



LIVESTOCK NEWSLETTER

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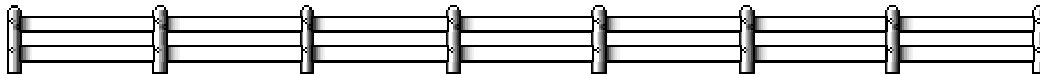
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September 2008

Dates to Remember

October 9 — Pasture Walk, 5:00 p.m. at 6810 N. Wenas, Selah

January 30 — Cattlemen's Winter Party



Who is the Villain of High Energy Prices?

Supply and demand has the largest effect on crude oil prices, which explains 97% of the variation in the pretax price of gasoline and diesel. Approximately 15% of the cost of gasoline at the pump goes for taxes and 4% represents oil company profits. A 4% profit, while significant, is not a high level of profit. International House of Pancakes (IHOP), Starbucks, Costco, Sears, most banks and many other corporations have higher profit levels. Even many mutual fund and financial advisors extract 4% for managing someone else's money.

Congress by its actions over the years has ensured the economic viability of our own national oil cartel. It has done so by preventing the exploitation of reserves available in federal lands of the west, Alaska and under the waters off our coasts. According to estimates these areas hold 635 trillion cubic feet of recoverable natural gas – enough to meet the needs of 60 million homes for over 100 years. These lands also hold an estimated 112 billion barrels of recoverable oil – enough to produce gasoline for 60 million cars and fuel oil for 25 million

homes for 60 years. These figures do not include the other gas and oil and shale oil reserves in the western states that cannot be used without congressional action. Many of these production sites could be on-line within a year. Congressional leaders depicting oil companies as villains makes little sense.

From the *Wall Street Journal* article by economist *Mackubin Thomas Owens*.

Extending the Grazing Season

For seven or eight years we have been doing field tests and studies pertaining to using annuals as a method to extend the grazing season. Triticale mixes of spring and winter varieties in varying percentages have been planted in the late summer and then grown for fall and spring grazing. If extra early spring grazing is desired a larger percentage of winter variety is used. If the desire is to have more grazing in the time before Christmas, the percentage of spring variety would be increased. Field tests have shown a 50/50 mix of spring/winter varieties works well for both the fall and early spring grazing.

The economics of Triticale use for annual forages has been interesting and may be very

important this year with higher hay prices. Two years ago, using \$80.00 to \$100.00 hay prices, the economics showed that for every \$1 spent in the plan, almost \$7 worth of forage was produced. This year, with hay prices doubled, our economic values may be exceptional.

Triticale is an aggressive grower, making it possible to plant and grow it without the need for a perfect seedbed. Its roots go deeper than most other annuals. In field studies, Triticale has been able to capture nutrients from below the four-foot level and bring them back into the growing cycle to be used as forage. Triticale planted after potatoes, silage corn or wheat, may support winter grazing and recover nutrients that would be lost during the winter. The majority of the recovered nutrients are deposited in the field as manure during grazing because cattle merely remove 20% of the nutrients they consume.

Everyone has a little different wintering system to feed their cattle. This year, finding alternative feed sources will be high on the list for cattlemen. At today's hay prices, every day spent grazing instead of feeding winter hay will keep approximately \$4.00 per head in the producer's pocket. Push a pencil on the economics of planting some annuals for winter and spring grazing.

Hay and Pasture Fertilization

With the current price of nitrogen fertilizer, everyone seems to be debating if it is worth the money to fertilize their grass hayfields and pastures. It is a shock to see nitrogen costs where they are right now.



Even with high prices, it generally does pay to fertilize with nitrogen if you can utilize the extra forage or hay that is produced. One reason for this is the hay prices have increased significantly too. As an example, let's figure urea prices at \$1,100/ton or \$1.19 per pound of nitrogen. Remember urea is 46% nitrogen; there are 920 pounds of nitrogen in each ton of urea which equates to

approximately \$1.19 per pound. There are a number of factors that can affect nitrogen usage and efficiency, but **on average for each pound of nitrogen applied, an additional 35 to 45 pounds of forage is produced.**

There is a point where adding nitrogen will not increase forage production at this level, but that level of nitrogen is above 100 pounds per acre. A spring application of 80 pounds of nitrogen would expect an increase in yield of at least 35 pounds of added forage per pound of nitrogen applied or 1.4 tons per acre. The anticipated selling price of the hay produced for this example is \$180.00 per ton. I have entered the costs of application of the urea at \$8.00 per acre and harvesting the hay at \$35.00 per ton. Using a handy table I have from Colorado, the additional income from fertilizing your grass hay field or pasture on a per-acre basis would be approximately \$99.00 per acre.

Remember some of the nitrogen fertilizers, including urea, can volatilize, should not be applied to stressed plants and should be watered into the soil, but not past the root zone of the plants.

Cattle Imports from Mexico Drop

The U.S. traditionally has imported feeder cattle from Mexico. In the 10-year period from 1997 through 2006, the U.S. imported an average of 1.06 million head of Mexican feeder cattle a year. This year, U.S. feeder cattle imports from Mexico have been significantly less than last year, at least in part reflecting some declines in the Mexican cowherd. In 2008 and likely for at least several more years, U.S. imports of Mexican feeder cattle are forecast to remain well below 1 million head. Recent projections for 2008 put those imports at about 750 thousand head. The decline in the feeder cattle imports from Mexico is and will continue to have an impact on the available supply of feeder cattle in the U.S., particularly in the Southern Plains.

As of the week ending August 2, year-to-date U.S. imports of feeder cattle from Mexico were estimated at just fewer than 390 thousand head. Last year by this time, the

U.S. had imported nearly 585 thousand head and nearly 716 thousand head were imported during the first seven-months of 2006. On a yearly basis, the U.S. is importing about two-thirds of the number of feeder cattle this year from Mexico compared to 2007 and 38 percent less when compared to the 2002-2006 average for the respective period.

FSIS to Hold Public Meeting Regarding Beef Irradiation Petition

USDA's Food Safety and Inspection Service announced it has scheduled a public meeting about what action it should take regarding a petition from the American Meat Institute that asks FSIS to recognize the use of low penetration and low dose electron beam irradiation on the surface of chilled beef carcasses as a processing aid.

USDA Monthly Cattle on Feed Report

USDA's monthly Cattle on Feed Report just released showed the number of cattle placed on feed during July, while up 2.4 percent from last year, was substantially below analysts' expectation that about 6 percent more would be placed.

"The high cost of feedlot finishing and the resulting forage production incentives appear to be keeping more cattle in the country through the summer," wrote Oklahoma State University Extension Livestock Marketing Specialist Derrell Pell in a newsletter. "It appears that the beef industry is adding three to five months of age to most cattle in order to utilize more forage in beef production."

Cattle placements in feedlots during July totaled 1.66 million head, the second lowest since reporting began in 1996 and second only to last year's July placements.

The August 1, feedlot inventory of 9.689 million head is the lowest monthly feedlot total since August 2004.

Selection for Scrotal Circumference Should Not Influence Carcass Traits

Cattle breeders have recently questioned whether scrotal circumference has an impact on ultrasound predictions of intramuscular fat (IMF). The objective of this Kansas State University study was to examine the relationship between ultrasound IMF, carcass marbling score (MS), and yearling scrotal circumference (SC) in Angus cattle. The American Angus Association provided expected progeny differences (EPD) for 290 Angus sires and performance records from 332,162 progeny of these sires and their contemporaries.

Correlations of SC EPD with IMF EPD and MS EPD were not significant. However, there were significant correlations ($P < .05$) between SC EPD and EPD for birth wt., weaning wt., yearling wt., yearling height, mature height, and ultrasound scan wt. Intramuscular fat EPD was highly significant ($P < 0.01$) in predicting MS EPD. The authors concluded that selection for SC should not significantly influence carcass traits such as intramuscular fat (Arnett et al. 2007. J. Anim. Sci. 85 (Suppl. 1) Abstract 221).

Consumer Acceptability of Grass-Fed Steaks

Pennsylvania State University researchers used 30 grass-fed cattle to evaluate the relationship of performance and carcass traits to consumer acceptability of cooked steaks. All cattle were wintered for a targeted weight gain of 1.5 lb/day for 156 days and then rotationally grazed on cool-season grass paddocks. Cattle were harvested at a constant age of 532 days in harvest groups ranging from 124 to 187 days of grazing time. Carcass quality grade ranged from low Select to low Choice. Following is a summary of results:

- Growth and carcass traits were not related to panelist evaluations of tenderness, juiciness, flavor, or overall desirability of steaks.
- The relationship of marbling score and consumer evaluation of juiciness was not significant.



- Taste panel scores for grass-fed steaks were moderate for overall acceptability (4.6 out of 9), flavor (5.1 out of 9), and juiciness (3.1 out of 7), while scoring them slightly tough (4.4 out of 9).

The authors noted that there was a considerable amount of variation in taste panel scores for tenderness, juiciness, flavor, and overall acceptability, indication that post-harvest interventions may be more effective in increasing the consistency of grass-fed beef compared to production and carcass traits (Steinberg et al. 2007. J. Anim. Sci. 85 (Suppl. 1) Abstract M281).

Factors Affecting Marbling in Cattle

It was once thought that intramuscular fat (marbling) is largely deposited towards the end of the finishing period. However, research in recent years has revealed that this is not the case. South Dakota State researchers (Robbi Pritchard and Kelly Bruns) have demonstrated that marbling development is an intrinsic component of growth (which external fat is not) and that marbling starts early and progresses steadily up to harvest time. At the 2007 ProBeef Conference, Pritchard noted that compensatory growth and added days on feed will not increase marbling. He said that the use of implants does not necessarily affect marbling development as long as management factors—such as post-implant level of nutrition, implant potency, and implant application time—are properly adjusted.

At the 2007 Beef Improvement Federation annual research symposium, Pete Anderson, vice president of sales and technical services for Vet Life, noted that there are a number of factors besides genetics that can affect marbling and quality grade. These were determined from carcass data on more than 20 million cattle in Vet Life's Benchmark database. Following is a summary of these factors.

- Overall, heifers grade higher than steers.
- Cattle placed on feed at lighter weights graded higher than those placed on feed at heavier weights.

- Quality grade is highest for cattle harvested in January and February and lowest for those harvested in September and October.
- Any nutritional insult at any time during a calf's life can reduce marbling, including drought and cows that produce insufficient quantities of milk. Marbling of calves from poor-milking cows can be improved with a corn-based creep feed.
- There is a strong negative correlation between either death loss or medicine use and the percentage of cattle grading Choice or higher. Those lots of cattle that have high morbidity and mortality invariably grade poorly relative to the rest of the population.
- Further analysis of the Vet Life data revealed that it is difficult to find a correlation between avg. daily gain, daily feed intake, feed conversion, percentage of yield grade 4's and the percentage of cattle grading Choice.

Factors Affecting Meat Tenderness of Forage-Finished Cattle

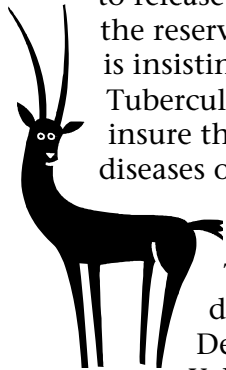
The objective of this University of Hawaii study was to evaluate meat tenderness of forage-finished cattle and determine what factors affect their tenderness. Ribeye steak samples were obtained from 191 forage-finished cattle at two local slaughter facilities. Tenderness was measured by shear force. Carcass wt. ranged from 353 to 939 lb, with a mean value of 602 lb. Intramuscular fat ranged from 0.19% to 14.11%, with a mean value of 4.49%. Shear force ranged from 5.31 lb to 20.75 lb, with a mean value of 11.49 lb.

The shear force value of heifers was significantly higher ($P < 0.05$) than that of steers (12.17 vs. 10.94 lb). Shear force value of the age group between 24-36 mos. (10.96 lb) was lower ($P < 0.05$) than that of the age group over 36 mos. (12.15 lb) or, interestingly, the age group below 24 mos. (11.53 lb). Shear force of Hereford cattle (13.76 lb) was higher ($P < 0.05$) than that of Angus (11.44 lb), Bos Taurus crosses (11.16 lb), and other breeds (10.83 lb). The correlation of shear force value with intramuscular fat was only 0.025, indicating

that intramuscular fat is not a good indicator of meat tenderness for forage-finished beef. The authors concluded that meat tenderness of forage-finished cattle can be improved by proper selection of breed types and slaughter age (Kim et al. 2007. J. Anim. Sci. 85 (Suppl. 1) Abstract W94).

Pronghorn Antelope Establishment on Yakama Reservation

On September 22, 2008, a meeting was held by the Washington State Veterinary office pertaining to the plans of the Yakama Nation to release 100 pronghorn antelope on the reservation. The state veterinarian is insisting the animals all be tested for Tuberculosis and Brucellosis. This is to insure the antelope will not pass the diseases on to domestic livestock or people.




The plan appears to be largely driven by the Wildlife Department personnel. The Yakama livestock producers did not seem to be aware of the plans. Concern was expressed, because a large portion of the Yakima range is drastically over grazed by

horses at this time. Many are wondering what will happen when the antelope leave the reservation and become problems in hay fields, hay stacks and on the highways as they have in other areas where antelope reside. Some discussion arose about whether the antelope ever were here in the first place with nothing being decided. They do not appear in the archeological record or in written history but there are cave paintings that resemble antelope and verbal stories about hunting antelope.

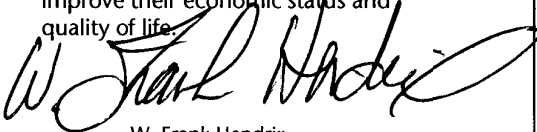
Pasture Walk—5:00 p.m. October 9, 2008

At 5:00 p.m. on the ninth of October a pasture walk program is going to happen at 6810 N. Wenas, outside of Selah. Some of the items of interest will include increasing the pasture plant population using a pasture aerator, winter grazing of Triticale and any other questions or subjects that are brought up. We have a golf cart available at the site for anyone needing it. We will be outside so dress according to the weather. The program will last until dark or until the questions are answered.

Visit our Web Site: 
<http://pan.co.yakima.wa.us/wsuent/>

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