Cow Country Reporter

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News from your CEO

November is a time for reflection and giving THANKS for our many blessings. We get to vote as individuals for who we feel will do the best job. We give thanks for our Veterans who give us a sense of protection and for those who made the supreme sacrifice. Also, we gather with family and friends to give thanks for our many blessings on Thanksgiving Day!

This is the month where we finally get a "break" to stop and reflect what happened in 2018. Did we make enough hay to get us through the winter? Did our calf crop make money? Did we get all our ryegrass planted? How many open cows do/did we have and how many heifers did we keep? Lots of questions to be answered! So, let's contemplate a meeting in your area to discuss what happened in 2018 and what our plans are for 2019. Region 5 is having such an event on November 15 at Sheriff Daniel's ranch in St. Francisville (check our website). In the cow/calf business there is always two major challenges we face, "change and uncertainties". Let's see if we can help one another address these issues by sharing our experiences and ideas.

Have a great Thanksgiving!

Dave Foster, CEO

Oklahoma wheat pasture idling in neutral

Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

Beautiful fall weather this past week was a welcome relief to wheat pasture producers. Driving around western Oklahoma the past few days confirmed two impressions for me. First, there is a lot of wheat, some ready to graze and, with the moisture we have received, there will abundant wheat pasture very soon. Secondly, it is still very wet. Every wheat field I drove past had water standing in low spots, terraces and swales. Some of the wheat has turned a bit yellow due, I suspect, to a lack of sun. With a few days of sunshine, the fields will dry and the wheat pasture will be off to the races.

Sunshine also helped kick-start feeder markets, at least for stocker calves. Though corrals are still sloppy, the weather this past week was much more favorable for receiving stockers. Oklahoma auction prices for four-weight steers were higher by $9-11/cwt. last week. Prices for steers 550 pounds and up were mostly steady with the previous week. Auction volume jumped sharply last week, up 27 percent from the same week last year. This follows the two middle weeks of October when Oklahoma auction volume was down 34 percent from the same two weeks one year ago. Total combined Oklahoma auction volume last week was up 83 percent over the prior week.

The largest Oklahoma auction runs typically occur from late October through the middle of November. Seasonally large auction runs are expected the next three weeks. However, I expect considerable stocker demand to match larger supply and most likely hold prices steady with about equal chances of moving higher or lower. With ample wheat pasture virtually assured at this point, producers may stock wheat pastures a bit heavier than usual leading to additional stocker demand in the coming weeks.

The first Oklahoma Quality Beef Network (OQBN) sale of the fall season was held Thursday, October 25 in Woodward, Oklahoma. Though cattle numbers were somewhat limited, OQBN calves brought significant premiums over non-weaned, unvaccinated calves. Wet, sloppy weather this fall has shined a light on stocker calf health and OQBN sales provide an opportunity to source stocker calves less likely to have health problems.

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Oklahoma wheat pasture idling in neutral

Upcoming 2018 OQBN sales include:

November 6	OKC West, El Reno
November 7	Cherokee Sales Co, Cherokee
November 13	McAlester Stockyards, McAlester
November 14	Payne County Stockyards, Perkins
November 17	Blackwell Livestock, Blackwell
November 29	Woodward Livestock, Woodward
December 4	OKC West, El Reno

How they grazed and why it matters

Early history of natural grazing behaviors can help us think about what forages and soils need today for high productivity.

By: Alan Newport

I'm preparing for a talk at a soils conference in North Dakota and have been reviewing how ruminants like the American bison grazed. Their behavior can help us understand effects of various grazing schemes today on the forage and soil.

It also makes for an interesting history lesson and can illustrate how we have changed the environment since the time of European settlement.

To get an idea of how bison and other large herds of ruminants grazed, consider this early story.

An army corporal named Eugene Bandel went with a survey party to demarcate the southern boundary of Kansas in summer 1857. He wrote in his notes that his party never camped a single night without water throughout the trip, and never went without grazing for the horses and mules except one two-day period when they crossed a swath where a bison herd had passed. He described the swath of buffalo grazing as decimated, with no fodder of any value left behind. Today this would be characterized as "severe" grazing. It is the "bust" side of the boom-and-bust grazing that Montana grazier Ray Banister uses.

Bandel also described finding adequate water about every 15 miles all the way across that state, clear to the dry western border where rainfall averages only about 15 inches. This today is semi-desert. Such occurance of water is absolutely not possible today. The water cycle is too poor and most creek beds and arroyos in the westernmost region are lucky to have water in them when it rains.

Further, he wrote about seeing black bear and elk near the salt flat area of the Cimarron River, which is near Freedom, Oklahoma. (Frontier Life in the Army, Eugene Bandel, 1932, edited by Ralph Bieber)

In particular, Bandel's description of bison grazing should be valuable to us. It generally matches descriptions from Africa I have read about grazing by migratory wildebeest, specifically decimation behind the animals and long periods of recovery.

In many cases, and certainly in the case of the American bison, wolves were said to be ever-present, following the herds and seeking to devour any who appeared weak.

This seems to be common herding and grazing behavior for ruminant animals, which were the primary occupants of lower-rainfall and/or more erratic rainfall regions all over the world.

Early settlers in the Great Basin of North America reported seeing herds of pronghorn antelope literally in the millions, and similar mass numbers of several species of antelope in Africa were often reported as European settlers moved onto the continent.

There are also some indications that mountain sheep, another ruminant, may have moved in large herds through the Rockies in America.

This story shows an interesting relationship between other species and the bison: A Texas cattle drover wrote about an experience with bison in 1871 while driving a herd of Longhorn cattle north to Kansas.

"On a plain about halfway between the Red Fork and the Salt Fork we had to stop our herds until the buffalo passed. Buffalo, horses, elk, deer, antelope, wolves and some cattle were all mixed together, and it took several hours for them to pass, with our assistance, so that we could proceed on our journey. I think there were more buffalo in that herd than I ever saw of any living thing, unless it was an army of grasshoppers in Kansas in July 1874," he wrote.

Considering his comments on herd size, it's worth recognizing that 1871 was the beginning of the massive herd slaughter on the Southern Plains, but well into the period of herd reductions by Indians and whites alike. By 1872 Dodge City was well known as the primary outpost for buffalo hunters and hide shipping.

Even more impressive is a description from the Northern Plains. U.S. Marshal X. Biedler of Montana told a reporter that between Poplar Creek and Miles City he had for 70 miles been in the middle of a herd of bison that had to number in the "millions." This kind of report to that point had been more common in the far Northern Plains where the white hunters had been slow to go and the Indians had been tougher for the army to defeat. By 1884, hide hunting for bison was pretty much a dead industry. The slaughter of 20 million or more animals had lasted less than 20 years.

To feed such numbers of wild ruminants took millions of tons of dry matter, so herds of such mass could never return to any area quickly, thereby overgrazing was prevented.

This lengthy and variable recovery time was the thing missing from grassland management for 10,000 years, and this has led to the steady decline in native rangelands worldwide, and to increasing more dependence on medium-quality, short-stature forages selected from already overgrazed ranges of the world.

Wetter -environment grazing

An alternative grazing behavior appears to come from resident animals in wetter environments. Some of these were ruminants like the impala in Africa, but many were hind-gut fermenters such as horses and zebras, rhinoceroses, elephants, mammoths and mastodons.

Both types of grazing animals -- ruminants (fore-gut fermenters) and hind-gut fermenters -- have unique digestive tracts suited to their habitats.

Ruminant animals are better suited to eating smaller quantities of relatively higher-value forage.

How They Grazed and Why It Matters

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The hind-gut fermenters tended to live more commonly in high-rainfall areas which were mixed forest and grassland. Their digestive systems are well suited to processing high volumes of low-quality forages.

By nature, it could be argued they tend to live a more sedentary lifestyle, yet early European settler reports of zebra and rhinoceros in Africa indicated they once could be found in herds of thousands. This indicates they had to move about, too, but probably not over such large distances, and their return to former grazing grounds was probably more frequent and less erratic. Their effects on the forage likely were more frequent defoliations, but the nature of long-shooted native tallgrasses and desireable forbs tells us these plants had to have full recovery at some point.

This information challenges the modern grazing manager with his ruminant cattle in high production areas to pressure the forage with higher numbers and more frequent defoliations, yet at some point still allow full recovery after grazing, since all grasses have the same response to defoliation.

Incidentally, I'll be talking about this and more at the soils conference in Bismarck, North Dakota, during the "Regenerating the Soil with Diversity" conference Nov. 7-8. It looks like a star-studded line-up of speakers. To learn more or register by Oct. 31, go www.menokenfarm.com .

Increasing Beef Production & What It Means for Cattle Prices

Beef production is estimated to plateau at 28.32 billion pounds in 2021, then decline to 28.01 billion in 2023. What does this increase in volume mean for prices?

By: Wes Ishmael

Increasing beef production will likely weigh on cattle prices for a couple more years, but the pressure will likely be less than it would be if it weren't for more consumers demanding more higher-quality beef.

In the recently released Baseline Update for U.S. Agricultural Markets — projections through 2023, the Food and Agricultural Policy Institute (FAPRI) at the University of Missouri estimated the average price of a 600- to 650-pound feeder steer (basis Oklahoma City) at $158.51 per cwt this year, and then declining as low as $141.06 in 2020. After that, prices rise each year through 2023 to $162.14.

Related: Does beef demand impact you?

Prices for fed steers (Five Area direct) are projected at $116.59 per cwt this year, declining as low as $110.19 in 2020 and then ultimately increasing to $119.99 in 2023.

For context, FAPRI forecasts peak beef cow numbers in 2019 at 31.8 million head, just 100,000 head more than the start of this year. Then numbers continue to decline through 2023 at 30.8 million head.

Related: Diving into beef demand and what drives it

Peak beef production is estimated to plateau at 28.32 billion pounds in 2021, then decline to 28.01 billion in 2023. That would still be more than next year's estimated production of 27.92 billion pounds.

Although the update suggests continued cyclical pressure, Scott Brown, Extension agricultural economist at the University of Missouri, notes that demand for high-quality beef softens what could have been bigger price declines.

"The beef industry is more economically viable and sustainable today as a result of cattlemen intentionally improving eating satisfaction and growing demand through a focus on quality," explained Mark McCully, vice president of production for Certified Angus Beef (CAB) at this year's annual meeting of the Beef Improvement Federation (BIF). "Consumers have responded to higher-quality options in the marketplace, and beef continues to enjoy a significant price premium to the competing pork and chicken options."

McCully explained that the percentage of cattle grading Choice and Prime increased from 65% in 2010 to 78% last year.

For January through August this year, on a weekly basis, fed cattle grading Choice and Prime ranged from a low of 76.8% to a high of 81.1%. That's according to the weekly USDA National Steer and Heifer Estimated Grading Percent reports. The percentage of cattle USDA certified in the upper two-thirds of Choice (premium Choice) ranged from 28.9% to 34.9%.

Comparing 2010 to 2017, McCully explained, "Grading percentages are informative, but actual production levels [quantities] are potentially more insightful. When put on a carcass weight basis, the weekly production of USDA Prime, Premium Choice and all Choice has increased 12.1 million pounds (93%), 37.2 million pounds (73%), and 45.6 million pounds (18%), respectively. In this same time frame, the average weekly production of USDA Select decreased 49.7 million pounds (40%)."

At the same time, most measures of domestic consumer beef demand were steady to higher. Internationally, demand continues at a record pace.

For January through July this year, beef exports were 10% more than the same period a year earlier at 779,450 metric tons, according to the U.S. Meat Export Federation (USMEF). Export value was 20% more at $4.76 billion. Per head of fed slaughter, export value was up 16% to $318.31.

It's hard to argue against elevated carcass quality — borne by genetics, management and grain finishing — being the primary competitive advantage of U.S. beef.

"The worldwide momentum for U.S. beef has rarely been as strong as it is today," says Dan Halstrom, USMEF president and CEO. "To a large degree our mainstay Asian markets are driving this growth, but emerging markets in Asia and in the Western Hemisphere are also displaying a tremendous appetite for U.S. beef and contributing significantly to the surge in export value."

Why Weaning Management is Important

Your weaning method and management of your weaned calves makes a big difference in your bottom line.

By: Nevil Speer

In recent weeks, this column has focused on the feeder cattle market to help producers better understand market principles while marketing is fresh on their mind amidst the fall marketing season.

This week's illustration highlights some important research that was published by a team from Oklahoma State University and while the results are nearly 10 years old, they emphasize critical principles around weaning management . The research compared multiple-source cattle purchased through auction markets (Market) versus single-sourced cattle arriving directly from one ranch. Additionally, cattle arriving from the ranch were allocated to three different groups:

1. Weaned and immediately shipped to the feedyard (Wean),
2. Weaned on the ranch for 45 days before shipping – but not vaccinated (Wean45)
3. Weaned on the ranch for 45 days and vaccinated prior to shipment (WeanVac45)

Several things are important. First, regardless of grouping, ranch-sourced cattle had reduced morbidity versus the market-sourced cattle. Second, and most important, weaning 45 days at the ranch provided a distinct advantage versus the other two groups.

The second point underscores some observations made several weeks ago highlighting analysis of 23 Superior Livestock sales in 2017 representing 7,358 lots of cattle – based on analysis performed by Ken Odde and Mike King at Kansas State University. Based on this research, the analysis reveals that weaned cattle appropriately receive a distinct premium advantage in the marketplace .

That is, all three programs that included weaning as a core component received a minimum of nearly $4 per cwt compared to the VAC34 or 34+ program, calves vaccinated on cows 2-4 weeks prior to shipment – but not weaned.

What are your plans relative to weaning and vaccinating this spring's calf crop. How does this data fit your expectations as you enter into the fall marketing season? Leave your thoughts in the comments section below.

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