

COW/CALF CORNER

The Newsletter

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Markets Try to Shape Cattle Producers' Expectations

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

Trich Update

Dave Sparks DVM, Oklahoma State University Area Extension Food Animal Quality and Health Specialist

Passive Immune Status 24 Hours Post-calving and Long-term Health and Performance of Calves

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

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Markets operate off of reality, occasionally on perceptions of reality, and often on expectations of the future. While it is the reality of supply and demand conditions here and now that determine prices today, it is expectations for the future that drive producer decisions about production. This is particularly true and important in agricultural markets where there is generally a long lag between production decisions and the resulting product. The beef cattle industry is a prime example of this because of the long biological lags and the tradeoff between the immediate value of a heifer as a feeder animal compared to her investment value as a breeding female.

Cattle prices generally strengthened throughout 2010 reaching current record levels in the first quarter of 2011. The market is clearly trying to encourage cow-calf producers to rebuild cow herds. Yet there is no definitive indication that producers are retaining heifers at this time. Why has the beef industry been so slow to rebuild the cow herd? The answer is that producers don't have the expectations yet that supports the investment in saving heifers for cows.

Producer reaction to the current record prices seems to fall into two categories. The first is a certain excitement about current price levels combined with a general skepticism that these prices will last. There is often a perception that the current prices are a short run aberration which will be followed soon by a market correction. This is despite the fact that the supply fundamentals providing much of the current price support have been building and evolving for several years. Domestic beef demand, though not recovered from recessionary weakness is moving in the right direction, albeit slowly. Export markets are strong and have every indication of remaining strong. There is considerable reason to believe that the current market situation is not a short run phenomenon.

The second general producer reaction is that input prices will continue to increase thereby erasing the gains from higher cattle prices. There seems to be a certain fatalism that no matter what a producer does, there is limited or no profit potential in cattle. While I agree that input costs are a challenge, there is surely opportunity in record cattle prices. Certainly high feed prices will likely be a challenge for the foreseeable future and energy costs are rising with all the associated impacts, especially higher fertilizer prices. However, agricultural producers have always had more opportunity to influence profitability by managing costs than changing market prices for the products they sell and the situation is no different now. Rising input prices mean that producers must make adjustments; sometimes by changing the level of input use and sometimes by changing the entire production process. Cattle have enormous flexibility to adjust the production process in the face of changing input costs. It takes a willingness to think a bit more broadly and recognize that many of the old rules of thumb may not apply anymore.

The basis for cattle industry expansion is solid and I expect the market to continue offering incentives to cow-calf producers in the form of high calf prices. Eventually, producer expectations will change and producers will make the investment in heifers. Producers who act sooner rather than later will enjoy more of the value the market is offering now.

Trich Update

Dave Sparks DVM, Oklahoma State University Area Extension Food Animal Quality and Health Specialist

By now most Oklahoma beef producers know the Oklahoma legislature passed a law in 2010 requiring testing for Trichomoniasis in non-virgin breeding bulls over 1 year of age changing ownership or management within the state of Oklahoma. A six month period was allowed for educating producers about this disease and about the new law, with regulations going into place on January 1, 2011. In review, Trichomoniasis is a highly contagious, venereal disease of beef cattle that causes poor reproductive performance and pregnancy wastage in cattle. The new regulations were needed to safeguard the Oklahoma cattle industry as this disease was seen to be on the rise here and in adjoining states.

During the education phase of the new program, OSU Extension and Oklahoma Department of Agriculture Food and Forestry (ODAFF) have conducted approximately 55 county and area educational meetings attended by about 2,500 cattle producers across the state. ODAFF and the OSU College of Veterinary Medicine have held 12 training programs for veterinarians where 362 food animal veterinarians have become certified to do the tests for regulatory purposes.

In the two months since the testing became mandatory, Oklahoma Animal Disease Diagnostic Lab at Stillwater and the veterinary lab at CSU have tested 547 Oklahoma bulls for trich with a positive finding rate of slightly over 3%. This is very close to what the expectations were on the prevalence of the disease in Oklahoma. A few Oklahoma bulls have been tested in the Northeast and Southwest with the samples sent to the Missouri and Texas labs. There have been 2 positive Oklahoma bulls reported from the Texas lab.

Although this program is still in its infancy it is starting to be apparent how much it was needed. If this rate continues, 3% of all the bulls in Oklahoma is a lot of bulls and represents a lot of potential economic hardship for a lot of producers. Every infected bull identified is one less infected herd. If you would like to know more about this disease, or specifics for this program contact a food animal veterinarian in your area, or contact Dr. Dave Sparks, Eastern Oklahoma extension veterinarian at 918-686-7800, Dr. Gene Parker, Western Oklahoma extension veterinarian at 580-255-0546, or Dr. Rod Hall, ODAFF staff veterinarian at 405-522-6126.

Passive Immune Status 24 Hours Post-calving and Long-term Health and Performance of Calves

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Animal and veterinary scientists working at the USDA experiment station at Clay Center, Nebraska monitored health events and growth performance in a population of range beef calves in order to identify associations of these factors with passive immune status. Although this study was published over 15 years ago, it is still relevant today. Blood samples were collected at 24 hours postpartum from 263 crossbreed calves to determine the amount of passive maternal immunity that had been obtained from colostrum. Growth performance and health events in the study population were monitored from birth to weaning, and after weaning throughout the feeding period. The lowest levels of passive immunity were observed among calves that were sick or died prior to weaning.

Calves with inadequate passive immunity had a 5.4 times greater risk of death prior to weaning, 6.4 times greater risk of being sick during the first 28 days of life, and 3.2 times greater risk of being sick any time prior to weaning when compared to calves with adequate passive transfer. The risk of being sick in the feedlot was also three times greater for inadequate compared to adequate calves. Passive immune status was indirectly associated with growth rates through its effects on calf health. Sickness during the first 28 days of life was associated with a 35 pound lower expected weaning weight. Respiratory disease in the feedlot resulted in a .09 lb lower average daily gain. (Source: Wittum and Perino. 1995. Am. Journ. of Vet. Med. Vol. 56:1149.)

Thus, passive immunity obtained from colostrum was an important factor determining the health of calves both pre- and post-weaning, and indirectly influenced calf growth rate during the same periods. To optimize the colostrum production by first calf heifers, they should be in excellent body condition (BCS=6) at calving and have been raised with a proper health/vaccination program.

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