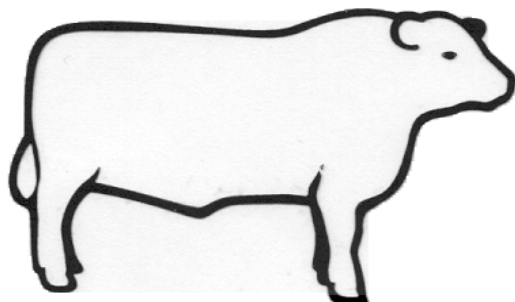


August 2004

Volume 6 Issue 21



# THE LEADING EDGE

## CATTLEMAN

Mississippi/Alabama Cattle Producers



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Leading Edge Cattleman Program

Mission Statement:

***" To Improve profitability, management skills, and cattle of beef producers in participating counties."***

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**County Cattlemen's Association  
President**

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**County Extension Agent**

### **Leading Edge Participating Counties:**

<u>Alabama</u>	<u>Mississippi</u>
Bibb	Chickasaw
Fayette	Clay
Greene	Lee
Hale	Lowndes
Lamar	Monroe
Pickens	Noxubee
Sumter	Oktoberbeha
Walker	Webster
Tuscaloosa	Winston
Marion	Calhoun

## LEADING EDGE HEIFER DEVELOPMENT/EVALUATION PROGRAM

Upper Coastal Plain Substation  
Winfield, Alabama  
Entry Deadline is August 30<sup>th</sup>, 2004

### **2004-5 Guidelines:**

#### **General Rules:**

1. Heifers must be born between September 1, 2003 and December 31, 2003.
2. Heifers must weigh at least 500 pounds at delivery and have a minimum frame score of 4.0.
3. All heifers will be tattooed, weighed and frame scored on processing day, September 3rd, 2004.
4. Breed compositions and birth date must be known and listed on entry form.
5. 150 heifers are the maximum number of heifers that can be developed at the station for 2004-2005.
  - (1) First priority will be given to the open heifers that are consigned after the Ag-O-Rama BCIA Heifer Sale.
  - (2) Second priority will be given to West Alabama and East Mississippi producers.
  - (3) If any slots are still available, it will be the decision of the heifer development team on which heifers will be accepted. This decision will be based on location of the cattle, proof of performance records and quality of the animals.

#### **Health Requirements:**

1. All heifers must be in good health and accompanied by a valid health certificate.
2. The following preconditioning should be done at least 4 weeks prior to delivery:
  - (1) Dehorned and healed.
  - (2) Dewormed
  - (3) Vaccinated for:
    - IBR/BVD/BRSV/PI3,
    - 7-Way Blackleg
  - (4) All 2<sup>nd</sup> round vaccinations (boosters) should be administered before delivery.

#### **Cost:**

1. A fee of \$260 per heifer will be required. Payment of this fee can be in a lump sum at delivery or 1/2 at delivery and 1/2 due by January 3, 2005. This cost covers feed, handling, periodic weighing, and other activities associated with normal labor and management practices. The fee also covers breeding service of the bulls, reproductive soundness exam, and ultrasound pregnancy testing.
2. Costs not included in the \$260.00 are costs associated with treatment for illnesses that includes veterinarian services.

For more information contact Randall Rawls @ 205-487-2150, Jonathan Gladney @ 334-624-8710, or Sam Wiggins @ 205-367-8148.

## Fueling the Herd

*Dr. Jane Parish – Extension Beef Specialist, Mississippi State University*

At the gasoline pumps, there is usually a choice between three different octane levels. The higher the octane, the better the fuel and the greater the performance. Similarly, there are quality differences in cattle fuel. Whether as grazing or hay, cattle fuel in Mississippi and Alabama consists primarily of forages. Forage test results from nearly 3,400 samples submitted over the last five years from Mississippi livestock producers tell an interesting story about the “octane levels” of forage produced in this region.

### Energy vs. Protein

Energy values on forage test results are often reported as total digestible nutrients (TDN). Many factors can lower digestible energy levels in forage. Cool-season grasses such as tall fescue are generally more digestible than warm-season grasses such as bermudagrass and dallisgrass. Cool-season annuals (annual ryegrass, wheat, rye) are typically more digestible than cool-season perennials (tall fescue). Legumes like clovers and alfalfa generally beat out grasses in terms of digestibility. High temperatures tend to increase lignification and lower digestibility in forages as well. Despite all of these factors affecting forage digestibility, the primary culprit that producers can impact is forage maturity. Forage digestibility takes a tremendous hit when forages are allowed to become over mature before cutting or grazing. When digestible energy becomes limiting in beef cattle diets, intake and animal performance can suffer.

It is not uncommon to hear coffee shop bragging about protein levels in hay. Protein is another very important nutrient in beef cattle diets. Young, growing cattle, in particular, need relatively high levels of crude protein in their diets to support muscle growth. Insufficient protein can be a problem on warm-season grasses receiving inadequate nitrogen fertilization, particularly when forage is allowed to become very mature before harvest or when frosted pasture is grazed during winter. Excessive rainfall, like what occurred earlier this summer, can also leach nitrogen from the soil and reduce nitrogen levels available for plant protein production and animal consumption.

Which nutrient is more likely to be deficient in forage-based beef cattle diets in the Southeast, energy or protein? The answer is energy, and the five-year forage test data supports this. Consider the nutrient demands of a typical 1200 lbs. beef cow. Assuming peak milk production of 20 lbs. per day, this average cow should eat just under 28 lbs. of dry matter each day two months after calving. Her nutrient requirements will be approximately 60% TDN and 11% crude protein on a dry matter basis. While 46.1% of forage samples tested would not have met the crude protein requirements of the cow in this example, a whopping 70.6% of forage samples would not have met the TDN requirements. Five months after her calf hits the ground, this cow will still need enough nutrients to support lactation. Her nutrient needs will be closer to 55% TDN and 8.5% crude protein on a dry matter basis. Only 19.7% of forage

samples would not have met this crude protein requirement, but 45.7% would not have satisfied the TDN requirement. In other words, monitoring TDN levels in hay and providing acceptable energy in the entire diet is critical for good cattle performance.

The same cow will have much lower nutrient requirements once her calf is weaned. A dry beef cow seven months after calving will need to consume just over 22 lbs. of daily dry matter with approximately to 47% TDN and 6.5% crude protein on a dry matter basis. The five-year forage test results indicate that most of the forage samples tested would meet these lower dry cow requirements (92.4% of samples would have both adequate TDN and crude protein). In this case, feeding lower quality hay to dry cows and saving the better quality hay for cattle with higher nutrient requirements would be appropriate. Palatability (the acceptableness of a feed or forage to the animal) and intake can become an issue with lower quality forages. Make sure that cattle receiving lower quality forages have acceptable levels of intake, and do not hesitate to supplement the diet if needed.

### Forage Testing and Supplementation

By forage testing hay lots, lower quality hay can be identified and allotted to cattle with lower nutrient demands such as dry cows. Cows with calves on their side, thin cattle needing to gain body condition, and growing replacements will benefit from higher quality hay. Supplemental feed resources can then be used more efficiently, lowering feed costs and improving profitability. As the hay production season winds down, now is a good time to forage test hay lots and to start planning for winter feeding. This is also a good opportunity to evaluate hay production practices. Keeping organized records on cutting dates, field ID's, forage types, bale weights, and storage locations makes this easier and more valuable.

Because of the excessive rainfall earlier this summer, it was not feasible to cut many local hayfields before forage maturity became a significant quality problem. There was also potential for significant soil nitrogen leaching. Based on observations of initial hay test results this year, both TDN and crude protein levels will need to be closely scrutinized in hay produced this summer. If a significant portion of available hay is of low quality, then carefully planned winter-feeding and supplementation programs need to be designed this fall to keep feeding costs reasonable and cattle performance at desired levels.

So how well does your forage fuel your cattle? Test it to know for sure. For assistance in interpreting forage test results and developing supplemental feeding programs, contact your local Extension office.

# Stockpiling Forage for Winter Grazing

*Dr. Richard H. Watson – Extension Forage Specialist, MSU—ES*

The fall is a very important time in the forage year. It is time for planning our forage needs for the winter months when forage growth will be at its lowest. Preparations we make in the fall can have a great impact on the productivity and profitability of our production systems. The more hay and bought feed we have to rely on the greater our winter feeding expense will be. The need for hay feeding in winter can often be reduced by the practice of stockpiling excess fall forage production for later feeding in the winter.

## Stockpiling Bermudagrass

Stockpiling bermudagrass usually involves accumulating extra growth in August, September, and early October for grazing during the late fall and winter. This can be an effective way to bridge the gap between the end of warm-season growth and the time when you will hopefully have enough cool-season forage to graze. The amount of stockpiled bermudagrass you need to achieve this will depend on the length of the 'gap' in forage growth. In South Mississippi, the use of annual ryegrass as the major source of cool-season forage means that bermudagrass might have to be grazed longer into the winter to give the annual ryegrass time to get established and grow enough forage for grazing. However, the growth season of bermudagrass is also longer in South Mississippi so the overall time spent grazing the stockpiled bermudagrass may be as short as 2 months. In North Mississippi, cool-season grasses such as tall fescue can generally be utilized much earlier in the fall, so there is often less need for stockpiled bermudagrass. In fact, in North Mississippi, tall fescue offers a better option for stockpiling forage for the winter than bermudagrass does.

Some preparation is required for areas that you intend to stockpile bermudagrass on. Quality of the stockpiled forage will be much better if you have removed the old growth beforehand and fertilize to promote fresh growth. Pastures that have just had hay made in mid-late August are ideal for stockpiling. Applying 50-100 lbs N/acre in late August will promote fresh forage growth through September and October. Depending on climatic conditions, this should be between 2000 and 3000 lbs of stockpiled forage dry matter per acre by November.

Nutrient levels in the bermudagrass will vary depending on the amount of growth accumulated, fertility, and the weather during and after stockpiling. Bermudagrass will not typically hold its quality during the winter as well as tall fescue will, as the plant tissue is dead and more prone to weathering. It is always a good idea to forage test your stockpiled grass to determine whether additional supplementation is required. The need for supplementation may become more likely the further you graze into winter. Stockpiled bermudagrass will generally be above 10% crude protein and between 47-55% TDN during November and December, which is more than adequate to graze gestating beef cattle on.

With forage utilization of 70-80%, an acre with 3000 lbs of stockpiled bermudagrass could hold 25 gestating cows for a week. This would mean that you would need about 15-20 acres

to graze these 25 cows from the 1<sup>st</sup> November through the end of January with minimal hay required (or 0.6-0.8 acres/cow). To ensure good forage utilization, it is important to reduce the potential for wastage by not giving the animals any more than 2 weeks worth of grazing at a time. Using the 25-cow example above, you would not allow the cattle to graze an area greater than 2 acres as any one time (or 12.5 cows/acre). Strip grazing behind a temporary electric fence is the best way to ensure good forage utilization.

## Stockpiling Tall fescue

Farmers in the Northern half of the state that are growing tall fescue in their pastures have a great opportunity to accumulate forage for winter feeding. Tall fescue is one of the best forages for stockpiling as it maintains its nutritional value better than other grasses during cold frosty weather. Depending on the availability of moisture, tall fescue will start to grow again in September and will continue to grow through December in many places. Therefore significant amounts of forage can be accumulated during this time for feeding during January and February when hay feeding requirements are generally at their greatest.

To prepare for stockpiling tall fescue, pastures should be clipped to remove any old growth, weeds, or seed head in early to mid September. Much of the soluble nitrogen will have been removed for the soil during the summer so an application of 50-80 lb N/A in mid September is recommended to give the tall fescue a boost and ensure that stockpiling potential is not limited by nutrient levels. Where clover is a 20-30% component of the tall fescue pasture the N application can be cut back to 30 lb/A.

By starting to stockpile tall fescue in September, 2000-3000lb of dry matter/acre could be accumulated by December, which could one dry cow/acre for a 2-3 months with minimal supplementation required. As with Bermuda grass, strip grazing with temporary electric fencing is the best means of ensuring high utilization levels (>70-80%). The nutritional quality of stockpiled tall fescue is generally around 12-16% crude protein and 58-65% TDN, which is better than most hay will be at a fraction of the cost.

Stockpiling is also an effective way to use the old toxic tall fescue stands where replacement with the non-toxic varieties may not be possible. The combination of cool weather and degradation of the toxins in the stockpiled forage makes the toxic fescue less likely to cause toxicosis problems.

One of the major costs of livestock production is associated with the costs of feed. We can significantly reduce our feeding costs by maximizing the amount of forage consumed directly by the animal and minimized hay or bought feed requirements. Season variation in forage supply make this a challenge, however, stockpiling allows us to smooth out some of these seasonal variations in seasonal supply. For more information on stockpiling forages for winter grazing, contact your local county extension office.

## Now is Your Opportunity

### *Mr. Mike Howell, Area Agent Livestock/Forages*

I am sure you have noticed that we continue to experience great market prices with feeder calves, fat cattle and even the cull cow markets. Absolutely no one would have figured this to be the case ten months after we experienced the first reported case of BSE in the United States and subsequently we lost our export market from all of our major U.S. beef importing countries. I don't know that I know all the driving forces that have contributed to the continued strength in our beef cattle markets, but strong consumer demand into the grilling season along with low inventories in the feeder and fat cattle sectors prevented any major price collapse. Now we are hearing that Japan and other countries are likely to re-open their borders to U.S. beef imports this fall, so this could only add strength to an already strong market situation. For the producers that are selling their feeder calves after back grounding or electing to place them in the feedlots, their profit outlook is very good. On the other hand, the buyers of feeder cattle may find themselves in a very uncomfortable situation with the extremely high risk of buying feeders and hoping to make a profit when break-even prices fall around the mid to high \$90's.

As I mentioned in the headliner, this is your opportunity. Certainly you should expect to sell your calves for a nice profit this fall, but another important consideration is how to invest the profits for maximum returns. This could be a once in a lifetime opportunity to generate some extra money to offset expenses incurred for long-term improvements and management changes applied to your operation. You have been hearing more about grazing more and feeding less. This does not come to pass without some initial expense of establishing the forages necessary to achieve this goal. This may be the fall to begin adding more endophyte friendly fescue to your forage program. I would not recommend that you try to establish all your fall and winter grazing acreage at one time; rather you could take about 1/3 of the potential fescue land and work on getting it established this year. Perhaps next fall another 1/3 could be added to the farm. This is also a good time to evaluate your cow herd and cull the poor performers.

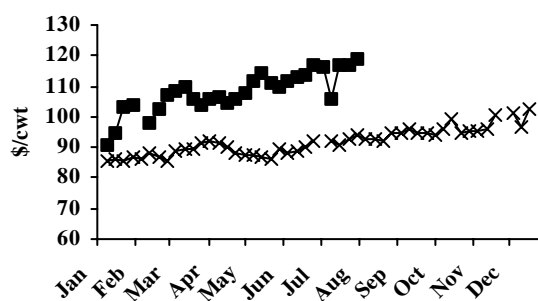
Even in times of high prices, an inefficient cow won't necessarily be profitable. With cull cow prices holding up so well, you would likely be better off selling any cows in question and holding a few more replacement heifers. The gross income may not be that much different. Another potential long-term investment that bears consideration is hay storage facilities. I know plenty of cattlemen that just can't bring themselves to believe that storage will pay for itself. In reality the only time I can see that storage facilities are not needed would be when balage is utilized. Storage pays and it has been proven time and time again if you have 20 cows or 500 cows. When the hay loss is a minimum of 30 percent when stored outside, that translates to \$7.20 per 1200-pound bale, assuming the value of the hay at \$.02 per pound. You do the math and discover how long it would take to recover the investment for storage facilities. By my calculations this is a 28 % per bale return on the investment if you put a \$25.00 value per bale on your hay. This does not account for the loss in quality of the hay, it merely accounts for the loss of pounds harvested and pounds fed. When you consider the 360 pounds of every 1200 pounds bale that are lost to spoilage, you quickly realize your hay cost went from \$.02 per pound to \$.03 per pound. That doesn't appear to be a big deal on the surface but for every 100 bales, that equates to a \$1200.00 loss. If the hay was harvested in a rank condition like most of our hay has been this year, this savings would pay for additional protein/energy cost we are likely to incur to meet the cows daily needs.

Take advantage of the great markets we are enjoying and set yourself up to be more efficient well into the future.

## Cattle Market Situation and Outlook

*Dr. John Anderson, Extension Associate Professor Ag. Economics*

Despite last December's BSE scare, calf prices have trended steadily upward for most of 2004. Figure 1 shows weekly average Alabama auction prices for 500-550 pound steers for the past two years. Source: Livestock Marketing Information Center



The persistent rise in calf prices has occurred despite the fact that, since peaking in early May, fed cattle prices have been rather stagnant – bouncing around mostly in the low to mid-80s per hundredweight. Likewise, wholesale beef prices have been rather unimpressive since early May – drifting down from just over \$161 per hundredweight in the first week of May to around \$135 per hundredweight by the middle of August. Support for calf prices has come mostly from two sources: the tight supply of stocker and feeder calves and falling corn prices. After an extended period of herd liquidation, the U.S. calf crop last year was small by historic standards. Relatively high calf prices last fall and so far this year have also encouraged producers to market calves aggressively.

*Continued on page 5*

*Continued from Page 4*

This has resulted in the tight calf supply situation currently affecting the market. Corn prices have been steadily falling throughout the growing season as a result of the large acreage of corn planted this spring and the near-ideal growing conditions over much of the country. In the August *Crop Production* report, USDA projected a record corn crop of over 10.9 billion bushels.

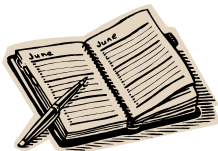
Looking forward to this fall, the calf market should remain strong. Supplies of calves will continue to be tight. Large fall runs seem unlikely in most locations this fall since many producers have taken advantage of higher summer prices by marketing calves early. Also, a relatively large proportion of calves appear to have already been sold on a forward contract basis for October or November delivery. Finally, it is possible that heifer retention will pick up this fall as more producers consider herd expansion. Last July's *Cattle* report indicated that replacement heifer numbers were up 4.5% on July 1 this year compared to last year. This was a significantly larger increase in replacement heifer numbers than most people were expecting. If calf prices remain high, it is possible that some of these heifers will end up being fed rather than retained; however, the mid-year report does seem to indicate an increasing interest in herd expansion. If that interest translates into action, heifer retention will further reduce the availability of feeder animals this fall.

Despite the positive supply situation in the calf market, there are a few potentially negative issues that bear watching in the cattle market. First, in the fed cattle market, the supply of market ready cattle appears to be more than adequate. Based on recent *Cattle on Feed* reports, the number of calves with more than 120 days on feed is much higher now than it was a year ago. At the same time, the pace of fed cattle marketings has been rather slow through the mid-summer months. Increasing cattle dressed weights provide evidence that the availability of finished cattle is increasing. Feedlots remain quite current; however, a continuation of relatively slow marketings could lead to backed-up lots in pretty short order.

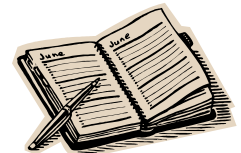
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One thing that would encourage more aggressive fed cattle marketings would be a surge in wholesale beef prices. With boxed beef cutout values stuck in the below-\$140 range, packers are mostly unhappy with their operating margins. Higher fed cattle prices, which would encourage more aggressive marketing, will have to be supported by higher wholesale beef prices. Undoubtedly, one of the factors weighing on the wholesale beef market is export sales. Key export markets, notably Japan and South Korea, remain closed due to last December's BSE event. According to USDA Foreign Agriculture Service, beef and veal exports in the first half of 2003 were down over 87% from the first six months of 2003. While recent reports related to the Japanese market have been encouraging, it remains unclear when trade will resume. Even when trade does resume, U.S. beef will have to rebuild market share that has been lost to other countries (mostly Australia) and other meats (mostly pork).

Another factor contributing uncertainty to the outlook for cattle prices is the trade situation with Canada. Live animal imports from Canada remain on hold. Several Canadian cattle producers have recently filed suit to force the border open under the provisions of the North American Free Trade Agreement (NAFTA). This is in response to a suit by a group of U.S. producers to keep the border closed. With the issue in court in multiple jurisdictions, it is difficult to predict when and under what circumstances the border will be open. But it will be open at some point, and the availability of Canadian cattle will affect U.S. prices.



## CALENDAR OF EVENTS



- **August 28th** – 3rd Annual Replacement Heifer Sale—Southeast Mississippi Livestock Auction (Hwy. 49 North at Hattiesburg). Sale will begin at 1:00 p.m. Heifers will be in the barn and available for inspection on Friday, August 27th after 12:00 noon. This year's selection will include 250+ bred heifers who have been Vet palpated and pelvic measured. Contact Mike Keene, Area Agent /Livestock & Forages for more information @ 601-545-6083.
- **August 31st**—Cattle Risk Management Workshop “ Marketing Your Way to Profitability” - Forest County Extension Office—9:00 a.m.—3:30 a.m. Registration Deadline is August 25th. Cost is \$40.00 / person. Contact Blair McKinley or Jane Parish @ 662-325-3515 for more information.
- **October 12th**—Delivery Date for the Hinds Community College Bull Test. Contact Jane Parish, Extension Beef Specialist @ 662-325-7466 for more information.
- **October 21-22** Mississippi Grazing School (\$20 fee), Prairie Research Unit (Monroe County), 8 a.m. –5 p.m. 10/21, 8 a.m.- 4 p.m. 10/22, enroll directly with Dr. Richard Watson, MSU ES Plant and Soil Science Dept, 662/325-5463.