

COW/CALF CORNER

The Newsletter

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Stocker Production Opportunities Increasing with Feeder Prices

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

The ingredients for the best winter wheat grazing opportunity in several years seem to be coming together this fall. Most all of Oklahoma has received significant rain in the past two weeks. The rain is sufficient, in most cases, to get wheat planted and up. However, according to the Oklahoma Mesonet, the rainfall total for the last 30 days is below average so additional timely moisture will be needed to maintain the crop.

The latest Cattle on Feed report jump-started both cash and cattle futures markets as markets anticipate sharply lower fed cattle and beef production beginning in the fourth quarter. Feeder cattle prices have continued to move higher, with heavy feeders advancing to record levels the past week. Higher Live Cattle futures and lower corn costs as corn harvest progresses continue to support feeder prices. There has been relatively less strength on light weight feeders (steers below 600 pounds). In fact, for the past two weeks, Oklahoma combined auction data has steers between 550 and 600 pounds at a lower price than 650 pound steers. While feedlot demand for feeders is strong, it does not extend to steers less than 650 pounds. At the same time, these 550-600 steers are bigger than traditionally demanded stockers resulting in the weak demand for these steers that are too big for stocker demand and too small for feedlot demand. There is opportunity in this for stocker producers as these bigger stockers offer the highest value of gain for stocker production.

However, stocker value of gain has advanced for all stocker weights so there is increased opportunity for traditional lightweight stockers as well as for these mid weights that are heavier than traditional stockers. The increase in heavy feeder prices relative to lighter weights continues to push up the value of gain across the board. This value of gain is evident, not only in current cash prices, but is currently being offered by Feeder futures as well. March Feeder futures advanced nearly \$3.00 last week to a contract high of \$162.85/cwt. on Friday with May

Feeder futures at similar levels. The combination of market opportunities and production opportunities winter grazing should spark additional stocker demand in October. Demand could easily offset the fall run of calves resulting steady or higher calf prices into November, in contrast to seasonal weakness that would be more typical.

Poor Temperament Adversely Affects Profit

Glenn Selk, OSU Extension Cattle Reproduction Specialist

October is a traditional weaning and culling time for spring-calving herds. This is a time when producers decide which cows no longer are helpful to the operation and which heifer calves will be kept for future replacements. Selecting against ill-tempered cattle has always made good sense. Wild cattle are hard on equipment, people, other cattle, and now we know that they are hard on the bottom line.

Mississippi State University researchers (Vann and co-workers. 2006. Southern Section of American Society of Animal Science) used a total of 210 feeder cattle consigned by 19 producers in a “Farm to Feedlot” program to evaluate the effect of temperament on performance, carcass characteristics, and net profit. Temperament was scored on a 1 to 5 scale (1=nonaggressive, docile; 5=very aggressive, excitable). Three measurements were used: pen score, chute score, and exit velocity. Measurements were taken on the day of shipment to the feedlot. Exit velocity is an evaluation of temperament that is made electronically by measuring the speed at which the animal leaves the confinement of the chute. Exit velocity and pen scores were highly correlated. As pen scores increased, so did exit velocity. As pen score and exit velocity increased, health treatments costs and number of days treated increased, while average daily gain and final body weight decreased. This outcome makes perfect sense. Other studies have shown that excitable temperament can diminish immune responsiveness, with more temperamental calves having a reduced response to vaccination when compared with calm calves.

In the Mississippi study, as pen temperament score increased, net profit per head tended to decline. Pen temperament scores and net profits per head were as follows: 1=\$121.89; 2=\$100.98; 3=\$107.18; 4=\$83.75; 5=\$80.81. Although feed and cattle price relationships have changed since this data was collected, one would expect similar impacts from the temperaments of cattle under today’s economic situation.

“Heritability” is the portion of the differences in a trait that can be attributed to genetics. The heritability of temperament in beef cattle has been estimated to range from 0.36 to 0.45. This moderate level of heritability indicates that real progress can be made by selecting against wild cattle. Whether we are marketing our calf crop at weaning or retaining ownership throughout the feedlot phase, wild, excitable cattle are expensive to own and raise.

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