## COW/CALF CORNER

The Newsletter

From the Oklahoma Cooperative Extension Service August 17, 2015

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## Fall 2015 cow-calf marketing considerations

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

Feeder cattle prices have bounced off the recent summer lows. For the week ending August 14, 2015, the Oklahoma seven-market average price of 450-500 pound, Medium/Large, number one steers was \$283.81/cwt., up from recent summer lows and \$7-\$8/cwt higher than this time last year. The price of 500-550 pound steers is currently \$259.26/cwt., also up the past two weeks but roughly \$4/cwt lower than one year ago. For 550-600 pound steers, the current price is \$244.08/cwt., about \$7/cwt. lower than last year. We are at the point where prices this year, which have been above year ago levels so far, will cross and likely be below year ago levels for the remainder of the year.

Last year, 400-500 pound steer prices increased 12 percent from August to November and, in fact, these calf prices have averaged a 9 percent price increase from August to November for the last five years. The 10-15 year average is an increase of 3 percent from August to November. However, the larger 2014 calf crop, indicated by the 1.8 percent increase in July estimated feeder supplies, means that more price pressure will build over the next two to four years. Given continued strong heifer retention, it's not clear how much of that pressure hits this fall. During herd expansion it is typical to see Oklahoma 400-500 pound steer prices drop by roughly 3 percent from August to November. I expect the most likely price range for 400-500 pound steers in November is 97 to 103 percent of current prices. There is probably a better chance of being in the lower part of that range.

The pattern for 500-600 pound steers is generally similar. In 2014, the price of 500-600 pound steers increased 13 percent from August to November and has averaged an 8 percent increase the last five years. The 10-15 year average is a one percent increase in price but during herd

expansion a four to five percent decrease is more likely from August to November. November prices for five-weight calves in Oklahoma are likely to range from 95 to 101 percent of current prices. Strong wheat pasture demand for stockers could moderate modestly higher feeder supply pressure this fall and limit calf price decreases. Corn prices matter as well and current corn production estimates suggest that corn prices will continue near current levels in the coming crop year. The absence of feed price pressure will also moderate calf price declines this fall.

Now is a good time to evaluate whether pre-conditioning calves makes sense for cow-calf producers. The decision depends on a number of factors that vary across producers. These factors include feed availability, labor and management constraints and adequate facilities. While pre-conditioning takes work, there is no doubt it has value. With calf prices still near record levels, preconditioning is even more valuable for buyers. Preconditioning significantly reduces the risk and high cost of death loss, sickness and poor performance on purchased calves whether those calves are going to stocker production or directly into the feedlot.

The Oklahoma Quality Beef Network (OQBN) is available to provide Oklahoma producers a certified preconditioning program and enhance feeder cattle values. In 2014, the weighted average premium of all OQBN feeder cattle over non-preconditioned cattle was \$19.20/cwt. For 400-500 pound calves, the premium was \$25/cwt. for steers and \$20/cwt. for heifers. For 500-600 pound calves, the premium was \$34/cwt. for steers and \$18/cwt. for heifers. OQBN premiums have averaged between 8 and 13 percent above the price of non-preconditioned calves in recent years. OQBN sellers are receiving a premium for calves and are selling bigger calves as a result of weight gain during pre-conditioning. Eight certified OQBN sales are scheduled this fall. Visit the OQBN website at <a href="http://www.oqbn.okstate.edu/">http://www.oqbn.okstate.edu/</a> for more information about OQBN protocols and upcoming sales.

Cow-calf producers will enjoy the second highest ever returns in 2015 despite slightly lower calf prices compared to 2014. It is important however for cow-calf producer to anticipate lower prices over time and to carefully consider market conditions; production plans and costs; and value-added opportunities in the future.

## Sign up for eBEEF.org beef cattle genomics and genetics information quarterly newsletter

Megan Rolf, Oklahoma State University Extension Beef Specialist

A group of six beef cattle genetics extension specialists from land grant institutions have created a new website dedicated to beef cattle genetics. <u>eBEEF.org</u> is part of the national eXtension program; the goal is to be a one stop site for science-based beef cattle genetics and genomics information.

Team member Dr. Alison Van Eenennaam from the University of California – Davis, states, "We often get many of the same questions from producers and we decided to create some up-todate fact sheets and internet resources that summarize the peer-reviewed literature about a variety of topics related to beef cattle genomics and genetics."

The site contains factsheets based on peer-reviewed literature, short frequently asked question (FAQ) video clips, relevant conference recordings and webinars, a blog and links to other useful beef-related sites.

Team member Matt Spangler from the University of Nebraska – Lincoln adds, "Genomics is a relatively new technology, and there are many questions about how best to incorporate genomic information into genetic evaluations. We try to present this information in a way that makes sense for cattlemen."

The group plans to produce a quarterly newsletter detailing current information of interest to the beef cattle genetics community. To sign up for the eBEEF newsletter, log onto the <u>eBEEF.org</u> site and go to the eBEEF updates section. Select "Click here to subscribe to our quarterly newsletter".

For more information or to make suggestions please contact any of the eBEEF.org team members. The other team members are Dr. Darrh Bullock, University of Kentucky; Dr. Jared Decker, University of Missouri; Dr. Megan Rolf, Oklahoma State University; and Dr. Bob Weaber, Kansas State University. Contact information for all team members can be found at <u>eBEEF.org</u>.

## Fall-calving season begins ahead of schedule!

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Each year in August, it is time for an important reminder. Fall-calving season is here. In fact, the start of the fall calving season often begins before some producers expect it. The target date for the beginning of fall calving very often is September 1. Most printed gestation tables predict that calving will take place 283 days (some 285 days) after artificial insemination or natural breeding. Cows and heifers that gestate in hot weather will often calve a few days earlier than expected.

Oklahoma State University physiologists studied early fall (August) and late fall (October) calving cows. Data from two successive years were combined for 60 Angus X Hereford crossbred cows. The "early" and "late" fall calving cows had been artificially inseminated in early November or early January, respectively. Semen from the same sire was used for all cows. All cows were exposed to a single cleanup bull for 35 days at 4 days after the AI season. The weather prior to calving was significantly different for late pregnancy in the two groups. The average maximum temperature the week before calving was 93 degrees F. for the "early" fall group. The average maximum temperature the week before parturition in the "late" calving group was 66 degrees F. There was a 100% survival rate for calves in both groups and both groups of cows had very high re-breeding rates (90% and 92%, respectively).

The average gestation length for the "early" cows was 6 days shorter (279 days) as compared to the "late" cows (285 days) in year 1. The average gestation length for the "early" cows was 4

days shorter (278 days) as compared to the "late" cows (282 days) in year 2. Keep in mind that the gestation lengths listed are AVERAGE. This means that about half of the cows calved earlier than that. Producers with early fall-calving cows should expect calves to start coming several days ahead of the "textbook gestation table" dates. <u>They should begin their routine heifer and cow checks at least a week to 10 days ahead of the expected first calving date.</u> Source: <u>Kastner</u>, Wettemann, and co-workers. 2004 OSU Animal Science Research Report

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