

COW/CALF CORNER

The Newsletter

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Have Cattle and Beef Markets Peaked for the Spring?

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

Fed cattle and boxed beef prices have behaved very similar to last year so far in 2013. Choice boxed beef made a dramatic run from the low \$180/cwt. range to a peak of \$197.49/cwt. on March 13 before falling back under \$192/cwt. this past week. In 2012, Choice boxed beef made the first of three runs at the \$200/cwt. mark, peaking at \$198.80/cwt. in the first week of March before falling back. Fed cattle peaked recently at \$128.00/cwt, much as they did one year ago in early March at \$130.00/cwt. In contrast, feeder cattle prices have behaved very differently this year compared 2012. Most feeder prices have fallen since the beginning of the year. Last year, feeder prices rose to an all-time peak in early March.

There are several differences between this year and last year that may change how markets evolve over the next few weeks. First, the latest Cattle on Feed report indicated that feedlot inventories were 93 percent of last year. Additionally, placements in February were 86 percent of year ago levels, which is very low even when adjusted for one less business day this February compared to last year. In the last nine months, feedlot placements have been 8.6 percent below the same period one year ago. Placements for a similar period one year ago were up 2.1 percent from the previous year. This nine month drop in placements is 1.57 million head less than the same period prior to March 2012. Feedlot supplies will continue to tighten in the coming months.

Feedlots have been impacted by recent winter storms and a new storm this past weekend in the central Plains will result in additional disruptions in fed cattle marketings and production losses. Mexican cattle imports are down by one-third so far this year and are expected to continue well below last year's level. It is just possible that recent improvement in the drought conditions will lead to some heifer retention which would further squeeze feeder cattle supplies. At the same time, carcass weights are falling to a modest increase over year ago compared to the large year over year increases in carcass weights seen for more than a year. These carcass weights combined with anticipated slaughter decreases will lead to sharper beef production decreases for the remainder of the year. All of these suggest there is continued opportunity in the next few weeks for additional strength in boxed beef and fed cattle prices. Beef demand is still a concern and failure of boxed beef price to push above \$200/cwt. will perpetuate the current limits in fed and feeder cattle markets.

Feeder cattle markets will take their cue from fed cattle and boxed beef prices but will be influenced by several additional factors as well. Drought conditions will determine summer grazing demand for stocker cattle. Feedlot demand for placements will likely increase some as feedlots move past the current storm impacts and realize more and more additional pen space in the coming weeks. From this point on, the corn market will be anticipating corn production for the coming marketing year. If current plans for a much larger corn crop are realized, cheaper feed prices will begin to be reflected in feeder cattle prices before long. Across the board, supply

fundamentals will increase price pressure on feeder and fed cattle prices and boxed beef prices. It all depends on beef demand.

Enhancing Profitability Through Preconditioning Part II

Gant Mourer, Oklahoma State University Beef Value Enhancement Specialist

The previous article reviewed management practices that would aid in a successful preconditioning program and why weaning and preconditioning should be considered. This article will discuss nutritional issues as well as importance of a well implemented marketing program for producers.

Nutrition is second to none in a successful and profitable preconditioning program and can make up almost 70% of the preconditioning budget. Producer's main objective should be to optimize health and condition of cattle while increasing gain at lower costs. They should also be cautious to getting cattle too "fleshy" while preconditioning. A "fleshy" calf that is destined to go on to low quality forage after precondition will lose much of the gain that was achieved during preconditioning. Buyers know this and are also not willing to pay for an overly fleshy calf. However, if the calf will be going directly to high quality forage or to a grower yard and maintain a positive energy balance high rate of gain is justified (Lalman et al. 2010).

Recent increases in feed cost make preconditioning more of a challenge to producers. Feed and hay prices coupled with record setting calf prices make it tempting for producers to sell directly off the cow and they are leaving money on the table when they do so. Controlling feed costs by forward contracting, using bi-products or using standing forage such as winter wheat or rye aids in the financial success of any feeding situation. Cattle during preconditioning cannot remain stagnant; they must gain during preconditioning to add value. Value of gain in some instances this fall was hovering around \$1.25/lbs, for 450 lbs cattle entering in to a preconditioning program. This number may seem high, however, in this particular example the sale price used was derived from cattle that had been through a verified health program and marketed through the Oklahoma Quality Beef Network (OQBN) on the 17th of November. So marketing plays an enormous roll in enhancing profitability in a preconditioning program.

Marketing cattle as precondition adds premiums for sellers and buyers are willing to pay premiums for a number of reasons. Healthy preconditioned calves have increased average daily gain, lower feed conversions, less days on feed and lower cost of gain. Maybe most important, morbidity is less saving money on antibiotics and death loss will be 2.5-3.5% less (Cravey 1996). Over time a reputation will develop for quality cattle and marketing will become easier with increased premiums for producers. Integrity of the verified program and the record keeping process is paramount to maintain trust and increase confidence of buyers of weaned calves.

It is important to remember several things during weaning and preconditioning. Stress on calves is the major factor in determining health and well-being of a calf. Quality healthy cattle will always perform well during preconditioning and that translates into performance through the grower and feedlot phase of the industry. Control of feed costs, while at the same time adding gain, (which may mean the use of implants and ionophores) will lead to profitability for producers. Decision tools are available online at www.beefextension.com to help in accessing management decisions with your herd.

Mineral Supplements Reduce Risk of Grass Tetany

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

For much of Oklahoma, wheat pasture is shorter than normal, but lack of hay, standing forage, and high priced supplements have forced some cow herds onto the graze-out wheat this spring. Spring-calving cows on small grain pastures may encounter a mineral imbalance often called “grass tetany”. Grass tetany, caused by magnesium and/or calcium deficiency, does not seem to be a major problem in Oklahoma although occasional cases are reported. It typically occurs in beef cows during early lactation and is more prevalent in older cows. The reason is thought to be that older cows are less able to mobilize magnesium and calcium reserves from the bones than are younger cows. Grass tetany most frequently occurs when cattle are grazing lush immature grasses or small grains pastures and tends to be more prevalent during periods of cloudy weather.

Symptoms of grass tetany include lack of coordination, salivation, excitability (aggressive behavior towards humans) and, in final stages, tetany, convulsions and death. If you see these symptoms contact your local veterinarian immediately. Afflicted cows can recover if treated soon enough. Symptoms of tetany from deficiencies of both minerals are indistinguishable without blood tests and the treatment consists of intravenous injections of calcium and magnesium gluconate, which supplies both minerals.

It is known that factors other than simply the magnesium content of the forage can increase the probability of grass tetany. High levels of potassium in forages can decrease absorption of magnesium and most lush, immature forages are high in potassium. High levels of nitrogen fertilization have also been shown to increase the incidence of tetany although feeding protein supplements has not. Other factors such as the presence of certain organic acids in tetany-causing forages have been linked with tetany. It is likely that a combination of factors, all related to characteristics of lush forage are involved.

When conditions for occurrence of tetany are suspected, cows should be provided mineral mixes containing 8 to 15 percent magnesium and be consumed at 3 to 4 ounces per day. Ideally, it is best for the mineral supplements to be started at least a month ahead of the period of tetany danger so that proper intake can be established. Because tetany can also occur when calcium is low, calcium supplementation should also be included. Much more information about mineral supplementation and suggested mineral mixes to prevent tetany can be found in the Oklahoma State University [Extension Circular E-861: Vitamin and Mineral Nutrition of Grazing Cattle](#).