

COW/CALF CORNER

The Newsletter

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Sorting Out Beef Production Data

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

Cattle producers and market analysts alike are trying to sort out seemingly conflicted data on beef production to understand what to expect in the coming weeks. Year to date cattle slaughter is down 4.8 percent but feedlot marketings this year are down only slightly. Carcass weights are well above year ago levels despite near record feed costs that should minimize the incentives to hold cattle. Moreover, high proportions of current feedlot marketings are feeders placed at light weights which should also imply lighter finishing weights.

There are several factors affecting these apparent inconsistencies. The first thing to keep in mind is that we usually compare things to last year and things have been anything but normal for many

months. For the coming months especially, the year ago values that we will be comparing to were greatly impacted by the drought so that the comparisons will be harder to interpret. Moreover, there are a variety of short term, medium term and long term factors that are influencing slaughter and carcass weight data in a variety of ways.

Federally inspected cattle slaughter for the year to date is down 4.8 percent, however, feedlot marketings are down less than one percent for the year. The first thing is to account for the various slaughter classes. Cow slaughter has averaged about 17.6 percent of total slaughter since the mid-1980s. For the last four years, cow slaughter has made up 19 percent of total slaughter and in 2011, cow slaughter represented 20 percent of cattle slaughter. Cow slaughter will decrease this year, both in absolute terms and as a percent of total slaughter. For the year to date, cow slaughter is down 3.5 percent, despite the fact that dairy cow slaughter is up over 2 percent. Beef cow slaughter is falling and will fall dramatically in coming months compared to last year's drought elevated levels. Beef cow slaughter is down 8.6 percent for the year to date but down a more dramatic 17.4 percent in the last six weeks.

Another puzzle is the relationship between feedlot marketings and yearling slaughter data. Through April, combined steer and heifer slaughter is down 4.4 percent but feedlot marketings for the same period were down less than one percent. The data increasingly imply structural change in the cattle feeding industry. For a number of years, fed marketings from feedlots over 1000 head capacity have averaged about 85 percent of yearling slaughter, meaning that roughly 15 percent of fed steer and heifer slaughter was originating from small feedlots. Over the past 9 months, this proportion has increased to over 87 percent, implying that more of the small feedlots are exiting and a higher proportion of yearling slaughter is coming from larger feedlots.

So far in 2012, beef production is down 2.9 percent as reduced slaughter has been partially offset by larger carcass weights. As with slaughter data, understanding carcass weights means looking beyond the average cattle carcass weights into the contribution of various classes of cattle in the slaughter mix. Cattle carcass weights have averaged 19 pounds heavier than last year and are currently 22 pounds above this same time last year. There are several reasons for the heavier carcass weights. First carcass weights are being compared to one year ago when cows made up the largest proportion of total slaughter in 25 years. Moreover, cow slaughter in 2011 included higher proportions of beef cows which have the lightest carcass weights. Reduced cow slaughter in 2012, along with fewer beef cows as a proportion of cow slaughter will help hold up average cattle carcass weights. Yearling carcass weights are also higher than last year, perhaps due in part to favorable weather conditions through the winter but also due to increasingly widespread use of beta agonist products in finishing. Beta agonists are fed at the end of the feedlot finishing phase and add additional weight that is no doubt pushing carcass weights higher.

Moving into the second half of the year, cow slaughter is expected to continue declining and yearling slaughter will begin to drop more sharply in the third quarter. Carcass weights are likely to stay above year ago levels but not enough to prevent beef production from falling. Overall, beef production is expected to end the year down over 3 percent from 2011 levels.

Understanding Wet Hay

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Each night that follows a rainy day in Oklahoma is filled with many bedtime prayers of thanks from farmers and ranchers who have too often experienced drought and short hay supplies. Nonetheless, the timing of the rains may represent a challenge to cattlemen that are trying hard to put quality hay in the bale for next winter's feed supply. All producers that harvest hay occasionally will put up hay that "gets wet" from time to time. Therefore, ranchers and hay farmers need to understand the impact of "wet hay" in the tightly wound bales. Dr. Bruce Anderson of the University of Nebraska-Lincoln writes of several cautions that producers should keep in mind as we store some poorly cured hay.

Extra moisture in hay can cause heat inside the hay bale or hay stack. Testing wet hay may be very important. Hay thermometers (20 inch probes) may be purchased from agriculture supply companies for about \$15.00 - \$25.00. This could be a worthwhile investment, if it allows the producer to prevent a fire. Heat produced by the bale comes from two sources: First) biochemical reactions from plants themselves as hay cures. (This heating is minor and rarely causes the hay temperature to exceed 110 degrees F. Very little if any damage occurs if the hay never exceeds 110 F.); Second) Most heat in hay is caused by the metabolic activity of microorganisms. They exist in all hay and thrive when extra moisture is abundant. When the activity of these microbes increases, hay temperature rises. Hay with a little extra moisture may not exceed 120 degrees F., whereas, wetter hay can quickly exceed 150 degrees. If the hay rises above 170 degrees, chemical reactions can begin to occur that produce enough heat to quickly raise the temperature above 400 degrees and the wet hay can begin to burn and cause fires. Be wary of the fire danger of wet hay and store it away from buildings and other "good" hay just in case this would occur.

Heat damaged hay often turns a brownish color and has a caramel odor. Cattle often readily eat this hay, but because of the heat damage, its nutritional value might be quite low. Dr. Ray Huhnke, Oklahoma State University Extension Agricultural Engineer tells of producers that reported that “the cows ate the hay like there was no tomorrow, but they did very poorly on the hay”. Heat damage causes hay to be less digestible, especially the protein.

Testing the protein and energy content of stored wet hay will allow for more appropriate supplementation next winter when that hay is fed. Moldy hay could be a source of mycotoxins that could present several health problems for cattle. Many animal disease diagnostic laboratories can examine feedstuffs for mycotoxins or can recommend laboratories that do such testing.

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