COW/CALF CORNER

The Newsletter From the Oklahoma Cooperative Extension Service August 20, 2012

In this Issue:

Cattle Market Recovery and Continued Drought Impacts Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

Nitrate Toxicity After a Drought-easing Rain Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Cattle Market Recovery and Continued Drought Impacts

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

Beef and cattle markets have recovered significantly from lows about a month ago. Demand improvement is reflected in higher Choice boxed beef price, up over \$12.00/cwt in the past two weeks on the heels of stronger wholesale middle meat values. Fed cattle prices followed boxed beef higher providing feedlots some relief from record cattle feeding losses. Feeder cattle prices are also higher with the biggest improvement in lightweight feeders, up about \$10/cwt from the lows one month ago. Heavy feeder prices, still under the specter of record corn prices, have recovered less and are up about \$4.00/cwt from July lows.

Does this mean that the drought impacts are over? Almost certainly not, but it may mean that the drought impacts on markets have reached a maximum and may begin to improve. Of course, it depends on actual drought conditions which may or may not improve. The improvement in cattle markets indicates that at this point, most of the damage has been done to forage and hay production as well as the corn market, so most of the price impacts are already in the market. Continued drought impacts are reflected in both cow and feeder markets. Beef cow slaughter in the last four weeks is averaging 13.4 percent below the same period last year. However, last year was up over 20 percent from the year before. Comparing this year to 2010 is more indicative of the real situation. Beef cow slaughter the last four weeks is up 4 percent from the same period in 2010 and with a lower cow inventory, clearly indicates increased cow liquidation.

The Cattle on Feed report also indicates continued drought impacts. July placements were 90 percent of year ago levels but outside of that were the largest July placement level since 2006. The weight breakdown of July placements is also instructive. Year over year placements were the smallest for the lightest weight placements, with under-600 pound animals down 19 percent compared to the large placements a year ago in July. Nevertheless, the number of under-600

pound animals placed in July is also at the highest level since 2006 with the exception of last year. Both the beef cow slaughter and feedlot placements indicates that the 2012 drought is forcing cow liquidation and early movement of calves but not at the extreme levels of last year.

It would seem that cattle markets are in a position to stabilize and hold the price recovery of the past month. Additional improvement in boxed beef and fed cattle prices will depend on continued beef demand improvement for the remainder of the year. If fall moisture develops in areas where winter grazing is possible, calf and stocker prices will likely rise on short supplies. There will likely be smaller than average fall run of calves as many have already moved in several regions. Heavy feeder cattle will remain under the dark cloud of high corn prices with less potential for significant price improvement but little downside risk as well.

Nitrate Toxicity After a Drought-easing Rain

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

The summer of 2012 often brought "high pressure domes" that cause 100+ degree days and no rain. The resulting heat stress can cause nitrate accumulation in summer annual forage crops. Producers are very cautious about cutting or grazing the drought-stressed forages and for good reason. However, when the first drought-easing thunderstorm comes along, cattlemen are anxious to cut the forage or turn in the cattle on the field that has just received rain. Heat and drought-sizzled native and Bermuda pastures, along with short hay supplies amplify the desire to "turn in" on the summer annuals that have been partially revitalized.

This practice can lead to a potentially dangerous situation. As the plant starts to grow and turn green once again, the nitrate uptake is accelerated. Plant enzymes (such as nitrate reductase) are still not present in great enough quantities or active enough to convert the nitrate to plant proteins. Therefore the plant nitrate concentrations become even greater in the first few days after the first rain.

Producers should exercise caution and test forages before cutting or grazing shortly after a drought-easing shower. Some of the greatest concentrations of nitrate in forages will be recorded at this time. Usually by 7 - 10 days after a "good" rain, plant metabolism returns to normal and nitrate accumulations begin to decrease. Be sure to test the forage before cutting and storing a large quantity of potentially poisonous hay. A visit to your <u>County Oklahoma</u> <u>State University Extension office</u> will be helpful in providing you with proper forage sampling and testing procedures.

Oklahoma State University, in compliance with Title VI and VII of the Civil Rights Act of 1964, Executive Order 11246 as amended, Title IX of the Education Amendments of 1972, Americans with Disabilities Act of 1990, and other federal laws and regulations, does not discriminate on the basis of race, color, national origin, sex, age, religion, disability, or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services. References within this publication to any specific commercial product, process, or service by trade name, trademark, service mark, manufacturer, or otherwise does not constitute or imply endorsement by Oklahoma Cooperative Extension Service.