

OFF THE HOOF

Kentucky Beef Newsletter – January 2009

Published Monthly by Dr. Les Anderson, Beef Extension Specialist, Department of Animal & Food Science, University of Kentucky

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Timely Tips

Dr. Roy Burris, University of Kentucky Beef Specialist

Since almost everyone started feeding hay early this year, you need to estimate the feed (hay & supplement) needed by your cows until April. See how much hay you have on hand now to avoid any “surprises”. You may have to stretch your hay supply and supplement more. Keep cows in good body condition.

Spring-Calving Cow Herd

- Start cows on the high magnesium mineral supplement soon. Consider protein supplementation if hay is much 10% crude protein. If cows are thin, begin energy (grain) supplementation now.
- Keep replacement heifer calves gaining enough to reach their "target" breeding weight (65% mature weight) by spring.
- Get ready for calving season! See that all equipment and materials are ready, including obstetrical equipment, record forms or booklets, ear tags, scales for obtaining birthweights, etc. Prepare a calving area where assistance can be provided easily if needed. Purchase ear tags for calves and number them ahead of time if possible. Plan for enough labor to watch/assist during the calving period.
- Move early-calving heifers and cows to pastures that are relatively small and easily accessible to facilities in case calving assistance is needed. Keep them in good condition but don't overfeed them at this time. Increase their nutrient intake after they calve.
- Consider vaccinating the cows to help prevent calf scours.
- Study the performance of last year's calf crop and plan for improvement. Plan your breeding program and consider a better herd sire(s). Select herd sires which will allow you to meet your goals and be willing to pay for superior animals.

Fall Calving Cow Herd

- Breeding season continues. Cows need 25-30 pounds of good quality hay, or its equivalent. They also need some supplementation unless you are fortunate enough to have some accumulated pasture.
- Catch up on castrating, dehorning and implanting.
- Provide clean windbreaks and shelter for young calves.
- Remove bulls by the end of the month. That means that your 2009 fall calving season will end in early November.

General

- Obtain forage analysis of your hay supply to determine supplement needs.
- Feed hay in areas where mud is less of a problem. Consider preparing a feeding area with gravel over geotextile fabric.
- Increase feed as the temperature drops, especially when the weather is extremely cold and damp. When temperature drops to 15°F, cattle need access to windbreaks.
- Provide water at all times. Cattle need 5 to 11 gallons per head daily even in the coldest weather. Be aware of frozen pond hazards. Keep ice "broken" so that cattle won't walk out on the pond trying to get water.
- Watch for rubbing or other signs of lice and treat if needed.
- Consider renovating and improving pastures with legumes, especially if they have poor stands of grass or if they contain high levels of the fescue endophyte. Purchase seed and get equipment ready this month.

“All I’m Gonna Say Is...”

Dr. Roy Burris, Beef Extension Specialist, University of Kentucky

Country folks have a special ability to use an old saying (adage) to illustrate a point and save words. Many of these adages are quite clever and amusing. I’ve ran across some that I have particularly enjoyed and would like to share with you.

A co-worker of mine in another state would always come up with a good old “saying” when he became annoyed with the administrators. He didn’t rant and rave. He just weighed in with “all I’m gonna say is ... the higher a monkey climbs a pole the more he shows his butt”. Ouch. Whenever something wasn’t going to work, it was “that old dog won’t hunt”. Or, if a situation was especially trying “that’ll cause a little dog to break a big chain”.

One of my mentors, when asked about dealing with a nasty situation, replied simply “all I’m gonna say is ... the more you stir manure, the more it stinks.” I got the message. He also frequently said “everything that goes around, comes around.”

Back in the old days, a country mother would give her daughter some sage advice when she started dating. “All I’m gonna say is ... a man won’t buy the cow if he gets the milk for free”. I don’t think that one is used anymore!

Since our ancestors grew up around animals, they frequently appear in old sayings:

“Even a blind hog will find an acorn sometime” (anybody can get lucky)
“Trouble rides a fast horse”
“You can lead a horse to water but you can’t make it drink”
“Nervous as a long-tailed cat in a room full of rocking chairs”
“If he was a dog, I’d trust him in my smokehouse” (my mother said that someone said that about her father)
“Don’t count your chickens before they are hatched”
“Don’t hitch your wagon to a dead horse” (give yourself a chance to succeed)
“Don’t buy a pig in a poke” (know what you are getting)
“Don’t look a gift horse in the mouth”
“If wishes were horses, beggars would ride”

And, finally there’s always “he’s all hat and no cattle” for someone who is especially “windy”.

I remember a particular newspaper story when a reporter went to the home county of a prominent Kentucky cattleman who was in the political arena. When he inquired about the background of this man, he was told simply “there ain’t no taters where you’re digging”. I think that speaks to character without saying much.

Other adages describe particularly difficult situations:

“You’ve got to strike while the iron is hot”
“Don’t cry over spilt milk”
“Don’t cut off your nose to spite your face”
“You can’t get blood out of a turnip” (don’t use this yourself – someone will just tell you that they can get the turnip)
“You can’t make a silk purse out of a sow’s ear”
“You’ve come to a goat’s house looking for wool”
“If it cost a quarter to go around the world, I couldn’t get out of sight”
“A jack-of-all-trades is a master of none”
“When it rains it pours”
“The squeaky wheel gets the grease”

My high school Ag teacher always said that “opportunity knocks once but temptation will kick the door down”. That was good advice for a bunch of teenagers. If you told on someone, the teacher might say “the first hen that cackled, laid the egg”, and was usually correct.

Sometime older folks could make some pretty harsh judgments:

“You’ve made your bed, now lie in it”
“If you lay down with dogs, you’re gonna get fleas”

Margaret Thatcher struck a blow for the ladies when she said “it may be the cock that crows but it is the hens that lay the eggs”.

My favorite expression is “makes no difference where you go, there you are”. I think that means that your happiness is up to you or that you can’t run away from your problems. Good words to live by. It has been a difficult year from an economic standpoint but “all I’m gonna say is ... if you’re staring at the past, you’ve got your back turned to the future”.

“Today Show” Airs Segment About Children and Alternative Diets

Polly Ruhland, Senior V. P., National Cattlemen’s Beef Association

NBC’s “Today Show” aired a segment this morning about the nutritional issues surrounding various alternative diets for children, specifically focusing on the pescetarian diet (eating fish, but no meat, with dairy/eggs optional).

According to the segment, children as young as 7 years old are choosing to become pescetarians, vegetarians, vegans and pollo-vegetarians primarily based on information about food production that they find outside the home. The story quotes Karyn Calabrese, a vegetarian restaurant owner, as a primary story source on alternative diets for kids. At one point, Calabrese says “It’s not Old McDonald’s Farm anymore where the animals are outside in the sun. It’s horrific conditions, and I think the children are quite rightfully affected by it.”

“Today Show” diet and nutrition editor Madelyn Fernstrom gave tips to parents such as monitoring protein intake, including dairy products in the diet and using vitamin and mineral supplements. According to Fernstrom, low-fat and non-fat dairy are critical because they provide the calcium and protein that can be difficult to get from alternative diets.

This morning’s “Today Show” also included a segment with *New York Times* food columnist Mark Bittman who promoted his book “Food Matters – a guide to conscious eating.” According to Bittman, the book provides a guideline for people to “shed pounds, save money and fight global warming.” Bittman encouraged viewers to consume less meat, saying he has cut back his personal meat consumption by two-thirds for health, economic and environmental reasons. However, Bittman also mentioned he still consumes meat about five times a week, and said he enjoyed a hamburger for dinner last night.

We’re taking advantage of this opportunity to build a relationship with the “Today Show” nutrition editor by sending a letter and fact sheets about beef nutrition, animal welfare and production practices. We plan to follow-up with her after she’s had the chance to review our information. In addition, we are mobilizing online response to the segment by producers and third-party experts.

ANDERSON UNSOLICITED COMMENTARY: I’m amazed at our society. Our media is so agenda-driven that they seem to continually resort to simply telling a single side of the story. This single-mindedness may eventually evolve theory or opinion into fact. If the comments are true about 7 year olds, where might they get this information? News reports? Not likely. Parents? Maybe, but not likely. Schools? Hmmmm. Internet? Definitely! I have personally corrected my children on “facts” learned in school or on the internet that were actually scientific theories or opinion purported as fact. Also, our children are not taught, either by most parents or by the school system, that much of the information on the internet may not necessarily be true and that they (the kids) need to research all sides of an issue. **IN MY UNSOLICITED OPINION**, our children get bombarded with agenda-driven biased information that delude them to whatever may be the truth. Our only answer is to help provide our schools and our children with alternative viewpoints.

The Kentucky Beef Council has several information packets available if you feel that your school system needs better information regarding the humane care and treatment of animals and the importance of meat protein in the diet. These resources instruct our youth on pasture-to-plate beef production and the humane treatment of beef cattle. Resources like “Wow That Cow” help children to understand the importance of

beef cattle production and that cattle are more than just a steak on a plate. For more information, please contact Alison Smith with the Kentucky Beef Council.

What do Feedlot Nutritionists Say?

Dr. Jeff Lehmkuhler, Beef Extension Specialist, University of Kentucky

Kentucky has limited feedlot capacity as the industry in the state is in essence cow-calf and stockers. Several of us are also familiar with the feedlot industry through connections we've made, tours or routine business, and appreciate the management that is employed. However, fewer of us are likely familiar with what goes through the minds of feedlot nutritionists.

In the *Journal of Animal Science* (2007), Texas Tech University researchers published results of a recent survey of feedlot nutritionists. Vasconcelos and Galyean asked 42 feedlot nutritionists to participate and 29 completed the survey. The following is a summary of the report that will hopefully provide insight to what is going through the minds of feedlot nutritionists.

Of the respondents, 65.5% were with independent practices, 24.1% worked with a corporate feed company, 6.9% worked for a corporate cattle feeding company while 3.5% reported they worked independently and also for a feed company. Of the respondents that answered the survey, 22 held a PhD and 7 had a Master's degree. These consultants serviced on average 620,828 head with the minimum being 75,000 and the maximum number being 3,000,000. No small undertaking and it reveals the influence decisions made by these individuals have on the feeding industry.

The respondents were located across the US with 46.4% being in Texas, Kansas, and Oklahoma while 31.3% were in Iowa, Nebraska, Colorado and South Dakota, 8.9% in Idaho and Washington, 6.25% covered Arizona and California while 7.14% were in other states not listed in the survey. Some reported to work in Mexico, South America, Canada, Australia, South Africa and Czech Republic, but the majority worked only in the U.S.

Not unexpected, corn was the primary grain used (100%) with steam-flaking being the primary processing method (65%). The survey results illustrated that 67% of the respondents included corn in the diets at levels of 70% to 85% with another 6.9% reporting the inclusion level to be 85% to 90%. Continued utilization of high grain rations for feeding cattle is ongoing in the industry as of the time of the survey.

The ethanol industry is also having an impact on the feedlot sector. The survey respondents indicated that on average 82.8% of the clients utilized grain co-products. These grain co-products were included in the diets at mean inclusion level of 16.5% with the mode being 20%. The primary grain co-products were wet distiller's grains, dry distillers grains with solubles, wet corn gluten feed and dry corn gluten feed. The increased availability and price competitiveness of these feedstuffs has led to their utilization in the feedlot sector as well as here in Kentucky for supplementing cows, backgrounding cattle and even stockers.

What about the other diet components? The majority (71%) of the clients serviced added fat to the diet. The recommended level of added fat was 3.1% with the maximum total dietary fat level recommended being 7.6%. The average crude protein content was reported to be 13.3%. The urea inclusion level recommended averaged 1.0% with the mode being 1.2%. The mean calcium level in the diets was 0.70% and the majority of respondents (82.8%) indicated they did not recommend adding phosphorus. These nutritionists have responded to the environmental pressures as well as accounting for the increased phosphorus being contributed by some of the co-product feeds such as distillers grain and corn gluten feed.

Additional information is offered in the report. This survey provides insight with respect to current feedlot nutritionists and the recommendations they provide to their clients. It never hurts to know a bit more about what is going on in the other segments of the industry. Happy New Year and contact your county Extension Agent if you need information related to the beef industry.

Time to Double Check Your Heifer Development Program

Dr. Les Anderson, Beef Extension Specialist, University of Kentucky

The first week of January is an extremely important “check-point” in spring heifer development programs. The key to proper heifer development lies in understanding the factors that influence conception in yearling heifers. One key factor regulating heifer fertility is age at puberty. Most producers don’t consider age at puberty of their heifers to be a major problem, yet few know how many heifers are actually cyclic at the beginning of the breeding season. A Nebraska study demonstrated that the proportion of heifers that were pubertal on the first day of the breeding season varied greatly over 5 consecutive years in a single herd. The percentage of heifers that were pubertal on the first day of the breeding season ranged from only 21% to as high as 64% over the 5-year period. For maximum fertility and reproductive performance, heifers must have had at least one estrus **before** the beginning of the breeding season. Our goal then is to incorporate reproductive management techniques to reduce the age of puberty, increase fertility, and shorten the interval to conception.

One of the largest factors that regulate puberty in the heifer is weight. For puberty to occur, heifers must weigh at least 65% of their mature weight. This weight is referred to as their target weight. Most heifer development programs require that heifers reach their target weight, approximately 65% of their expected mature weight, by the onset of their first breeding season. Because fertility increases until the third estrus after puberty, heifers should reach their target weight at least 30 days before the start of the breeding season. I refer to this date as the target date.

January is the time to determine if your heifers are “on track”. Most yearling heifers will need to reach 700-800 pounds (their projected target weight) by mid-April to ensure high fertility assuming that the heifer breeding season starts about mid-May. Weigh your heifers to determine how much they have left to gain to reach their target weight. If the heifers weighed on average 600 pounds and their target weight is 750 pounds then they will need to gain 150 pounds or 1.5 - 1.6 pounds each day to reach their target weight by mid-April. Heifers should reach a BCS of 5.0-5.5 by their target date.

The next important phase in heifer development occurs one month prior to the start of the breeding season. At this time, heifers should be vaccinated (Vibrio fetus, Leptospirosis, and the respiratory disease complex which includes PI₃, BRSV, BVD and IBR; modified-live vaccine is preferred), dewormed, and pelvic area measurements should be obtained. Heifers with small pelvic areas and especially large heifers will small pelvic areas tend to have greater difficulty calving. Now is the time to contact you local veterinarian to schedule this pre-breeding work.

Producers should consider estrus synchronization and/or AI. Estrus synchronization and AI has many advantages which include: higher pregnancy rates, heavier, more uniform calves at weaning, and increase production and labor efficiency. The greatest advantage of AI is the ability to use superior, more predictable sires. Since a majority of calving problems in a herd occur when calving first-calf heifers, it seems only logical to synchronize and AI your heifers to proven calving ease bulls. Contact your local AI

technician to schedule a time to breed your heifers. Next month, I will discuss various methods for estrus synchronization.

Proper heifer development is one of the key components to profitability in a beef cattle operation. Understanding the principles of heifer development can enable producers to incorporate management techniques to improve the efficiency of the operation.

Kentucky Beef Cattle Market Update

Kenny Burdine and Dr. Dick Trimble, Livestock Marketing Specialists, University of Kentucky

Most cattle producers will happily wave good bye to 2008 and will be hoping that 2009 will be much improved. Many are wrestling with challenging management decisions as a result of the profitability challenges they are facing. Production costs were extremely high in 2008 and feeder cattle prices fall dramatically from summer to winter. However, it is difficult to make clear recommendations about strategies without good knowledge of the cost structure of the farm.

Given the situation that cow-calf operators are facing, I would strongly encourage them to spend some time this winter conducting a serious cost analysis. All producers know they are facing a challenge, but I don't think that many have a good feel for exactly what it is costing to maintain each cow in their herd. Winter is a good time to go through production and expense records to estimate these costs.

There are many ways to do this, but I like to start with forage production because it is probably the biggest expense for most cow-calf operators. Allocate fertilizer and lime between hay and pasture ground so grazing costs can be separated from hay production costs. From there, don't forget fuel, oil, repairs, and labor to these forage programs. Finally, you should also charge depreciation and interest on forage equipment to get an accurate assessment of what total feed costs truly are. The agricultural economics department has budgets available that may make this easier.

Once we have assigned a cost to the hay that is produced, we can estimate how much hay is fed per cow. This is best done by weighing representative bales and tracking how many are fed. However, a typical cow can easily consume two tons of hay per year or more, especially when we start including storage and feeding losses. Grazing costs can be estimated by multiplying pasture maintenance costs per acre by stocking rate.

Second, move into things such as mineral, water, health, labor, breeding, marketing, fence and building repairs, and other variable expenses. You will likely find that a lot of little purchases can really add up here. If you don't keep good financial records throughout the year, this will likely require going through many farm store receipts and determining which expenses truly should be charged to your beef enterprise.

Finally, consider fixed costs like taxes and insurance, family labor, and opportunity costs like unpaid interest. This is also where depreciation on buildings and machinery that are not allocated to the hay enterprise will come in. Once all costs have been considered, the producer will be in a much better position to determine his or her best strategy given the challenges they are facing today. Enterprise budgets are also available for cow-calf operations, which could guide you through this process.

Production costs are likely as high as they have ever been for cow-calf operators. For some, the best strategy may be to reduce cow numbers and decrease their dependence on stored feed. For others, it may be to add complementary enterprises like stockers to help spread overhead costs further. These

possibilities go on and on. Regardless, without knowing something about the cost structure of the herd, these types of decisions are impossible to make.

If you have never taken time to set up a financial record keeping system for your beef herd, the first of the year is an excellent time to do so. Many tools are available including record books, spreadsheets, and specific computer applications like Quicken or Quick Books. The most important record keeping decision you will make is just deciding to keep records. It's difficult to manage something that we never take time measure.

Best wishes for the upcoming year!

Roberts Agricultural Commodity Market Report

Mike Roberts, Commodity Marketing Agent, Virginia Tech University

Happy New Year . . . Here we go! The headline . . . A three-week high by the U.S. dollar, boosted by expectations for interest rate cuts by big banks, and what U.S. President-Elect Obama's stimulus package will do for the financial mess supported commodities. In light of this news there was talk in the markets that large speculators and funds would be rebalancing soon. Translation: More money in the big pockets - more money in the market. Have we seen this before? ? We'll wait and see how the stimulus works on prices and volatility. Whatever it means, one thing for sure, we'll probably have another interesting year.

CORN futures on the Chicago Board of Trade (CBOT) closed down on Monday. MAR'09 corn futures closed at \$4.112/bu; off 1.0¢/bu but 36.0¢/bu higher than last report. This contract has gained all but 4.1% back from three weeks ago. The JULY'09 contract closed at \$4.214/bu; up 1.25¢/bu. Strength in the soybean market on higher crude oil prices and parching corn-growing weather in Argentina was somewhat supportive. However, sluggish export selling on strength in the U.S. dollar weighed on prices. One floor source said that the market was beginning to watch the South American weather more closely. USDA put corn-inspected-for-export at 23.360 mi bu (down 3% from last week) vs. expectations between 20-25 mi bu. USDA's last report notched less bullish fundamentals for corn due to lower exports from a souring world economy, higher input prices, and less ethanol demand. However, ethanol futures did post modest gains. The next USDA report is due out on January 12th. Ending stocks were raised accordingly as USDA lowered planting intentions. This will remain to be seen as fertilizer prices cool off and if world markets stabilize. However, that being said, corn still faces fundamental challenges in 2009. Funds sold 2,000 lots with large speculators buying that same amount near the close to rally prices. Cash corn in the U.S. Midwest was mostly steady amid slower farmer selling while freight prices dropped to reflect lower shipping costs. Corn cash bids in the U.S. Mid-Atlantic states were steady ranging from \$3.60/bu - \$4.11/bu. Farmers that are selling now are doing so to cash flow the 2009 crop and to take advantage of better basis. The carry from July '09 futures to December '09 futures is 3.9¢/bu/mo vs. a 2.0¢/bu/mo storing charge. If you have un-priced corn in storage it might be a good idea to price up to 35% of it. It also might be a good idea to price up to 10% of the 2009 crop.

LIVE CATTLE futures on the Chicago Mercantile Exchange (CME) were mixed on Monday with the front month and the 4th-out-deferreds up and the 3 nearby-behind-the-front-month down. FEB'09LC futures closed up \$0.450/cwt at \$87.550/cwt; \$3.75/cwt higher than last report. The APR'09LC contract closed at \$90.400/cwt; off \$0.350/cwt. Technical trading in February/April spreading supported the nearby February contract. This was an adjustment to the spread offset profit taking on overbought conditions on Friday. Technical signals will take over for the rest of the week as the Goldman roll begins on January 8th. The Goldman Roll will consist of rolling some February long positions into the nearby April contract. This

move is tied to the Standard & Poor's Goldman Sachs Commodity Index. Mexico resumed imports last week from most of the 30 U.S. packers it placed on a ban the week before.

FEEDER CATTLE at the CME followed live cattle up on Monday. JAN'09FC futures finished at \$97.000/cwt, up \$1.40/cwt and \$8.875/cwt higher than last report. The MAR'09FC contract settled at \$96.725/cwt; up \$1.200/cwt and \$8.800/cwt higher than last report. Carryover-buying, lower corn prices, and buy stops helped feeders. The surge in Friday's Feeder Cattle Index and January/March bull spreading were supportive. The CME Feeder Cattle Index for January 1 was placed at \$92.92/cwt, up \$0.96/cwt. There were some reports from vendors that cash cattle in the much viewed Oklahoma City market spurred fundamental feelings of the market.

This sparked fund buying on the cash prices advance. Most cash markets were closed for the holidays and the four floor sources said that this strong start to the New Year felt bullish. We'll see if it holds out on any financial market news. It might be a good idea to hold off on pricing more feed until after the January 12th USDA report.