

COW/CALF CORNER

The Newsletter

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Weather and Other Factors Change Cattle Market Outlook

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Prices for cattle of all classes and for beef are higher than this time last year. However, cattle market conditions have changed significantly in the past few weeks and most prices have declined recently. The biggest factor is weather which is impacting markets directly and indirectly, both in the immediate short run as well as farther down the road. Beyond weather impacts, beef demand remains a critical question for cattle and beef markets.

Weather is having a myriad of impacts on cattle and beef prices. Drought conditions have expanded dramatically, with 72 percent of the continental U.S. in some stage of abnormally dry conditions and over 51 percent of the country in moderate or worse drought. In Oklahoma and Texas, the better-than-last-year conditions so far are eroding rapidly. Oklahoma has received 46 percent of normal precipitation in the last 60 days and most all the state has had three to nine days of 100+ degree temperatures with some regions having had 17-21 days of triple digit temperatures.

Regional reports indicate that some drought forced cattle movement is beginning with some early marketing of calves and cull cow sales taking place. These are likely contributing to weaker feeder cattle prices recently and could have much more significant impacts in the coming weeks. In contrast to the 2011 drought which all in all had less market price impacts than would be expected, the drought area this year is bigger and is more likely to result in stronger market impacts and sooner than last year.

Adding to the direct feeder market impacts are the rapid deterioration of corn production prospects which dramatically alter corn price expectations for the coming crop year. December corn futures have increased roughly \$1.50/bushel in the last two to three weeks. Feedlots, which

now have no prospects for feed cost relief and on the heels of large placements last month, are likely tempering feeder demand for the time being. Expanding drought and limited feedlot demand could pressure feeder prices more in the coming weeks.

At the other end of the market, beef demand questions remain. Boxed beef values, especially for Choice, have held up rather well the past month moving through the seasonally large beef production period of the year. Higher Choice beef values are due in part to reduced supplies of Choice meat but there continue to be indications of slow demand growth, especially for middle meats, where values are significantly higher than year earlier levels. Nevertheless, demand continues to limit overall beef and cattle values. Recent improvement in packer margins notwithstanding, beef industry margins continue to be very tight.

With market price impacts potentially larger and developing sooner this year. Producers in drought affected areas need to prepare a plan immediately to assess remaining flexibility and determine a timeline of actions that will be required if drought conditions continue or expand. For a few those actions have already started and for many more they could begin in the very near future. It is critical to develop calf production and marketing plans as well as cow culling priorities now so that decisions can be made while some flexibility remains and before market values erode significantly.

Time of Day of Harvest and Impact on Nitrate Concentration

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Summer annuals are often used by cattle producers for summer grazing or harvested for hay. Plants such as Sorghum-Sudan hybrids, Sorgo-Sudan hybrids, Sudan-Sudan hybrids, and millets, all fall in this category. These summer crops can be very productive and high quality, but can also accumulate toxic levels of nitrate when stressed. The heat and dry weather of the past two weeks has caused many of these plants to become very stressed.

Based on the assumption that the plant continues soil nitrate uptake during nighttime hours, followed by accelerated conversion of the nitrate to protein during daylight hours, previous recommendations have been to wait until afternoon to cut forage sorghum for hay if anticipated nitrate levels are marginally high.

To evaluate the significance of the change in nitrate concentration in forage sorghums during the day, Oklahoma State University Extension Educators collected samples at two hour intervals from 8 AM to 6 PM. Five cooperator's fields ("farm") were divided into quadrants. Three random samples, consisting of ten stems each, were taken from each quadrant at the specified interval. The samples were analyzed at the Oklahoma State University Soil, Water, and Forage Analytical Laboratory to determine the level of nitrates, in parts per million (ppm).

As expected, differences between “farms” were substantial and significant. The average concentration of nitrate for individual farms varied from 412 ppm to 8935 ppm. The average nitrate concentrations across all farms were 3857, 3768, 4962, 4140, 4560, and 4077 ppm for samples at 8 AM, 10 AM, noon, 2 PM, 4 PM, and 6 PM, respectively. Remember, most laboratories consider nitrate concentrations at, or above 10,000 ppm potentially lethal. **There was much more variation between farms than between harvest times. Time of day of harvest did NOT impact nitrate concentration or proportion of dangerous samples of forage sorghum hay.** Therefore it would be a dangerous false sense of security to think that cutting the forage later in the day would prevent a potentially toxic concentration of nitrates in the hay. Source: Levalley and co-workers. Abstract, 2009 Midwest Section American Society of Animal Science.

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