

# *OFF THE HOOF*

*Kentucky Beef Newsletter – July 2008*

---

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

## **Contents**

This month's newsletter includes:

**Welcome Dr. Jeff Lehmkuhler**

**Timely Tips - Burris**

**Welcome to the Information Age – Burris**

**Introduction and Nutrition of Fractionated Distillers - Lehmkuhler**

**Getting Cows Bred in July and August - Anderson**

**July Marketing Report – Burdine**

**Roberts Agricultural Marketing Report**

## **The University of Kentucky Welcomes Dr. Jeff Lehmkuhler**

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

The University of Kentucky would like to welcome Dr. Jeff Lehmkuhler to the UK Beef Extension team. Dr. Lehmkuhler was hired to fill the Johns position as a Beef Extension Nutritionist. Dr. Lehmkuhler is a native of Southern Indiana and received his BS in Agriculture at Purdue University and his MS and PhD in Ruminant Nutrition at the University of Missouri. Dr. Lehmkuhler served as the Beef Extension Specialist at the University of Wisconsin for 5 years before joining our staff. Dr. Lehmkuhler brings a wealth of knowledge and experience and I'm sure everyone will enjoy working with him.

## **Timely Tips**

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

### **Spring-Calving Cow Herd**

- Remove bulls from the cow herd by the end of the month and keep them away from the cows. A short calving season can concentrate labor during the calving season; group calves by age so that it is easier to find a convenient time to vaccinate, castrate, dehorn, etc.; and provide a more uniform group of calves at market time.
- Mid-July (when the bulls are being removed) is a good time to deworm cattle, use a product that is effective against inhibited ostertagia. Reimplant calves which were implanted at birth if the type of implant and amount of time indicate. Calves which haven't been vaccinated for blackleg should be. Spraying or using a pour-on for flies while cattle are gathered can supplement other fly control methods. Remember to work cattle early in the morning when it is cool and handle them gently to minimize stress.

- Continue to watch for pinkeye and treat if necessary. Minimize problems by clipping pastures, controlling face flies and providing shade.
- Fescue pastures tend to go dormant in July and August, so look for alternatives like warm season grasses during this period of time. Try to keep the young calves gaining weight.

### **Fall-Calving Cow Herd**

- Fall-calving cows should be dry and pregnant now. Their nutrient needs are minimal and they can be maintained on poor pasture to avoid overfattening. Keep a good free-choice mineral mix available at all times.
- Replacement heifers should be gaining at an adequate rate to reach their "target" breeding weight.
- De-worm cows in mid-July.
- Get ready for fall calving and plan to have good pasture available at calving and through the breeding season.

### **Stockers**

- Sell heavier grazing cattle before rate of gain decreases or they get into a heavyweight category. This will also relieve grazing pressure as pasture growth diminishes. They can be replaced with lightweight calves after pastures recover.
- Lighter cattle which are kept on pasture need to be rotated to grass-legume or warm-season grass pastures to maintain a desirable level of performance. Reimplant these calves and deworm with a product that is effective against inhibited ostertagia.

### **General**

- Be sure that clean water is always available, especially in hot weather. Make routine checks of the water supply. Cattle need 13 to 20 gallons of clean water in hot weather.
- Maintain a weed control program in permanent pastures and continue to “spot-spray” thistle.
- Check pastures for downed wild cherry trees after storms (wilted wild cherry leaves are toxic to cattle).
- Have forage analyses conducted on spring-cut hay and have large, round bales covered. Begin planning the winter feeding program now.
- Start soil testing pastures to determine fertilization needs for this fall.

## **Welcome to the Information Age**

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

The headlines of one of the beef e-magazines read “Giant 6 ft. cow that is as big as a small elephant”. This giant cow “stands 6 ft. 6 in. and weighs well over a ton”. That’s really something to celebrate – getting a cow as big as an elephant – but I knew we had been headed in that direction. So, I clicked on the computer link to the internet article and read further - “despite his grand stature, Chilli only grazes on grass during the day and enjoys the occasional swede as a treat ..... he is a very friendly and gentle cow...” I was relieved to find out that a swede was a vegetable. But the statement “the heifer, who is almost as tall as he is long” was somewhat confusing. Closer inspection of the accompanying picture left little doubt about the gender of the “cow”. There were a lot of comments posted from all over the world but one from Texas said simply “good luck milking that cow.”

Where do you get your farming information? The computer age has certainly bombarded us with material on any subject. You can do a computerized search on about any topic and instantly get a wealth of information. The problem is that anyone can post anything on the internet and the user alone is left to evaluate its credibility.

What is a credible source of information? It must be the neighborhood coffee shop because you can receive a lot of advice there every morning. Just choose the one with the most pick-up trucks parked out front. Pull in and get some “free” advice on almost any subject. The problem is that it seems, at least to me, that the most successful cattle producers are usually out with their cattle at that time of day. Pick your mentors carefully because the best thing to come out of the coffee shop is usually a good cup of coffee.

The information age and an era of rapidly changing technology sometime leads to the question – What is your best source of information? I am not an unbiased source, but I believe that it is the same as it has been for a while. The Cooperative Extension Service has been around a long time and is, quite simply, the farmer’s best source of unbiased, research-based information. Each time an Extension agent or specialist makes a recommendation, it is backed up by a well-established network of support.

So, where do these agents get their information? To answer that, we must consider the three missions – Research, Teaching and Extension – of your land grant university. Universities are actively involved in training young minds and a new generation of teachers, producers and scientists. Land grant universities are deeply involved in basic, discovery-type research some of which is at the “test tube” level. Scientific journal articles are refereed (peer reviewed) to evaluate their experimental design, statistical analyses, interpretation, etc. before they are published. This research is followed by “applied” research which evaluates substances or practices on a larger scale. Demonstrations are generally conducted in areas near you to see if this “recommendation” will work for you. Scientists cooperate on regional projects to extend their efforts and reduce any duplication.

Local County Extension Agents benefit from this network and are constantly being training in new and evolving technology. The Extension service doesn’t always jump on a new “idea” as quickly as you might wish but it is very important that all recommendations be backed-up by sound research so that our clientele don’t put their financial assets and livelihood at risk.

The Cooperative Extension Service is your best source of up-to-date, unbiased information and is backed by years of service and commitment to your family. Take it from someone who has been involved with agricultural Extension work since my “county agent” helped me with my first 4-H project (a calf) when I was nine years old, we do take our work seriously. And; if people criticize this partnership with the American cattlemen and farmers, they shouldn’t do it with their mouths full.

## **Introduction and Nutrition of Fractionated Distillers**

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

Hello Kentucky! It is a privilege to have the honor of succeeding Dr. Johns and join the UK Extension family as an Extension Beef Nutrition faculty member. Though the shoes to fill are large, I am looking forward to working with the beef industry in the state. Granted the stride may be different, be assured the shoes will not be idle and they’ll continue to move across the state to assist Kentucky’s beef industry. I look forward to meeting many of you in the near future.

Thought I'd share a bit of background to introduce myself. I formerly held the Extension Beef Cattle Specialist position at the University of Wisconsin. Yes, there are beef cattle in the dairy state, about 260,000 beef cows and roughly 250,000 cattle on feed. While in Wisconsin I was engaged in all aspects of beef production and involved with several state beef organizations. Dairy steers were a central focus area which capitalized on a readily available resource and my research with dairy steers involved both feedlot and grazing components. Some of my work also investigated alternative forages for growing beef cattle such as cup plant, soft-leaf tall fescue and kura clover. We investigated co-products in the feedlot and as a supplement for stockers and pasture finishing. Wisconsin has nine ethanol plants in operation with ethanol co-products ranging from conventional dry milling co-products (i.e. wet and dried distillers grains) to new generation fractionated products (i.e. corn bran, corn germ and high protein distillers). Thus, distillers grain isn't distillers grains anymore.

Let's explore this a bit more. A traditional dry grind mill pulverizes the whole corn kernel into a finely ground, small particle-sized stock that is fermented yielding ethanol, carbon dioxide, solubles and wet cake or distillers grains. Often some or all of the solubles are added back to the cake to yield distillers grains with solubles or DGS. This can be a conventional wet distillers grain with solubles (WDGS) product that typically averages near 30-35% dry matter, 30-35% crude protein and 6-12% fat. A modified wet distillers product is also available that may contain a very similar nutrient profile while being slightly drier with a DM near 45-50%. This product may be dried fully yielding dried distillers grains with solubles (DDGS) that again has a similar nutrient profile but with a DM of near 90%. These conventional products are quality feedstuffs that can be utilized by all classes of cattle and are available here in Kentucky. There are a few things to consider, however, that may limit their feeding rates. Sulfuric acid is often utilized to both control pH during fermentation and as a cleanser. This can increase the sulfur level in these co-products to levels that may induce polioencephalomalacia or brainers if consumed at high levels. Several add thiamine to help mitigate this disorder, but it remains unclear exactly what is causing the disorder. Phosphorus levels are typically high in these products as well since most nutrients are concentrated three-fold as the starch, which comprises about 67% of the corn kernel, is removed in the fermentation process. This is a concern from an environmental standpoint predominantly in the drylot or finishing systems as the dietary levels often greatly exceed the animals' requirement for phosphorus yielding higher manure phosphorus concentrations. It is advised that when using co-products as a supplement for grazing cattle or as an overwintering feed that you adjust your mineral supplementation program accordingly. Lastly, the high fat level may negatively impact fiber digestion when fed at high rates in forage-based diets.

How do these "new generation" distillers products differ from conventional? In the table below, I've provided some general information on these products. Keep in mind that just as with any co-product there can be considerable variability in the nutrient concentrations and it is advised that you request a nutrient analysis specific for the load you receive. Further, the products can vary depending on what technology the plant is employing to fractionate the grain (i.e. wet milling or dry fractionation). The bran which is comprised primarily of the kernel tip cap and pericarp is a bulky, fluffy product with a "paper" profile similar to that of soyhulls. The germ contains the vast majority of the oil hence the higher crude fat content and again may impact forage utilization if fed at high levels. Since the fibrous germ and oil are removed prior to entering the fermentor, the distillers grains from these new generation plants are reportedly higher in crude protein and subsequently lower in fat and fiber.

Table 1. Comparison of the reported nutritional profiles for various corn-based co-products derived from the ethanol industry.

Item	Conv. Distillers	Solubles	High Protein Distillers	Bran	Germ
DM, %	32.1	33.4	92	90	91.1
CP, %	31.6	20.8	45	5.4-14.6	15-16
Crude fat, %	6-15	22.2	6	1.4-9.8	17-20
NDF, %	37.9	4.3	22	21-64	16-23
NEm, mcal/cwt	100 (102)	126 (129)	100 (102)	85-100	125 (128)
NEg, mcal/cwt	68 (105)	89 (137)	68 (105)	56-68	89 (137)
Ca, %	0.05	0.08	0.01	0.03	0.02
P, %	0.53	1.59	0.38	0.65	1.49
S, %	0.63	1.43	0.89	0.75	0.21

( ) = % of reported energy values for corn

With \$7 corn prices, conventional feeding practices may be questioned. It is important that you work with a knowledgeable individual prior to utilizing co-product feedstuffs to avoid a disaster and find an economical feeding strategy. If UK Extension can be of assistance, please contact your county office for more information and I look forward to meeting with you in the future.

## Getting Cows Bred in July and August

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

One of the most challenging aspects of spring calving is trying to determine when to calve to maximize reproductive rate. Reproductive efficiency in a cow herd is most accurately measured by the term “percent calf crop weaned” which is calculated by dividing the number of calves weaned by the number of cows that were in the cow herd when the breeding season began the previous year. The two factors that affect the ability of a cow to wean a calf is pregnancy rate and calf death loss.

Most spring-calving herds begin calving sometime in February or March and end sometime in May or June. Calving in February and March can be challenging because both of these months are typically wet and/or cold. Wet/cold environments result in higher calf death loss; calf death losses average 5-7% for most spring calving herds. One method to reduce calf death loss is to calve when the weather is more accommodating. For example, death loss is much lower (1-2%) for cows that calve in the fall (September and October). One might think that calving in April and May could be a better option; the weather is certainly warmer and calf death loss will likely be lower. To calve in April and May, the breeding season would be start June 23<sup>rd</sup> and would last through the month of August. Unfortunately, breeding cattle during this time results in lower pregnancy rates and would put most beef cattle producers out of business.

Data from the University of Kentucky Research Center at Princeton demonstrate the impact of breeding season on reproductive rate. In this trial, cows were exposed to a 45-day natural service breeding season. The breeding seasons were early (4/21-6/5), typical (5/21-7/6), or late (6/19-8/4). Pregnancy rates declined

dramatically in cows that were bred later in the summer. Pregnancy rates were 89% for cows bred early, 78% for cows bred during the typical time, and only 59% for cows bred to calve later (April/May). Therefore, in Kentucky, cows that are bred to calve later in the spring will likely have lower calf death loss but considerably fewer of the cows will actually get pregnant. Why is pregnancy rate so low for cows in July and August?

The main factor that reduces pregnancy rates in our state, and others in the fescue belt, is heat stress. Heat stress occurs when the body temperature is elevated for more than two degrees above normal for more than 48 consecutive hours. Heat stress reduces pregnancy rates by increasing embryonic mortality. Developing embryos/pregnancies can be lost at two different periods of pregnancy; before Day 7 (loss of the developing embryo) and from Day 25-45 (early fetal loss). Cows that experience embryonic loss in the first week of pregnancy are repeat-breeders; they come back into heat 20-21 days after service. Cows that experience fetal loss from Day 25-45 are normally those cows that conceived early in the breeding season (end of May) but were exposed to extreme heat stress 25-45 days later. Data from trials at the University of Kentucky illustrate that fetal death loss ranges from 5-25% depending upon the level of heat stress. Cows that experience fetal death loss are typically open at the end of the breeding season.

The heat stress problems in our state are the result of consumption of endophyte-infected fescue. Endophyte is a fungus that grows in fescue and it produces chemical compounds that reduce the ability of a cow to dissipate heat. These chemicals redirect blood flow in an animal's body such that the blood supply pools in the interior regions of the body. Normally in the summer an animal's blood supply flows more to the exterior of the body so that it can be cooled. The redirection of the blood flow reduces the ability of an animal to cool itself during the night and results in tremendous heat stress on the body and lower pregnancy rates.

How can we reduce the impact of heat stress? The first logical approach would be to limit the access of your cows to endophyte-infected fescue during the heat stress months (mid-June thru August). Grazing options include warm season grasses, endophyte-free fescue, predominately legume pastures, and/or sorghum sudan grass. Cows could graze endophyte-infected pastures until late-May to mid-June while the summer grazing pastures grow. Cows could then be turned out on the "summer pastures" until the end of the breeding season. If non-endophyte pastures are not feasible, then diluting the fescue with legumes and/or other feedstuffs will help reduce the impact of the heat stress. One supplemental feed that appears to reduce the effects of heat stress is fat. Research at the University of Kentucky has demonstrated that feeding cows high fat diets while grazing highly infected endophyte fescue during the breeding season can help reduce heat stress and improve pregnancy rates. In these trials, cows were fed either a commercial fat supplement free choice or whole soybeans (3 lbs/hd/day) during the breeding season (6/5-8/15). Fat supplementation increased hair shedding, reduced cow body temperature, and improve pregnancy rates from 56% to 78%.

The decision of when to concentrate your calving in the spring is tough. Life is easier if your cows could calve later but fewer of them will calve. With little doubt, calving earlier will increase pregnancy rates but will also likely increase calf death loss. Economically, 5-7% death loss is more financially sound than only 60-70% pregnancy rates. Use of alternative summer grazing systems to reduce the effects of endophyte-infected fescue is a logical but sometimes difficult solution. Feeding cows fat supplements will help but perhaps the best solution is to completely change your breeding and calving season. Cows that calve in the fall have lower calf death loss, higher pregnancy rates, and shorter calving seasons than cows that calve in the spring.

## July Marketing Report

*Kenny Burdine, Livestock Marketing Specialist, University of Kentucky*

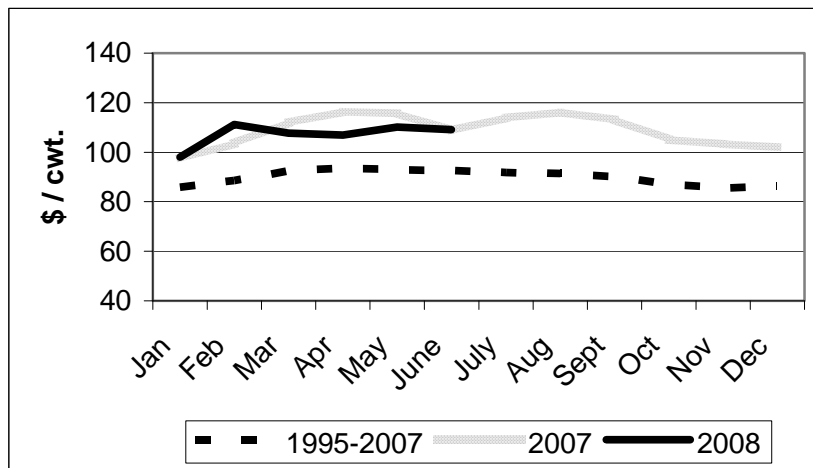
The feeder cattle markets remain pretty resilient in the face of rising corn prices as live cattle futures keep offsetting the negative corn effect. June prices were very close to May levels; heavier feeder cattle very actually a little higher month-over-month on a state average basis. The June 30<sup>th</sup> acreage report showed a larger acreage number than expected for corn, which was somewhat helpful to feeder cattle. However, USDA made it clear that this number was likely to be revised as much of the data was collected prior to the massive flooding that was seen.

Cattle on feed numbers are getting smaller as June 1 estimates were down 4% from year ago. At the same time, placements during May were down 12% from a year earlier, which suggest cattle on feed numbers are only going to get smaller. Winter live cattle futures in early July were predicting a price increase of about \$15 per cwt. from current levels.

Of course the other side of the story is cost of gain. Kansas State's monthly feedlot report is projecting cost of gain for June placed cattle above \$1 per pound. Based on current feeder cattle prices, feedlots are bidding most of this expected price increase into feeder cattle, which explains a lot of that price resiliency.

Lastly, USDA will release a new cattle inventory report the end of this month. Based on cow slaughter and profitability expectations, that report is likely to show a shrinking cow herd in the US. Although that report will not give state estimates, Kentucky beef cow numbers were down about 4% last year and I think are decreasing again this year. We will talk about this report next month.

**Kentucky Auction Prices**  
500 to 600 lb Med / Large Frame Steers



## Roberts Agricultural Commodity Market Report

*Mike Roberts, Commodity Marketing Agent, Virginia Tech University*

**CORN** on the Chicago Board of Trade (CBOT) finished limit down on Monday in response to larger-than-expected USDA acreage report. As a result, CBOT corn futures limits will expand to the 45.0¢/bu limit for Tuesday's trading. The JULY'08 contract finished at \$7.246/bu, off 30.0¢/bu but 92.2¢/bu higher than two weeks ago. The DEC'08 contract closed at \$7.570/bu, off 30.0¢/bu and 8.0¢/bu lower than Monday before

last. USDA's acreage report was bearish for corn. The report showed that U.S. farmers expected to harvest nearly 78.9 mi ac of corn from 87.3 mi planted acres, off 9% from last year but still the second largest harvest on record since 1944. USDA March estimates for corn seedings were 86.014 mi acres. Big difference! These figures will most likely undergo some adjustment because the survey was taken during the first two weeks of June before most of the flooding in the Midwest. USDA said it intends to re-survey over 9,000 affected producers during the middle of July so they can allow time for flooded fields to dry somewhat (if no more rain falls) and for producers to more fully take stock of their situation and remaining cropping options. This will give a better picture of the corn situation. In addition, it was announced today that NASS will increase the number of corn and soybean fields selected for objective field measurements. This will allow the NASS August 12 Crop Production report to contain more accurate measurements of corn and soybean yield and production. Even though corn futures were limit down, believe it or not soaring outside crude oil markets and speculative influences that did not believe the USDA report was reflective of the impact of the worst flooding in 15 years were supportive. After trading ceased on Monday, USDA put the U.S. corn crop at 61% good-to-excellent condition, up from 59% last week. USDA placed corn crop silking 6% behind the 5-year average pace of 9%. Funds sold 10,000 lots! Volume for Monday was estimated at 302,156 futures and 105,222 options. CFTC trade data issued late last Friday had large speculators cutting net bull positions for the week ended June 24. It is still a good idea to have up to 60% of the '08 crop priced and speculate with the rest of the crop. After this bearish news there is still plenty of upside potential. Trading will most likely be very volatile as the market waits to see if the U.S. corn crop will be cut short in the next USDA assessment after the floods.

**SOYBEAN** futures on the Chicago Board of Trade (CBOT) surged upward on Monday based on fears that soybean stocks will fall to near record lows on USDA's harvested acreage forecasts. USDA reported on Monday that despite recent flooding, U.S. farmers expected to harvest more than 72 mi ac vs. 74.5 mi ac planted. This is the third largest on record and up 17% from last year. Keep in mind the USDA reassessment that will take place the middle of July as stated earlier in the corn section. The JULY'08 contract finished at \$16.050/bu, up 23.4¢/bu from last week and 71.0¢/bu more than two weeks ago.

NOV'08 soybean futures closed at \$15.74/bu, up 14.4¢/bu. Even though planted acres were up, the USDA report shows stocks at 663 mi bu vs. 676 mi bu in the June 1 report and 429 mi bu on hand one year ago. End-of-quarter positioning by large commodity funds were also supportive. Late on Monday USDA reported that U.S. soybean crop 58% in good-to-excellent condition. The market expected and received a 2% rating improvement. Volume was heavy at times with an estimated 168,250 futures and 23,186 options registered in trading. CFTC Commitment of Traders report last Friday had large speculators decreasing net bull positions in soybeans while expanding net bull positions in both soyoil and soybean meal for the week ended June 24. This action was supported by surging crude oil prices. Having up to 60% of the '08 crop priced is still a good idea. Looks like higher soybean prices are in the offing for both the 2008 and 2009 crop. However, if the USDA survey work of July shows the soybean crop in better condition look for profit taking and lower soybean prices.

**WHEAT** futures in Chicago (CBOT) closed down on Monday on news of better global supplies. The JULY'08 contract closed at \$8.764...434/bu, off 52.0¢/bu and 33.0¢/bu lower than Monday before last. JULY'09 wheat futures closed off 4.4¢/bu at \$9.504/bu but 63.0¢/bu higher than this time last week.

CHICAGO, June 30 (Reuters) - U.S. wheat futures plunged on Monday, with Chicago Board of Trade wheat down nearly 6 percent on bearish stocks data from the U.S. Department of Agriculture coupled with harvest pressure, traders said.

- A limit-down break in corn lent additional pressure in wheat.

- At the CBOT, July soft red winter wheat <WN8> settled down 52 cents, or 5.8 percent, at \$8.43-1/2 per bushel, after hitting a two-week low at \$8.39. Back months fell 35-1/2 to 53-3/4 cents.
- Funds were net sellers of 4,000 CBOT wheat contracts. CBOT wheat volume estimated at 92,023 futures, 11,367 options.
- At the Kansas City Board of Trade, July hard red winter wheat <KWN8> fell 42 cents, or 4.5 percent, to settle at \$8.83 a bushel, with back months down 40 to 48-3/4 cents. KCBT volume estimated at 20,763 contracts.
- At the Minneapolis Grain Exchange, July spring wheat <MWN8> closed down 37 cents at \$11.75 per bushel, with most-active September <MWU8> down 51-3/4 at \$9.50-1/2 and back months down 35 to 60 cents. MGE volume estimated at 4,839 contracts.
- USDA reported U.S. June 1 wheat stocks at 306 million bushels, above the average trade estimate of 261 million and USDA's latest wheat ending stocks estimate of 254 million. [ID:nDAT001091]
- USDA plantings data viewed neutral; USDA pegged 2008 U.S. all-wheat plantings at 63.457 million acres, slightly below March intentions estimate of 63.803 million. [ID:nDAT001088]
- USDA reported export inspections of U.S. wheat in the latest week at 15.003 million bushels.
- Drier weather early this week to boost U.S. Plains wheat harvest; wet weather later in week a concern. [ID:nDTN034]
- After the close, Egypt issued a snap tender seeking 55,000 to 60,000 tonnes of optional-origin wheat for shipment July 23-31 and/or Aug. 1-10. Results expected on Tuesday.
- Jordan tendered to buy 100,000 tonnes hard wheat [ID:nSP320770]; Bangladesh tendered to import 100,000 tonnes wheat. [ID:nDHA74546]
- After the close, USDA said the U.S. winter wheat harvest was 36 percent complete by Sunday, up from 22 percent a week earlier but behind the five-year average of 48 percent.
- USDA said 74 percent of the U.S. spring wheat crop was rated good to excellent, up from 72 percent the previous week.
- CBOT July deliveries light at 29 lots, well below estimates for 2,000-5,000. [ID:nN30241496] [ID:nN27453075]
- CFTC's supplement report on Friday showed large speculators cut their net short position in CBOT wheat to 23,304 contracts in the week ended June 24, down 2,800 lots.

WHEAT TENDER: The Egyptian state's main wheat buying agency said on Monday it wanted to buy 55,000 to 60,000 tonnes of optional-origin wheat for shipment July 23-31 and/or Aug. 1-10. Egypt's General Authority for Supply Commodities (GASC) was widening its options due to high prices by adding Ukraine wheat to the origins sought, said U.S. traders. Tenders should reach GASC by 12 p.m. local time (0900 GMT) on Tuesday and the results should come out around 4:30 p.m. local time (1330 GMT) on the same day. Wheat bids should be free-on-board (FOB). Said el-Hefny, vice chairman of GASC, said the wheat should be U.S. North Pacific soft white wheat, U.S. hard red wheat, U.S. soft red winter wheat,

French milling wheat, Australian standard white wheat, Australian hard wheat, German milling wheat, Canadian soft wheat, Argentine bread wheat or Kazakhstan milling wheat. GASC was also seeking 30,000 to 60,000 tonnes of Russian wheat, UK milling wheat (ukp or uks variety), Syrian wheat or Ukraine milling wheat.

**WHEAT TENDER:** Jordan has tendered to purchase 100,000 tonnes of hard wheat from optional origins, European traders said on Sunday. Half is for shipment in the second half of August and half in the first half of September. Bidding deadline is July 8.

**WHEAT TENDER:** Bangladesh has issued a tender to import 100,000 tonnes of wheat by September to boost its emergency food stocks, officials said on Monday. The tender, issued by the Food and Disaster Management Ministry, will close on July 14 and will run until August 3, for shipment within 30 days of the date of signing the contract. The tender price has to be quoted separately for the country's Chittagong and Mongla ports, based on the cost of cargo, insurance and freight including stevedoring on the seller's account, at both ends of shipment. The minimum quantity to be offered is 25,000 tonnes, the officials said.

Profit taking, seasonal harvest pressure and weakening crude oil futures were not supportive of prices while soaring corn encouraged the buying of \$8.00/bu wheat for feed. Wheat-inspected-for-export did not meet expectations coming in at 14.655 mi bu vs. estimates for between 15-20 mi bu. Iran will reportedly tender for 50,000 tonnes (1.8 mi bu) while Algeria bought 400,000 tonnes (14.7 mi bu). USDA placed the U.S. winter wheat harvest at 16% complete compared to the 5-year average of 19%. The U.S. winter wheat crop was rated 47% good-to-excellent condition while the U.S. spring wheat crop was placed in 67% good-to-excellent condition vs. a 63% rating last week. Supporting prices was news that Australia wheat is now estimated to harvest 24.3 mi tones (892.9 mi bu) or 3.2% lower than expected. Funds bought over 1,000 lots of CBOT futures amid a somewhat heavy volume of 92,297 futures and 12,212 options. The supplement to Friday's CFTC Commitment of Traders report had large speculators increasing net bear positions by 2,000 contracts to 30,285 lots. If you haven't sold the entire 2008 wheat crop by now it is a good idea to get it sold.

**LIVE CATTLE** futures on the Chicago Mercantile Exchange (CME) were up on Monday. The JUNE'08LC contract closed at \$96.725/cwt, up \$1.150/cwt. AUG'08LC futures were up \$1.175/cwt at \$103.450/cwt.

**LIVE CATTLE** - June <2LCM8> off 0.375 cent at 100.600 cents per lb and August <2LCQ8> off 1.675 at 103.425 cents. June set a contract high of 101.500. August set a 1-1/2 week low.

- The June contract expired at noon CDT (1700 GMT).
- Profit taking after recent gains, some of it end-of-month and end-of-quarter book squaring, dragged live cattle lower.
- Funds were sellers in the August.
- Additional pressure from the sharply lower lean hog futures also cited.
- Cattle futures set contract highs and an all-time record high recently in reaction to higher cash beef and cattle prices. However, traders said the gains appeared overdone.

- Cash beef prices continued to move higher and traders expect steady-to-higher cash cattle prices this week.
- Cattle actively traded as high as \$99 per cwt in the U.S. Plains feedlot markets last week, up \$3 to \$5 from the previous week. Cash cattle could trade steady to \$1 higher this week, some analysts said.
- Early on Monday, USDA quoted the choice boxed beef cutout at \$168.25 per cwt, up \$1.39 from Friday and the highest in more than a year. The select cutout was \$161.82, up \$1.55.
- USDA on Thursday reported beef export sales last week at 14,700 tonnes, with Mexico, Japan, Russia, and Canada the top buyers.
- South Koreans continue to protest a deal to restart imports of U.S. beef. A Korean beef importer said sales of U.S. beef will resume this week.

**FEEDER CATTLE** at the CME closed higher on Monday. AUG'08FC futures were up \$0.500/cwt at \$109.650/cwt. The SEPT'08 contract finished the day at \$111.500/cwt, off \$0.250/cwt.

FEEDER CATTLE - August <2FCQ8> up 0.150 cent at 111.875 cents per lb and September <2FCU8> up 0.275 at 113.550.

- Sharply lower CBOT corn fueled buying in feeder cattle, although lower live cattle futures and the premium of feeder cattle futures to the feeder cattle index limited the advance.
- Funds were early buyers in the October.
- CBOT corn futures were down 30 to 35-3/4 cents per bushel late on Monday in reaction to USDA increasing its planted acreage for U.S. corn and to a bigger-than-expected grain stocks figure.
- CME feeder cattle index for June 26 was up 45 cents at \$109.53 per cwt.

Despite higher corn prices, higher live cattle futures and higher cash feeders were supportive. The CME Feeder Cattle index for June 12 was placed at \$109.82/cwt, up \$0.150/cwt. It might be a good idea to hold feeders if you have good pasture.