

In the cattle industry it doesn't take long for producers to realize that the market prices may change suddenly and with no warning. Despite this, these same cattle producers understand that history has a way of repeating itself. Producers find that although market prices may fluctuate, they can use these historical trends to make informed decisions on how to best manage their cattle. To help with this, we have taken a look at market trends and made a cattle management timeline for East Texas. In our last article we introduced this timeline, and talked about why we believe February calving and May breeding best sets your cattle up for success. This week we want to talk about October weaning and November selling, and why we expect that this will yield desirable results for your operation.

In part two of this series we talked about the importance of using the environment to your advantage when planning the production timeline of your cattle. That is, find a way to overlap the protein content of available forage with the production stage of the cattle. This will ensure that their nutritional requirements are met based on the stage of production that they are in. When these overlap you are able to get the most out of the resources available, which helps prevent any unnecessary input costs. Our plan for February calving and May breeding helps to achieve this, and we recommend weaning in October for the same reason. To help you visualize just how important it is to overlap forage protein content and cattle requirements, we have included below the same graph we showed in our "Part Two" article.

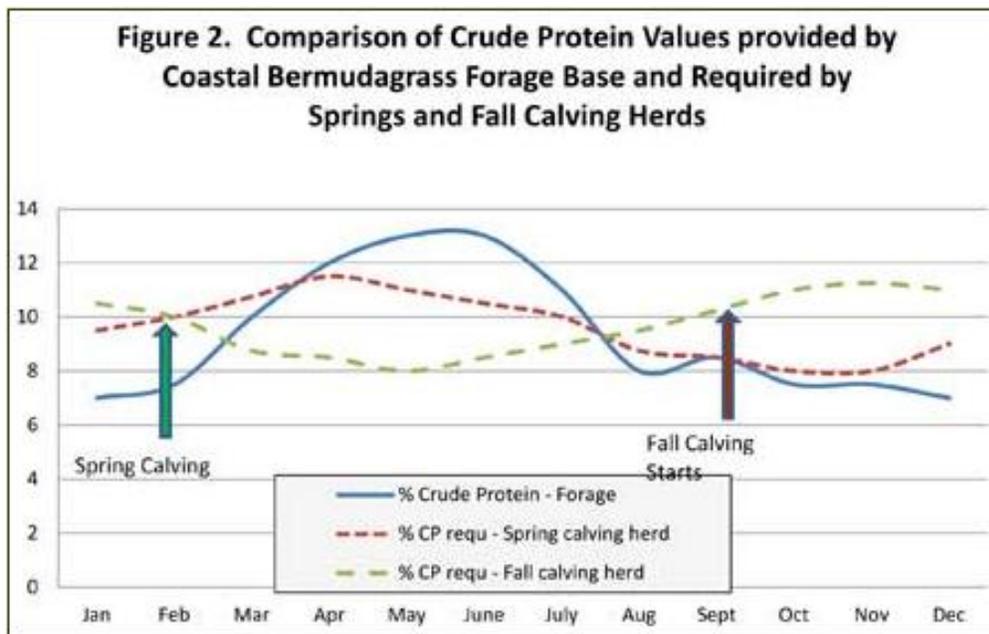


Figure 1. 2013 Blezinger

Take special note of the fall and winter months of this graph. You will see that forage protein content is at its lowest in these months, yet cow requirements will remain high as long as they are nursing calves. So, to help lower the cow requirements at this time, it is best to wean the calves in October. By weaning the calves, cows will no longer be nursing, and will not have to meet lactation requirements which are much higher than basic body maintenance requirements. Are your cows facing any stressors that if eliminated will reduce their nutrition requirements? The key to keeping cow input costs low is to maintain low cow protein requirements by avoiding any additional stressors, and match those requirements with the forage protein content available at that point in time.

Below is a graph that represents the average monthly price index for feeder steers over a ten year span. This is a great representation of how producers can expect prices to fluctuate from month to month. You will notice that in October there is a significant decrease in price index. Historically, producers sell their calves in October, which creates an oversupply of cattle at the market, which supersedes the demand, pushing prices lower. However, historically in November, there is a lower supply of feeder cattle, thereby matching demand and causing prices to increase. This time period also matches the availability of winter pasture supply in the wheat growing areas.

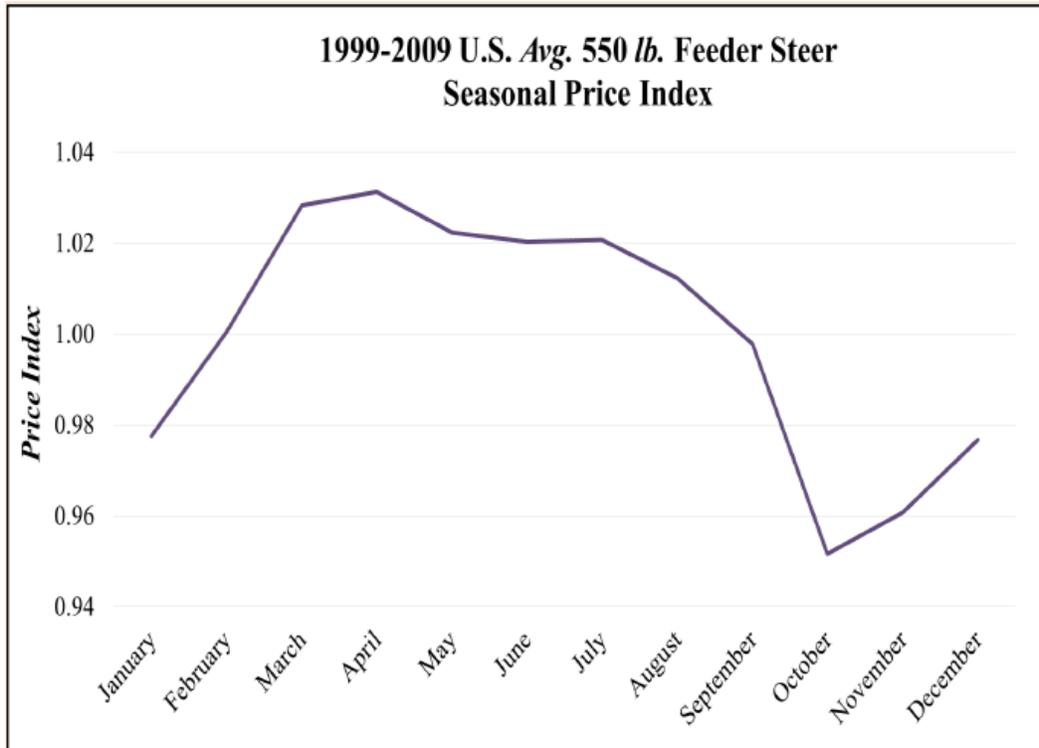


Figure 2. Chris Prevatt, 2016 Beef Cattle Market Outlook

Weaning in October is also advantageous because it increases the calf value by allowing time to vaccinate and wean calves before they are sold in November. In our first article of this series we talked about the study which found that weaning and vaccinating truly does yield great returns. Not only did weaned and vaccinated calves sell for more than non-weaned and vaccinated calves, those weaned and vaccinated calves were expected to be worth about \$90 per head more than other calves. This information alone should be compelling to you that weaning and vaccinating really is worth it. Are you taking the necessary steps to add value to your calves?

For the past weeks we have encouraged producers to watch market trends, and use them to make informed management decisions. The recommendations we have given are based on those market trends. These recommendations have been designed with the environment and cow production in mind. We believe that you can use this information to help you take advantage of the resources available to you. Remember, find a way to keep cow input costs low while simultaneously ensuring that her protein needs are being met. If you have any questions about the recommendations we have given, or would like more information on market trends, please contact us.

Prices for feeder steers medium and large 1 sold through the Oklahoma National Stockyards on Monday

June 20, 2016 are as follows: 496lb- \$153, 579lb- \$149.8, 695lb- \$142.43, and 777lb- \$140.86. The price for August 2016 750lb feeder steers on the Chicago Mercantile Exchange was \$137 on closing Monday June 20, 2016.

To read the articles where these graphs were references, visit:

Table 1: <http://cattletoday.com/archive/2013/December/CT3032.php>

Table 2: <http://rcrec-ona.ifas.ufl.edu/vclassroom/slides/Orep1-2016W2016BeefCattleMarketOutlook.pdf>

Thanks,
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