

OFF THE HOOF

Kentucky Beef Newsletter – December 2008

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

Contents

This month's newsletter includes:

Timely Tips – Burris

We're on Trial with a Jury of Our "Peers"? – Burris

Mid South Stocker Program – Burris

Curly Calf Syndrome Update – Bullock

December Marketing Report – Burdine

Roberts Agricultural Marketing Report

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 (if you are lucky enough to have some); 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. My biggest concern is that, because of the drought in most areas, there is no winter pasture. These cows shouldn't be allowed to lose body condition.
- 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.
- Get breeding supplies together, if using estrous synchronization and/or A.I.

SPRING CALVING HERD

- 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
- 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.

- 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.
- 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.
- 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.
- Complete soil testing pasture to check for fertility and pH. These are tight economic times but you can only "mine" your soil's fertility for a limited time.

We're On Trial with a Jury of Our "Peers"?

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

The passage of Proposition 2 in California has served notice to animal agriculture that we are on trial ... just not with a jury of our peers. You see, agriculture is a distinct minority now and urban voters can enact laws which impact our lives with little understanding of agricultural production.

So what about Prop 2 which outlawed confining cages for egg-laying hens and restrictive pens for veal calves and pregnant sows? It wasn't about beef cattle and it was in California. The president of the Humane Society of the United States said that "all animals deserve humane treatment, including animals raised for food". So, why would that make us nervous?

Well, for one thing, it comes on the heels of the ban on horse slaughter which was well-intended by folks who have visions of mustangs running wild out west. That's great but the vision of horses that now aren't being cared for isn't as good. Maybe we can just turn them loose. Where? What happens when wild animals overpopulate their areas? I'll give you a clue – today is the first morning of deer season in Kentucky and deer are all over the highways, too. What happens when you can't afford to feed animals and no market exists?

Concern for the well-being of animals is noble and universal. A well-orchestrated attempt to shut down farming isn't. So what should we, as cattle producers, do? I am reminded of what Dr. David Roselle, former president of the University of Kentucky, said when the basketball program was being investigated. The first reaction was to "circle the wagons" but he said "we will defend that which is defensible". Not a bad answer. We, ourselves, must come up with our own standards for animal care and production, and we must assure our well-fed friends that we care about animals, too. However, actual cases of cruelty or poor care must be eliminated from our production system, by us.

Beef cattle producers don't do caged-type production but I remember as a young 4-H'er when my sow had a nice litter of pigs (I needed the money for school) then laid down and mashed all of them. Boy, how I wished for a farrowing crate. I have watched sows give birth outside after making a nice "bed" only to be

dismayed when they would turn around and eat the pigs. Another mortgage payment gone. But, people that have never been on a farm can't begin to understand that.

We can buy food from other countries, of course. Those countries may not have as many environmental restrictions, FDA guidelines or anything like a USDA inspection service. Food safety and wholesomeness must be assured. Who does that best? We do.

There is an old acronym that also applies – NIMBY (not in my backyard). Why don't we (as some have suggested) just depend on other countries for production agriculture? We could import food and fuel and export technology. We do need to be part of a global economy. I don't think that we should trust other countries to feed us. Talk about dependence. Food is the ultimate political football.

The Southeastern cattle industry is mainly a pastoral business with feeder calves as our product. This shouldn't be much of a problem for us but ... what would happen if we didn't have a market for our product?

So what do we in the cattle business need to do? In my opinion, we treat our animals humanely, assure the public that we do it better than anyone else and support our organizations that defend us. We need to be organized – they are.

During this holiday season, we should resolve to “police” and protect our industry. Otherwise; folks with a bellyful of safe, wholesome food (maybe even tofu turkey) and no understanding of or appreciation for production agriculture will make laws that have a profound effect on our livelihood.

Mid-South Stocker Conference Program (February 24th – 25th)
Dr. Roy Burris, Beef Extension Specialist, University of Kentucky

MID-SOUTH STOCKER CONFERENCE

February 24-25, 2009
Lake Barkley Lodge, Cadiz, KY

TUESDAY – Feb. 24 – Mid-South Stocker Conference Tour

11:30 AM **BUS TOUR DEPARTS FROM BARKLEY LODGE** (lunch will be provided)
 Stop 1. Scott Jolly's Stocker Operation, Cadiz, KY
 Stop 2. Fox Creek Cattle Co./Sorrell Farms, Hopkinsville, KY
 Stop 3. King Livestock Co., Hopkinsville, KY
 Stop 4 Tim Cato's Stocker Operation, Hopkinsville, KY

6:00 PM Reception and Trade Show – Barkley Lodge

7:00 PM Dinner (Flat-iron Steak)

Lodging – Lake Barkley Lodge (call 1-800-325-1708 for reservations at room rate of \$44.95)

WEDNESDAY – Feb. 25 – Mid-South Stocker Conference Program and Trade Show

- 7:00 AM Trade Show with “country ham and biscuits”
- 8:55 AM Welcome – Dr. Roy Burris, University of Kentucky
- 9:00 AM Value of Veterinary Service to Stocker Operations –
Dr. Dee Griffin, MARC, Clay Center, NE
- 9:45 AM Survival and Sustainability of the Stocker Industry –
Dr. Walt Prevalt, Auburn University
- 10:30 AM Break/Trade Show
- 11:00 AM Producer Panel – Dr. Jeff Lehmkuhler, University of Kentucky
- Dick Ryan, Lodi, Wisconsin
 - Leamon Bratton, Clarksville, Tennessee
- 11:45 AM Lunch/Trade Show
- 1:00 PM Market Outlook –
Michael Murphy, Cattle-Fax
- 1:45 PM Implications of Phosphorus in Feeds and Fertilizer
Dr. Jeff Lehmkuhler, University of Kentucky
- 2:30 PM Current Status of COOL
Nate Jaeger, NCBA
- 3:00 PM Adjourn

The preregistration fee for the conference (includes tour/reception meals, proceedings and access to the trade show) is \$95 per person. You may register online www.midsouthstocker.org or complete the following registration form.

Bring your significant other and spend a couple of days catching up on the beef industry and enjoying beautiful Lake Barkley. Call if you have any questions – Roy Burris 270-365-7541, Ext. 208, or Jeff Lehmkuhler 859-257-2853.

Curley Calf Syndrome (Arthrogryposis Multiplex (AM)) Update *Darrh Bullock, Beef Extension Specialist, University of Kentucky*

Since the last update on the genetic defect in the Angus breed there have been several developments:

1. Keep checking with the Angus Association website for the latest updates (www.angus.org).

2. The Angus Association has requested that the term “Curley Calf Syndrome” not be used due to possible confusion with other non-related conditions. The proper name is Arthrogyrosis Multiplex and it is commonly referred to by the acronym AM.
3. A DNA test has been developed to determine if an animal is a carrier of AM, but at the time of this writing it is not commercially available, yet.
4. It has been determined that an ancestor of Precision is a carrier, which unfortunately complicates the issue. The bull is Rito 9J9 of B156 7T26 (Registration No. 9682589) and he is Precision’s maternal grandsire. Just as it was the case with Precision in the earlier writing we do not know if this is the common ancestor that we are looking for, the origin of the mutation could be in one of his ancestors. What it means is that if this bull is in the pedigree then the animal could be a potential carrier. Of course all of Precisions offspring would be in this category, but there could be others that do not have precision in their pedigree, but do have this bull. There is no guarantee that there are not others, without Rito 9J9 of B156 7T26 in their pedigree, that are carriers, but that information will have to come out over time. I suspect that all of that bulls ancestors are deceased and determining linkage further back in the pedigree would have to come from tracing back living carriers, when they are determined, to common endpoints.

I have not seen a timeline on when the test will be commercially available, however, there is a list of bulls from AI studs that have been identified as either a carrier or free. That list includes 736 sires and can be found at: http://www.angus.org/NAAB_release.pdf. The other thing to remember is that this is not necessarily an “Angus only” issue. Many breeds have Angus genetics influencing them such as crossbred bulls and grading up programs. It is possible that this defect has crossed over to other breeds that utilize Angus genetics, but to my knowledge no animals outside of Angus have been identified as AM or AM carriers. If you have any questions please do not hesitate to contact Dr. Darrh Bullock, University of Kentucky, by phone 859-257-7514 or email dbullock@uky.edu.

December Marketing Report

Kenny Burdine, Livestock Marketing Specialist, University of Kentucky

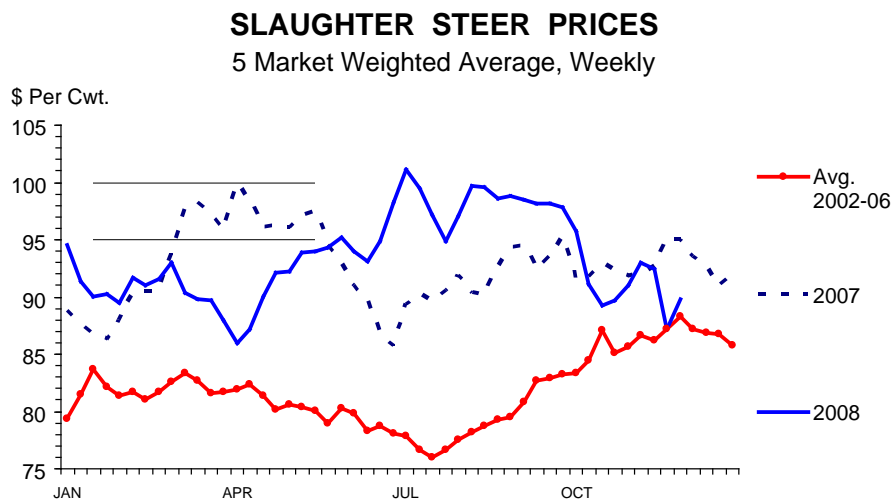
It is clear to any observer that the cattle complex is going to follow the track of the US economy as we are clearly in a demand driven pattern right now. Last month, we talked about how supply fundamentals were relatively strong, yet feeder cattle prices had slid by more than \$20 per cwt since summer as the weak economy is causing many to question the strength of consumer beef demand. Some, including myself, were hoping that markets would improve once the election was behind us, but this has not materialized.

November prices settled slightly lower than October, with the week prior to Thanksgiving being the weakest yet. Medium / Large Frame #1 feeder steers in the 500 to 600 lb range averaged just under \$88 per cwt. Heavier feeders, in the 700 to 800 lb range traded around \$80 statewide. With many livestock markets closed the week of Thanksgiving, trade really can’t be gauged until the first week of December.

Our chart this month tracks fed cattle prices in 2008 compared to 2007 and the long term average. One can easily see the slide that has occurred from August to the present, but this is even more discouraging when

we consider that deferred live cattle futures traded between \$105 and \$110 for a large part of the summer. As of the last week of November, we were looking at fed cattle prices around \$90 per cwt.

Many observers have commented that feeder cattle prices are weakening while corn prices are falling. We typically think of falling corn prices as being supportive of feeder cattle price, holding everything else constant. The difference this year is that we are not holding everything else constant. Both feed costs and expected sale price for finished cattle determine what feedlots can pay for feeder cattle. Expected fed cattle prices (i.e.: deferred live cattle futures) have been dropping so drastically that this negative effect is more than offsetting the potential positive effect from cheaper corn.



Source: 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) were down on Monday pressured by the same sorry economic news that squeezed commodities in general. The DEC'08LC contract closed at \$85.450/cwt, off \$1.925/cwt and \$1.200/cwt lower than a week ago. FEB'09LC futures closed up \$1.925/cwt at \$85.725/cwt, 1.875/cwt lower than last Monday. Volume was light amid low numbers of buyers while sellers were able to push prices lower while shorting the market. Packers have backed off demand amid worries that shoppers will not buy as much product this holiday season. USDA on Monday put Choice Boxed Beef at \$152.16/cwt, up \$0.56/cwt. Cash cattle in the Plains traded \$2-\$3/cwt lower than last week while USDA put the 5-area price at \$89.82/cwt, off \$1.44/cwt from a week ago. According to HedgersEdge.com, the average packer margin was lowered \$19.95/head from last week to a negative \$9.75/head based on the average buy of \$88.69/cwt vs. the average breakeven of \$87.92/cwt. Consider buying short-term needs at this time. Corn markets will most likely uptick on good financial news.

FEEDER CATTLE at the CME followed live cattle and the other commodity markets lower on Monday. JAN'09FC futures finished at \$89.625/cwt, down \$2.075/cwt from Friday and \$1.775/cwt lower than last Monday. The MAR'09FC contract settled at 89.850/cwt, off \$2.375/cwt and \$2.30/cwt lower than a week

ago. The CME Feeder Cattle Index for November 27 was placed at \$93.05/cwt, up \$0.35/cwt. It might be a good idea to price short-term feed needs now.