

# COW/CALF CORNER

The Newsletter

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## **Cow-calf producers: Plan beyond 2015 to figure out what to do in 2015**

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

The euphoria of high cattle prices in 2014 leads, for some cow-calf producers, to uneasiness and indecision in 2015. The question is how to best take advantage of the current market. The answer to that depends on several factors including;

1) The current status of the operation, i.e., is the operation at full capacity or is there room to grow?

2) The producer's market expectations for the next several years.

3) For older producers: is there a time frame for retiring/exiting the business?

In other words, producers need to ask now where they want to be in 3-5 years. The answer to that question will reveal whether 2015 should be a year of liquidation; holding steady; or expanding the cow herd.

For some older producers, for whom retiring or exiting the business in the next few years is inevitable, the current market provides an opportunity to liquidate cattle assets at previously unheard of values. Hopefully, the decision to liquidate cattle is part of a business transition plan that is already developed and may or may not yet be activated. The decision about when to liquidate will be guided by the business transition plan and also by market expectations. Should the herd be liquidated in 2015 or perhaps 2016? Is it better to wait to get another calf crop on the ground; or perhaps two more calf crops? There may be very good reasons not to liquidate the entire herd at one time. Now is the time to develop a plan that might include, for example, liquidating older cows in 2015 and saving younger cows and heifers until 2016 or, perhaps phasing the final liquidation into 2017. The point is to determine where you want to be and when and start implementing the plan in 2015.

Some producers may be holding steady for a variety of reasons. If the operation is a full capacity and expansion is not feasible or desirable, the focus should be on maximizing productivity. High prices and increased net returns is a signal to tweak management decisions to increase productivity and efficiency. The market is rewarding calf production and producers should consider any opportunities where spending a bit more on inputs might boost production or reduce the odds of death loss or lost productivity.

Some producers may have the capacity to expand the herd but are holding steady because they either cannot resist the returns from selling heifers now or cannot bear the thought of paying current prices for replacement heifers or cows. Evaluation of how much one can afford to pay or how much a heifer retained for breeding is worth depends critically on one's market expectations for the next several years. Obviously, if current prices are not expected to persist for long, heifer and cow prices are judged to be too high. Current cattle prices are a signal for herd expansion that will persist until enough expansion occurs to satisfy market needs. Herd expansion is likely to take several years and strong cattle prices may be expected over most of that time. Breeding female prices likely have not peaked and will, in any event remain strong in 2016 or beyond. The dilemma for these producers is that hesitation to expand now may turn into expansion desires in the next year or two. If that is possible or likely, it may make sense to expand sooner rather than later. Whether or not female prices are too high now is arguable but there is no doubt that at some point it will be too late to jump on the bandwagon. I expect that point is at least a year away and possibly two. Again, it is a question of how best to take advantage of current markets.

There are some producers holding steady at reduced herd size due to ongoing drought or because time is needed to allow forage resources to recover from drought damage. It is critical to manage forages for long term productivity and it takes management patience and discipline to maintain reduced stocking rates and allow forage recovery. Producers in this situation may be able to consider seasonal stocker enterprises to utilize limited available forage and generate some revenue while managing pastures for recovery. A herd rebuilding plan can be developed that will be triggered by drought and forage recovery thresholds and changing market conditions.

Finally, some producers are already into expansion mode. It appears that heifer retention started in late 2013 and accelerated in 2014. Beef replacement heifers on January 1, 2014 were 18.8 percent of the beef cow herd, slightly higher than the 2013 rate of 18.3 percent and both above the 20 year average of 17.4 percent. The 2014 value is higher than the highest rate that occurred in the 1990-1995 cyclical expansion (18.4 percent in 1994). The Cattle report on January 30, 2015 will provide data on herd expansion in 2014 and replacement heifers for 2015. Beef replacement heifers could be over 19 percent of the beef cow herd; a replacement inventory percentage not seen since the herd buildup to the all-time cattle inventories of the mid-1970s. While this would indicate a relatively aggressive expansion rate, herd expansion is still a slow process over the next several years because of the low herd size from which expansion is beginning.

# When do we intervene and assist a cow or heifer in labor?

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Before the spring calving season commences, now is the time to put together and post a protocol for family members and hired employees to follow when they find a cow or heifer starting in the process of calving. An issue facing the rancher at calving time, is the amount of time heifers or cows are allowed to be in labor before assistance is given. Traditional text books, fact sheets and magazine articles stated that “Stage II” of labor lasted from 2 to 4 hours. “Stage II” is defined as that portion of the birthing process from the first appearance of the water bag until the baby calf is delivered. Research data from Oklahoma State University and the USDA experiment station at Miles City, Montana clearly show that Stage II is much shorter, lasting approximately 60 minutes in first calf heifers, and 30 minutes in mature cows.

Table 1. Research Results of Length of Stage II of Parturition

Source	No. of Animals	Length of Stage II
USDA (Doornbos, et al.1984. JAS:59:1)	24 mature cows	22.5 min.
USDA (Doornbos, et al.1984. JAS:59:1)	32 first calf heifers	54.1 min.
Oklahoma State Univ. (Putnam, et al. 1985. Therio:24:385)	32 first calf heifers	55.0 min.

In these studies, heifers that were in stage II of labor much more than one hour or cows that were in stage II much more than 30 minutes definitely needed assistance. Research information also shows that calves from prolonged deliveries are weaker and more disease prone, even if born alive. In addition, cows or heifers with prolonged deliveries return to heat later and are less likely to be bred for the next calf crop. Consequently a good rule of thumb: “If the heifer is not making significant progress 1 hour after the water bag or feet appear, examine the heifer to see if you can provide assistance. Mature cows should be watched for only 30 minutes before a rectal examine is conducted.” Make certain the cervix is completely dilated before pulling on the chains. If you cannot safely deliver the calf yourself at this time, call your local large animal veterinarian immediately.

Most ranches develop heifers fully, and use calving ease bulls to prevent calving difficulties. However, a few difficult births are going to occur each calving season. Using the concept of evening feeding to get more heifers calving in daylight, and giving assistance early will save a few more calves, and result in healthier more productive two-year cows to rebreed next year.

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