

COW/CALF CORNER

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

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North American cattle situation: Mexico

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The Mexican cattle and beef industry is always dynamic and continues to evolve. The industry has faced challenges in recent years with declining cattle inventories while attempting to maintain domestic production and cattle exports; all while beef exports have increased sharply.

The Mexican beef cattle industry experienced the same drought conditions that affected the U.S. in 2011-2013 leading to forced herd liquidation. Moisture conditions improved significantly in 2014 and so far in 2015. Herd expansion has been slow to begin in Mexico but may be beginning at the current time. Cows and heifers have played a large role in maintaining domestic Mexican beef production and cattle exports in recent years and increased female slaughter contributed to herd liquidation.

Record U.S. cattle prices and a weakening Peso contributed to a 12.8 percent year over year increase in Mexican cattle exports to the U.S. in 2014 despite extremely tight cattle supplies in Mexico. Increased Mexican cattle exports in 2014 included more steers and spayed heifers compared to the previous year. U.S. imports of Mexican cattle are up less than one percent for the first two months of 2015 compared to last year. Year to date U.S. imports of Mexican steers are up 4.5 percent while heifer imports are down nearly 15 percent.

U.S. imports of Mexican beef are up 40 percent for the first two months of 2015 compared to the same period last year. Reduced U.S. beef production and record high U.S. beef prices, abetted by the strong dollar, provide a strong incentive for more beef exports from Mexico to the U.S. which, in 2014, resulted in a 23 percent year over year increase. Mexico has rapidly increased

beef exports since 2009. Total Mexican beef exports increased 17 percent in 2014 compared to one year earlier. The 2014 export total is only slightly lower than the 2012 record despite the loss of the Russian market after 2012. Increased Mexican beef exports are the result of rapid growth in feedlot production, increased carcass weights (partially offsetting lower cattle slaughter), and widespread adoption of boxed beef technology in recent years. The U.S. is the largest destination for Mexican beef exports, accounting for 84 percent of the 2014 total. Mexico has been the fourth largest source of U.S. beef imports since 2010. Other major Mexican beef export markets include Japan and, in 2014, Hong Kong.

Mexico has been one of the top four U.S. beef export destinations for 20 years. Mexico imported 8 percent more U.S. beef in 2014 compared to the prior year despite record high U.S. beef prices and a poor exchange rate which makes U.S. beef even more expensive in Mexico. However, U.S. beef exports to Mexico are down 13.5 percent year over year so far in 2015.

Mexico, like the U.S. and Canada, is faced with the need for herd rebuilding which can only occur by squeezing current production to allow for increased heifer retention and reduced cow slaughter. It will be difficult for Mexico to maintain the current level of domestic beef production, cattle exports and beef exports as herd expansion begins. Continued strong U.S. prices for cattle and beef will continue to favor cattle and beef exports to the U.S. along with decreased imports of U.S. beef. Current exchange rates add to these incentives. However, limited cattle inventories and increased heifer retention in Mexico may moderate either cattle exports or beef exports or some combination of both. Early trade flows in 2015 may indicate that domestic Mexican cattle demand may be strengthening enough to retain more feeder cattle in the country. U.S. beef exports to Mexico will continue to face the disadvantage of high U.S. prices aggravated even more by a weak Mexican Peso. However, to the extent that Mexico continues to grow beef exports, imported beef will be needed to maintain domestic beef supplies. The increasingly bilateral nature of U.S.-Mexican beef trade emphasizes that beef trade is less about an imbalance in beef quantities in the two countries and more about the value enhancement from improved quality distribution and product mix in the two countries.

Evaluate udder soundness soon after calving to use as culling criteria

Glenn Selk, OSU Professor Emeritus, Oklahoma State University

Every year at "preg" checking time, ranchers evaluate cows and make decisions as which to remove from the herd. One criteria that should be examined to cull cows is udder quality. Beef cattle producers are not as likely to think about udder health and shape as are dairy producers, but this attribute affects cow productivity and should be considered. It may be easier to be accurate in your culling decisions, if you exam the udder soundness of the cows shortly after calving when they are at the peak of lactation and the udder is as large as at any time. Take time now during the peak of lactation to write down which fall-calving cows have unsound udders.

The heritability estimates of udder characteristics are variable. A study done in Brahman cattle for the heritability of udder soundness indicated that progress could be made by selecting for udder soundness. They reported that 25% of the differences in udder soundness was due to genetics. Beef Improvement Federation Guidelines have suggested that the heritability of udder soundness in beef cattle is estimated at .16 to .22 which means that some progress can be made by selecting against unsound udders.

Recent new research at Kansas State University (Bradford, 2014 KSU Cattlemen's Day) with large numbers of Hereford data has given even greater hope that improvement in udder quality can be made. They found heritabilities of .32 for overall udder score, .31 for suspension, and .28 for teat size. Plus, genetic correlations between traits were strong (.83). This means that selection for one trait (teat size or suspension) will result in improvement in the other trait.

An experiment conducted at the Range Cow Research Center near Stillwater gives some indication as to the impact of mastitis on beef cow performance. They found that cows with one or two dry quarters had calves with severely reduced weaning weights (50 - 60 pounds) compared to cows with no dry quarters. In today's world with higher calf prices, this represents a sizeable economic loss at weaning time.

An evaluation system for udder soundness has been developed and used by some breeds. Teat shape and udder suspension are the two primary characteristics evaluated. Below are drawings representing unsound udders on the left and sound udders on the right.

The first two drawings are teat shape. The very "funnel" shaped teat may have been mastitic in the past. New born calves will find it difficult to nurse such a teat.

Teat Shape (above) : Note the large "funnel-shaped" teats on the cow on the left. A sound udder for teat shape is on the right.

Udder Suspension (above): Weak udder suspension leads to "pendulous" broken-down udders that also are very difficult for young calves to nurse. A sound udder with a strong udder suspension is on the right.

Both cows on the left would be excellent candidates for culling at the next weaning of their calves. In addition, daughters of cows with poor udders should be expected to have less than desirable udders as well.

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