

# COW/CALF CORNER

The Newsletter

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

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## **Fall Cattle Markets: Marketing Considerations**

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

The price of 475 pound, Medium and Large Number 1 steers in Oklahoma have averaged \$281.81/cwt. the past six weeks. This includes the latest weekly average price of \$294.80/cwt at the seven federally reported auctions in the state. This price compares to an average of \$183.15/cwt. in late September and early October one year ago (no price reported in much of October 2013 due to federal government shutdown). Prices this fall are up almost \$100/cwt. or 54 percent over last year. So far this fall, prices have shown no seasonal tendency to decrease from September to October and, in fact, the most recent price is the highest in the six week average.

Cow-calf producers will sell weaned calves this fall for record revenues by a large margin (revenues are up \$500-\$550 per head over last year) and will, in the majority of situations, receive record profits, at least on a per head basis. In some drought areas, total ranch profits may not be up as much due to reduced animal numbers. The market is begging for animal numbers so selling calves at weaning is a very profitable strategy now.

Is there is reason to hurry fall calf sales? Producers are understandably nervous at these price levels and there certainly has been a lot of volatility outside cash cattle markets recently. The stock market and futures markets have reacted wildly to concerns over Federal Reserve policy; European economic weakness; oil prices; Hong Kong protests; and Ebola, among other things. These are all external factors that could impact beef markets, primarily through beef demand, and should be monitored. However, none of these factors change basic cattle market fundamentals, especially in feeder cattle markets and not in the next month. I don't believe there

is a reason to hurry fall calf sales. The current value of another 25 to 50 pounds of weight on calves is roughly \$1.20-\$1.40/lb. The marginal cost of delaying calf sales is quite small for calves not yet weaned. Despite the seasonal tendency for calf prices to weaken from October to November, I expect less seasonal pressure than usual. Ideally, calves would already be in a preconditioning program and the value of gain applies to another two to four weeks of gain to finish the preconditioning period prior to weaned calf sales in November to early December.

At these prices, does retained ownership of calves in a stocker or backgrounding program make sense? It depends specifically on the availability and cost of feed, labor and management resources in individual situations. However, the general market signal is a value of gain for 250 to 300 pounds of gain in the range of \$1.50 to \$1.60/lb. In many cases, there is an opportunity for decent returns to feed, labor and the cattle in backgrounding programs. There is no reason that all calves must be marketed in the same manner. It may make sense to sell the heavy end of calves and background the lighter weights. Or it may make sense to background just the steers or the heifers. Heifers may have considerable flexibility to background and sell as open heifers; to breed and sell as bred heifers; or to calve and sell as pairs. Or maybe just keep them if there is room for more cows in the operation. Conditions permitting, herd rebuilding is likely to ramp up considerably in 2015.

## **Using Ionophores in Replacement Heifer Diets**

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Interest in cow herd expansion has created added incentives to keep and breed replacement heifers. Some producers are attempting to rebuild their own herd that was downsized during drought. Others are attempting to meet the strong demand for bred heifers occurring at livestock markets in many parts of the country.

In an effort to insure more replacement heifers are bred to calve early in their first calving season, ranchers should consider using a supplement containing an ionophore in the growing diet of the heifers. "Ionophore" is the generalized name for the feed additives monensin (Rumensin®) and lasalocid (Bovatec®). Both have been approved for use with growing programs for replacement beef heifers.

Research conducted in Texas and Wyoming (Moseley, 1977; Moseley, 1982) indicated that growing heifers fed 200 mg monensin per head per day reached puberty at an earlier age than did similar heifers fed similar diets containing no monensin. This is important because it should translate to a higher percentage of heifers cycling at the normal time of the start of the breeding season.

Most stocker cattle research has indicated that the addition of 100-200 mg of an ionophore will increase average daily gain by .1 to .2 pound per day. Over a 150 day growing period of a replacement heifer, this means an additional 15-30 pounds in average weight improvement of the heifers by breeding time.

In those situations where the diet for the heifers may be prone to cause bloating, adding the ionophore monensin in the feed or in the mineral has been shown to be helpful. Both the incidence and the severity of bloat on wheat pasture has been reduced by including monensin in the free-choice mineral mix. ([Paisley and Horn, 1998](#)).

Also, ionophores have been effective in preventing coccidiosis in young growing cattle. After all they got started as poultry coccidiostats before they became available and approved for cattle many years ago. Most “natural” and “organic” beef programs will not allow the use of ionophores, therefore you may wish to check with the potential buyers of the cattle before including ionophores in the diets. Heifers that fail to conceive are likely to end up in feedlots to be fed out as Select, Choice, or Prime beef.

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