

# **COW/CALF CORNER**

## **The Newsletter**

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## **Fall-calving Cows in Marginal Body Condition are "On the Bubble".**

November marks the beginning of the college basketball season. It is a long time until "March Madness". However, some fall-calving beef cows are already "on the bubble".

Body condition at the time of calving is the most important factor affecting rebreeding performance of normally managed beef cows. Body condition changes before and after calving will have more subtle effects on rebreeding especially in cows that are in marginal body condition. Body condition changes from the time the cow calves until she begins the breeding season can also play a significant role in the rebreeding success story. This appears to be most important to those cows that calve in the marginal condition score range of "4" or "5".

An Oklahoma trial illustrates the vulnerability of cows that calve in the body condition score of 5. Two groups of cows began the mid-gestation feeding period in similar body condition and calved in very similar body condition. However, after calving and before the breeding season began, one group was allowed to lose almost one condition score (from 5.3 to 4.6). The other group of cows was fed adequately to maintain the body condition that they had prior to calving.

The difference in rebreeding rate was significant (73% vs 94%). Again this illustrates that cows that calve in the body condition score of 5 are very vulnerable to weather and suckling intensity stresses and ranchers must use good nutritional strategies after calving to avoid disastrous rebreeding performance. These cows are still "on the bubble". They can certainly go on to have a successful rebreeding performance, or if body condition losses occur, they can be left out of the "big dance" of successful rebreeding.

## **Feeder Cattle Markets Reacting to Mixed Market Fundamentals and Other Factors**

Feeder cattle markets have been a dramatic rollercoaster in October. Feeder prices dropped sharply in the first half of the month; had a sharp rebound in one week; and then erased the gains in the last week of the month. Like so many markets in the economy, it is impossible to attribute the volatility to market fundamentals. Without a doubt much of the weak tone is the result of general uncertainty and hesitation in the U.S. economy.

Current market fundamentals are a mixed bag of positive and negative factors but, for the most part, the positive factors are not readily apparent. In Oklahoma, auction volumes for the most recent week increased slightly compared to last year, indicating more of a seasonal run of feeder calf marketings, but overall numbers have been down this fall. The normal seasonal supply increases do not adequately explain recent price declines. Recent decreases in wheat prices have revived interest in wheat pasture grazing and some additional wheat pasture demand for stockers may develop in the next month. Some wheat producers are even talking about the possibility of grazing out wheat next spring if wheat prices remain low.

Likewise, dramatic declines in feedgrain and feeder cattle prices recently have resulted in profitable cattle feeding potential that has not existed for many months. Despite lower Live Cattle futures, it is possible to lock in profitable cattle feeding margins for next spring and that should provide some additional demand and support for feeder prices. Generally tight feedlot supplies currently are expected to provide some fed cattle price support through the end of the year. However, weak boxed beef prices and tight packer margins continue to counterbalance supportive supply fundamentals. It appears that fed cattle prices have little ability to increase and little reason to decrease and will likely remain in narrow trading range for the time being.

Domestic beef demand remains relatively weak with consumer equity losses in the stock market and housing offsetting the positive effects of lower energy prices. International demand for U.S. beef has increased in total with growth in exports to South Korea. However, U.S. exports are

generally weakening with a stronger dollar and weakness in global markets. The resulting decrease in exports of pork and poultry create additional pressure on domestic meat markets. Exports to Mexico, the biggest foreign customer for U.S. beef have decreased sharply as the value of the Peso has dropped relative to the dollar.

All in all, cattle markets are wrestling with a host of positive and negative market fundamentals and much short term volatility that cannot be explained by any of the fundamentals.

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