COW/CALF CORNER

The Newsletter

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Big July Feedlot Placements Changes Cattle Markets: Or Does it?

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

The most recent USDA Cattle on Feed report confirmed that the drought in the Southern Plains is having significant impacts on the producers directly affected and also on cattle markets broadly. Feedlot placements in July were 122 percent of last year, well above the average analyst expectations, though not above some estimates. The result is to push the cattle on feed inventory up to 108 percent of year ago levels. Large placements in Texas and Oklahoma confirm that much of the increase was the result of drought forced movement of cattle.

If taken at face value, this report would appear to be quite bearish but face value is very misleading in this case. The impact of this report must be viewed in term so of both the number of placements and the weight breakdown. 53 percent of the increased placements were cattle that were less than 600 pounds. Though is hard to be sure, some of these cattle were likely significantly below 600 pounds in weight. These cattle will be on feed longer than if they were placed later in the fall but they will also finish at somewhat lighter weights. The net effect is that the some of these lightweight cattle will finish in the first quarter rather than the second quarter of 2012. The large July placements also included a slight increase in heavy feeders. This is indicative of a rather good summer grazing period for the Osage and Flint Hills regions. These cattle will slightly increase fourth quarter marketings.

What is the net impact on fed cattle markets? Probably relatively little. The anticipated decrease in fourth quarter beef production may only be a 5 percent decrease compared to something bigger. First and second quarter decreases in beef production will also be slightly smaller with slightly larger decreases in the second half of 2012. All in all, the impacts are relatively minor. The nearly one for one tradeoff in placements now versus placements later combined with the fact that lighter placements means less total beef production ultimately.

Don't Let Your Guard Down on Nitrates

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

A few spotty rain showers have been welcome surprises in Northern Oklahoma over the last several days. They are not the kind to end a drought, but they momentarily cool the air, make the pastures and hay fields look a little greener, and improve farmer and rancher attitudes. In the case of drought-stressed summer annuals such as forage sorghums, millets, and sudangrass hybrids, the rain-shower may be a wolf in sheep's clothing.

Avoid cutting the summer annual hay immediately after a drought-easing rain. Often the highest concentrations of nitrate will be in the first 48 hours after the first rain after an extended heat and drought stress period. Usually it takes the plants at least about a week to return to normal nitrate concentrations if the weather and moisture conditions remain favorable. The drought-stressed plant may again be taking up nitrates from the soil, but not have the enzymes present in great enough quantity to reduce the nitrate on to form amino acids. Amino acids are the building blocks of plant proteins. With time and good moisture conditions the plant may return to normal metabolism and growth, which in turn will cause reduced nitrate concentrations.

However, in the meantime, producers should continue to check the forage with samples sent to a laboratory for quantitative evaluation or conduct the field test with diphenylamine nitrate kits available at most <u>OSU County Extension offices</u>. Once the forage is cut, the nitrate concentration will stay approximately the same until fed next winter. Therefore it is imperative to know the nitrate level before the crop is harvested. Learn more about nitrate toxicity in cattle by downloading the <u>OSU Fact Sheet PSS-2903 Nitrate Toxicity in Livestock</u>.

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