

COW/CALF CORNER

The Newsletter

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In this Issue:

Winter Stocker Opportunities in Today's Cattle Market

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Growing Bred Replacement Heifers

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Winter Stocker Opportunities in Today's Cattle Market

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

Cattle and beef markets have strengthened in October despite the uncertainty of the past couple of weeks. Feeder and fed cattle prices, along with boxed beef have all advanced compared to pre-shutdown reports with fed cattle showing the strongest relative increase. By the end of this week many of the data holes may be filled in with a clearer picture of slaughter, carcass weights and beef production.

Feeder markets continue to offer high value of gain for stocker production. Though the high absolute price levels for stocker calves is scary for buyers and their lenders, the combination of high price levels and relatively little price rollback means that the value of putting weight on feeder cattle remains very high, in fact, well above what I would expect to see longer term. Last week, based on reported feeder prices at the Joplin Regional Stockyards, a 476 pound, medium/large frame steer could be purchased for \$181.38/cwt. or \$863.37/head. Or, a 567 pound steer was priced at \$172.68/cwt. or \$979.10/head. Notice that the additional 91 pounds of beginning weight only cost \$1.27/lb., an important consideration as producers decide what weight to begin the stocker enterprise.

For dual-purpose wheat, winter stocker will be marketed in late February or early March which allows for roughly 120 days of grazing and roughly 250 pounds of gain. That takes the 476 pound steer to 726 pounds, currently at \$164.95/cwt. or \$1197.54/head. The difference in value per head is a \$334.17 gross margin or a value of gain of \$1.34/lb. By comparison, the reported price for an 823 pound steer, which is 256 pounds of gain on the 567 pound beginning weight, is \$159.75/cwt. or \$1314.74/head. This results in a gross margin of \$334.64/head or \$1.31/lb. There are many combinations of beginning weight and total gain for either dual-purpose winter stockers or graze-out steers marketed in May. In all cases the current value of gain is in the range of \$.25-\$1.35/lb. of gain. Perhaps most important, current feeder cattle

futures prices for March and May would allow hedging with expected selling prices that are at or a bit higher than these current cash prices. Regarding the purchase prices, we would typically expect to see seasonally low calf and stocker prices in the next month; however, I don't expect to see much seasonal weakness given the current market situation. In fact, strong feedlot and stocker demand may result in limited counter-seasonal strength in feeder cattle prices into November.

Growing Bred Replacement Heifers

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Bred replacement heifers that will calve in January and February need to continue to grow and maintain body condition. Ideally, two year old heifers should be in a body condition score "6" at the time that their first calf is born. The target of a body condition score "6" is a narrow, but very important target to hit. Reaching this target, allows the heifer the best opportunity to provide adequate colostrum to the baby, repair the reproductive tract, return to heat cycles, rebreed on time for next year, and continue normal body growth. Exceeding the target may result in excess fat in the birth canal and causing some increase in calving difficulty. From now until calving time, the heifers will need to be gaining about 1 pound per head per day, assuming that they are in good body condition coming out of summer.

Heifers will need supplemental protein, if the major source of forage in the diet is bermudagrass, native pasture, or grass hay. If the forage source is adequate in quantity and average in quality (6 - 9% crude protein), heifers will need about 2 pounds of a high protein (38 - 44% CP) supplement each day. This will probably need to be increased with higher quality hay (such as alfalfa) or additional energy feed (20% range cubes) as winter weather adds additional nutrient requirements. Soybean hulls or wheat midds may also be used to insure adequate energy intake of pregnant heifers.

Wheat pasture (if adequate rainfall produces growth) can be used as a supplement for pregnant replacement heifers. Using wheat pasture judiciously makes sense for pregnant heifers for two reasons. Pregnant heifers consuming full feed of wheat pasture will gain at about 3 pounds per head per day. If they are on the wheat too long the heifers can become very fat and cause calving difficulty. If wheat pasture is used for bred heifers, use it as a protein supplement by allowing the heifers access to the wheat pasture on at least alternate days. Some producers report that 1 day on wheat pasture and two days on native or bermuda will work better. This encourages the heifers to go rustle in the warm season pasture for the second day, rather than just stand by the gate waiting to be turned back in to the wheat. Whatever method is used to grow the pregnant replacement heifers, plan to have them in good body condition (BCS = 6) by calving so that they will grow into fully-developed productive cows. Body condition scores can be studied by downloading the Oklahoma State University [Fact Sheet ANSI-3283 "Body Condition Scoring of Beef Cows"](#).

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