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COW/CALF CORNER

The Newsletter

From the Oklahoma Cooperative Extension Service

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Weather Impacts on Cattle Markets; USDA Slaughter Data Update

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

The already complicated cattle market picture is even more cloudy as a result of a variety of weather impacts at the current time. The impacts run the gamut from supply impacts to demand impacts to input market impacts.

Domestic beef demand has likely been impacted by the cold, wet weather this spring. Certainly there has been a lack of good outdoor grilling conditions in much of the country so far this spring. On the other hand, in drought stricken areas, burn bans have restricted outdoor activities and cooking. The upcoming Memorial Day weekend will be critical in determining if beef demand will show a more typical seasonal pattern.

Cool, wet conditions continue to hamper crop planting in much of the country and add to uncertainty over feed grain supplies. Each day of planting delay from this point on is likely to have noticeable impacts on corn yields. There seems to be little likelihood of any relief from high feed prices. Forage conditions range from ample moisture for pasture growth to areas that are too wet to harvest hay to the increasingly severe drought conditions in parts of the Southern Plains.

Perhaps most difficult to assess is the impact of weather on the supply side of the market, both short and long term. Certainly, limited feeder supplies will maintain upward pressure on feeder cattle prices but the question of just how much pressure depends on the bigger question of herd rebuilding. That question, in turn, depends on what the industry is trying to do and well as what Mother Nature will permit us to do. The answer to both of those questions varies regionally. There seems to be general interest in rebuilding the cow herd and evidence that it is happening in some areas. In the January cattle inventory report, both beef cow and beef replacement numbers were up in the northern Plains and Rocky

Mountains, in states such as North Dakota, Montana, Idaho, and Colorado, along with Kansas. With good moisture conditions, these areas are expected to continue herd expansion in 2011.

Beef cow numbers at the beginning of 2011 were down most sharply in Missouri, Iowa, Kentucky, Texas, Louisiana and Oklahoma. In the first three states the decline may reflect increasing competition with crop production and long term shifts in beef production away from the region, though it will be some time before such impacts can be confirmed. In Texas and Louisiana, the decrease likely reflects continuing drought conditions which have since spread from Louisiana and eastern Texas across much of Texas and parts of Oklahoma, New Mexico and eastern Colorado this year.

So what is the net impact of weather and producer intentions on the cow herd in 2011? Persistent drought conditions in the Southern Plains can easily overwhelm any herd expansion that takes place in other areas, particularly if beef cows continue to move out of the Midwest. Without a drought, the prospects for beef cow herd expansion in 2011 were limited at best and with the drought, net liquidation is increasingly likely. This may limit demand for replacement heifers and thus reduce feeder supply pressure a bit in 2011 and slightly temper feeder prices this year. However, another year of herd liquidation means that the general tight supply environment that supports cattle prices today will persist even longer into the future. Herd expansion may well be delayed until 2012 and is likely to proceed slowly when it does start. Cyclically high cattle prices are likely to persist into the mid-decade period at a minimum and very likely beyond.

USDA Slaughter Data Update: USDA released some slaughter data on Friday, May 6. These data reflect the report that should have been released on Thursday, April 28. However, the report that was scheduled for Thursday, May 5 was not released. USDA has indicated that they are continuing to work on the data issues but the problem is obviously not fixed. Much of the value of these data depends on timely delivery of the data and the impacts of continued delays or not having the data will grow and spread to related information sets that depend on the slaughter data as long as the problem persists.

Economic Advantages to Implanting Nursing Calves

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Many new technologies have been made available to the beef industry over the last 75 years. Few have the potential return on investment as do growth promoting implants for nursing calves. The term implant is used to refer to a group of products used in the cattle industry that increase rate of growth. Each type or brand of implant has its own specific applicator, which is used to properly administer the implant. Implants contain natural or synthetic anabolic compounds that produce physiological responses similar to hormones that are already produced in varying quantities in the body. Calves intended for “natural” or “organic” markets should not be implanted.

Implants cleared for use in nursing calves contain a lower dose of the active ingredient compared to products cleared for use with older cattle. These “calf” implants are typically administered when calves are between 2 and 4 months of age. Research summaries have shown that implants given during the suckling phase will increase average daily gain of steer calves by 0.1 pound per day. The response in heifer calves is slightly higher at 0.12 to 0.14 pound per day. Over 150 days of the remaining nursing period, this additional gain can amount to 15 pounds in improved weaning weights in steers and 18 to 21 pounds in weaned heifer calves.

The value of this additional weight gain is difficult to accurately predict. Heavier calves often are priced slightly less per pound than lighter calves. In today's 2011 market, an estimate of 1 dollar per pound of added gain should be appropriate to evaluate the efficacy of implanting. Assuming a cost of \$1.00 per implant, a \$15 to \$21 return on each implant dollar invested can be expected.

Producers often raise the question, "Is it safe to implant replacement heifers?" Research has shown that heifer calves implanted one time at about 2 months of age had very little, if any impact on subsequent conception rates. However, heifers that were implanted at birth, after weaning, or multiple times had lower reproductive rates than non-implanted heifers. Heifers that are known at birth, or at calf-working time, to be replacement females should not be implanted. There is nothing to gain. Bull calves that may remain as bulls to become herd sires should not be implanted. Once again, the key is to follow label directions precisely. (Source: [Selk, G. E., 1997. Implants for Suckling Steer and Heifer Calves and Potential Replacement Heifers. Symposium: Impact of Implants on Performance and Carcass Value of Beef Cattle. P-957. Oklahoma Agricultural Experiment Station.](#))

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