

COW/CALF CORNER

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Cattle and beef trade between the U.S. and Mexico has evolved over many years to increasingly complex and integrated levels. The long history of Mexican cattle exports to the U.S. was supplemented in the late 1990s with increased U.S. beef exports to Mexico. These trade flows largely reflected the comparative advantages of the two countries: cow-calf production in Mexico and feedlot finishing and processing in the U.S. U.S. beef supplemented growing Mexican beef demand with export flows of products that were complimentary to U.S. beef production and demand. At the same time, Mexican cattle supplemented U.S. feeder cattle supplies.

More recently, the adoption of boxed beef technology, combined with expanded feedlot production in Mexico, increased value opportunities for Mexican beef, including expanded beef export opportunities. Like U.S. beef exports to Mexico, imports of Mexican beef into the U.S. represent specific products, mostly middle meat cuts, which compliment beef production and demand in Mexico. Since 2009, Mexico has emerged as the number four source of beef imports in the U.S. After increasing for many months, Mexican beef exports to the U.S. have decreased five of the last six months and were down 8.4 percent, year over year, in the latest monthly data for October. As result of the recent decreases, year to date U.S. imports of Mexican beef are up only 7.4 percent through October. This compares to average increases of 53 percent each of the past four years.

Though Mexico has been a major destination for U.S. beef exports for many years, exports have declined significantly since 2008. However, U.S. exports of beef to Mexico began to increase in June and have increased 46 percent, year over year, for the five months between June and October. October beef exports to Mexico increased 72 percent compared to the same month last year. Year-to-date exports of U.S. beef to Mexico through October are up 5.5 percent. If exports

finish the year above 2012 levels, it would be the first annual increase in U.S. beef exports to Mexico since 2008.

Mexican feeder cattle exports increased significantly due to drought in 2011 and 2012, though exports dropped sharply in the last part of 2012. October imports of Mexican cattle were up 8 percent from the relatively low October, 2012 level leading to the first monthly increase, year over year, since August of 2012. For the year to date in 2013, U.S. imports of Mexican cattle are down 40 percent. Imports of Mexican cattle are on pace to total roughly 940,000 head for the year, down half a million head from the 2012 total and the smallest total since 2009 or earlier.

Lower Mexican exports of beef and cattle, combined with increased Mexican beef imports implies that Mexico is experiencing either increased beef demand, decreased beef supply or a combination of both. It appears most likely that beef production has dropped in Mexico and that limited supply is the major factor modifying these trade flows. Wholesale beef values and slaughter cattle prices in Mexico are at record or near record levels. The general situation in Mexico appears to be similar to that of the U.S.: cattle herds have been liquidated due to drought and other factors leading to an extended period of restricted production and the need for herd rebuilding. The recent changes in cattle and beef trade flows are likely to persist for some time.

The More Things Change, the More They Stay the Same

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

For at least three decades, beef cattle scientists have studied body condition of cows and its impact on productivity. Cows in better body condition at calving time and breeding nearly always seem to out-perform counter parts that are in thinner body condition. However, some things do change. Some examples include cattle type changes, selection methods change, drought impacts on feed availability and prices. We therefore question whether the research would give the same answers in more modern times.

Research published in a recent issue of the Journal of Animal Science (Bohnert, et al. J. Anim. Sci. 2013, 91: 5485-5491) provides some insight into this discussion. Oregon State University, University of Nebraska, and USDA-ARS scientists combined on a two year study utilizing 120 mature, crossbred (Angus X Hereford) cows/year. The cows were fed in such a manner to expect half of the cows to be in a body condition score of 6 entering the last trimester, whereas the other half of the cows were fed to be in a body condition score of 4 at the same time. The actual outcome of their management schemes resulted in the high condition cows averaging a 5.7 body condition score (1243 lbs) and the low cows averaged 4.4 (1106 lbs.) They also subdivided each of these groups and fed half of each group the equivalent of 2 pounds/day of dried distillers grains with solubles (DDGS). The supplement was fed in appropriate amounts 3 times per week. All cows received access to 28 lb/day of the hay (6.4% crude protein) during the last trimester and then after calving the cows were placed together in a common pasture and exposed to a 60 day natural breeding season.

The small amount of DDGS had only a small effect on the productivity of the cows by increasing fall weaning weights in calves nursing supplemented cows. Body condition in the last trimester however had a more dramatic impact. High body condition cows had 10% more live calves at birth and weaning than did the low body condition cows. Birth weights of the calves were higher in the high body condition cows but certainly did not increase losses due to dystocia. The total weaned calf weight per cow in the herd was 57 lb greater for the cows in better body condition prior to calving. At today's calf prices this represents a sizeable dollar difference in productivity and should more than pay for the additional nutrition that the cows received. The story does not stop at this point. The rebreeding percentage of the cows in better body condition (92%) was significantly greater than the percentage of the thin cows (79%). Cull cow weights were also greater at weaning time for the cows that were adequately fed the previous fall.

These scientists concluded ... "our research further substantiates historical data that stresses the importance of maintaining cows in acceptable BCS (body condition score) entering the last third of gestation."

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