

COW/CALF CORNER

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The Numbers are in: Part 2

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

A previous article reviewed how the latest USDA Cattle report confirmed the impact of the drought in 2011 with continued liquidation of cattle numbers and dramatic regional shifts in cattle numbers. This article will look at what the report indicates about prospects for 2012.

One important issue is the implication for feeder cattle supply in 2012. The January 1 estimate of feeder cattle outside of feedlots is 25.85 million head, down 1.06 million head (3.9 percent) from one year ago. Remember that the feeder supply last year was down 2.9 percent from 2010. In total, the U.S. feeder cattle supply has dropped 1.85 million head or 6.7 percent in the past two years. However, the January 1, 2012 Cattle on Feed inventory was 14.12 million head, up nearly one percent from the previous year. Moreover, the feedlot inventory on January 1, 2011 was up 2.7 percent from 2010. The point is that feedlots have done a remarkable job of maintaining feedlot inventories but only at the expense of future feeder cattle supplies. It seems less and less likely that this can continue.

One measure of this intensity of feeder cattle use is to look at the ratio of feedlot inventory to the feeder cattle supply. For January 1, 2012, this ratio or percentage was 54.85 percent. This is a record high for this statistic. This value means that for every animal in feedlots on January 1, there were only 1.83 feeder animals outside of feedlots to replace them. This statistic has increased since the mid-1970s. In 1975, the value was 17.2 percent meaning that there were 5.8 feeder animals outside feedlots for every one already placed. As recently as the mid-1990s this value was about 38 percent meaning that there were 2.6 animals available for every animal in

feedlots. The industry has continued to get more intensive with the use of feeder animals but it is unlikely that this percentage can continue to increase.

Another measure of the intensity of feeder cattle use is to look at the estimated feeder supply as a percent of the previous year's calf crop. This provides a measure of how many animals are being carried over from one year to the next. The value for 2012 was 72.9 percent, the second lowest value for this statistic. It indicates that more calves were "used" quickly relative to the size of the calf crop. This certainly reflects the drought induced early placements that occurred in the summer and fall of 2011. This statistic averaged 75.8 percent the past five years and was as high as 82 percent at the last cyclical peak in cattle numbers in 1995. The point is that there were less feeder cattle brought into 2012 and that less will be available this year for placement in feedlots.

These two measures both indicate that the long standing tendency of the industry to pull cattle ahead, i.e use them more intensively, accelerated significantly the past two years and it is unlikely that it can continue for another year. I admit that I have been amazed at the industry's ability to find feeder cattle when it seems there are no more. However, that ability last year was based on very unusual behavior such as placing Mexican cattle directly in feedlots at light weights and was abetted by the drought forced early placement of calves. I don't think the industry has many more tricks up their sleeve and I expect to see feedlot inventories contract as we move through the next few months. Just how much feedlot inventories will decrease will depend, in part, on how much heifer retention occurs in 2012 and that will be the subject of the next article.

Selection Based on Disposition Helps the Entire Beef Industry

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

In 2012, many decisions about cattle selection will be taking place in beef herds everywhere. Some herds may begin to rebuild from the heavy culling caused by the drought in the Southwest. Other herds may be continuing to downsize because of lack of forage and high input costs. Part of the selection decision criteria should be disposition of the cattle.

Problems with excitable cattle are becoming a more important issue in the beef industry, both from the standpoint of handler and animal safety and economic returns. Colorado State University conducted an experiment examining the effects of temperament on weight gains and the incidence of "dark cutting". Cattle were temperament ranked, on a 5-point system, while animals were held on a single animal scale. Their results show that there is a highly significant effect of temperament ranking on average daily gain. Animals exhibiting the highest temperament ranking also have the lowest average daily gains. Conversely, animals that were the calmest had the highest average daily gains. Their results also show that those cattle that have the highest temperament ranking, those that were berserk, also have the highest incidence of dark cutters. Dark cutter carcasses have a very undesirable dark-colored lean that is difficult to market through normal grocery store meat counters. Dark cutter carcasses will often be discounted approximately \$35 per hundred pounds compared to the brightly colored carcasses. In the Colorado State University study, 25% of the cattle that had a temperament score of 5 exhibited

dark cutting, while less than 5% of the cattle that had temperament scores of 1,2,3, and 4 exhibited dark cutting. These findings show that animals that have very high temperament scores have reduced feedlot performance and increased incidence of dark cutting. (Source: Voisinet, et al. 1996. Colorado Beef Program Report.)

Louisiana State University researchers reported data about the impact of temperament on growth and reproductive performance of beef replacement heifers. They used crossbred heifers that were evaluated for “chute score” (similar to that discussed above) and exit velocity. Exit velocity is a measurement of the speed at which the heifer would travel as she exited a working chute. “Slow” heifers (presumably more docile) were heavier at breeding time and tended to have a higher body condition score. Pregnancy rate did not significantly differ between “slow”, “medium”, and “fast” heifers when all crossbreds were considered. However, it was interesting to note that pregnant Brahman-Hereford F1 cross heifers tended to have lower exit velocities (at both weaning and at the end of the breeding season) than their counterparts that failed to become pregnant. These researchers concluded that some important relationships between growth, reproduction and temperament may exist in beef replacement heifers. (Source: DeRouen and Reger, 2007 Journal of Animal Science Abstracts)

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