

COW/CALF CORNER

The Newsletter

From the Oklahoma Cooperative Extension Service

June 11, 2012

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Beef Wholesale Values Improving

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

The Choice boxed beef cutout value was \$197.16/cwt. last week, the second highest weekly average this year and only \$1.35/cwt. below the early March peak. Choice values have made a strong rebound after dropping to a weekly low of \$177.79/cwt. in mid-April. Currently, Choice boxed beef is 13 percent higher than the same time last year. The latest Select boxed beef weekly average was \$185.01/cwt., up 10 percent from one year ago at this time.

The Choice-Select spread has widened sharply in recent weeks, which is the typical seasonal tendency at this time of year. The latest boxed beef values increase the Choice-Select spread to

\$12.15/cwt., about double the \$6.03 spread this time last year. The spread is also above the five year average level of \$10.13/cwt. (for this time of year), which represent the first time the spread has exceeded the five year average weekly level since the first week of January. Thus, the Choice-Select spread has gone from a seasonal low in late March of \$0.30/cwt. (well below the average seasonal low) to current levels above the average level for this time of year.

What do the increase in both Choice and Select boxed beef values from year ago levels and the widening of the Choice-Select spread in recent weeks tell us about beef market conditions and, in particular, about beef demand? Total beef production is down 2.8 percent so far this year so higher prices would be expected with steady beef demand. Thus, higher boxed beef prices do not necessarily reflect increased beef demand, though they do suggest that demand is holding steady in the face of reduced supplies and higher prices. However, the increase in Choice relative to Select prices does suggest stronger demand for high quality beef. This is borne out in the changing values of various wholesale cuts. At the current time, Choice wholesale values for Ribeye and Tenderloins are up 27 and 24 percent year over year while Chucks and Rounds are up 13 and 6 percent compared to last year.

The increase in wholesale beef prices from year ago levels could be due mostly to reduced beef production so far this year. However, the sharper increase in middle meat values relative to end meat values and the wider Choice-Select spread suggest that beef demand is improving. Wholesale values are expected to increase further with sharper year over year beef production decreases in the third quarter. Continued improvement in beef demand will determine how much higher wholesale beef prices may go.

Weaning Fall-born Calves

(remember to plan for water needs)

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Many cow/calf operations with fall-born calves will wean the calves in mid to late June. Weaning during very hot summer weather is stressful enough to the calves. Therefore any management strategy that can reduce stress to the calves should be utilized. “Fenceline weaning” is such a strategy that should be applied.

California researchers weaned calves with only a fence (Fenceline) separating them from their dams. These were compared to calves weaned totally separate (Separate) from dams. Calf behaviors were monitored for five days following weaning. Fenceline calves and cows spent approximately 60% and 40% of their time, respectively within 10 feet of the fence during the first two days. During the first three days, Fenceline calves bawled and walked less, and ate and rested more, but these differences disappeared by the fourth day. All calves were managed together starting 7 days after weaning. After two weeks, Fenceline calves had gained 23 pounds more than Separate calves. This difference persisted since, after 10 weeks, Fenceline calves had gained 110 pounds (1.57 lb/day), compared to 84 pounds (1.20 lb/day) for Separate calves. There was no report of any differences in sickness, but calves that eat more during the first days after weaning should stay healthier. A follow-up study demonstrated similar advantages of fenceline contact when calves were weaned under drylot conditions and their dams had access to pasture. To wean and background, even for short periods, fenceline weaning should be considered. (Source: Price and co-workers. Abstracts 2002 Western Section of American Society of Animal Science.)

During the hot summer days, having adequate water available for the cattle is a MUST. Experienced ranchers that utilize fenceline weaning have found that having plenty of water in the region where the cattle are congregated can be a challenge. *Plan ahead before you begin the weaning process to be certain that sufficient water can be supplied to both sides of the fence.*

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