

COW/CALF CORNER

The Newsletter

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What to Expect From Feeder Cattle Markets This Fall

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

August feeder cattle prices are usually near the seasonal peak with prices dropping from through the remainder of the year. At least, that is how feeder prices have averaged over the last 10 years. In Oklahoma, 525 pound Medium/Large Number 1 steers are currently about \$140.00/cwt. The ten-year average price index would suggest a November low about \$10-\$12/cwt lower than current prices, Heavier feeder steers (727 pounds) are currently averaging \$137.00/cwt. and would drop seasonally by \$4-5/cwt. into November.

Can we expect typical seasonal price patterns this fall? There are several factors that may modify this seasonal price pattern. First is that seasonal price patterns may be changing. Over the past 10-15 years, feeder price patterns have changed from spring peaks to summer peaks in seasonal prices. The seasonal peaks in calf prices this year were in the spring, although heavy feeders have peaked in price this summer. Over time, one of the impacts of high feed prices is likely to shift the industry back to spring price peaks.

The next factor is corn prices. Feedlot ration costs are very close to a level where feeder cattle have to trade at even money to fed cattle in order to have a feedlot breakeven. This won't necessarily happen immediately, but over time, continued high prices of corn will limit feeder prices, especially at heavier weights. A spike in corn prices this fall could push feeder prices lower, not for normal seasonal reasons but lower nevertheless.

The third factor is the drought. The southern drought has changed both supply and demand prospects for the fall. The dry conditions at the current time limit any prospects for wheat pasture this fall and winter. Normally, this lack of demand is bearish to stocker prices. However, the drought has also caused significant early marketing of calves in the Southern

Plains. There will likely be a significantly smaller fall run of calves, which may offset the lack of wheat pasture demand. Thus, it is not clear whether the net impact on prices will be positive or negative. My expectation at this time is for little or no seasonal price pressure on calves and stockers this fall beyond the pressure already noted on stocker prices in this region.

The final factor is some significant region differences due to variable weather across the country. Calf prices in Oklahoma are currently about 10 percent lower than in Nebraska, which is a larger than normal spread between the two regions. This no doubt reflects the additional pressure from the drought in the south compared to the excellent forage conditions in the northern half of the country. The difference in heavy feeders is more typical, about 3-4 percent higher in Nebraska compared to Oklahoma. With regionally larger supplies in the north, one might expect more of a seasonal tendency in prices this fall but abundant forage supplies and the continuing incentive for forage based gains may increase stocker demand in the north that offsets the lack of stocker demand in the south. The bottom line is that seasonal price pressure should be less than normal this fall, especially for calves.

Vitamin A Can Be Deficient in a Drought

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Vitamin A is rarely a concern in range cattle nutritional programs because it is readily synthesized from carotene that is common in green growing plants. However, in drought situations where plants become dead or dormant, the carotene content becomes practically devoid and may lead to a deficiency of the precursor to vitamin A. Carotene is very low in mature, weathered forages, grains and many crop residues. Carotene will be lost in stored hay crops over extended periods of time. Therefore if hay that was stored throughout all of last fall and winter is to be fed in the upcoming winter, the vitamin A content will be considerably less than when that forage was originally harvested. In addition some scientists have suggested that high nitrate forages common in drought years can exaggerate vitamin A deficiencies. Deficiencies of Vitamin A usually show up first as weak, blind or stillborn calves. Other signs are scours, respiratory problems, poor gains and poor reproduction.

Fortunately, the liver of cattle is capable of storing vitamin A for long periods and frequent supplementation is not necessary. A singular injection of one million International Units (IU) of vitamin A provides sufficient vitamin for 2 to 4 months in growing and breeding cattle. *A word of caution: Vitamin A and A,D, and E injections have been found to on rare occasions cause a severe reaction to the vaccine. Please consult your veterinarian about the use of these products.*

Because the daily requirements of beef cows range from 30,000 to 50,000 IU, depending on size, stage of production, and level of milk production, supplements can be fortified with vitamin A to supply the minimum daily requirement. Depending on the quantity of range supplement being provided, vitamin A can be added to supplements at the rate of 5000 to 10,000 IU per pound of feed.

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