

COW/CALF CORNER

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Market Dynamics Affects Summer Stocker Prospects

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

Record high stocker prices this spring have producers and their lenders nervous about the financial exposure of summer stockers. Feeder prices have dropped the last month but the change has actually decreased the stocker margin, i.e., the value of gain for summer stockers. Moreover, the changing price relationships have changed the implications for stocker production and marketing.

In mid-March, the price of 475 pound steers in OKC was about \$203/cwt. which is an initial stocker value of \$959/head, using the actual weighted average prices and weights. At that time, the price of 725 pound steers was \$160/cwt. or a per head value of \$1165. This implied a value of gain of \$0.81/pound for 250 pounds of gain. Using last week's Oklahoma auction averages, the 475 pound steer price was \$190/cwt, or \$905/head. The 725 pound steer price was \$151/cwt. with a per head value of \$1095. This implies a value of gain of \$0.76/pound.

Over the last month, a sharp price break has developed in the 600-700 pound weight range, such that there is currently about a \$20/cwt. price break over that 100 pounds. The value of gain in that range is less than \$0.40/pound. This means that stocker gains are being valued at \$0.80-\$1.00/pound up to about 600 pounds (for steers) followed by very low value gains for the next 100 pounds or so and then by higher value gains again between 725 and 875 pounds. Using last week's actual prices and weights, gains up to 619 pounds were worth \$1.07/pound but the next hundred pounds, up to 726 pounds were worth only \$0.35/pound. Gains above this level, up to 875 pounds, were worth \$0.70-\$0.75/pound.

These price patterns have implications for summer stockers. The current price breaks may favor early intensive stockers which utilize more lightweight animals and less total gain per head compared to season long stockers which put on slow gains late in the summer and which would produce little value in the current market structure. The good news is that feeder futures have not dropped as much, only down about \$2.50/cwt in the past month for the August contract. At the current time, it is still possible to lock in value of gain in the mid-\$80/cwt. range. Summer stockers have potential for decent returns but market conditions may have implications for both production and marketing considerations.

Spring Time Storms and the Cow Herd

By Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist; (adapted from D. W. Smith, Extension Safety Program Specialist, Texas A&M)

Spring time is thunderstorm season across the Plains. As we observed this past weekend, spring storms occasionally bring severe winds or even tornadoes. Cleaning up after a severe storm is difficult enough. Losing valuable cattle brings additional financial hardship to the situation.

Cattle loss can occur in several scenarios. Livestock may be killed, lost, or stolen during a stormy situation. An accurate accounting of livestock and property is essential to a cattle operation's storm preparedness. Keep a CURRENT inventory of all animals and the pastures where they are located. Individual animal ID tags on all animals have several other purposes, but can become extremely valuable if cattle become scattered or even stolen. If these records are computer based, consider having a "back-up" copy stored at a neighbor's or a relative's house.

The Texas A&M Extension Disaster Education Network has an excellent fact sheet by David W. Smith (Extension Safety Program Specialist) on farmstead preparedness and care after a storm. It can be found on line at:

<http://texashelp.tamu.edu/005-agriculture/farmstead-preparedness-recovery.php>

A few of their suggestions for protecting cattle from the aftermath of storms include:

1. Gather and dispose of trash, limbs, wire, and damaged equipment that could harm livestock. Clear and repair damaged fences.
2. Make sure livestock have plenty of water and food that have not been contaminated by pollutants. In some cases, it is necessary to truck in water and food, or to remove livestock from contaminated areas.
3. Properly and immediately dispose of dead carcasses. If rendering plants are still available in your area, they may process some dead animals. Those not processed should be buried away from water bodies at least 3 to 4 feet deep and covered with quick-lime to accelerate decomposition.
4. Observe livestock for signs of infectious disease such as pneumonia or foot rot. All animals that die immediately following a disaster should be necropsied by a veterinarian.
5. Spray livestock with insect repellent in case of floods to protect against mosquitoes that may carry disease.

There are other things to consider when clearing the storm debris. Be mindful of such things as fiberglass insulation that is often scattered across pastures. Gather as much of the big pieces as possible so that cattle do not consume large amounts of the insulation. Also plastic bags may be ingested by cattle and cause compacted intestinal tracts. Avoid junk or debris that could be a source of lead. (This could really be an issue after a severe thunderstorm or tornado with wind damage which results in roofing debris spread across the pasture.) DO NOT allow cattle access to pastures where old car batteries or sources of crank case oil (old abandoned vehicles or machines) may cause lead poisoning.

Proper Injection Sites to Remember at Calf-working Time

Glenn Selk, Oklahoma State University Cattle Reproduction Specialist

The month of May is traditionally the time when “spring round-ups” take place. This is the time that large and small cow/calf operations schedule the “working” of the calves. As the majority of the calves reach their second month of life, it is time to castrate the male calves and immunize all of the calves to protect them against blackleg. Also the new information from Oklahoma State University and the Noble Foundation (Kirkpatrick, 2008) suggests that in some (where cows have been previously vaccinated) situations, calves may be vaccinated with modified-live vaccines for the respiratory diseases, i.e. IBR and BVD. This reduces the need for the pre-weaning gathering and calf vaccination for respiratory diseases. The calves are still boosted with modified-live respiratory vaccines at weaning.

Correct administration of any injection is a critical control point in beef production and animal health. There is a negative relationship between meat tenderness and injection sites, including injection sites that have no visible lesion. In fact, all intramuscular (IM) injections, regardless of the product injected, create permanent damage regardless of the age of the animal at the time of injection. Tenderness is reduced in a three-inch area surrounding the injection site. Moving the injection-site area to the neck stops damage to expensive steak cuts. Therefore, cow/calf producers should make certain that their family members, and other hired labor are sufficiently trained as to the proper location of the injections before the spring calf-working begins.

Give injections according to label instructions. Subcutaneous (SQ) means under the skin, intramuscular (IM) means in the muscle. Some vaccines (according to the label instructions) allow the choice between intramuscular (IM) and subcutaneous (SQ). **Always use subcutaneous (SQ) as the method of administration when permitted by the product’s label.** Remember to “tent” the skin for SQ injections unless instructed otherwise by the manufacturer.

Beef producers are encouraged to learn and practice Beef Quality Assurance Guidelines. You can learn more about the Oklahoma Beef Quality Assurance program by going to the website: <http://oklahomabeefquality.com/> The Oklahoma Beef Quality Assurance Manual can be downloaded from that site. Also make plans to attend one of the [“Back to Basics” Field Days](#) to learn more important practices to enhance Beef Quality Assurance.

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