

FW: Cow Calf Corner Newsletter for June 20, 2011

Selk, Glenn

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COW/CALF CORNER

The Newsletter

From the Oklahoma Cooperative Extension Service

June 20, 2011

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Cattle Markets Bounce Back

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

A bullish cattle on feed report capped off a week of sharply stronger cash cattle prices and futures last week. Fed cattle prices advanced \$3-5/cwt. with most sales at the \$109/cwt. level and some sales at \$111/cwt. Both Live and Feeder cattle futures jumped sharply late in the week. Boxed beef held more steady trading in a narrow range and ending the week at just under \$173/cwt. for Choice.

The June Cattle on Feed report included the expected decrease in May placements and also included a surprisingly strong May marketing figure. May placements were 89 percent of year ago levels and marketings were 107 percent of last year's May marketings. The decrease in feedlot placements in April was a result of limited feeder supplies and the dimming feedlot prospects marked by the slide in cash fed prices and Live cattle futures, along with prospects for higher feed prices. Strong marketings were the result of good packer margins that encouraged packers to increase slaughter rates at the same time that feedlots saw little incentive to hold cattle with the lower futures prices and cost of gain approaching the cash fed cattle price.

Have we seen the summer low in fed cattle prices? It is possible but the fed market may challenge the previous lows again in the next month, at least briefly. Previous placements ensure that seasonal fed cattle supplies will be ample through July and into August. The key, as it has been for several months,

will be demand as reflected in the boxed beef price. If boxed beef prices hold at current levels or move higher, any challenge to fed cattle prices should not be too severe or long lived. From the unexpectedly strong fed prices at the current time, another test of the fed market might hold close to the \$105/cwt. level. If boxed beef prices weaken pressure will increase to push fed prices lower.

Uncertainty in the fed market is a question of seasonal supply pressure relative to demand for the next two months. Beyond that the supply fundamentals will increasingly dominate through the remainder of the year. Feedlot placements are expected to remain below year ago levels for the rest of the year and feedlot inventories will drop from the June 1 level of 104 percent of last year to below year ago levels by August or September and remain lower for the balance of 2011. By the fourth quarter, beef production will decrease 5+ percent compared to last year and more than offset the slightly higher beef production in the first half the year. Annual beef production is expected to be down roughly 0.5 percent year over year with all the decrease coming in the fourth quarter of the year. Fed cattle prices in the fourth quarter may not exceed the spike highs of last spring but the average quarterly price is expected to equal or exceed the second quarter price.

Closely Monitor Medicated Mineral Intake

Glenn Selk, Oklahoma State University Emeritus Animal Scientist

Medicated minerals are available and frequently used to help prevent the blood-borne disease, anaplasmosis. A consistent and appropriate intake of the mineral is critical to a successful anaplasmosis prevention program. Cow calf operators will want to monitor mineral consumption closely to be certain that the label-recommended amounts are being consumed by the cattle.

The most popular means of anaplasmosis prevention is the use of mineral mixes that contain chlortetracycline (CTC). When fed at a rate of 0.5 mg/lb. of body weight CTC will prevent anaplasmosis infections. It is important to note, however, that CTC is added to minerals for several different reasons, and these other uses require different levels of drug in the mineral. Make sure that the product you choose states on the label that it is formulated at a rate for the prevention of anaplasmosis, and gives the specific amount of daily consumption needed to supply that level. The next step is to monitor your herd to make sure that the product is being consumed at the appropriate rate. If not, you may need to look at other products or change your management practices in order to correct consumption deficits. Recovered animals will be carriers of the disease and a source of infection for susceptible individuals. Clear them of the organism with high levels of antibiotics administered parentally, isolate them from susceptible animals, or cull them from the herd.

Placement of mineral feeders and blocks can aid in achieving optimum mineral intake. Place them in areas where cattle spend a lot of time. Minerals should be placed in loafing areas, near water sources, in shady areas, or any other location that tends to be a popular place for the herd to congregate. A rule of thumb is to provide one mineral feeding station for every 30 to 50 cows. Check feeders at least once a week and keep a clean, fresh supply of minerals present at all times. A good feeder should keep minerals dry, be portable and hold up to abuse and corrosion. Open tubs are not adequate in high rainfall areas.

Summer often becomes a busy time of year for ranchers (especially during haying season). Don't forget to check the mineral feeders or blocks to be certain that they are supplying the minerals that your cows need. If you have questions about anaplasmosis prevention or suspect that an animal in your herd has anaplasmosis, call your veterinarian for help with treatment.

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