

COW/CALF CORNER

The Newsletter

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A War of Attrition

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Cattle prices are at record high levels and will push even higher in 2012 and beyond. Retail beef prices are increasing and will push higher but it is uncertain how much and how fast. These conditions ensure that margins for various sectors in between will continue to be squeezed and some sectors of the beef industry will face difficulties in the coming months.

Retail beef prices increased through the year of 2011 but it wasn't until the fourth quarter of the year that beef production dropped sharply. Anticipated decreases in beef production in 2012 mean that retailers will be challenged to keep retail prices on pace with boxed beef and live cattle prices. Retailers are always reluctant to increase retail prices too fast or too much and retail margins are likely to be squeezed in the transition. Packers have already faced limited margins as fed cattle prices increased faster than boxed beef prices. Packers experienced poor margins much of the fourth quarter of 2011. Packers have the additional challenge of not operating at efficient capacities in the face of declining cattle numbers. That challenge will increase as feedlot marketings decrease in 2012.

Feedlots face perhaps the toughest challenge of all. High feeder cattle prices and high feed costs will likely more than offset record fed cattle prices and result in negative operating margins much of the time for the foreseeable future. Feeder cattle supplies will continue to tighten and may decrease dramatically if the drought abates and heifer retention accelerates. Feeder supplies will be tighter in 2012 and may not reach the tightest level until 2013 or beyond.

The U.S. beef industry has experienced chronic excess capacity in the cattle feeding and beef packing sectors for many years. Most of the existing feedlot and packing infrastructure was originally built in the 1970s and 1980s, a time when cattle inventories were 15 to 25 million head greater than today. Continued herd liquidation, especially since the mid 1990s has accelerated the pressure to reduce feedlot and packing capacity. Downward adjustments in industry capacity are a slow process and not much has changed yet. The drought in 2011 temporarily accelerated cattle marketings and postponed the coming crunch of tight feeder supplies but ensures that the crunch will be even more severe when it happens.

Though the impact of continuing drought could once again change the timing of cattle flows to feedlots and packing plants, the squeeze in feeder supplies is likely to reach critical levels in 2012. The war of attrition on feedlots and packing plants will continue and will accelerate in 2012. Feedlots and packing plants will compete aggressively for ever declining animal numbers and contribute to even higher input costs until somebody finally exits. It may not happen in 2012 but the pressure will be even greater and it will eventually happen.

Program Offered for Oklahoma Cattlemen

Dave Sparks DVM, Oklahoma State University Area Extension Food Animal and Health Specialist

A new program offered by OSU Extension may be just the thing for cow/calf producers who want to take their operations to the next level, but can't go back to school to do it. Are you a newcomer contemplating an entry into the beef Industry? If so this is the program that can help you make a decision if the business is right for you before you make a big investment of money, time, and effort. If you do decide the beef industry is right for you, why not start being profitable from the beginning rather than spending years learning the hard way?

The second annual OSU Cow/Calf Boot Camp will be held at the Creek County Fairgrounds, Kellyville, Oklahoma on April 23, 24, and 25, 2012. This program is not for the lazy or faint of heart, as extension educators pack approximately 34 hours of learning into the three days. Enrollment is limited to 50 participants and there is a \$100.00 fee which covers 5 meals, the text book, and all other educational materials.

Most of the production topics are handled in a demonstration or hands on format with live cattle. Most of the business and management topics are handled by working through actual problems in small groups with an agricultural educator working as a facilitator with each group of four or five. Topics covered will include; an overview of the beef industry, cattle handling and production practices, hay evaluation, parasite control, breeding stock evaluation and selection, cattle marketing, cattle health and vaccinations, pasture and forage management, economical nutrition, farm business planning, reproduction, calving, and aging cows.

A complete schedule and details are available at <http://osucowcamp.com>. For more information contact your local county OSU Extension Office or Dave Sparks DVM at 918-686-7800, dave.sparks@okstate.edu. Today's beef industry is changing faster than ever before, with high input costs and high cattle prices. While many will fail in the upcoming years, the top

managers will prosper. This class will fill up fast so reserve your place now. Position yourself to take advantage of the challenges and the rewards that come from managing your operation in the top level of producers.

Signs of Impending Calving in Cows or Heifers

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

As the spring calving season approaches, the cows will show typical signs that will indicate parturition is imminent. Changes that are gradually seen are udder development, or making bag and the relaxation and swelling of the vulva. These indicate the cow is due to calve in the near future. There is much difference between individuals in the development of these signs and certainly age is a factor. The first calf heifer, particularly in the milking breeds, develops udder for a very long time, sometimes for two or three months before parturition. The swelling and relaxation of the vulva can be highly variable too. Typically, in the immediate 2 weeks preceding calving, these signs become more evident, the udder is filling, and one of the things that might be seen is the loss of the cervical plug. This is a very thick tenacious, mucous material hanging from the vulva. It may be seen pooling behind the cow when she is lying down. Some people mistakenly think this happens immediately before calving, but in fact this can be seen weeks before parturition and therefore is only another sign that the calving season is here.

The immediate signs that usually occur within 24 hours of calving would be relaxation of the pelvic ligaments and strutting of the teats. These can be fairly dependable for the owner that watches his cows several times a day during the calving season. The casual observer or even the veterinarian who is knowledgeable of the signs but sees the herd infrequently cannot accurately predict calving time from these signs. The relaxation of the pelvic ligaments really cannot be observed in fat cows, (body condition score 7 or greater). However, relaxations of the ligaments can be seen very clearly in thin or moderate body condition cows and can be a clue of parturition within the next 12 - 24 hours.

These changes are signs the producer or herdsman can use to more closely pinpoint calving time. Strutting of the teats is not really very dependable. Some heavy milking cows will have strutting of the teats as much as two or three days before calving and on the other hand, a thin poor milking cow may calve without strutting of the teats. Another thing that might be seen in the immediate 12 hours before calving would be variable behavior such as a cow that does not come up to eat, or a cow that isolates herself into a particular corner of the pasture. However, most of them have few behavioral changes until the parturition process starts. Much more information about managing cows and heifers during the calving season can be found in the Oklahoma State University Extension Circular [E-1006, "Calving Time Management for Beef Cows and Heifers"](#)

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