

OFF THE HOOF

Kentucky Beef Newsletter – October 2008

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 herds

- The calving season is in full swing for fall calvers. Check cows frequently, even though weather-related stress isn't as much of a problem as spring-calving can be. Identify calves and commercial males should be castrated and implanted.
- Obtain yearling measurements (weight, hip height, scrotal circumference, etc.) on replacement animals—especially for registered ones. The largest measurements for weight, height and pelvic areas aren't what you are looking for. In most cases, you are more concerned with minimums, like eliminating heifers with very small pelvic areas so that you minimize their likelihood of calving difficulty. Or, you might even want to eliminate some animals when it appears that their size and frame is too large to fit your program and goals.
- It is time to get everything ready for the fall-breeding season, too. Line-up semen, supplies, etc. now and get your bulls ready to go (don't forget their breeding soundness evaluation).
- Put fall-calving cows on accumulated pasture before the breeding season if it is available.

Spring-calving herds

- Pregnancy examination of cows is an important activity which should not be overlooked. Winter feeding costs can be minimized by eliminating open cows prior to winterfeeding.
- Obtain weaning weights of your calves and enter this in a record keeping program. Keep good records and treat your cow-calf operation like a business.

- If you have already done a preweaning working, revaccinate (booster) calves as needed. Treat calves for internal and external parasites. If you vaccinate calves yourself, be sure to handle and administer vaccines properly.
- Evaluate the body condition of your cows. It is easier to improve their condition prior to winter.
- Now is the time to do your first round of culling and selecting breeding stock. You can eliminate obviously inferior calves, especially those with wild or nervous dispositions. Consider the number of heifers that you will need to save for your cow herd. Bulls which are old, unsound, roguish, etc. can be culled now. It is not too early to begin thinking about replacements now.

Stockers

- If you are purchasing weaned/stressed calves, have your receiving/feeding program in place. Feed a stress ration which contains at least 13% protein and is fairly energy dense.
- Manage to keep newly weaned and/or purchased calves healthy. Calves should be penned in a small lot with adequate feed, water and shade to reduce stress. Careful handling and comfortable, uncrowded conditions can decrease stress.
- When newly-weaned calves are purchased in the fall, sickness and death loss can be a big problem. Work with your veterinarian on a health and receiving program. Consider purchasing CPH-45 feeder calves which are preweaned, vaccinated, bunk-adjusted and treated for parasites.
- Watch calves closely for a few weeks after their arrival. Have a treatment program ready for any health problems. Early recognition of sick cattle improves their chance of recovery. Watch for drooped ears, hollow appearance, reluctance to rise, stiff gait, coughing, and dull or sunken eyes. A good “receiving” program is essential to profitability.

General Reminders

- Test hay quality and make inventory of hay supplies and needs. Make adjustments (buy feed or sell cattle) before you run out in the winter.
- Take soil samples for soil analysis to determine pasture fertility needs. Apply phosphate, potash and lime accordingly.
- Avoid prussic acid poisoning which can happen when frosts rupture the plant cells in sorghums, sorghum-sudan hybrids, sudangrass and johnsongrass releasing prussic (hydrocyanic) acid. Fields can be grazed after the plants have dried up after a frost. New growth that occurs in stalk fields is potentially dangerous whether frosted or not. However, most stalk fields will be grazed this year before frost.
- Remove fly-control eartags from all animals, dispose of according to instructions on package. Treat for grubs/lice.
- Do not harvest or graze alfalfa now in order for it to replenish root reserves.

I Miss the “Good Old Days”

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

I enjoy good political theater as much as anyone but the recent national political conventions for both parties have left me thinking that something is definitely missing. Major political candidates now have speech writers that are mostly concerned with how something will “play in Peoria”. Candidates themselves deliver “their” speech from a teleprompter while worrying more about their appearance than

substance. And - here's what really bothers me – after the speech, both parties have “spin doctors” to tell us what the candidates really said. As if we can't think for ourselves.

I miss the good old days when people “said what they meant and meant what they said”. My grandfather's favorite saying was “my word is my bond”. It is also not lost on me that the grave marker/head stone of his great-grandfather (1781-1865) has two hands clasped in a handshake above his name.

We don't deal with a handshake much anymore. That would probably be bad business now but we have lost something that was important. It speaks to the character of those that were, as Tom Brokaw said, the greatest generation. They didn't have to wear a flag on their lapel or a fish symbol on their bumper for people to know where they stood.

Years ago, I was measuring tobacco during the summer as a teenager in Tennessee when I met an old-timer in overalls. I measured his tobacco “patch” and we had a pleasant conversation until I asked him to sign a government form. He said he didn't sign anything that “his word was his bond”. I had heard that before so I told him that I understood but that I wouldn't get paid unless he signed. He paused a moment then reached for my pen because he wasn't going to “beat me out of anything”. Those folks have passed on now but they left a legacy for all of us.

I'm not a member of the “greatest generation”. I'm the next generation of “baby boomers” who are just now realizing that the people that lived through the great depression and survived World War II could teach us something about character. Cattle producers have always had a “cowboy” mentality that values character and substance. We must think for ourselves.

Many of our institutions now seem to value people that always “straddle the fence” and avoid dealing with issues rather than being agents for change. They talk a lot but don't say much. It might be politically expedient but it does little to actually solve problems. That proverbial fence needs a good strand of barbed wire on top.

Kentucky Beef Conference – October 28, 2008

Charlene Jacobs, Regional Program and Development Coordinator, University of Kentucky

The Kentucky Beef Conference entitled "Planning Today for Tomorrow's Market," has been moved to October 28, 2008, instead of the usual January date. It will be held from 9 AM – 3 PM at the Fayette County Extension with registration beginning at 9:00 AM.

This year's conference will feature up-to-date information on beef marketing with an emphasis on herd management and marketing options. A representative from Cattle-FAX, Randy Blach, and UK Extension Specialists, Kenny Burdine, Dr. Cory Walters, Dr. Jeff Lehmkuhler will be the presenters. Topics to be covered are Marketing Overview and Long-Term Marketing Trends Related to Beef, Livestock Risk Protection Insurance, Control cost: Winter Feeding Strategies, Management Implication on Rising Input Costs, How to Optimize the Marketing Strategies of the producers.

Registration is \$10.00 per person to cover the cost of a buffet lunch and refreshments. Contact your county extension agent for reservations.

Targeted Reproductive Management: Bob Hornsby, another Success Story

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

One of the primary factors that reduce profitability for Kentucky's beef cow-calf producers is a low reproductive rate. On average, only 80-85% of cows that are turned out with a bull conceive during the breeding season and only 75-80% of the herd actually weans a calf. This level of productivity makes earning a profit hard to achieve.

One method to improve reproductive performance of your cow herd is to synchronize estrus prior to bull turn out. Studies conducted at UK have demonstrated that treatment of cows with a CIDR device for 7 days before natural service can have increase pregnancy rate 5-15% and can increase the proportion of cows that calve in the first 30 days of the breeding season. Our most recent data indicates that the CIDR devices only need to be inserted in cows that are likely to have trouble conceiving early in a breeding season; late-calvers and two-year old cows. By "targeting" our reproductive management to these cows, we can improve the whole herd performance and limit our input costs.

Today I witnessed yet another example of the successful application of this technique at Bob Hornsby's ranch in Jackson County. Mr. Hornsby calves about 150 cows and prefers his herd to calve starting the second week of February. Like many of us, the calving season had gotten a bit longer in Bob's herd that he preferred as several of his cows were calving in late April and May. Bob inserted a CIDR device into his April and May calving cows and all his two year olds (25 total cows). The reproductive performance of this group of cows was super. Most (17) conceived in the first 30 days of the breeding season, 5 conceived in the next 40 days, and 3 were open. All three of the open cows were two-year olds. One was pretty thin, one calved at the end of April, and the third didn't have an excuse; she just didn't breed back. All the late-calving mature cows conceived. The simple application of the CIDR device greatly enhanced reproductive performance as nearly 70% of the "problem" cows in this herd conceived early and nearly 90% conceived during the breeding season. This outcome confirms data from controlled experiments which indicate the tremendous economic impact of synchronizing estrus in cows before natural service.

Implications of Curly Calf Syndrome to Beef Producers

Darrh Bullock, Extension Professor, University of Kentucky

There has been a large volume of interest in the recent discovery of Curly Calf Syndrome (CCS) in the Angus breed. This is a serious situation that Angus breeders and the American Angus Association (AAA) are diligently working to resolve. There is no need to panic and drastic measures should be avoided until more information is known. For the current status of the research that is being conducted or to gain information on how the AAA is handling the logistics of this situation you can access the AAA website at: www.angus.org. The purpose of this paper is to provide some information on the implications of Curly Calf Syndrome or any other lethal recessive genes.

First, it is not known, but thought that Curly Calf Syndrome is a simply inherited recessive lethal genetic defect. A simply inherited trait means that the condition (or trait) is controlled by a single pair of genes at one location (locus) within the cattle genome. If the condition of interest (CCS) is associated with the recessive allele then it requires both recessive alleles to be present at this locus for the condition to be expressed (misshaped and dead at birth) (See Diagram 1.). Unfortunately, a very popular bull in the Angus breed, GAR Precision 1680, appears to be a carrier. To date this is the only line determined to possess this genetic defect; therefore, it is highly unlikely that an animal will be a carrier unless this bull is in its pedigree. To be expressed this bull will likely have to be present on both sides of the pedigree (within

both the sire and dam lines). If a carrier bull is mated to a carrier cow there is a 25% chance that the calf will have Curly Calf Syndrome and be born dead, however, there is a 50% chance that this mating will produce another carrier and a 25% chance that it will have two normal genes (see Diagram 2.). If a carrier is mated to a non-carrier then the syndrome will not be expressed, but half of these matings will result in a carrier (see Diagram 3.). Commercial producers that are using Angus bulls in their crossbreeding program have a low likelihood of having any calves with Curly Calf Syndrome, even if Precision is in their bull's pedigree. However, they would want to make certain that Precision is not in the pedigree of future bull purchases if they are retaining heifers. Remember, the only way to have dead calves from Curly Calf Syndrome is if Precision is in both the sire and dam lines.

For beef producers that use Angus in their breeding program this is a serious situation that does require some precautions. However, this is a very manageable situation that can be resolved over time and should not be handled in a rash manner. The AAA is currently working to develop DNA markers that will allow producers to test their animals to identify carriers of the gene. Once this test is available it will be much easier to eliminate the carrier animals, and ultimately the gene, from the population.

For additional information on basic genetic principles or DNA markers please refer to the National Beef Cattle Evaluation Consortium Beef Sire Selection Manual that is located in the educational section of the NBCEC website (www.nbcec.org).

Diagram 1. Simply Inherited Genetics

If A = Normal Calf Gene and a = Curly Calf Syndrome Gene, then;
 AA = Normal Calf Aa = Normal Calf (carrier) aa = Curly Calf Syndrome

Diagram 2. Possible results and probabilities associated with mating a carrier bull to a carrier cow.

25% AA = Normal	50%	Carrier Cow	Carrier Bull	<table style="border-collapse: collapse; margin: auto;"> <tr> <td style="padding: 0 10px;"></td> <td style="padding: 0 10px;">A</td> <td style="padding: 0 10px;">a</td> </tr> <tr> <td style="padding: 0 10px;">A</td> <td style="border: 1px solid black; padding: 5px;">AA</td> <td style="border: 1px solid black; padding: 5px;">Aa</td> </tr> <tr> <td style="padding: 0 10px;">a</td> <td style="border: 1px solid black; padding: 5px;">Aa</td> <td style="border: 1px solid black; padding: 5px;">aa</td> </tr> </table>		A	a	A	AA	Aa	a	Aa	aa	Aa = Normal (carrier) 25% aa = Curly Calf Syndrome
	A	a												
A	AA	Aa												
a	Aa	aa												

Diagram 3. Possible results and probabilities associated with mating a carrier bull to a normal cow.

50% AA = Normal	50%	Carrier Cow	Carrier Bull	<table style="border-collapse: collapse; margin: auto;"> <tr> <td style="padding: 0 10px;"></td> <td style="padding: 0 10px;">A</td> <td style="padding: 0 10px;">a</td> </tr> <tr> <td style="padding: 0 10px;">A</td> <td style="border: 1px solid black; padding: 5px;">AA</td> <td style="border: 1px solid black; padding: 5px;">Aa</td> </tr> <tr> <td style="padding: 0 10px;">A</td> <td style="border: 1px solid black; padding: 5px;">AA</td> <td style="border: 1px solid black; padding: 5px;">Aa</td> </tr> </table>		A	a	A	AA	Aa	A	AA	Aa	Aa = Normal (carrier) 0% aa = Curly Calf Syndrome
	A	a												
A	AA	Aa												
A	AA	Aa												

Buy Feed by Value, Not Pounds

Kris Ringwall, Beef Extension Specialist, North Dakota State University

Wintering cattle requires feed. The current tight inventories of feed suggest that cow culling should be deep. Yet, once the culling is done, and the bales still don't add up, the time is right to contact a good beef cattle nutritionist. The nutritionist can help develop a "least cost" ration.

When developing the least-cost ration, feedstuffs may need to be purchased. One needs to be careful and review all options. Through the years, most of us have witnessed the detrimental effects of underfeeding or the results of overfeeding. The important point is that the nutrient value of feed is what drives value and performance.

When I was fresh out of college, a producer preparing for calving was seeking a supplement to go along with his lower-quality grass hay. I asked if he had higher-quality hay that more likely would meet the requirements of a cow in late gestation or early lactation. "No," the producer said. "Don't you ever have any access to alfalfa hay?" I queried. "Yes, but I fed that out when the cows came off pasture in October and November," the producer replied. There were two red flags with this scenario. The first was the failure of the producer to understand the nutritional requirements of cattle at different stages of life. The second was the misallocation of current feed inventories.

A sound understanding of the nutritional requirements of cattle and the nutritional value of feed is needed. Chip Poland, Dickinson State University Department of Agriculture and Technical Studies chair and a well-educated beef cattle nutritionist, says the first step is to encourage producers to default back to the basics. "We feed nutrients, not pounds, which is a tough concept to get across since we physically see pounds," Poland says. "Corn at \$6.35 per bushel (local price in Dickinson on Aug. 20) equates to approximately 14 cents per pound of total digestible nutrients (TDN). Hay at \$100 per ton to be delivered at approximately \$15 per bale (roughly a 150-mile delivery) is priced at roughly 13 cents per pound of TDN."

The form that one buys feed in is price dependent. Using Poland's example, with both corn and hay priced high, there still are options as to how a producer obtains the energy and other nutrients that a cow needs. "Hay was still cheaper, but, in the long haul after waste is figured in, that may or may not be true," Poland says. "I can limit feed corn with minimal waste. While storing and feeding round bales of hay, one should factor in to the price approximately 10 percent waste."

Another factor that needs to be addressed is transportation. "What would corn cost if we looked at the source and moved it in unit volumes?" Poland asks. "A local elevator published corn prices at \$4.60 and \$4.80 per bushel for old and new corn, respectively, in today's newspaper. Using the same hauling price for hay (approximately \$350 per load for a 60-mile trip), the per-bushel price increases about 45 cents to \$5.05 and \$5.25, respectively, or about 11 to 12 cents per pound of TDN from corn."

In a very simple scenario, we see high-priced corn may not be as high as it would appear. Conversely, hay may not be the only feed of choice at times. This analogy, along with numerous other examples of shopping around for feeds stuffs, is required of producers this year if one is producing cattle in areas that are short of feed. Not only is the basic ingredient (feed) missing, all the costs have escalated greatly. Producers need to make good, solid assumptions and keep in mind the answer will be different for each location and producer. However, producers need to price nutrients, not pounds of feed delivered and seek the help of a sound, well-educated beef cattle nutritionist.

October Marketing Report

Kenny Burdine, Livestock Marketing Specialist, University of Kentucky

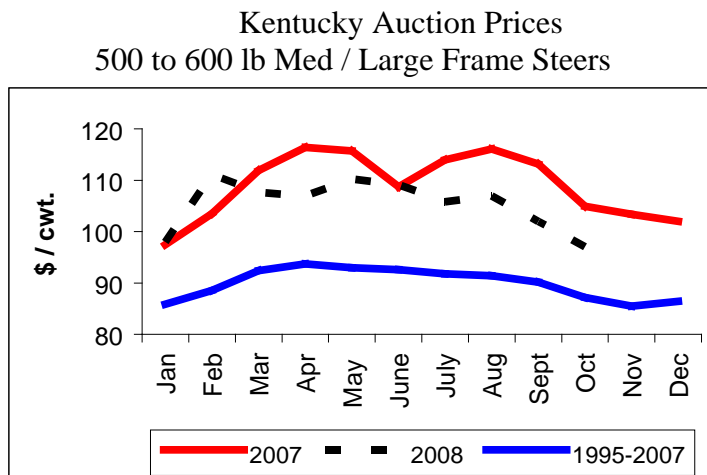
Kentucky feeder cattle prices were much softer in September as several factors shook the markets. Concern over the overall state of the US economy, the financial bailout package that was passed, and other factors seemed to send all commodity markets lower. Live cattle, feeder cattle, corn, and beans, all saw major drops towards the end of the month. The overall tone of pessimism was clear on both the futures market and local auction yards.

For cow-calf operators, this occurred as many were weaning and thinking about marketing spring born calves. In talking with stockyard contacts, it appears some panic selling occurred. I would encourage producers to carefully weigh the decisions they make right now and not to do anything strictly out of panic.

Often, I encourage producers to consider retained ownership of calves when prices drop drastically in the fall. First, realistically value calves on today's market. Clearly, the calves on farms now are worth less than they were three or four weeks ago, but that is not relevant to the current situation. The important question is to determine if more money can be made by weaning and pre-conditioning calves over the next 2-4 months.

Secondly, estimate feed, mineral, vet, labor, interest and all other costs associated with preconditioning. This will help determine how much additional money will be spent prior to sale. Then, add these additional expenses to the current value and divide by the estimated market weight of the calves. The result will be a projected breakeven price per cwt. for the calves based on cost estimates and expected weight gain.

Once a breakeven price has been estimated, a producer can decide whether they want to hang on to calves a bit longer this fall. Compare the projected breakeven price to the current price of calves of that weight and the expected price based on futures' quotes. Also, consider price risk management strategies such as put options and LRP insurance. If there is one lesson to be learned from this fall, it is how quickly the price outlook can change.



Roberts Agricultural Commodity Market Report

Mike Roberts, Commodity Marketing Agent, Virginia Tech University

With the exception of the May '09 Lean hog contract commodity prices were stridently lower across the board on Monday amid concerns over uncertainty that the U.S. House would reject the government bailout proposal. In these volatile times it seems the chart signals and fundamentals are at the mercy of politicasters and an economy that, according to Greenspan was once quite "exuberant."

Don't know if a quote by Laurel and Hardy is seen much in a market report but I feel it appropriate to say to someone, "Well, here's another nice mess you've gotten me into!" - Oliver Hardy in Another Fine Mess (1930)

CORN futures on the Chicago Board of Trade (CBOT) finished limit down on Monday. The DEC'08 contract closed at \$5.130/bu, down 30.0¢/bu from Friday and 45.5¢/bu lower than a week ago. MAR'09 corn futures closed at \$5.310/bu; off 30.0¢/bu and 45.25¢/bu lower than this time last Monday. The 30.0¢/bu trading limit will be increased to 45.0¢/bu for Tuesday's trading. Spillover uncertainty about U.S. and world economic outlook amid good crop weather and no prospects for frost in the near future pressured commodities. However, not all is gloomy, near the end of trading cash bids for corn strengthened because of end-user interest in these lower prices. Late Monday USDA put the U.S. corn crop at 9% harvested vs. a 21% 5-year average for this time of year and 29% rate this time last year. Corn-inspected-for-export was placed at 40.164 mi bu vs. 28-32 mi bu due to a weakened U.S. dollar. CFTC's Commitment of Traders report dated 9/23 had large speculators increasing net bull positions by 12,200 to 62,927 lots. The next report will most likely show a decrease in net bull positions as funds sold between 7,000 and 8,000 lots as they liquidate positions while the money flows out of financial markets. Those who have up to 70% of the '08 crop priced today are in good shape.

LIVE CATTLE futures on the Chicago Mercantile Exchange (CME) were off Monday on long liquidation. OCT'08LC futures were down \$2.900/cwt at \$98.050/cwt; \$4.400/cwt lower than a week ago. The DEC'08LC contract closed at \$99.875/cwt off \$0.650/cwt but \$2.925/cwt lower than last Monday and \$4.025/cwt lower than last Monday. Synthetic trading was noted. As with grains and oilseed markets, active selling took control of the markets on news that the U.S. House had rejected the financial bailout package. According to six floor sources thinking that lower corn prices were in the making pressured deferred fat cattle contracts because cattle production might increase. Don't think I agree with that one yet but I wasn't in the pit trading with them. USDA placed the choice boxed beef cutout at \$155.49/cwt, up \$0.07/cwt. The 5-area average cash price was lowered \$0.24/cwt from a week ago to \$97.99/cwt. Even though processors snapped up supplies they are seen as hesitant to raise bids because of sharp declines in futures. Packer margins were lowered \$33.90/head from last Monday to a negative \$21.50/head, according to HedgersEdge.com. This was based on the average buy of \$97.98/cwt vs. the average breakeven of \$96.35/cwt. It is probably a very good idea to sell cattle when ready while looking for feed pricing opportunities on volatile market swings.

FEEDER CATTLE at the CME closed off on Monday. OCT'08FC futures closed at \$102.80/cwt, off \$3.000/cwt. The NOV'08FC contract finished up \$3.000/cwt at \$102.575/cwt; \$3.900/cwt lower than a week ago. Feeder cattle suffered major losses in October through March closing limit down on chart-based liquidation in a market with few buyers. Over 200 limit down offers for October and 400 for the November remained on the table at the close. Reports from Oklahoma City were that feeders ranged \$3-\$5/cwt lower. The same credit-crunch woes affecting all markets weighed on feeders. The latest CME Feeder Cattle index for September 25 was placed at \$107.74/cwt, up \$0.11/cwt. Corn inputs just got better.