

# **COW/CALF CORNER**

## **The Newsletter**

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

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By Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist and Dave Sparks, DVM, Area Food Animal Quality and Health Specialist

## **Feeder Market Ignites on Improved Wheat Pasture**

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

Wheat is an amazing crop...which is why we grow it in Oklahoma. Given the slightest opportunity, wheat responds very well under adverse conditions. In late October, the prospects for wheat pasture seemed all but lost with most wheat planted late and dry. It was noted, however, that with timely rains, a decent wheat crop could still develop. November turned out to offer almost ideal temperatures and a series of rains that were for the most part, exactly when and where needed. As a result, wheat has established, not only a good stand from a grain crop perspective but has grown rapidly and will provide some grazing in December across a wide swath of central Oklahoma.

The results were obvious immediately after Thanksgiving with an \$8 to \$12/cwt. jump in stocker cattle prices. This market strength is the result of unexpectedly strong demand combined with limited numbers of available lightweight cattle. Last week's federally reported feeder cattle auction total was down 25 percent from the same week last year. The year to date auction total for feeder cattle is equal to year ago levels but since November 1 has been down nearly 9 percent from last year. The drought resulted in marketings of feeder cattle earlier than usual in the fall.

This latest market jump has pushed up lightweight feeder prices relative to heavy weight feeders, which changes the stocker potential somewhat. There is a higher roll-back in prices up to about 600 pounds (for steers), with a much flatter price line for heavy weight feeders. This means that the potential value of gain depends on what weight you begin with and how much total gain before the animals are sold. For example, using last week's auction average prices, a 423 pound

steer has a value of gain of \$0.81/pound for 200 pounds of gain. This increases to \$0.94/ pound of gain if the 423 pound steer is sold at 832 pounds. This means that the value of gain is higher for the second two hundred pounds compared to the first two hundred pounds of gain. Indeed, a 623 pound steer has a value of gain of \$1.06/pound for 200 pounds of gain.

This suggests different stocker strategies depending on available production alternatives. Late-started winter stockers will have a limited grazing season for dual-purpose wheat systems. The winter grazing season may be limited to 65-75 days which could limit stocker gains to around 150 pounds. In this situation a heavy stocker, say 625 pounds, may offer a significantly higher value of gain than a more traditional light stocker. Based on last week's prices, the value of gain for a 623 pound steer is 50 percent better at \$1.12/pound of gain than a 423 pound steer at \$0.74/pound. Conversely, if stockers will move into grazeout wheat or utilize other forages after early March and can be retained to heavier weights, the light beginning weight may be preferable.

Risk management should not be overlooked. Feeder futures offer an opportunity to lock in good value of gain and reduce market risk. Although the market fundamentals suggest relatively little downside risk, one must remember that the drought is not over and dry conditions next spring could impact feeder markets in the region. In most cases, the futures market offers a better value of gain than suggested by the current cash market. The 423 pound steer, with an average March basis of \$18/cwt, implies a price of \$165/cwt. for steers at 575 pounds (March Feeder futures are currently about \$147/cwt.). This implies a value of gain of \$1.02/pound, even for a short winter grazing season. In a market with more upside potential than downside risk, minimum price strategies are preferable to fixed price strategies. If fixed prices with a hedge or forward contract are the best or only alternative available, producers should evaluate the overall risk and consider if less than 100 percent of animals should be covered with a fixed price, thus leaving some percentage open to capture expected market upside.

## Prepare Before Calving Season Begins

By Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist and Dave Sparks, DVM, Area Food Animal Quality and Health Specialist

Although the spring calving season is still a couple of months away, now is a good time to make the necessary preparations that will come in handy when the first heifer needs help in the middle of the night. Here are some tasks that should be easier to do now when there is ample time to get the job done.

- **Equipment:** Before calving season starts do a “walk-through” of pens, chutes, and calving stalls. Make sure that all are clean, dry, strong, safe, and functioning correctly. This is a lot easier to do on a sunny afternoon than on a cold dark night when you need them.
- **Protocol:** Before calving season starts develop a plan of what to do, when to do it, who to call for help (along with phone numbers), and how to know when you need help. Make sure all

family members or helpers are familiar with the plan. It may help to write it out and post copies in convenient places. Talk to the local livestock veterinarian about the protocol and incorporate his/her suggestions. Your veterinarian will be a lot more helpful when you have an emergency during the kids' school program if you have talked a few times during regular hours.

- **Lubrication:** Purchase or locate lubricants to use on the obstetrical sleeves. Many different lubricants have been used and one of the best lubricants is probably the simplest – non-detergent soap and warm water.
- **Supplies:** The stockman should always have in his medicine chest the following: disposable obstetrical sleeves, non-irritant antiseptic, lubricant, obstetrical chains (60 inch and/or two 30 inch chains), two obstetrical handles, mechanical calf pullers, and injectable antibiotics. Do not forget the simple things like a good flashlight with extra batteries and some old towels or a roll of paper towels. It may be helpful for you to have all these things and other items you may want to include packed into a 5 gallon bucket to make up an obstetrical kit so you can grab everything at once.

These ideas and many more are available in the Oklahoma State University Extension publication: [Calving Time Management for Beef Cows and Heifers: E-1006](http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-5171/E-1006web.pdf). <http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-5171/E-1006web.pdf>

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