

# COW/CALF CORNER

The Newsletter

From the Oklahoma Cooperative Extension Service

January 27, 2014

In this Issue:

## **Sorting Out the January Cattle and Beef Market Run**

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

## **Understand “Normal” Calving**

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

## **Sorting Out the January Cattle and Beef Market Run**

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

It appears that the phenomenal January run of wholesale beef prices may be over. Choice and Select boxed beef prices peaked on Wednesday, January 22 at \$240.05/cwt (Choice) and \$237.44/cwt. (Select). Choice boxed beef dropped back nearly \$3/cwt by Friday with Select dropping just over \$1/cwt. This leaves a very narrow Choice-Select spread of \$1.98/cwt. This level is close to the seasonal low in the Choice-Select spread but it usually does not occur until March or April.

Several factors are at work in the current wholesale beef market. Clearly supply reductions are a major driving factor. Year to date beef production is down 10 percent from 2013 January levels, with cattle slaughter down 10.6 percent year over year so far this year. This follows a nearly 10 percent drop in beef production the last week of December, 2013, due in part to a fire that idled one major packing plant for much of Christmas week. Another factor is that this market rally has been driven almost entirely by Chuck and Round products rather than middle meats (Rib and Loin). Additionally, the cutter cow cutout is up \$10/cwt. from year ago levels; all of which indicates that this rally is driven by mostly by ground beef and processing beef demand. The more than 11 percent drop in cow slaughter in the fourth quarter of 2013 probably played a significant role in setting up the supply reductions that helped drive the January rally. The unusually small Choice-Select spread at this time is due to a combination of increased demand for Select and decreased supply of Select relative to Choice. The percent of cattle grading Choice continues to run well above year ago levels, as it has since Zilmax was removed from the market last fall.

The fed cattle market has likely peaked as well, although a market top was less clear at the end of last week. Fed cattle traded at \$147-\$150/cwt., live basis, through the end of the week. Additional cold weather this week is likely impacting animal performance and slowing feedlot marketings. Tight supplies of feedlot-ready cattle will help support fed prices but a likely pullback in boxed beef values will increase pressure to push fed prices back down some. The

latest Cattle on Feed report showed that January feedlot inventories were down 5 percent from year earlier levels. Longer term perspective is shown with the January on-feed inventory decreasing from the previous month, confirming that the December, 2013 was, as is typical, the seasonal peak in feedlot inventories. However, the December, 2013 seasonal peak was the smallest December peak since 1996. The fractional year over year increase in December placements does not change the fact that feedlot supplies will be very tight in the months to come.

After such a dramatic run, a pullback in both wholesale beef and fed cattle prices is more expected than not. The major question and big unknown is just how much prices might drop back. While a series of very short run factors have contributed to this unexpectedly large and rapid increase, the underlying longer term fundamentals are in place to support strong prices. Part of the current market run has been due to short-bought retailers and post-holiday refilling of pipeline supplies and it is not clear how much is due to demand strength looking forward. Assessing demand will be an ongoing process in the coming weeks. Meantime, supplies will likely stay relatively tight. Winter weather could play an especially important role in the ability to rebuild short run supplies. The market picture may clarify significantly in the next two to three weeks.

## **Understand “Normal” Calving**

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Late January is the time that requires last minute preparations for the upcoming spring calving season. Before the first heifer begins the calving process this spring, it would be wise to review what takes place in a normal delivery. Understanding “normal” will help us better recognize problems when they occur and therefore provide assistance when necessary. The process of “calving” (or formally known as parturition) is generally divided into three stages.

### **Stage 1**

The first stage of parturition is dilation of the cervix. The normal cervix is tightly closed right up until the cervical plug is completely dissolved. In stage 1, cervical dilation begins some 4 to 24 hours before the completion of parturition. During this time the “progesterone block” is no longer present and the uterine muscles are becoming more sensitive to all factors that increase the rate and strength of contractions. At the beginning, the contractile forces primarily influence the relaxation of the cervix but uterine muscular activity is still rather quiet. Stage 1 is likely to go completely unnoticed, but there may be some behavioral differences such as isolation or discomfort. At the end of stage one, there may be some behavioral changes such as elevation of the tail, switching of the tail and increased mucous discharge. Before “pulling” a calf in stage 2, it is imperative that stage 1 (cervical dilation) is complete.

### **Stage 2**

The second stage of parturition is defined as the delivery of the newborn. It begins with the entrance of the membranes and fetus into the pelvic canal and ends with the completed birth of

the calf. So the second stage is the one in which we really are interested. This is where all the action is. Clinically, and from a practical aspect we would define it as the appearance of membranes or water bag at the vulva. The traditional texts, fact sheets, magazines, and other publications that we read state that stage 2 in cattle lasts from 2 to 4 hours. Data from Oklahoma State University and the USDA experiment station at Miles City, Montana, would indicate that stage two is much shorter being approximately 60 minutes for heifers and 30 minutes for cows. In these studies, assistance was given if stage two progressed more than two hours after the appearance of water bag at the vulva. Those that took longer needed assistance. These and other data would indicate that normal stage two of parturition would be redefined as approximately 60 minutes for heifers and 30 minutes for adult cows. In heifers, not only is the pelvic opening smaller, but also the soft tissue has never been expanded. Older cows have had deliveries before and birth should go quite rapidly unless there is some abnormality such as a very large calf, backwards calf, leg back or twins. If stage 2 lasts considerably longer than the 1 hour for heifers and 30 minutes for heifers, the health of the baby calf could be compromised by the extended time in the delivery process. In addition, re-breeding performance of the mother can be delayed because of the longer stage 2 of calving.

### **Stage 3**

The third stage of parturition is the shedding of the placenta or fetal membranes. In cattle this normally occurs in less than 8-12 hours. The membranes are considered retained if after 12 hours they have not been shed. Years ago it was considered necessary to remove the membranes by manually “unbuttoning” the attachments. Research has shown that manual removal can be detrimental to uterine health and future conception rates. Administration of antibiotics usually will guard against infection and the placenta will slough out in 4-7 days. Contact your veterinarian for the proper management of retained placenta.

Cow calf producers are encouraged to read [Oklahoma State University Extension Circular E-1006: Calving Time Management for Beef Cows and Heifers.](#)

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.