February 14, 2014

COWCHIP

DATES TO REMEMBER:

March

8	Acadiana Cattle Producers Field Day, 8:30 a.m., Iberia Research Station, Jeanerette (see flyer)
8	Select Heifer Sale, 1:00 p.m., Zero Brahman Ranch, Thibodeaux

ACADIANA CATTLE PRODUCERS FIELD DAY:

Our Spring Acadiana Cattle Producers Field Day is scheduled for Saturday, March 8. Lots of interesting and useful topics will be on the agenda. A flyer is enclosed. We hope to see you there.

STRETCHING HAY SUPPLIES:

It's been a long cold winter; the longest series of cold weather that I can remember. Most of us started feeding hay before we normally do and will continue feeding further into the calendar year than normal. Coupled with the duration of the winter weather is the severity, which increased the need to feed larger rations of hay. Hay supplies are dwindling on most ranches and decisions need to be made. This article will discuss steps that need to be taken to make the best decisions and alternatives that may work for you.

We need to assess the hay situation first. We can figure that we have at least 30 more days before we see much green up and depending on your stocking rate, it may be the first of April before we can depend on significant nutrition from our permanent pasture. Ryegrass pastures haven't provided much help for us in most cases, this year, but if you have a stand don't give up on it. It will be the first good grazing this spring and a properly timed fertilization in the next three weeks or so may pay big dividends in cow nutrition. Cows need about 25 pounds of hay per day. Assuming 900 pound bales, each cow will need about one bale to get through the next 30 days. Next we need to find a source of hay. Some hay may be out there, but more than likely, it's in short supply. Quality should be considered. Some hay is so poor cattle refuse to eat it or eat very little. Also, poor quality hay requires higher amounts of supplement. A forage test is best to determine quality, but I know you can't wait on one to make a decision. Before purchasing, check for weathering and pull a grab sample from several bales. Coarse stems, several inches of weathered material on top of the bale and weeds would all be red flags. If you find some hay to purchase and it is poor quality, intake and digestibility can be improved by supplementing protein. If hay is deficient in protein the microbes in the rumen can't grow, by adding

2 to 3 pounds of a 20% crude protein supplement you increase the activity of the rumen microbes and digestibility of the hay improves allowing for more rapid passage of the hay and increased consumption.

If hay is unavailable or unacceptable we should consider forage alternatives. High fiber cattle cubes would be effective in replacing forage and offering the proper nutrients. They should contain at least 20% crude fiber and 12-15% crude protein. Although they should be priced cheaper than a high protein cube, they should be fed at considerably higher levels. Ten pounds of cubes per head per day could keep a cow going in the absence of hay. Other possibilities would be gin trash, cottonseed hulls and soybean hulls. If you find some of these byproducts let me know and I can devise a supplement program for you.

If you have a limited supply of hay, feeding management can help stretch the supply. Ranchers make decisions every day on managing their feed resources and these small decisions are important to limiting cost and maximizing performance.

Here is a list of considerations:
- Use hay rings – make sure they are easily moved to limit muddy conditions.
- Cut and remove hay strings.
- Avoid muddy conditions – walking through mud burns energy, reducing body condition and is dangerous for baby calves. Change feeding locations frequently.
- Evaluate hay in feeder – weathered or rank hay may never be consumed. Replenishing hay before all the good parts are consumed is wasteful.
- Increase hay allotments in cold, wet weather. The heat produced by fermentation in the rumen is significant. It helps maintain body temperature and allows nutrients to be used for reproduction and body condition instead of keeping warm.

The weather will warm and our summer pastures will want to green up. We can help this along by making sure any rank growth on our pastures is removed. It is wet, but if you see an opportunity to mow or burn off the old growth do so. Removing old growth allows for the soil to dry faster, allows the sun to warm the soil and allows for greater light penetration allowing for more rapid growth. If you choose to burn then make sure winds, temperature inversions and sensitive areas are considered.

Now is not the time to cut corners. Proper nutrition during late gestation and the condition of cows at calving are critical to ensure performance now and for next year. We are in a market that is as sure and as favorable as any of us have experienced. The decisions we make now will impact our success on the current calf crop, next year's calf crop and beyond. I would urge you to treat your cows as well as is possible.

FARM BILL PASSES:
BY DR. ROSS PRUITT

As you are probably aware, both houses of the US Congress have now passed a Farm Bill that is awaiting President Obama's signature. There were some changes to the livestock provisions contained in the 2008 Farm Bill that were brought forward into the 2014 Farm Bill. This email will highlight those changes as they are understood at this time. USDA agencies will have final say on how the programs are interpreted/implemented, but I will keep you aware of any changes that occur.

Livestock indemnity program (lip)

The 2014 version appears to be largely the same as the 2008 version with two exceptions. One is there is an added provision that protects and provides for losses for animals that are reintroduced into the wild by the

federal government or protected by federal law. Additionally, payments resulting from disease under this program may not be combined with payments under the Animal Health Protection Act.

Livestock Forage Program (LFP)

There are a couple of big changes in this program from the 2008 bill.

- If a county is in D3 drought according to the Drought Monitor during the normal grazing period for the county, the eligible livestock producer is eligible to receive assistance for 3 monthly payments (it was 2 in the last Farm Bill). If in D3 for at least 4 weeks or D4 at any time in the normal grazing period for the county, the payment is for 4 months (it was 3 in the last Farm Bill).
- A section was added that if a county is in D4 for at least 4 weeks during the normal grazing period, the eligible livestock producer will be able to receive 5 monthly payments.

I would expect that to qualify for LFP, you have to purchase the grazing insurance (NAP) as was the case under the 2008 Farm Bill. FSA will also set the payment rates which haven't been released yet. Sign-up dates for the federal fiscal years of 2012, 2013, and 2014 (which begins October of the previous year) were not included in the Farm Bill, but the Secretary of USDA is told to be flexible in setting dates for these three years so producers aren't confused on the deadlines. In short, I expect these two programs to work very similarly to how they worked under the 2008 Farm Bill.

For both LIP and LFP, these programs are retroactive to October 2011 and extend through September 2018.

Country of Origin Labeling (mCOOL)

No changes were included to the final rule published in May 2013. This will probably increase the chances of a WTO finding against the existing US law and resulting trade sanctions from Canada and Mexico. The WTO trial is set later this month. USDA is instructed to carry out an economic analysis of the existing rule within 180 days of the enactment of the Farm Bill.

JANUARY 1 CATTLE NUMBERS FROM IN THE CATTLE MARKETS:

Last Friday, USDA released the annual Cattle report - their estimate of the January 1 inventory of various classes of cattle. The headline numbers in the report include a couple of rather striking points. First, the All Cattle and Calves inventory, at 87.7 million head, is the lowest since 1951. Second, the All Cows and Heifers that have calved inventory, at 38.3 million head, is the lowest since 1941. These inventories include both beef and dairy cattle. Dairy cattle numbers have declined markedly over the past few decades due to dramatic improvements in productivity in that sector. Consider this: the January 1 inventory of dairy cows in 2014 was just over 9.2 million head. In the decade of the 1950s, the inventory of dairy cows averaged over 22.3 million head. Focusing on beef cattle, the January 1 inventory of beef cows, at just over 29.0 million head, is the smallest since 1962.

The January 1 beef cow inventory was 0.9% smaller than a year ago; so the widely expected result of another year of contraction in 2013 was confirmed. Last year marked the eighth consecutive year of declining beef cow numbers. In fact, beef cow inventories have been down in all but two years since 1996 - 2005 (up 0.4%) and 2006 (up 0.1%). But perhaps the most notable thing about the inventory report was that the beef cow inventory, though down, was down by quite a bit less than expected. Pre-report estimates generally anticipated about a 1.5% decline in beef cow inventory. In that context, the actual decline was pretty small, suggesting that by late last year, producers were indeed beginning the process of herd rebuilding. Low rates of beef cow slaughter in the last quarter of 2013 are consistent with this story as well.

While herd rebuilding may be in its beginning stages in the beef sector, it will be a slow process given the historically small number that the herd will be rebuilding from. In addition, very strong feeder cattle prices are making it quite costly for producers who want to expand to hold replacement heifers. The inventory number for beef replacement heifers hints at this dilemma. Heifers over 500 pounds held for beef replacement numbered 5.47 million on January 1. This was an increase of 1.7% over the prior year; however, the pre-report expectation was that beef replacement heifers numbers would be up by more than 3%.

A final note on the Cattle report is that it clearly illustrates how tight calf supplies are right now. The inventory of cattle on feed is down 5% from the prior year and at 12.695 million head is the lowest January 1 inventory since 1995's 12.4 million. But the inventory of available calves outside of feedlots (calculated by summing other heifers over 500 pounds, steers over 500 pounds, bulls over 500 pounds, and all calves under 500 pounds and then subtracting the on-feed inventory) is still more striking. The calculated inventory of calves outside of feedlots is just 26.8 million head, down 2.6% from a year ago. In historical context, this begins to look like a really small number. For example, note that in 1995 when the on-feed inventory was 12.4 million head, the inventory of calves outside of feedlots was just over 35 million - almost 25% larger than today's. This, of course, has serious implications for feedlots, packers, other downstream firms, and input providers who must compete for their share of this business.

Apropos of the preceding point, National Beef announced last week that they would be closing their Brawley, California beef packing plant in early April. From the press release announcing the closure:

A declining supply of fed cattle available for the Brawley facility was a key driver of the decision to close the plant, said Tim Klein, chief executive officer National Beef.

This closure follows by about a year the closure of Cargill's Plainview, Texas processing plant. This is what the process of matching capacity to the industry's needs will look like.

Sincerely,

Andrew Granger
County Agent
Vermilion Parish