September 12, 2018

COWCHIP

DATES TO REMEMBER:

October

13	Deadline to order bulk feed
21	Last Day to pick up seed
24	Acadiana Cattle Producers Field Day, Cecil McCrory Exhibit Building, 5:30 p.m. (Flyer Enclosed)

November

3	Bulk Feed Delivery

WINTER PASTURE:

The use of winter annual grasses and cool season legumes should be considered to help provide high quality nutrition during the winter and spring for cows nursing calves and developing heifers. Even with the high cost of feed it may be more economical to use hay and supplement than growing ryegrass for dry cows. If you're short on hay then you may not have a better choice than ryegrass.

LSU budgets estimate costs of ryegrass production at $131.15 per acre for a prepared seedbed and $113.27 per acre for sod seeding. (The budgets are enclosed and can be altered to fit your program. Adjustments to fuel and fertilizer and seed costs may be needed.) If we get 80 days of actual grazing between December 1st and March 31st and we plant an acre per cow then it would cost $1.42 per head per day for sod seeded grass and $1.62 per head per day for prepared seeded grass. Dry cows would require about 4 pounds of cubes per day to supplement average hay and would eat about 25 pounds of hay per day. If you are paying $400 per ton of cubes and $60 per ton or $30 a bale for hay then per day cost for hay + supplement is $1.55. Lactating cows would need almost twice the levels of supplement so ryegrass would be the far cheaper alternative. Also, first calf heifers and weanling heifers you're keeping would need the extra nutrients supplied by ryegrass.

If you need help in making winter feeding decisions don't hesitate to call. Yield data for ryegrass varieties is enclosed.

BULK FEED:

Due to continued high feed prices, we will again offer a group bulk feed purchasing program. We will use Corn Gluten Pellets. Corn Gluten contains 22% CP and 80% TDN. Price should be about $215.00 per ton delivered to

Abbeville. We are taking orders for a delivery date of November 3rd. We will need at least a truckload of 24 tons to make the program work. This product would be an excellent supplement for poor quality hay and is often used in growing rations for calves. It would not be appropriate for use in a self-feeder due to its high fat and low fiber content.

Here is the outline of the program.

- Purchaser provides a super bag or portable container
- Delivery will be for the week of November 3rd. Pickup must take place by the end of that week
- Orders for feed are due by October 13th and must be in multiples of a ton
- A deposit of $50/ton is required. Deposits are not refundable once the order is placed
- The group must order at least 24 tons and in multiples of 24 tons above the minimum. A truckload is about 24 tons. We will return your deposit if your order is part of an unfilled truck.

If you are interested in ordering corn gluten pellets, fill out the enclosed order form and return it with proper deposit by October 13th.

ACADIANA CATTLE PRODUCERS FIELD DAY:

Our Fall Acadiana Cattle Producers Field Day is scheduled for Wednesday, October 24. Lots of interesting and useful topics will be on the agenda. A flyer is enclosed. We hope to see you there.

THE SLIDE:

When selling cattle in advance of delivery the seller must estimate the average weight of his calves at delivery. Estimated weights often differ from actual delivery weights. To ensure fair market value at delivery, an adjustment in price per pound is often needed. This adjustment is called a slide.

Slides can be up or down. An up slide is used when cattle are heavier than the contract weight and protects the buyer. A down slide is used when cattle are lighter than expected and protects the seller.

Let's look at an example:

In a mid-July sale calves are contracted at 550 pounds for an October 15 delivery at $1.60 per pound. Calves are to be weighed at the ranch with a 2% shrink and a $5.00 per hundred slide. Upon the delivery date calves average 580 pounds. An up slide will be exercised because the calves are heavier than contracted.

Here's how to figure what the seller will receive:

Slide = $5.00 cwt
Estimated weight = 550
Shrink = 2%
Sale price = $1.60/lb. = $160/cwt
Delivery weight = 580

Shrink = 580 x .02 = 11.6 = 12
Pay weight = 580 – 12 = 568
Weight subject to slide = 568 - 550 = 18 pounds

18 lbs. = .18 cwt or hundred weight
.18 cwt x $5/cwt = $0.9/cwt = $159.10/cwt

So basically the sale price per pound was a penny less, $1.60 to $1.591/lb.

What is interesting to note is that although price per pound was reduced for being too heavy. Value per head was higher even after the slide.

1.60 x 550 = 880 as compared to $1.59 x 568 = 903

If you have questions about using a slide in marketing give me a call at 898-4335

MARKET NEWS FROM BEEF MAGAZINE BY NEVIL SPEER:

Assessment of August's market action is largely a matter of perspective. The glass-half-empty side focuses on the fact that prices slipped during the month. Meanwhile, glass-half-full people argue that it could/should have been even worse and we're now trading above year-ago levels for the first time since March. That's even with summer beef production being up nearly 15 million pounds per week versus 2017—a good sign of demand.

Whatever your perspective, fed trade did give up some ground in August, but not without some fight along the way. Feed yards began the month trading cattle at $111-$113 per cwt. Inevitably though, ample front-end supplies pushed back and cattle traded mostly $109-$111 during the middle three weeks in August. Trade ultimately finished the month at $107.

If you're a cattle feeder right now, you're likely focused on a couple of factors. First, every dollar in the market matters, especially when you're fighting a string of negative closeouts. Second, you know that supply is more than ample: USDA's August Cattle on Feed report indicated feedlots are sitting on nearly 4 million head that have been on-feed 120-days or more. That's a new record in the series history exceeding 2015's previous record by 16,000 head.

However, big supply isn't a new story. That's something the feeding sector has been tussling with all summer. Cattle feeders have been busy; feed yard marketings during May, June and July totaled 5.935 million head—the biggest total since 2011. And they kept up that harried pace in August, too.

Nevertheless, there's continued work ahead to ensure the business doesn't repeat 2015. Marketings need to remain active to prevent the negative cascade of uncurrentness.

Demand Has Held the Market Together:

That said, there's been favorable action on the demand side. The comprehensive boxed beef load count (load = 40,000 pounds) has averaged 6,665 loads per week during the past three months. That's about 188 loads (or about 7.5 million pounds) better on a weekly basis versus the same period last year.

Amidst all that supply, the industry has been successful in moving product through the pipeline. Much of the recent buildup in cold storage was lean trimmings as cull cow slaughter has also picked up.

On that front, Bloomberg ran an article just ahead of Labor Day titled, "Americans Are Grilling More Steaks for Labor Day with the Economy Humming." The subline noted that, "Consumers snub chicken, pork for more premium beef cuts." And indeed that's been the case for some time now. Beef has positioned itself in a very favorable position.

That favorable positioning within the industry was a focus for Industry At-A-Glance several months ago. First, the column noted that, "Demand is the differentiator. Consumers are sending the signal they desire Prime and branded products and the market is able to clear that product in easy fashion." And second, it's clear that, "The industry has proven very successful at producing more high-quality beef. … It highlights just how far the industry has progressed at the very top end."

Those are key indicators to an important outcome, best illustrated by some observations I made in this column in July:
…coming back to the earlier reference regarding beef's favorable perception in the marketplace, and the underpinning of beef demand. The June 29 edition of Iowa Public Television's Market-To-Market included commentary from Naomi Blohm. She was asked about the potential foreign tariff assignments to U.S. pork and if trade slowdowns would mean more product remains here in the U.S. – and ultimately what impact that might have for the beef industry. Will consumers opt to buy pork instead of beef? Her response: "There's not a substitute for beef."

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.

PLEASE RETURN BY FRIDAY, OCTOBER 12TH TO ANDREW GRANGER, 1105 W. PORT ST., ABBEVILLE, LA 70510

NAME ____________________________________

ADDRESS __________________________________ CITY ___________________ ZIP _________________

PHONE ______________________________ CELL _____________________________

Tons of Bulk Feed __________ x $50/Ton

Amount of Deposit _______________

Table 23.A Estimated Costs per Acre, Sodseeded Winter Pastures, Louisiana, 2018.

ITEM	UNIT	PRICE DOLLARS	QUANTITY	AMOUNT DOLLARS	YOUR FARM
DIRECT EXPENSES					
FERTILIZER					
Nitrogen	lbs.	0.50	101.0000	50.50	___________
Phosphate	lbs.	0.61	29.0000	17.69	___________
Potash	lbs.	0.34	35.0000	11.90	___________
SEED					
Ryegrass seed	lbs.	0.70	40.0000	28.00	___________
OPERATOR LABOR					
Tractors	hour	9.60	0.1200	1.15	___________
DIESEL FUEL					
Tractors	gal	2.75	0.3088	0.84	___________
REPAIR & MAINTENANCE					
Tractors	acre	0.07	1.0000	0.07	___________
INTEREST ON OP. CAP.	acre	2.71	1.0000	2.71	___________
TOTAL DIRECT EXPENSES				112.86	___________
FIXED EXPENSES					
Implements	acre	0.00	1.0000	0.00	___________
Tractors	acre	0.41	1.0000	0.41	___________
TOTAL FIXED EXPENSES				0.41	___________
TOTAL SPECIFIED EXPENSES				113.27	___________

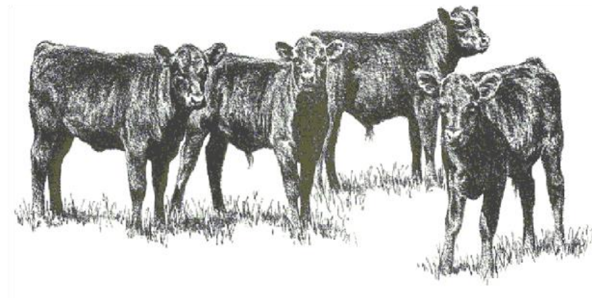
Table 24.A Estimated Costs per Acre, Temporary Winter Pastures, Prepared Seedbed, Louisiana, 2018.

ITEM	UNIT	PRICE DOLLARS	QUANTITY	AMOUNT DOLLARS	YOUR FARM
DIRECT EXPENSES					
FERTILIZER					
Nitrogen	lbs.	0.50	101.0000	50.50	___________
Phosphate	lbs.	0.61	29.0000	11.69	___________
Potash	lbs.	0.34	35.0000	11.90	___________
SEED					
Ryegrass seed	lbs.	0.70	35.0000	24.50	___________
OPERATOR LABOR					
Tractors	hour	9.60	0.6006	5.76	___________
DIESEL FUEL					
Tractors	gal	2.75	2.3186	6.37	___________
REPAIR & MAINTENANCE					
Implements	acre	1.87	1.0000	1.87	___________
Tractors	acre	0.81	1.0000	0.81	___________
INTEREST ON OP. CAP.	acre	3.37	1.0000	3.37	___________
TOTAL DIRECT EXPENSES				122.77	___________
FIXED EXPENSES					
Implements	acre	3.65	1.0000	3.65	___________
Tractors	acre	4.73	1.0000	4.73	___________
TOTAL FIXED EXPENSES				8.38	___________
TOTAL SPECIFIED EXPENSES				131.15	___________

ACADIANA CATTLE PRODUCERS FALL FIELD DAY

DATE: Wednesday, OCTOBER 24, 2018

TIME: 5:30 P.M. – 8:30 P.M.



PLACE: Cecil McCrory Exhibit Blding

(1105 W. Port Street, Abbeville, LA 70510)

REGISTRATION STARTS AT 5:00 PM

Approved for Master Farmer Phase II credit

Topics

- **Variability in bale weights and hay quality**
- **Bull rush control in pastures**
- **Bahia grass control in bermuda grass hay fields**
- **Sustainability and traceability in the cattle industry**
- **Live animal discussion - Forage quality effects on intake in beef cows**
- **Cattle market update**
- **Master Farmer Program update**

LUNCH PROVIDED— DOOR PRIZES—VENDOR EXHIBITS

CONTACTS: LCA—James Leleux (337-893-8334) ♦ Iberia—Blair Hebert (337-369-4441) ♦ Iberia Research Station—Guillermo Scaglia (337-276-5527) ♦ Lafayette & St. Martin—Stan Dutile (337-291-7090) ♦ Vermilion & Acadia—Andrew Granger (337-898-4335) ♦ Louisiana Forage and Grassland Council—Ed Twidwell (225-578-4564)

Table 3. Mean dry forage production from annual ryegrass entries at three locations in Louisiana during three growing seasons, 2015-2016 through 2017-2018

Entry	Location			Mean Eight Year/Location Environments Over 3 years[‡]
	Franklinton	Winnsboro	Iberia[†]	
	Dry forage, lb/acre			
Wax Marshall	10,336	6,572	11,035	9,167
ME4 (expt)[□]	10,471	6,500	10,442	9,057
Nelson Tetraploid	9,532	6,584	11,504	8,923
Prine	9,989	6,083	11,336	8,917
ME94 (expt)	9,526	6,344	11,346	8,876
Jumbo	9,381	6,575	11,285	8,865
M2CVS (expt)	9,571	6,684	10,710	8,839
RM4L	9,616	5,893	11,302	8,664
TAMTBO	9,241	6,064	11,390	8,634
Double Diamond	9,379	6,090	10,990	8,604
Herdsman	9,151	5,856	11,342	8,513
Triangle T	9,089	6,232	10,768	8,484
Maximus	8,531	6,490	11,054	8,471
EarlyPloid	9,192	5,930	11,121	8,465
Passerel Plus	9,136	6,137	10,337	8,417
Flying A	7,875	6,580	11,659	8,399
Winterhawk	8,726	6,416	10,641	8,394
Jackson	8,965	6,192	10,312	8,325
Diamond T	8,328	6,284	10,984	8,292
Spicer	8,451	6,084	10,939	8,205
PS15 (expt)	8,403	6,007	10,362	8,041
Gulf (certified)	7,638	6,014	11,080	7,941
Mean	9,115	6,255	10,997	8,568
LSD (.1)	821	426	NS	483
CV%	12	9	13	7

[†]Only data from 2015-2016 and 2017-2018 growing seasons included in mean yields from Iberia.
[‡]Includes data from only two growing seasons (2015-2016 and 2017-2018) from Iberia location.
[□]Entries followed by (expt) are experimental and not commercially available.