Cow Country Reporter

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In This Issue

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News from your CEO

Don't forget to send in your CPL dues for fiscal year 2025-2026. Thank you for your support. If you didn't receive a renewal notice with a form in the mail, please contact me.

The first week in July the bulk of the auction markets will be closed in the U.S. this includes the Louisiana and Mississippi auctions. Feeder cattle and slaughter cow prices continue to get higher with the slaughter steer and heifer market moving lower at the end of June. Packers are buying cattle for 2-3 weeks out for delivery trying to gain back some of their market. Rain in the Midwest in late June has reduced the price of grain, however, July weather may be dry. Read the article in this newsletter about virtual fencing. Ted Miller, a dairyman in Baskin, LA. Franklin Parish, has all his cows controlled by collars moving them from pasture to pasture. Get ready for the August/September feeder cattle markets by contacting your marketing rep. to get a final game plan to sell your calves.

Enjoy July and don't forget to pause on the 4th of July and give thanks for the United States of America!

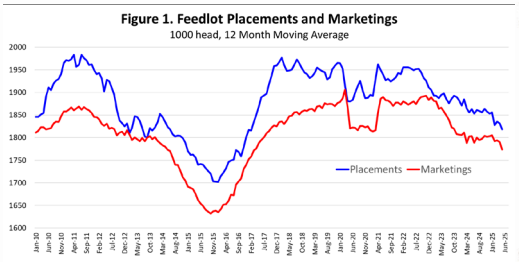
Dave Foster, CEO

Keeping the Tank Full...For Now

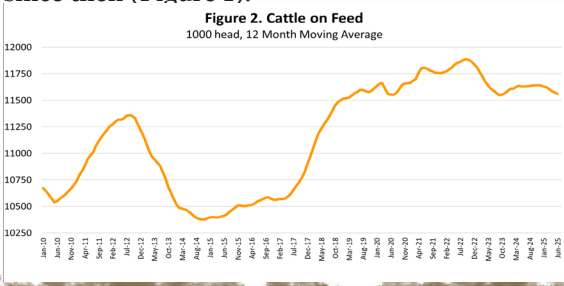
By: Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

The latest USDA Cattle on Feed report highlights the important distinction between stocks and flows in data. Cattle on Feed is a stock (or inventory) value at a point in time, while placements and marketings are flows of cattle through feedlots. Feedlot placements of cattle in May were down 7.8 percent year over year, a slightly bigger decrease than expected. Placements have been down seven of the past ten months with total placements the last six months down 4.4 percent compared to the same period one year earlier. In fact, annual (12-month) average monthly placements peaked cyclically in February 2018 and are down 8.0 percent as of May 2025 (Figure 1). The largest U.S. calf crop in this cattle cycle was in 2018 and has been getting smaller since then.

Despite lower placements, the July 1 feedlot inventory was 11.442 million head, down just 1.2 percent year over year. Feedlot inventories have been lower year over year for the past seven months but have averaged just a 1.2 percent decrease each of those months. Moreover, the June 12-month moving average of feedlot inventories is down just 2.8 percent from the cyclical peak in average feedlot inventories in September 2022 (Figure 2).



The discrepancy between feedlot placements and inventories is explained by feedlot marketings relative to placements. May placements were down 10.2 percent year over year, about as expected, but have decreased a total of only 3.1 percent year over year in the past six months, including the May figure. Annual average marketings peaked cyclically in March 2020 and are down 7.0 percent since then (Figure 1).



The feedlot is like a water tank with placements as the inflow and marketings as the outflow. Slower inflow is more than offset by slower outflow and helps keep the inventory (stock level) of the feedlots temporarily higher than the flows would indicate. However,

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Keeping the Tank Full...For Now

feedlot inventories will keep slowly eroding with more time. The fact is that feedlot production and beef production are falling and will continue to fall, probably faster, in the coming months.

Making Virtual Fence More Accessible to Ranchers

This technology can make more land available for grazing because land that was previously too rough and inconvenient to fence can now be grazed with boundaries.

By: Shaye Koester-Wanner

Interest in virtual fencing technologies continues to rise among ranchers for a variety of reasons. With beef demand expected to remain solid, this task challenges ranchers to produce more with less.

"Virtual fencing has the potential to revolutionize the global cattle industry by allowing producers to more efficiently utilize the grazing lands that are available," says Gary Tiller, commercial director for Vence, a Subsidiary of Merck Animal Health, globally.

Additionally, this technology can make more land available for grazing because land that was previously too rough and inconvenient to fence can now be grazed with boundaries. There is increased demand for this technology on public land and even privately rented grazing land.

"The draw to virtual fencing is very individualistic, but the common draw is production efficiency," Tiller says.

Ranchers are achieving this through saving time moving cattle and building fence, putting their labor force to work on more important tasks, increased pasture rotations, longer rest periods, creating boundaries around riparian areas and being compliant with specific conservation payment programs.

The best part? This technology is becoming more available than before.

"At the federal level, the NRCS has enabled the states to utilize virtual fence under both EQIP and conservation payments," Tiller says.

Producers may still need to ask and encourage their local Conservation Districts to get involved in this technology, but the opportunity is there.

With all of these benefits, you may be wondering, Why aren't more people using this technology?

"In general, folks in agriculture are always a little shy about change," Tiller says.

This technology changes the way people ranch and think about their operations.

"You are changing a paradigm for how cattle have been grazed for hundreds of years," he adds.

For those unfamiliar with the technology, the Vence system has 3 main components:

1. Base station – the communication hub between the collars and the software
2. Collars – communicate boundaries to the cattle
3. Software – a map-based system to create the pastures and time moves

To get the system up and running, ranchers work with a customer success specialist to get the station placed, learn the software, collar the cattle and train the cattle. Training the cattle takes approximately four days.

He says, "During the training period, you set your boundaries as the physical fence. As the cows approach the fence, they get a beep and a pulse. They then begin to honor the beep and pulse as their physical boundary."

Eventually, cows learn to honor just the beep and once they've been trained once, they'll remember for next year.

The GPS technology on the collars also allows ranchers to see where each animal is in real time or previously, which allows them to analyze grazing patterns, monitor for lame cattle or even check cattle while on vacation.

"We really can't put people in a box for who is going to adopt this. We see 75-year-olds who adopt it without hesitation and 20-year-olds who won't touch it," Tiller says.

To know whether this technology is right for you, it comes down to asking yourself two main questions.

1. Are you willing to take the time to learn the new technology?
2. Are you willing to rethink and replace some of your existing infrastructure?

How ranchers graze today is largely impacted by existing water resources and physical boundaries, but you can't let those physical boundaries become mental boundaries.

Tiller says, "You need to ask yourself, how would I manage it if I could start all over?"

You can listen to the full conversation on the Casual Cattle Conversations podcast.

Factors Increasing Calf Value

By: Mark Z. Johnson, Oklahoma State University Extension Beef Cattle Breeding Specialist

In a robust cattle market it can be easy to overlook management practices that will increase the value of calves sold at weaning. Several phenotypic traits that increase value, such as hide color, polledness and the genetic potential for growth or muscularity were determined a year ago when we selected the bulls to sire our 2025 calf crop. That being the case, there are several best management practices to perform now that will pay off when marketing weaned calves.

Dehorning and castration are fundamental to adding value (or not taking discounts). Growth implants offer an excellent return on investment. Calf weaning weights can be increased through controlling internal and external parasites. Calves weaned at least 45 days prior to marketing have added value to the next owner. As well, assurance of specific cattle handling and health product use like those verified through Beef Quality Assurance (BQA) can be documented to add value. A proper vaccination program, documented and carried out before calves leave the ranch of origin, can reduce the incidence of Bovine Respiratory Disease and is a key management practice in maintaining the health of a calf all the way through the production system. Cattle health is the foundation of specific marketing programs buyers seek to reduce risk. While a variety of programs exist, most start with a first round of vaccinations when calves are two to four months old while still nursing cows. The first round of vaccinations for all would include the first dose of:

- A clostridial 7-way, 8-way or 9-way
- A viral respiratory 5-way (IBR, PI3, BRSVand BVD Type I & II)
- A bacterial respiratory Mannheimia haemolytica and/or Pasteurella multocida

With current prices, these management practices have more value than ever. More details on the Oklahoma Quality Beef Network (OQBN) can be found at the link shown below.

References: https://extension.okstate.edu/programs/oklahoma-quality-beef-network/

Cash cattle prices slip as beef demand shifts and slaughter rates lag

Fed cattle trades soften across regions while boxed beef values climb on tight supplies and seasonal buying; futures remain under cash despite lower placements.

By: Trey Freeman, Commodity Futures Broker/Livestock Agent, Ever.Ag

Cash fed cattle traded at $228 to $231 per hundredweight in the South last week, $4 to $7 lower than the previous week. In the North, cattle traded $236 to $237 per hundredweight, $5 to $6 lower. Dressed trade occurred in the North at $376 per hundredweight, $4 lower.

Packers purchased 59,000 head on the cash-negotiated market last week, 1,000 head more than the week prior. Packers are buying for a holiday-shortened week next week. Cash is expected to trade lower this week.

Weekly slaughter was estimated to be 554,000 head, 4,000 less than the week prior and 61,600 less than a year ago. This week's slaughter is expected to be in the realm of 570,000 head, potentially more on account of improved packer margins due to last week's lower cash cattle trade.

Choice boxed beef averaged $388.36 per hundredweight last week, $14.68 higher than the week prior. The rib has firmed over the last couple of weeks after having dropped over 10% from early April to early June. All other primals continue their sharp upward trajectory, a function of historically low slaughter and seasonally strong demand. The rib being outpaced by other primals suggests consumers are trading down from higher value cuts. This does not necessarily mean the shift is straight to the much cheaper end meats. For instance, the normally cheaper priced loin, also a middle meat, has ripped over 40% higher year-to-date. Although the loin gaining on the rib throughout the first half of the year is seasonal, the fact that the end meats have also surged implies the shift is occurring, evidenced by a 25% and 19% tear higher in the chuck and the round, respectively, over just the last eight weeks.

Weekly US beef exports were reported to be 13,593 metric tons, 949 less than the week prior, down 6.53%. Exports are down 34,694 metric tons year-to-date, 9.53% lower, largely due to China's ban on US beef that began in April. On the other hand, exports to South Korea, our top export destination in recent years, remain strong, 5,896 metric tons higher year-to-date, or 6.09%.

Weekly US beef imports were reported to be 38,195 metric tons, 1,350 less than the week prior, down 3.41%. Total imports are 112,149 metric tons higher year-to-date, up 15.87%.

Official slaughter data released last Thursday for the week ending June 7 showed dressed steer weights at 933 pounds, 7 pounds lighter than the week prior and 15 pounds heavier than a year ago. Dressed heifer weights were reported to be 857 pounds, 8 pounds lighter than the week prior and 19 pounds heavier than a year ago. Official slaughter data through the first 23 weeks of this year shows fed slaughter down 280,300 head, 2.55% lower, while fed beef production is slightly higher by about +0.40%.

Live and feeder cattle futures finished lower last week for the second consecutive week, with August live cattle down $2.625 per hundredweight at $209.825 and August feeder cattle down $3.975 per hundredweight at $302.45.

The CFTC Commitments of Traders report reflecting positions as of Tuesday, June 17, showed managed money cutting back on their net long position by 1,423 contracts from the week prior to 130,305 contracts. In feeder cattle, managed money decreased its net long position by 31 contracts to 34,953 contracts.

Live cattle futures remain at a steep discount to cash, with last week's 5-Area weekly weighted average steer price printing $234.88 per hundredweight. This will offer a layer of support to the futures market even if cash trades lower this week.

USDA's latest Cattle on Feed report showed that inventory on feedlots of more than 1,000 head totaled 11.490 million head on June 1, which was 98.8% of the year-prior level. Analysts expected 99.2%. May placements were reported to be 92.2% of the year-prior total compared to analysts' estimates of 94.1%. May marketings came in at 89.9% of the year-prior total compared to analysts' estimates of 90.7%.

The lower-than-expected placement numbers are friendly, but the slower marketings nudge the overall sentiment of the report back near neutral, as it suggests a buildup of front-end supplies. Smaller placements are a product of a reduced supply of lighter weight cattle and the lost access of feeder cattle from Mexico. This will provide a degree of support to the further deferred live cattle futures. The number of days cattle are being kept on feed is largely a factor that led to the slower marketings.

U.S. ranchers finally moving to increase cattle supplies, JBS says

There are early signs of cattle herd rebuilding with a reduction in female cows being sent to slaughter.

By: Gerson Freitas Jr.; Bloomberg, Content provider

U.S. ranchers are moving to expand their herds from a seven-decade low, paving the way for a long-awaited recovery in beef supplies, according to top producer JBS NV.

"We are into herd rebuild right now," Wesley Batista Filho, chief executive officer of the Brazilian company's North American business, said in an interview. "The economic incentives are there, the weather is helping."

That's much-needed news for both meatpackers and consumers. A severe shortage in the world's largest producer has sent cattle costs surging, wiping out billions in profits for companies such as JBS, Cargill Inc. and Tyson Foods Inc., while driving record beef prices at grocery stores.

The move is backed up by a recent reduction in the number of female cows being sent to slaughter, which indicates more of them are being held for procreation, according to Batista. Still, it will take years for cattle supplies to recover, with no meaningful increase expected before 2027.

"It's not ever going to be like taking the elevator. It will be more like taking the stairs," he said.

Batista and other JBS managers on Wednesday took part in a bell-ringing ceremony at the New York Stock Exchange, where the company started trading earlier this month. The stock closed 0.4% higher at $13.87.

Batista said JBS has faced no disruptions from President Donald Trump's measures to restrict immigrant labor, which includes effort to strip the legal status of hundreds of thousands of workers the meatpacking industry has heavily relied on over the years.

The company, which in May reached a union deal that secured "significant" wage increases, a paid sick leave program and a pension retirement plan for its workers, have seen no difficulty in attracting people to its production lines, Batista said.

"You put all those things together, it's a good job to have in the communities where we are," he added.

Beat the Heat: Essential Tips for Cooling Cattle Effectively

K-State beef extension veterinarian provides solutions for managing heat stressed cattle.

K-State Research and Extension

K-State Beef Extension Veterinarian A.J. Tarpoff says that managing heat stress has been a part of cattle production since their domestication.(K-State Beef Cattle Institute)

Cattle incapable of relieving themselves of high temperatures experience heat stress. Humans alleviate overheating through sweating, but Kansas State University Beef Extension Veterinarian A.J. Tarpoff says cattle do not have that option.

"Heat stress coping behaviors is what we see when cattle are adapting to warmer temperatures," he says. "Whenever we get hot, we sweat to maintain homeostasis. For livestock species, and especially cattle, that capability gets overwhelmed."

Tarpoff adds, "They dissipate heat in other ways like increasing their respiratory rate (breathing) by panting."

Besides panting, producers identify heat stress by their increased standing, large groups of animals bunching up close to water tanks and crowding in shaded areas.

"They're trying to get increased airflow by standing, but they actually end up using each other as shade which is counter-productive," Tarpoff said.

High temperatures and humidity, slow wind speeds and increased solar radiation comprise the four weather conditions contributing to heat stress.

"When we're comfortable, cattle might not be and vice versa. We really need to consider those four key parameters," Tarpoff says. "We have an animal comfort index that uses the four of them to get a feel on how cattle are experiencing their environment." Monitor the animal comfort index in Kansas through the K-State Mesonet.

Correctly managing heat stress has proven to be essential for maximizing animal wellbeing and performance, according to Tarpoff.

"It is one of those critical chores just as important as feeding or making sure the animals have water. Whether we are asking them to be good cows or an animal to produce beef in a feedlot, we need to put them in scenarios where they're more comfortable because then they are more productive," he says.

Tarpoff urges operations housing their cattle in dry lots to keep it simple when developing a plan to lessen the consequences of heat stress.

"Whenever it comes to heat stress, it's back to the basics: feed and water. Water intake can nearly double as temperatures rise from 70 to 90 degrees (Fahrenheit). We need more water access, flow and availability for those animals," he says.

He adds: "We might be able to modify our feeding times to alleviate some of these stressors. Whenever we feed cattle, we feed the rumen microbes, and that comes at a cost called the heat of fermentation. We can feed later in the evening, so the digestion happens during the cooler nighttime hours."

Producers often construct shades to cool off cattle in times of unrelenting heat. A recent study conducted by K-State researchers looking at effects of shade on heat stress revealed that shade structures can impact more than just animal temperature.

"They are a piece of infrastructure," Tarpoff says. "That two-year trial showed added benefits of investing in shades. We saw increased feed efficiency, increased growth rate and increased average daily gain. We also saw reduced panting rates and water consumption needs by over a gallon per head per day."

Additionally, bedding pens with straw can reduce the pen floor temperature by 25 degrees and fence-line sprinklers help lower ground temperatures and keep cattle cool if used in the overnight hours, according to Tarpoff.

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