

OFF THE HOOF

Kentucky Beef Newsletter – August 2009

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

Contents

This month's newsletter includes:

Don't Forget! - Anderson
Timely Tips - Burris
Disposition is important...and heritable – Burris
Kentucky Beef Cattle Market Update - Burdine
Roberts Agricultural Commodity Market Report - Roberts

Don't Forget!

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

September 3 KFGC Field Day, Anderson County
October 27 Kentucky Beef Conference, Fayette County Extension Office 9 am
October 29 10th Kentucky Grazing Conference, Princeton

Timely Tips

Dr. Roy Burris, University of Kentucky Beef Specialist

Hold what you've got. Be sure that cattle have plenty of shade, mineral supplementation, fly control, good pasture in addition to good water. Nursing calves should continue to gain during this "summer slump".

Spring-Calving Cow Herd

- Bulls should have been removed from the cow herd by now! They should be penned away from the cow herd with a good fence and allowed to regain lost weight and condition. It is a good time to evaluate physical condition, especially feet and legs. Bulls can be given medical attention and still have plenty of time to recover, e.g., corns, abscesses, split hooves, etc.
- Fescue pastures are not likely to produce much this month. *Pasture, other than fescue, can be beneficial.* If it looks like pastures will run out, provide emergency feed such as a neighbor's idle pasture, summer annuals or hay.
- Providing high quality forage, if available, to suckling calves will increase weaning weight. Creep graze or advance graze calves, providing them with the best forages available.

- Repair and improve corrals for fall working and weaning. Consider having an area to wean calves and retain ownership for postweaning feeding rather than selling “green” calves. Plan to participate in CPH-45 feeder calf sales in your area.

Fall-Calving Cow Herd

- It will soon be time for fall calves. Get ready, be sure you have the following:
 - record book
 - eartags for identification
 - iodine solution for newborn calf’s navel
 - calf puller
 - castration equipment
- Dry cows should be moved to better pastures as calving time approaches. Cows should start calving next month. Yearling heifers may begin “headstart” calving later this month. Plan to move cows to stockpiled fescue for the breeding season, so it will soon be time to apply nitrogen fertilizer.

General

- Provide shade and water! Cattle will need shade during the hot part of the day. Check water supply frequently – as much as 20 gallons may be required by high producing cows in very hot weather.
- Avoid working cattle when temperatures are extremely high – especially those grazing high-endophyte fescue. If cattle must be handled, do so in the early morning.
- Keep a good mineral mix available at all times. The UK Beef IRM Basic Cow-Calf mineral is a good choice.
- Cattle may also be more prone to eat poisonous plants during periods of extreme temperature stress. They will stay in “wooded” areas and browse on plants that they would not normally consume. Consider putting a roll of hay in these areas and/or spraying plants like purple (perilla) mint which can be toxic.
- Take soil samples to determine pasture fertility needs. Fertilize as needed, this fall.
- Select pastures for stockpiling. Remove cattle and apply nitrogen when moisture conditions are favorable. Stockpiled fescues can be especially beneficial for fall-calving cows after calving.
- Do not give up on fly control in late summer, especially if fly numbers are greater than about 50 flies per animal. You can use a different “type” of spray or pour-on to kill any resistant flies at the end of fly season.

Disposition is important...and heritable

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

I was just out of graduate school and working for Mississippi State University in 1974. My first effort was to participate in a very large crossbreeding project. One of the first bulls that we used made a lasting impression on me. He taught me that a bad attitude is contagious and that disposition is very important...and heritable.

This bull came from Arizona and represented a breed that was particularly adapted to browse and low quality roughage. He arrived in a “gooseneck” trailer which was minus two crossgates, and shaking and

rattling when it pulled into the experiment station. We cautiously let him off the trailer. He hit the ground pawing, snorting and bellowing. Two little bulls across the fence felt obligated to return the gesture. I'm pretty sure they didn't want to fight him but probably just didn't want him to think they were heifers.

I promptly made a peace offering with a bale of our best bermudagrass hay. He didn't seem to know what to do with it but he did eat the baler twine. I was impressed.

A lot of bad bulls will demolish fences and gates. But not this gentleman, he was so athletic that he could clear a 48" fence with room to spare. When "business got slack" he would just go visiting. Fortunately, he sired some pretty nice looking calves so the neighbors didn't complain and came to depend on his frequent visits. He'd usually come home on his own, which was a good thing since there was little chance that we were going to get him back into a cattle trailer.

He sired some of the most reproductively efficient cows that I have ever seen but there was one problem. It seems that disposition is somewhat heritable. Some of his heifers didn't need or want a lot of attention so whole herd testing for brucellosis was a problem. We quickly solved that with a tranquilizer gun, though. We could get close enough to shoot them out of the back of a pickup truck and hastily get a blood sample as soon as they went down. That's as close as I have ever gotten to going on a safari.

That was before we had adequate cattle handling facilities or horses. We had to rope cows out of the back of an old pickup truck – jerk the rope – and quickly let go or you'd fly out of the back of the truck. Richard, who worked at one of the farms, was particularly adept at driving upon the knot on the end of the rope and stopping the cow. We managed to catch one cow that was trying to calve and then throw her to the ground. I proceeded to pull the calf but Richard was sitting on the cow with the lower foreleg pulled up to help keep her down. He was in another world, puffing on his ever-present cigarette – not even aware of what I was doing.

In a moment of pure devilishness after I pulled the calf, I jerked the rope off the cow's neck and jumped in the back of the truck. The cow realized she was loose before Richard did. She chased him around the truck about three times with her nose in his back pocket before he could create enough space between them to jump in the truck with me. He didn't say much to me then (or for several days after). He was just violently gasping for breath. I was somewhat sympathetic to his plight and said in a most concerned tone "Richard, you need to cut back on those cigarettes. She almost got you!"

I have to admit that there was an element of excitement involved in those activities. But I was younger then. They say that you learn more quickly when you are young but I'm not sure that's correct. I'm older now and I've finally decided that disposition is perhaps the most important trait that we can breed and select for.

A wild animal is much more difficult to handle and can, in fact, be a definite liability to your operation. So what can we do? We can start by culling problems out of our cow herd. I like to start by evaluating calves for disposition every time they come through the chute. Calves can be rated according to their behavior in the squeeze chute:

- 1 = Docile
- 2 = Restless
- 3 = Nervous
- 4 = Flighty/wild
- 5 = Aggressive

Those calves that are rated as 4 or 5 should not go back into a breeding herd. A similar system can be devised using exit speed from the head gate. After weaning, continue to watch calves and eliminate problem cattle. It is very expensive to have to cull breeding stock because of disposition problems. The best plan is to select breeding stock that have good dispositions and avoid having to cull them.

Feeder cattle with good dispositions are also more valuable. In a study of over 13,000 feedlot calves (Iowa State University), calves were rated as docile, restless or nervous to aggressive. When all factors (gain, carcass traits and death loss) were considered, “docile” calves were worth \$62.19 more per head than their “nervous to aggressive” counterparts.

Effects of disposition on the difference in net dollars returned on a per head basis (Iowa State University)			
	Disposition		
	Docile	Restless	Nervous to Aggressive
Quality Grade Premium	\$18.73	\$12.29	PAR
Yield Grade Premium	PAR	\$0.87	\$3.50
Dark Cutter/Hardbone Discount	PAR	-\$0.19	-\$0.72
ADG Bonus*	\$37.80	\$28.91	PAR
Death Loss Discount**	-\$0.90	PAR	-\$8.75
\$ Difference	\$62.19	\$49.06	PAR
* Based on lbs of additional carcass weight gained during the feeding period.			
** Accounts for cost of gain investment and lost carcass value			
From National Beef Quality Audit – 2000, JAS 80:1212.			

In my opinion, we should make disposition one of the most important traits for which cattle are selected. Owners of smaller, more intensively managed herds want docile cattle. I understand that ... now.

Kentucky Beef Cattle Market Update
Kenny Burdine, Livestock Marketing Specialist, University of Kentucky

USDA’s July Cattle report showed a continued decrease in cattle numbers from July of 2008. Estimates included a 1% reduction in the number of beef cows and a 2% reduction in the number of heifers being held for beef replacements. On a side note, this was after a 500,000 cow downward revision to the July 2008 beef cow estimate. This report is further indication that the beef herd continues to shrink.

Drought was a major factor in herd reductions during 2007 and 2008, but weather has been much friendly this year overall. Cow-calf operations have continued to liquidate because adequate profit has just not been there. While calf prices have improved from where they were in late 2008, many operations continue to struggle as many production costs remain high.

The USDA does not make state-level estimates in July, but I would expect that Kentucky numbers are following the national trend this year. Kentucky lost just under 100,000 cows during 2007 and 2008 due to both drought and a lack of profit. Heifer retention was estimated to be way down in January, so I would be surprised if Kentucky showed a year-over-year increase in beef cow numbers by the end of this year.

It's clear that cost structures on cow-calf operations have changed, so the prices needed to be profitable have also changed. Five or ten years ago, we would be expanding with prices where they are now. But, it appears that these price levels are not sufficient to encourage beef producers to grow their herds. Herd liquidation is likely to continue until prices reach a level that sends a signal to producers to expand.

USDA July 1, 2009 Cattle Inventory Report

	2008 (1,000 hd)	2009 (1,000 hd)	2009 as % of 2008
Total Cattle and Calves	103,300	101,800	99
Cows and Heifers That Have Calved	42,000	41,400	99
Beef Cows	32,650	32,200	99
Milk Cows	9,350	9,200	98
Heifers 500 Pounds and Over	16,300	16,100	99
For Beef Cow Replacement	4,600	4,500	98
For Milk Cow Replacement	3,900	3,900	100
Other Heifers	7,800	7,700	99
Steers 500 Pounds and Over	14,700	14,400	98
Bulls 500 Pounds and Over	2,100	2,100	100
Calves Under 500 Pounds	28,200	27,800	99
Cattle on Feed	12,200	11,600	95
Calf Crop	36,113	35,600	99

Source: NASS, USDA

Roberts Agricultural Commodity Market Report

Mike Roberts, Commodity Marketing Agent, Virginia Tech University

CORN futures on the Chicago Board of Trade (CBOT) were up on Monday. The SEPT'09 contract closed at \$3.222/bu; up 6.0 /bu. DEC'09 corn futures finished at \$3.336/bu; up 6.4 /bu. Steady to stronger corn exports were supportive as good crop growing weather and retreating demand on a shrinking U.S. cow herd limited gains. USDA placed U.S. corn-inspected-for-export at 52.234 mi bu vs. expectations for 31-34 mi bu. Late Monday USDA rated the U.S. corn crop in good-to-excellent condition at 70%; 1% lower than this time last week but 4% better than a year ago. Cash corn bids were steady amid slow farmer sales. USDA is expected to issue an updated crop plantings report in early August. This should give a clearer picture of U.S. corn crop acres planted and therefore supply expectations. Funds bought 5,000 contracts while large speculators increased net bear positions in CBOT corn by 15,700 lots. The December 2009 contract posted a Relative Strength Index of 32.26 indicating that this market will attract increased speculator interest. Hopefully all of the old crop corn is gone and up to 70% of the 2010 crop is sold on previous advice. Old crop corn is fast losing its premium to new crop corn.

USDA put wheat-inspected-for-export at 10.683 mi bu vs. expectations for 14-17 mi bu. Good weather in the U.S. and parts of Europe are allowing the harvest to fill up the supply line. Funds bought 2,000 contracts while large speculators cut net short positions by 2,700 lots. Under pressure from traders and regulators to fix its problem with convergence in the market, the CME Group is reportedly looking at more changes in storage charges as well as a new cash settlement index. Meanwhile, the CME is waiting to see if previous changes made to the soft red winter wheat contract; additional delivery locations; and increased storage charges that began the first of June can improve hedging performance. Reports from wheat harvest in the center-west of France indicate acceptable yields and very good milling quality wheat. Consider pricing up to 20% of the 2010 crop at this time.

LIVE CATTLE futures on the Chicago Mercantile Exchange (CME) were up on Monday. The AUG'09LC contract closed up \$0.175/cwt at \$84.700/cwt. DEC'09LC futures closed at \$89.900/cwt; up \$0.400/cwt. Futures rallied late in the day on short covering, buy stops, and October fund buying after sputtering most of the day. Shrinking production rather than better demand is seen as the most influential price factor. Cash cattle were steady to \$1 lower with USDA put its 5-area average at \$83.29/cwt. Early Monday USDA put the Choice Beef cutout at \$143.82/cwt, up \$0.97/cwt. According to HedgersEdge.com, average packer margins were raised \$11.65/head to a positive \$13.45/head based on the average buy of \$83.60/cwt vs. the average breakeven of \$84.64/cwt. Sell cattle as soon as they are ready. Hold off on pricing feed for a couple of weeks.

FEEDER CATTLE at the CME were off Monday on higher-than-expected supplies in the pipeline. AUG'09FC futures finished at \$102.40/cwt; off \$0.150/cwt but \$1.400/cwt higher than last report. The OCT'09FC contract closed at \$102.570/cwt; down \$0.451750/cwt. Profit taking, the shrinking futures premium to CME's feeder cattle index, and sell stops weighed on prices. Traders sold November and bought August and/or September. The CME Feeder Cattle Index for July 23 was placed at \$101.17/cwt; down \$0.03/cwt. It might be a good idea to sell feeders when ready.