

COW/CALF CORNER

The Newsletter

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Uncertainty is impacting cattle prices

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Cattle and beef markets have decreased from April highs with uncertainty in a variety of factors weighing on markets the past month. The latest threat of additional tariffs on Mexico rattled many markets last week, including cattle and beef markets. It appears that the threat was removed over the weekend and cash and futures markets may stabilize somewhat this week; but ongoing uncertainty about trade and the politics of trade continue to take a toll on agricultural and other markets.

Weather is another source of uncertainty negatively impacting cattle markets. While good moisture conditions bodes well for forage growth in general, ongoing flooding and excessively wet conditions is limiting grazing and hay production in some regions. Sloppy feedlot conditions continue to hamper feedlot production in some areas. Additionally, the record late planting of corn and soybeans this year is adding uncertainty about corn acreage and yield and is beginning to push corn prices higher. There is little doubt that the corn crop will be smaller than anticipated just a few weeks ago but carryover levels are still expected to be adequate. While significantly higher feed prices are not anticipated at this time, the uncertainty remains.

Weaker beef demand may be the biggest threat to cattle and beef markets for the remainder of the year. Strong beef demand supported cattle and beef markets in 2017 and 2018 but there are signs that some weakness may be developing in beef demand in both domestic and international markets. While unemployment remains very low, other indications of weakness in the macro-economy are concerning and have led to reduced forecasts for U.S. economic growth in 2019; largely due to ongoing impacts of tariffs and trade disruptions. Relatively slow domestic income growth and higher prices for major consumer items, such as gasoline, combined with record large supplies of beef, pork and poultry may be limiting domestic beef demand going forward in 2019. Relatively wet and cold weather thus far has likely stifled summer beef demand somewhat

and probably contributed to an early seasonal peak in boxed beef prices and recent weakness in wholesale beef values.

Reduced beef exports and higher beef imports through the first four months of the year, combined with weak pork and broiler exports suggest that the meat complex is struggling so far this year in international markets. The uncertain but undoubtedly large impact of African Swine Fever in China and other countries, may provide some boost to protein markets in the coming months. Increased demand in China for pork as well as poultry and beef will likely provide some support, directly and indirectly, to protein markets around the world. The U.S. exports little beef to China and that's not likely to change anytime soon, but U.S. beef markets may enjoy some indirect support as a result of the protein deficit in China

The uncertainty plaguing cattle and beef markets probably should not change most producers' strategic plans for this year but it will be important to watch the multitude of volatile factors that may continue to or further impact markets. Short run volatility may impact timing and other tactical considerations for production and marketing and highlights the value of flexibility and the ability to be nimble in these uncertain times.

Weaning fall-born calves (remember to plan for water needs)

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

Many cow/calf operations with fall-born calves will wean the calves in mid to late June. Weaning during very hot summer weather is stressful enough to the calves. Therefore any management strategy that can reduce stress to the calves should be utilized. "Fenceline weaning" is such a strategy that should be applied.

California researchers weaned calves with only a fence (Fenceline) separating them from their dams. These were compared to calves weaned totally separate (Separate) from dams. Calf behaviors were monitored for five days following weaning. Fenceline calves and cows spent approximately 60% and 40% of their time, respectively within 10 feet of the fence during the first two days. During the first three days, Fenceline calves bawled and walked less, and ate and rested more, but these differences disappeared by the fourth day. All calves were managed together starting 7 days after weaning. After two weeks, Fenceline calves had gained 23 pounds more than Separate calves. This difference persisted since, after 10 weeks, Fenceline calves had gained 110 pounds (1.57 lb/day), compared to 84 pounds (1.20 lb/day) for Separate calves. There was no report of any differences in sickness, but calves that eat more during the first days after weaning should stay healthier. A follow-up study demonstrated similar advantages of fenceline contact when calves were weaned under drylot conditions and their dams had access to pasture. To wean and background, even for short periods, fenceline weaning should be considered. (Source: Price and co-workers. Abstracts 2002 Western Section of American Society of Animal Science.)

Obviously, a very sturdy fence between the cows and the calves will be necessary during the weaning process. Several suggestions for weaning fences are discussed in the E-extension fact sheet: [Fenceline Weaning for Beef Cattle](#).

For at least a week prior to weaning, when possible, place the cows and calves into the pasture that will house the calves after weaning. This allows the calves to be acquainted with the pasture and the water sources before the stresses of weaning.

During the hot summer days, having adequate water available for the cattle is a MUST. Experienced ranchers that utilize fenceline weaning have found that having plenty of water in the region where the cattle are congregated can be a challenge. *Plan ahead before you begin the weaning process to be certain that sufficient water can be supplied to **both** sides of the fence.*

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