

# **COW/CALF CORNER**

The Newsletter

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## **Cattle and beef markets so far in 2014**

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

The first quarter of 2014 saw unprecedented prices for all classes of cattle and beef. Retail beef prices moved sharply higher in March for both Choice and All Fresh beef. The March retail Choice price was up 6.7 percent over December levels while the All Fresh retail price was up 6.5 percent compared to December. The Choice retail beef price was up 8.7 percent year over year and the All Fresh retail beef price was up 9 percent from one year ago.

Retail beef prices did not advance as much as wholesale values in the first quarter of 2014. Choice boxed beef price was up 19.6 percent over December, 2013 levels while Select boxed beef was up 23.7 percent. Compared to one year ago, Choice boxed beef price was 23.3 percent higher and Select boxed beef price was up 21.5 percent from year earlier levels. Boxed beef prices have been much more volatile and have increased more than retail beef prices so far this year. This indicates that retail margins have been squeezed and that wholesale price increases have not yet been fully passed on to retail markets.

Fed cattle prices increased 14.4 percent from December to March. March average fed prices (5-Mkt) were 18.9 percent higher than March, 2013 levels. Larger increases in boxed beef prices compared to fed cattle prices suggests that packer margins generally improved over the period. However, the extreme volatility in boxed prices meant that packer margins were similarly volatile. Choice boxed beef dropped to roughly \$226/cwt. currently, suggesting packer margins are in the red and implying more pressure on fed cattle prices. Reduced volume continues to plague packers. Overall steer and heifer slaughter is down 5.5 percent for the year to date with steer slaughter down 3.5 percent and heifer slaughter down 8.6 percent.

700-800 pound steers (Oklahoma market average) were 6.7 percent higher in March compared to December and were up 27 percent year over year from March, 2013. Feedlots enjoyed better margins in the first quarter of 2014...the best in many months. However, high feeder cattle prices and seasonally weaker fed prices are likely to erode feedlot margins through the summer

and may temper feeder cattle demand in the second and third quarters. Developing corn market conditions could have a big impact on feeder markets. 400-500 pound steer prices were up 8.7 percent from December through March. These calf prices are up 27.5 percent compared to the same period last year despite lingering drought conditions in many regions that is tempering summer grazing demand.

Cull cow prices in March were up 21.6 percent from December and up about the same amount from one year ago. Though herd expansion plans remain tenuous in some regions due to drought conditions, beef cow slaughter is down 9.5 percent for the year to date, with total cow slaughter down 9.8 percent year over year. In the last five weeks, beef cow slaughter has been down 11.7 percent compared to last year. This level of cow slaughter decrease is consistent with modest herd expansion in 2014, if current beef cow slaughter rates can be maintained.

## Short term calf removal

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Cows that were in marginal body condition score at calving may benefit slightly from the management practice called "short term calf removal". "Short-term calf removal" is the term that describes the temporary physical separation of the calf from its mother. This removes the nursing stimulus from the cow for about 2 days. Removal of the suckling stimulus for at least 48 hours will allow a few "borderline" cows to return to heat cycles earlier than they would have normally.

Removal of calves for 48 hours has shown to improve rebreeding rates of moderately conditioned (Body Condition Score=5) cows by 4-8%. (See table 1.) This improvement although, seemingly small in magnitude is large compared to the out-of-pocket investment. Short-term calf removal can be used at the first of the breeding season or in the middle or both depending on the labor situation. Short term calf removal is not a powerful enough stimulus to "jump start" very thin cows. Those cows that are in a body condition score of 4 or less may need to have the calves weaned completely to allow the cow to recycle early in the upcoming breeding season. The care of the calf during that 48 hours is actually quite simple. Most producers will make certain that calves have access to some "sweet" feed and plenty of fresh drinking water. The calves will eat very little during this time.

*Table 1. Summary of 3 trials comparing 48 hour short term calf removal to cow/calf pairs that were traditionally suckled. (Simms, et al. 1982 KSU Cattleman's Day)*

Treatment	Number of Cows	% Pregnant at palpation	Calf A.D.G. from treatment to weaning
Control (normal suckling)	101	87.1	1.60
Removed 48 hours	86	93.0	1.63

Those cows that calve in the Body Condition Score 6 or fatter can be expected to return to estrus early in the breeding season and should have high rebreeding rates (without early weaning or short term calf removal). Although not harmful, the practices of early weaning, short-term calf removal, or feeding extra feed will NOT show significant advantages for these well-conditioned cows. Therefore producers will want to continue their normal lactating cow supplementation programs until green grass provides the nutrients that these cows need.

Concerns about calf health and growth are dissipated by comparing the average daily gain over the entire time of calf nursing. Those that were removed from the cows for 48 hours grew as rapidly and had similar weaning weights as those who were never removed from their mothers. Occasionally, calves nursing very high milk production cows will scour after the two day separation. Rarely is this a problem with commercial beef cow two and three-year olds because they are usually limited in milk production. Very good fences and a watchful eye are important ingredients in a successful outcome with short term calf removal. Remember, short term calf removal is NOT a “cure-all” for cows that are quite thin at calving .

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