand studies are averages over several years and may not reflect the state of beef demand in its current post-recession weakened state. Secondly, beef is not really an aggregate product but is many markets for individual cuts that interact with each other. Middle meat demand continues to be the weakest due to the recession but has the potential to improve and pull prices significantly higher. International trade will be an important component of total demand not in terms of quantity but also the relative mix of various product types and qualities in the market.

Additionally, annual estimates of production and demand may mask timing and variability during the year. It appears that beef supplies will be relatively larger in the first half of the year and may drop sharply by the fourth quarter. The broader meat complex will also be important and the situation with respect to pork and poultry will obviously impact retail prices for beef.

Indications are that beef demand in the last quarter of 2010 did improve and that is supporting higher boxed beef prices in early 2011. The impact on retail prices has not been too apparent yet but sustained higher wholesale prices will put more upward pressure on retail prices as the year progresses. It seems clear the supply pressure will grow even stronger and it will be demand, at particular points in time and for many beef products, that will determine just how high retail beef prices might go and how fast they will change.

Help Baby Calves Start Breathing

Glenn Selk, Oklahoma State University Emeritus Extension Specialist

All baby calves are born with some degree of respiratory acidosis. Respiratory acidosis is the buildup of by-products of carbon dioxide and a deficiency of oxygen. As the calf passes through the birth canal, it undergoes this buildup of carbon dioxide and its metabolites, and a deficiency of oxygen. When any baby calf is first born, it will gasp for air and pant for a few minutes in an effort to correct the carbon dioxide/oxygen unbalance in the circulatory system.

Therefore, when a calf is completely delivered, primary attention is directed toward establishing respiration. Mucus and fetal fluids should be removed from the nose and mouth by cleaning these air pathways with your fingers and thumbs. These actions are important for any calf that is assisted during the “calving” process, but they are critical for those calves that come backwards. The common practice of suspending the calf for an extended time by its hindlegs to “clear the lungs”, must be questioned. Most of the fluids that drain from the mouth of these calves probably come from the stomach, and the weight of the intestines on the diaphragm makes expansion of the lungs difficult, if not impossible.

Respiration is stimulated by many factors, but only ventilation of the lungs, allow us to render help immediately. The phrenic nerve can be stimulated with a sharp tap on the chest slightly above and behind where the heartbeat can be felt. Brisk rubbing of the skin (if the calf has not had frost bite) can be helpful in stimulating circulation and breathing activity. Perhaps the most effective and simple approach to stimulating the first breathing activity is by tickling inside of the nostril with a stiff piece of straw. The vigorous tickling stimulation of the nostrils will cause the diaphragm of the calf to have a noticeable reflex. As the calf snorts and coughs in reaction to the straw stimulation, the lungs expand and air is taken in. Many ranchers report that this is a very effective way to get a baby calf started on the necessary process of rapid breathing.

Always know your own limitations. If you find a calving situation that you cannot solve yourself in a short time, contact a large animal veterinarian as soon as possible.

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