

July 7, 2015

# COWCHIP

## **DATES TO REMEMBER:**

July

23                      Deadline for Ryegrass Seed Bids

August

8                         Deadline for Master Cattleman Registration (see article)

## **MASTER CATTLEMAN:**

We will be offering the Master Cattleman Course again this year. It is a series of 10 classes that will be offered starting late August 2015 and will conclude late October. It will be every Monday evening during this time except for Labor Day. Each class will last about three hours, starting at 6:00 p.m. A meal will be served at each meeting. The cost is \$125.00 per person to cover meals, teaching materials and a metallic sign for all graduates.

Subjects included in the course are:

- Animal Handling
- Nutrition
- Breeding and Selection
- Pasture Agronomy
- Reproduction
- Weed Management
- Animal Health
- Economics and Marketing
- End Product
- Beef Quality Assurance

In addition, the Environmental Stewardship portion of the Master Farmer course and Beef Quality Assurance class are required for graduation and will be offered.

If you are interested in this course please fill out the enclosed form and return it along with a check made payable to the Vermilion Parish Cattlemen's Association by August 8<sup>th</sup>.

## **SUMMER CALF MANAGEMENT:**

We have enjoyed the longest period of high priced cattle in history. And although economists are predicting lower prices in the future, pointing to herd expansion being underway, prices will remain strong for some time. To take full advantage of these high prices we should consider some calf management practices to increase weaning weights and value per calf.

Worming calves in July has been shown to increase weaning weights by 8 to 10 pounds. We can worm calves with fenbendazole for as little as 75¢ per head. An eight pound gain would be worth at least \$16.00 this fall; pretty nice return on investment.

Implanting calves with Synovex C or Ralgro can result in 15 to 30 more pounds per calf. While most of these results consider a 90 to 110 day nursing period, marketing calves starting in late September brings most of the advantage; to gain this advantage, implant now. I'm not suggesting a second implant, but if you didn't implant earlier then get it done now. Results of market studies show that there are no discounts received for implanted calves. Buyers don't care if your calves were implanted while suckling. They offer the same money implanted or not, so, take advantage unless you have a niche "all natural" market you're involved in. Costs of implants are about \$2/head with 15 pounds of added weaning weight, that's at least \$30.00 extra this fall.

Cow nutrition is critical to calf gains. And while most of us have plenty of grass this year, we need to monitor the quality of forage as well as amount. Late July and August forages tend to lose quality. Supplementing cows with a pound or two of a high protein feed, tubs or liquid feed, at this time, should pay in extra weaning weight and cow condition entering the winter.

Finally, you should probably look at creep feeding. The math has changed considerably since calf prices have gotten so high. For instance, let's use a conservative figure of \$2.00 per pound for calves and a \$350/ton feed. It takes about six pounds of feed for a pound of gain. A \$350/ton feed costs 17.5 ¢ per pound multiplied by six pounds per pound of gain equals \$1.05 per pound of gain. At \$2.00 per pound calf value you'd be doubling your money invested on feed. There are some alternatives to cut feed costs and calves should bring more than \$2.00 this fall.

These are some very economical management practices that should be considered to maximize profit. Some time and minimal investment now, can pay big dividends this fall. Contact Andrew Granger at 898-4335 or [agranger@agcenter.lsu.edu](mailto:agranger@agcenter.lsu.edu) for more information.

## **PUBLIC CONCERN DRIVES POLICY ON ANTIBIOTIC USE:**

From Drovers Online

Between 2010 and 2030, the global consumption of antibiotics will increase by 67 percent, according to a new study called "Global trends in antimicrobial use in food animals," published in the Proceedings of the National Academy of Sciences. Chicken and pork production will be responsible for most of that increase.

By 2030, China and the United States will likely lead the world in animal antibiotic use, but countries like Myanmar, Indonesia, Nigeria, Peru and Vietnam will see the highest projected percentage increases. There, a growing middle class will be looking to add more meat to their diets, so, the study's authors predict, producers will be looking for ways to increase production as inexpensively as possible.

The scientists behind the study are concerned about the consequences. To better understand them, the authors call for, among other things, an international surveillance network of antibiotics in the livestock sector — and, eventually, the withdrawal of their use as growth promotants in all food animals.

In this country, there is some movement in that direction already. The Food and Drug Administration has asked drug and meat companies to stop feeding antibiotics to livestock for faster growth. That request is strictly voluntary, but it's the strongest action the FDA has yet taken. The agency has also asked the makers of antibiotics to rewrite their labels to prohibit such use of their products, and the drug makers have agreed to do that by the end of next year.

Consumer pressure is driving some businesses to take action on their own. Perdue has dramatically reduced its use of antibiotics; Tyson launched lines of antibiotic-free chicken and beef. Chick-fil-A is phasing out chicken raised with antibiotics over the next five years. Panera and Chipotle offer antibiotic-free chicken, beef and pork dishes; McDonald's and Wendy's intend to start reducing antibiotic use in U.S. chicken offerings. Some of these companies have suggested that their attention will turn to beef in the future, but for now, antibiotic-free chicken is more widely available, and vertical integration in the chicken industry makes these large-scale changes easier.

Still, it's a small segment of the meat and poultry industries. Antibiotic-free beef, pork and chicken account for only about 5 percent of meat sold in the United States. But that number is growing quickly — market research shows that retail sales of antibiotic-free chicken rose 34 percent in 2013.

And consumers don't seem to be getting any less interested in this segment. In a 2012 Consumer Reports poll, 82 percent of consumers said they would buy meat raised without antibiotics if it were available where they shopped. Sixty-one percent of consumers indicated they would pay 5 cents or more extra per pound, and 37 percent said they would pay \$1 a pound or more extra.

European consumers are also interested, and the European Union has responded more aggressively. In Denmark, for example, antibiotics for growth promotion were outlawed in broiler chickens and adult pigs in 1998 (and in young pigs a year later). More than 10 years after the ban, Danish authorities reported that the law reduced antibiotic consumption by 50 percent, animal health was not compromised, and the added cost per pig for producers was \$1.09.

Back here, Rep. Louise Slaughter (D-N.Y.) has been fighting for a bill similar to Denmark's and has introduced it at every congressional session since 2007. She recently announced that she will try again this year.

### **TRADE BILL PASSES, COULD OPEN TRADE TO PACIFIC RIM:**

From Beef Daily

Trade Promotion Authority finally made it to the President's desk, with bi-partisan Support. Passing by a vote of 60-38, passage of TPA was a fundamental step to securing future free-trade deals that will allow beef producers greater access to foreign markets. Cattlemen and women have seen tremendous value in trade, exporting over \$7.1 billion worth of U.S. beef in 2014, which alone accounts for over \$350 in added value per head of cattle in the United States. This value is not just from increased demand, but also from adding value to variety meats that have very limited value here at home. As the demand for U.S. beef continues to grow around the world, the future success of the beef industry rests in our ability to meet foreign demand without inference of tariff and non-tariff trade barriers. With TPA passed, the U.S. can focus on finalizing trade agreements like the Trans-Pacific Partnership that will give us greater access to consumers throughout the Pacific Rim.

### **WILL A SEASONAL DOWN TURN OCCUR THIS YEAR:**

By Ross Pruitt

With July firmly in view, decisions about marketing this year's calf crop aren't that far away. One of the big questions that will need to be answered is whether seasonality will return this summer and fall resulting in lower prices for feeder cattle and calves. There are good reasons to believe seasonal price patterns will (or

won't) return this year. Your view on this question will help determine the right strategy for your operation in the next few months. Next month's midyear *Cattle* inventory report from USDA may help fill in some of the knowledge gaps, but the final answer won't be found in that report.

Depending on the market and weight of cattle, prices started climbing higher at the beginning of the second quarter in 2014. While prices for the first half of this year have been higher than a year ago, they haven't exhibited the same upward momentum as three-fourths of last year did. It's not unfair to say that most weight groups have been in a sideways price movement for most of this year which is one reason to think seasonality may result in slightly lower than current prices. Unless current price trends break their sideways trend, some weight classes may see below year ago price levels by October, and possibly earlier. This won't be seasonality but rather the lack of additional supportive market fundamentals to push the market to new records.

One primary factor pointing toward seasonal price patterns this fall are the margins that packers and feedlots are facing. Estimated feedlot returns have been negative since December according to the Livestock Marketing Information Center. Projected feedlot breakevens are approximately \$165/cwt for July and July and then climbing to \$173/cwt for August and September. As packers and feedlots continue to see who will blink first in a bid to improve their margins, this could certainly result in slightly lower prices for feeder cattle and calves. However, the presence of good pasture and range conditions may leave cow/calf and stocker operators in the driving seat and limit downside price movements in the near term if they can continue to choose when to sell.

Working against the return to seasonal price patterns argument is the tight supplies of cattle. Over the past year, cattle weighing at least 800 pounds have been the only reported weight category consistently showing year-on-year increases. With lighter weight cattle apparently hard to find given current pasture conditions and at prices feedlots are willing to pay, the return of seasonal price patterns is hard to see for this year. While this year's calf crop will likely be the second year running with year-on-year gains, it may not be enough to result in seasonal price pressures. This is partly due to the fact that recent weeks have had the lowest proportion of heifers in the Federally Inspected slaughter mix since the mid-1970s. The ability to retain heifers has likely increased since recently slaughtered heifers were placed and why the midyear inventory report will provide more information on residual feeder cattle supplies not currently in feedlots.

The above discussion does nothing to change the overall positive outlook for the industry the next couple of years as the need and incentives for expansion remain in place. It is more reflective of where the lower bound for prices this year will be set as the average annual price for 2015 is forecast to be higher than last year. Fresh in the minds of many producers is the sting of marketing cattle too early last year and leaving a significant amount of money on the table. This year does not appear to be a repeat of last year given the factors described above. A wait and see approach may work well for most as there doesn't appear to be significant downside price risk. Being flexible and prepared for anything is appropriate as new historical norms continue.

Sincerely,

Andrew Granger  
County Agent  
Vermilion Parish

*It is the policy of the Louisiana Cooperative Extension Service that no person shall be subjected to discrimination on the grounds of race, color, national origin, gender, religion, age, or disability.*



## *Louisiana Master Cattleman Program* **Registration Form**

(Please Print Legibly)

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/Town: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Parish of Residence: \_\_\_\_\_ Area Code & Phone No.: \_\_\_\_\_

Parish of Cattle Operation if different from Residence: \_\_\_\_\_

E-mail address: \_\_\_\_\_

The following requirements must be completed in the next two years to become a  
Master Cattle Producer:

Completion of the following three hour lectures:

- |                          |                           |
|--------------------------|---------------------------|
| - Animal Handling        | - Weed Management         |
| - Nutrition              | - Animal Health           |
| - Breeding and Selection | - Economics and Marketing |
| - Pasture Agronomy       | - End Product             |
| - Reproduction           | - Beef Quality Assurance  |

The cost of Master Cattle Producer certification is \$125.00. Please make checks out to: Vermilion  
Parish Cattlemen's Association and mail by August 8th to:

ANDREW GRANGER  
1105 WEST PORT STREET  
ABBEVILLE, LA 70510