

COW/CALF CORNER

The Newsletter

From the Oklahoma Cooperative Extension Service

June 17, 2013

In this Issue:

Changes in U.S.-Mexican Cattle and Beef Trade

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

Using "Oklahoma Gold" or "Oklahoma Super Gold" for Replacement Heifers in Mid to Late Summer

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Changes in U.S.-Mexican Cattle and Beef Trade

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

Mexico has long been a major beef industry trading partner with the U.S. in roles that have continually evolved into deeper and more integrated relationships. For many years, Mexico has been the major source of imported feeder cattle. U.S. beef exports to Mexico developed in the late 1990s and Mexico has been one of the top beef export destinations since then. Most recently Mexico has emerged as a top source of beef imports into the U.S. All of these markets have been rather dynamic in recent years and raise the question of what the nature of U.S. and Mexican cattle and beef trade will be in the future.

Since 2009, U.S. imports of Mexican beef increased by 268 percent to make Mexico the fourth largest source of U.S. beef imports. Mexico exports beef to a number of countries including Japan, Russia and South Korea and Mexican beef exports have more than doubled since 2009. Beef exports to the U.S. represented just over 40 percent of total Mexican beef exports in 2012. U.S. imports of Mexican beef are up again so far in 2013 and are on pace to increase another 30 percent by the end of the year. Most of the beef imported from Mexico is middle meats from fed cattle. The dramatic increase in Mexican beef exports is the result of a rapid conversion of the Mexican beef industry from a carcass to a boxed beef marketing system. This has opened new market opportunities in both domestic and international beef markets. It is not clear how potentially large the market for Mexican beef in the U.S. is, but there appears to be room for additional growth.

U.S. exports of beef to Mexico have declined since 2008 and are declining again in 2013. Since 2008, a combination of higher U.S. beef prices and exchange rate impacts have made U.S. beef more expensive in Mexico and are undoubtedly the major reason for declining beef exports to Mexico. However, Mexican beef prices have risen sharply in the past 18 months and domestic

beef prices in Mexico are once again close to U.S. beef prices. This may help stabilize U.S. beef exports to Mexico in the second half of the year. However, high beef prices in Mexico is curtailing consumption and it is hard to anticipate much increase in beef imports from the U.S. with both domestic and imported beef in Mexico at record price levels. U.S. beef exports to Mexico are likely to level off and could recover some of the recent declines in the face of expected decreased domestic beef production in Mexico in the next couple of years.

High U.S. cattle prices and drought in Mexico resulted in large and growing U.S. imports of Mexican cattle since 2010. The 2012 total of 1.47 million head was the second largest level of Mexican cattle imports since the 1995 record level of 1.65 million head. Cattle imports from Mexico in 2012 included the largest number of spayed heifers ever imported while the number of steers actually decreased from 2011 totals. It is apparent that recent levels of cattle exports from Mexico are not sustainable and represent herd liquidation. The rate of cattle imports into the U.S. dropped sharply in late 2012 and so far in 2013. Total imports of Mexican cattle into the U.S. in 2013 are on pace to decrease by more than 40 percent and may drop even more. Total imports of less than 800,000 head are likely for the year. Mexican herd liquidation in recent years likely means diminished beef production in Mexico and diminished levels of cattle exports to the U.S. for several years.

Using "Oklahoma Gold" or "Oklahoma Super Gold" for Replacement Heifers in Mid to Late Summer

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Fall born replacement heifers have been (or soon will be) weaned and will be at a very critical growing period. It is important that they grow at about 1.5 pounds per day from weaning until the start of the breeding season. Central and Eastern Oklahoma has been fortunate to receive spring rains and in some cases will produce adequate forage quantity for the cow herd and the replacement heifers. Currently summer pastures are green, growing, and adequate in protein content. However, warm season pastures such as native grass or bermudagrass can be expected to be declining in forage quality in the hot, dry days of July, August, and September. Also these grasses will be reaching plant maturity which accelerates the decline in protein content.

Therefore, the young heifers must receive supplemental protein to continue to grow at the necessary pace of 1.5 pounds per head per day going into their first breeding season. An economical solution would be to give these heifers 1.5 to 2 pounds per head per day of the protein supplement called Oklahoma Gold. This is an OSU-developed protein supplement scheme that consists of a high protein (38% - 45%) pellet that contains the label-recommended dosage of one of the ionophores. Ionophores are feed additives (monensin or lasalocid) that improve feed utilization, inhibit coccidiosis, and enhance the onset of puberty in growing heifers. Research from Texas A&M in the 1970's indicated that heifers receiving an ionophore reached puberty about 2 weeks earlier than counterparts that did not receive an ionophore. Inclusion of the ionophore in the growing program should cause a few more heifers to be cycling early in the breeding season.

The protein supplement will allow microbial digestion of the average quality late summer forage which in turn provides the energy needed to support the desired amount of gain. If forage quantity is very limited, the protein supplement alone will not produce adequate gains. In this scenario, a rancher first needs to decide if keeping more replacement heifers is really in his or her best interest.

Light-weight or young, weaned heifers that need an added boost while still on late summer pasture may benefit more from the Oklahoma Super Gold supplementation program. "Super Gold" consists of feeding 3 pounds per head per day of a 25% crude protein pellet. Once again, an ionophore is included at the proper dosage and will be beneficial to these young growing heifers. Plan ahead for late summer supplementation of fall-born replacement heifers. More information about the [Oklahoma Gold](http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-2042/ANSI-3032web.pdf) (<http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-2042/ANSI-3032web.pdf>) and [Oklahoma Supergold](http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-2026/ANSI-3033web.pdf) supplementation programs (<http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-2026/ANSI-3033web.pdf>) is available on line.

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.