

OFF THE HOOF

Kentucky Beef Newsletter – December 2007

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

FALL CALVING HERD

- Get ready for the fall breeding season. Breeding can best be accomplished on stockpiled fescue pasture; otherwise, cows with calves should be fed 25-30 pounds of good quality hay or its equivalent. Supplement with grain, if needed, and minimize hay waste. If you are limiting hay intake or feeding poor quality hay, be sure to supplement adequately.
- Have Breeding Soundness Evaluation (BSE) performed on bulls (even if you used them this spring). Observe performance of bulls during breeding season. Watch cows for return to estrus, if you see several in heat, try to determine the cause and consider changing bulls.

SPRING CALVING HERD

- Body condition is important, plan an adequate winter program for cows to be at least body condition score 5 (carrying some flesh with ribs covered) before the calving and breeding season. This will help them to breed early in the spring. Thin cows should be fed to regain body condition prior to winter. Don't let cows lose weight/condition.
- Divide the herd into groups for winter feeding
 - weaned heifer calves
 - first-calf heifers, second-calvers and thin mature cows
 - the remainder of the dry cows which are in good body condition
 - herd sires

- Be sure that weaned heifer calves are on a feeding program which will enable them be at 65% of their mature weight before the start of the breeding season. Rations should be balanced to achieve gains sufficient to get heifers from their current weight to that “target” weight.
- Begin feeding the lowest quality forage to dry cows which are in good condition during early winter and save the best hay for calving time or for weaned calves.
- Order and number eartags for next year’s calf crop this winter. It is also a good time to catch up on freeze branding and replacing lost eartags.

GENERAL

Consider putting down geotextile fabric and covering with gravel in feeding areas before you begin hay feeding to minimize waste of expensive hay.

“We’re Going Into the Turn...”

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

The events of this year have prompted a lot of discussion on grazing management and its effect on the feed shortage. Some producers have adequate stored forage and have managed to stretch their pastures effectively. Most, however, are left to scramble for something to feed.

There is no doubt that this has been a difficult year for graziers. I was talking to Don Moore of Owensboro and he used an analogy that got me thinking about managing our pastures. Don said that “grazing management is a lot like driving a race car!” I didn’t understand and asked him how that could be. He said “all the drivers look great going down the backstretch and into the turn, but its how you come out of the turn that really separates the drivers. All cattle producers look good in May, but it’s how you come out of the winter that is important”. I agree with Don.

This year we had three groups of spring calving cows on a grazing demonstration at Princeton. Each group consisted of 15 cows on 24 acres of pasture. One group (control) was on high endophyte fescue with continuous grazing. The second was on high endophyte fescue and rotational grazing with 1/6 acreage in Tifton-44 bermudagrass (HE-intensive). The third was low endophyte fescue and rotational grazing with 1/6 acreage in bermudagrass (LE-intensive). We observed the following results:

Item	Forage system		
	Control	HE-intensive	LE-intensive
Cow-calf pairs, no	15	15	15
Cow preg. Rate	15/15	15/15	14/15
Weaning date	Sept. 6	Oct. 10	Oct. 10
Actual Wn. Wt., lb/hd	503	568	582
Total calf weight, lb	7,540	8,524	8,734
Add'l wt., lb/group	--	984	1,194

If you can pick up an extra \$1,000+ a year on 15 cows in a dry year, then better grazing management would seem to pay. An extra 34 days of grazing can mean a lot to the entire cow herd.

I was voicing my concern about this coming winter to Rankin Powell, CEA-Union County recently. I told Rankin that, first, we want to prevent calving losses and low pregnancy rates in our Kentucky cow herds and, secondly, I don't want producers to say that the UK Extension Service didn't warn them of the potential problems. Rankin agreed but opined that this might be the type of situation that weeds out a lot of inefficient producers. That could well be. The beef producers that are in this business for the long-term will need to improve their forage managements to ensure that they can survive whatever "mother nature" throws at them. It might look easy in May but, like a race care driver, we have to "come out of the turn" in good shape (i.e. have cows in good breeding condition with an adequate forage supply).

“Make or Buy” Heifer Economics
Cattle-Fax “Trends” Publication, August 2007

After 10 consecutive years of cow/calf profits, and coming up on the fifth year above \$100 per head, will producers begin expanding herd sizes? History tells us "yes"; the real question is "when?" A key factor working against expansion has been the high value of heifer calves. Should a \$600-675 heifer calf be kept as a replacement as compared to buying bred heifers at \$1,050 to \$1,200 per head? The best strategy has been to buy more heifers when calf prices are low. However, we haven't seen price cycle lows for 10 years and are currently in the highs. Herd size is one deciding factor. Usually, small producers find that buying replacements is more cost-efficient due to economies of scale. Other economic factors such as opportunity costs, feed costs, interest, labor, replacement costs and tax advantages will weigh on the decision to buy or raise heifers. Each producer must develop a budget that accurately reflects the individual operation.

The table below shows an example of how to calculate heifer development costs. We realize that no set of values represents all operations, so we've added a column for "Your Estimate":

	Our Estimate	Your Estimate
Value of heifer @ weaning (550 x \$1.12/lb)	\$ 616	
Cost of gain: weaning to breeding (\$.50/lb x 200 lbs)	\$ 100	
Bull cost (bull cost-less salvage/25 cows/3 years)	\$ 20	
Interest at 10%	\$ 38	
Grazing and feeding cost: breeding to calving	\$ 220	
Vet, med, vaccinations	\$ 30	
Death loss, 1.5%	\$ 15	
TOTAL	\$1039	

This analysis is not all-inclusive. Our analysis doesn't include charges for labor, the cost of "open" heifers, or the opportunity cost of foregoing any interest made from selling the \$616 heifer calf.

Clearing Up the Confusion Between Eating Meat, Cancer, and Obesity

Dr. Gregg Rentfrow, Meat Science Extension Specialist, University of Kentucky

Recently, the World Cancer Research Federation and the American Institution for Cancer Research released a study on the causes of cancer. These two groups reviewed over 7,000 research papers that focused on the link between obesity and cancer as well as how diet contributes to both. The research groups concluded that meat was an energy dense food that contained unsafe levels of saturated fats and consumption of meat was contributing to the obesity/cancer epidemic. Therefore, they recommended that Americans should eat no more than 18 ounces of meat per week and totally avoid processed meats such as bacon, ham, smoked sausage, etc. Obviously these conclusions were disputed by several organizations in the meat industry. The American Meat Institute discovered that the study only focused on research that was negative toward meat consumption and ignored studies that found no link between eating meat and cancer. Furthermore, commodity groups like the National Cattlemen's Beef Association and the National Pork Producers Council fired back as well. Approximately two weeks after this landmark report was released, several research papers were published indicating no link between obesity and cancer.

These conflicting results leaves the public confused about what they should do lower their risk of cancer and what constitutes a healthy diet. Rest assured meat fits into a healthy diet. Meat contains all the essential amino acids and meat proteins are 95 to 100% digestible, whereas plant proteins are only 65 to 70% digestible. Although meat does contain saturated fats, each livestock commodity offers lean cuts that are low in fat and saturated fats. Furthermore, meat is a good source of vitamins and minerals, and remains the only natural source for certain B-vitamins. The iron in meat is highly absorbable, 4 times more than other food sources. Also, meat supplies 40% of your daily requirement of zinc. The consumption of meat is vital for cognitive development of children and young adults, and does fit into a healthy lifestyle. Whether its meats, fruits, or vegetables moderation should be practiced and exercise should always be part of a healthy lifestyle.

Kentucky Beef Cattle Market Update

Kenny Burdine, Beef Extension Specialist, University of Kentucky

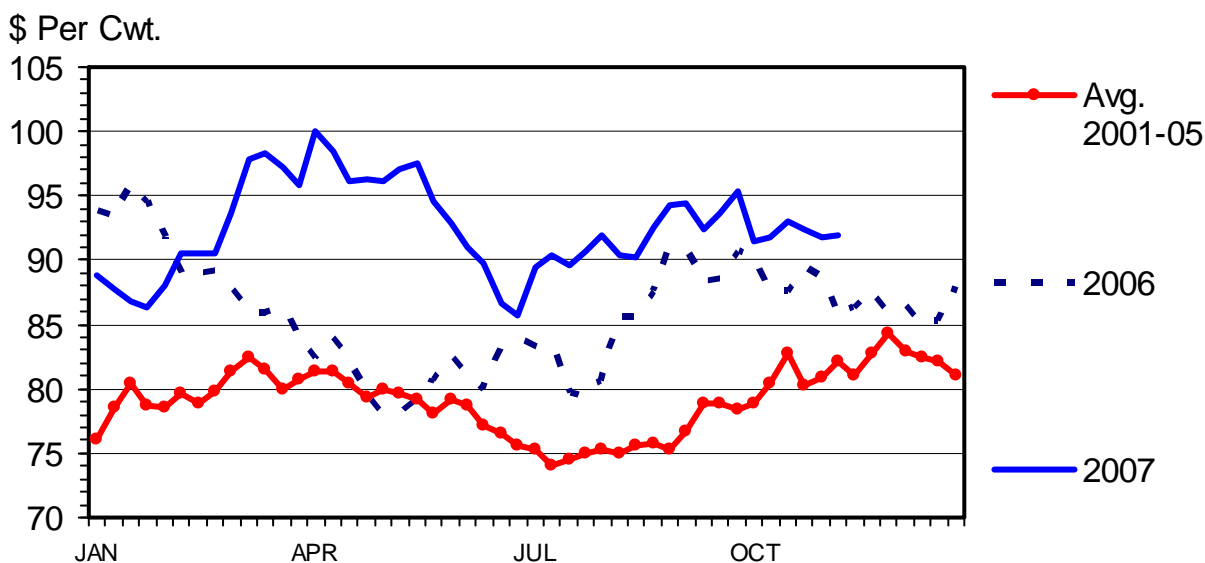
Kentucky feeder cattle prices in November remained basically steady with where they were in October. Marketings were at levels similar to last year as most calves moved earlier this year. Larger than usual numbers of cows were culled in anticipation of short winter feed supplies.

Winter feed costs are likely to be up by 50% this year. Good managers who limit feed hay with concentrates and / or commodities will probably winter cows for around \$1.50 per day. Producers purchasing hay and feeding it free choice could easily spend nearly \$2 per head per day with hay prices at their current levels.

Rising grain prices have gotten a lot of attention recently, and rightfully so. But, it is also interesting to take a look at slaughter cattle prices over the past year. Slaughter steers are going to average in the low-to-mid 90's for the year as compared to the mid 80's in 2006. Looking at the futures market, even summer contract for next year are trading above \$90 per cwt. The strength in the slaughter cattle market has helped to offset some of the effects of rising grain prices on feeder cattle this year.

SLAUGHTER STEER PRICES

5 Market Weighted Average, Weekly



Livestock Marketing Information Center

Roberts Agricultural Commodity Market Report

Mike Roberts, Commodity Marketing Agent, Virginia Tech University

LIVE CATTLE futures on the Chicago Mercantile Exchange (CME) closed mixed on Monday in light trading action. DEC'07LC futures finished up \$0.125/cwt at \$96.900/cwt and \$1.725/cwt higher than a week ago. The FEB'08LC contract closed at \$98.525/cwt, down \$0.175/cwt but \$1.125/cwt higher than last Monday. Prices were pressured by some hedge selling pressured and concerns over how much higher cattle prices can go amid an abundance of meat protein in the supply chain. Cash prices were mixed on Friday but up from one week earlier. The 5-area price posted by USDA came in right at \$95.00/cwt, about \$2.25-\$2.50 higher than the previous week. USDA raised the choice cutout price by \$0.57/cwt from Wednesday to \$148.55/cwt. This was \$4.48 higher than one week ago. Cash sellers should definitely push market-ready cattle out of the door. It might be a good idea to hold off pricing short term corn supplies. FEEDER CATTLE contracts at the CME were up on Monday with the exception of the winding down November contract. NOV'07FC futures closed at \$108.660/cwt, \$0.190/cwt lower than last Friday and dead even with last Monday on minor profit taking. As predicted by indicators last week, the JAN'08FC contract finished at \$110.950/cwt, up \$0.250/cwt and \$2.125/cwt higher than a week ago. The MAR'08FC contract closed at \$111.250/cwt, up \$0.150/cwt. Gains in live cattle prices and losses in the corn sector were helpful. The latest CME Feeder Cattle Index was placed at \$109.14/cwt; up \$0.12/cwt. Feeder sellers ought to consider pricing more cattle sales while holding off on pricing more short-term feed needs.