THE LEADING EDGE CATTLEMAN

Mississippi/Alabama Cattle Producers

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Mission Statement:

The goal of the "Leading Edge Cattleman" program is: To improve the profitability, management skills and cattle of beef producers in the 15 county areas.

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County Cattlemen President

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County Extension Agent

LEADING EDGE Participating Counties:

Alabama	***Mississippi***
Bibb	***Chickasaw***
Fayette	***Clay***
Greene	***Lee***
Hale	***Lowndes***
Lamar	***Monroe***
Marion	***Calhoun***
Pickens	***Noxubee***
Sumter	***Oktibbeha***
Walker	***Webster***
Tuscaloosa	***Winston***

Cattle Market Situation and Outlook

John D. Anderson
Mississippi State University

*"**An economist is an expert who will know tomorrow why the things he predicted yesterday didn't happen today**."*

Laurence J. Peter,
Educator and Management Theorist

The preceding definition comes to mind as I survey the past three months or so in the cattle market. The level of optimistic sentiment in the market at the end of 2005 is now hard to imagine. In early December last year, the Japanese government announced the lifting of a nearly-two-year ban on US beef imports. At the time, this long-anticipated event seemed like icing on the cake for a market that was already enjoying strong prices at every level. And where were prices at the end of last year? In the week before Christmas, the Choice boxed beef cutout value was just under $160/cwt. The 5-Area weighted average fed cattle price was $95.73 (the highest price of the year), and 7-weight steers at Oklahoma City were worth about $115/cwt. Live Cattle futures were projecting a low for the summer fed cattle market of somewhere around $86 – not too shabby considering that the low last summer (very near the absolute bottom of cyclical cattle numbers) was right at $79.

By the end of March, the cattle market was in a decidedly more defensive mode. The Choice cutout value was just barely above $140. Cash fed cattle were trading hands at $84, and June Live Cattle futures were trading at around $75. Feeder cattle prices fared a little better, with 7-weight steers at Oklahoma City still bringing a little better than $105. The three-month slide in the market has put us in the position of Dr. Peter's economist: explaining after-the-fact why the 2006 market has, so far, fallen well short of expectations.

Most of the blame for a disappointing first quarter in the cattle market can be laid on the supply side. Cattle slaughter has not really been up dramatically this year compared to last year. Year-to-date cattle slaughter is up

less than 2%. Cattle weights have been up significantly, however. In mid-March, the average fed steer dressed weight was 827 pounds compared to 803 pounds the previous year. The combination of increased cattle slaughter and increased weights has resulted in higher beef production. The latest *Livestock Slaughter* report showed an increase in beef production through the first two months of the year of around 3%. This is only part of the supply story, though. Total meat supplies are historically very large. Accumulated pork production so far this year is also up slightly from last year's already high production. Accumulated poultry production for 2006 is up by over 5% from a year ago. This increase in poultry production has taken place during a time when Avian Influenza (AI) has caused a decline in worldwide poultry demand. Consequently, stocks of poultry have been piling up in storage. USDA's February *Cold Storage* report showed a 45% year-over-year increase in February stocks of frozen chicken.

In general, increasing supplies of competing goods hurt demand for any given product. So it has been this year with beef and the abundant supplies of competing pork and poultry. Continued problems in key export markets are also a drag on demand. The resumption of trade with Japan was short-lived. While talks to resume trade with both Japan and South Korea appear to be making progress, that progress seems excruciatingly slow now that additional outlets for increasing supplies are sorely needed.

Moving forward from here, supply concerns will continue to dominate the market. One of the key reasons for the dramatic decline in summertime Live Cattle futures is that dry weather in the Southern Plains forced large numbers of calves off of pasture and into feedlots early, increasing the number of fed cattle that will have to be marketed this summer. Fed cattle supplies for this summer (particularly early summer) do look intimidating, but at this point they aren't likely to get any worse. Summertime lows in the fed cattle market are shaping up to be in the mid-$70s. Low $70s aren't out of the question, though, if exports with Japan or South Korea are still stalled when June rolls around or if another round of AI news drops poultry demand still further in Europe or Asia.

At the cow/calf level, things in the market don't look so bad. Calf prices have taken a dip since the beginning of the year, but they still stand at historically high levels. The supply situation in the calf market for the remainder of this year will be much more favorable than in the fed cattle market. The early movement of calves to the feedlot this year means that available supplies of calves will likely be rather tight at least until this fall. Of course, the large losses that are occurring now in the feeding sector (and that are likely to get worse before they get better) will not help calf prices any. Still, cattle feeders have made some money over the last couple of years, and in the past they have proven to be willing to burn up some equity in order to keep pens full. This doesn't mean that calf prices are about to really take off – just that they will probably look pretty strong relative to fed cattle prices.

Another wild card to remember with respect to calf prices is corn prices. Corn prices declined through the month of March as improving soil moisture conditions in the western Corn Belt improved prospects for the 2006 crop and as AI raised concerns about weaker feed demand. Long term prospects for corn prices look pretty good, though. Corn acreage is likely to be down some this year due to high input prices. At the same time, demand from corn for the energy sector is growing by leaps and bounds. Corn stocks look large now, but they will decline fairly rapidly just based on current use levels. If this year's crop runs into any problems, concerns over declining stocks will surface quickly, causing corn prices to rise and putting additional pressure on calf prices in the process.

Weed Control in Pastures and Hayfields

Michael A. Davis, Regional Extension Agronomist, Forage Crops

Weeds in pastures and hayfields rob fertilizer nutrients, water, sunshine and space from desirable plants. Additionally, some weeds may be toxic, while others create physiological problems for cattle and horses when consumed. This is a problem with weeds in hayfields because the poisonous plant is harvested and fed with the desirable forage. Weed control in pastures and hayfields is a never ending battle that can require considerable resources for control, particularly when weeds have been allowed to become well established.

Weed control can take a number of forms. The most important weapon against weeds is a vigorous growing forage crop. When fertilizer is lacking, when droughts occur, or when damage is done to the desirable forage by

tillage or insects, weeds usually invade the vacated space, and it is more difficult for the forage crop to take the area back without some assistance from producers. Some weeds can be controlled by periodic clipping. Timeliness of this operation is critical for proper control. Clipping can control annual weeds if they are clipped after they form seedheads but before they mature. In hayfields, the results of periodic clipping are evident where there are fewer weeds, because the area is clipped throughout the year.

When weeds become established in pastures and hayfields, they must be controlled by chemical means using herbicides. When the proper herbicide is applied to forage crops at the right time and at the correct rate, most weeds can be effectively controlled. Timing is critical when it comes to controlling weeds with herbicides. The weeds need to be young and actively growing. Depending on the herbicide and weed to be controlled, some applications can be made pre-plant incorporated or postemergence. Some herbicides require a surfactant to be effective. Surfactants are chemicals which are added to the herbicide/water mixture to enhance the effectiveness of uptake by the plant. Each herbicide label has a list of recommended rates and usage along with restrictions for its use and this label should be read, understood and adhered to when using the herbicide.

Producers should properly identify the weed to be controlled before attempting any control. If you are uncertain about the identity of a particular weed, contact your Extension agent who can assist you in making the proper identification. It may be necessary to submit a sample of the weed to a weed lab for proper identification. Once you have the weed identified, a control plan can be developed using the proper chemical at the proper time and rate.

Two weeds that are common to all parts of the state are hairy buttercup and thistle. These are biennials, meaning they germinate one year and reach maturity the following year. Like most weeds, they are most vulnerable when they are small and actively growing. That means the fall of their year of germination. Both weeds can be controlled using ¾ to 1 pint of 2,4-D in the fall applied when the air temperature is 55 to 60 degrees F and no rain has fallen for 4 hours. At this low rate, perennial clovers will not be killed. For best control, producers should wait as long as possible into the fall to allow as many of the weeds to germinate as possible before applying the herbicide.

Dog fennel, or summer cedar, is another common weed in pastures. Weedmaster applied at 1 to 4 pints per acre, depending on the size of the plant, and Grazon P & D at 1 to 8 pints per acre depending on the size of the plant, plus a surfactant, are both rated excellent for control of dog fennel. For best control, apply the chemicals before the weeds reach 4 inches in height.

Horsenettle, or tread salve, is a weed that is difficult to control in pastures and hay fields. Surmount applied at the rate of 1 ½ to 6 pints per acre, depending on the size of the weed, plus a non-ionic surfactant, is rated excellent for control of horsenettle.

Control of Johnson grass in Bermudagrass hay can be a problem. Johnsongrass in hay decreases the quality of the Bermudagrass hay when fed to horses. We have an emergency use label section 16 for Maverick for the control of Johnsongrass in Bermudagrass for 2006. It is not recommended for controlling crabgrass and other annual grasses. Several restrictions apply to the use of Maverick and as with all chemical use read and follow label recommendations and restrictions.

If you have clover in your pastures, weed control becomes more of a challenge to control the weed and do as little damage as possible to the clover. Some herbicides kill the clover present and prevent any germination for some period of time. Herbicides that contain picloram are a good example of this. Use caution when applying these to pastures containing clover. Also, avoid the application of 2,4-D herbicide materials within 4 weeks of the planting of annual or perennial seeded forages. 2,4-D has some activity as a preemergence herbicide and can drastically reduce germination of the seeded forage if applied shortly before or after seeding.

Adhere to the recommended waiting periods for herbicides after application for grazing, hay removal and animal removal before slaughter. Additionally, some herbicides have more severe restrictions for use by dairy animals than by beef animals. Read and follow all label recommendations and restrictions before applying herbicides! For additional weed control recommendations, contact your county Extension office.

Demopolis Beef Short Course

The 2006 Demopolis Beef Short Course will be held on Friday, April 28th at the Demopolis Civic Center.

Featured speaker is Dr. Joe Paschal from Texas A&M. He will discuss feeding performance and carcass merits of varying percentage of Brahman influenced feeder calves.

Other topics will be visual traits in bull selection, understanding ultrasound data and forages.

For more information contact Brenda Glover or Johnny Gladney at (334) 624-8710

Pickens County Beef Meeting

The Pickens County Cattlemen's Association and Pfizer Animal Health is sponsoring a meeting on Thursday, May 4th at 6:30 p.m. Dr. Dan Scruggs will be presenting information on BVD and its impact.

A meal will be served so anyone wishing to attend should make a reservation by calling the Extension Office at (205) 367-8148 by May 1st.

Beef Management Hot Topic Workshop

Tuesday, May 23rd at Ray Angus Farm in Hackleburg will be a workshop. Topics include Premises ID and the featured speaker is Jim Norwood from Meyers Natural Angus Beef. The program starts at 5:30 p.m. and reservations are required. RSVP by May 15th to the Marion County Extension Office at (205) 921-3551.

Calendar of Events

April 28	Beef Cattle Shortcourse Demopolis, AL (334) 624-8710
May 4	Beef Health Meeting Carrollton, AL (205) 367-8148
May 9	South MS Gain on Forage Bull Test Sale, Tylertown, MS, contact Lamar Adams Ph 601-876-4021, Fax: 601-876-0077, **Email: lamara@ext.msstate.edu**
May 15 – 17	Beef Excellence Program Auburn University Bob Ebert (334) 844-1563
May 19	Source Verification Short Course, via interactive video Origination – Acadia Parish Office, Crowley, LA Contact: Jane Parish 662/325-3516
May 23	Beef Hot Topic Workshop Hackleburg, AL (205) 921-3551
August 8	Alabama Feeder Cattle Marketing Association Sale Autaugaville, AL (334) 295-8707
August 26	AGORAMA BCIA Heifer Sale Cullman, AL (334) 624-8710