



Beef Tips

July 2015

Department of Animal Sciences & Industry

www.asi.ksu.edu/beeftips

Upcoming Events

Range Schools

Mid/Shortgrass

August 4-6

Camp Lakeside, Scott City, KS

Tallgrass

August 18-20

Camp Wood YMCA, Elmdale, KS

see details page 4

www.kglc.org

K-State Beef Conference

August 11 & 13

details on page 5

www.ksubeef.org

KLA/KSU Field Days

Coming in August

Watch www.ksubeef.org for details.

K-State Beef Stocker Field Day

September 24

Manhattan, KS

www.ksubeef.org

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Calf markets at mid-year: Implications for management & marketing

Lee Schulz, assistant professor of economics, Iowa State University

We are approaching mid-year with calf prices at historic levels. Calf prices today are 22% or more above this time last year. The question of what to expect in the second half of the year is on many producer's minds. Having maintained such levels in the past several weeks, it seems unlikely that calf prices will continue to move higher. At the same time, there is little reason for calf prices to drop much, if any. I generally expect prices to move more sideways in the second half of the year. Some seasonal pressure could develop in the fall but even that could be muted by favorable moisture conditions and forage prospects resulting in strong backgrounding demand.

Typically high prices are joined at the hip with increased relative price differences across weight categories (i.e., a steeper price-weight slide). Another relative price difference of notable importance, is the range between the price high and price low within a particular weight category. This range typically exists because of calf and sale characteristics such as lot size and uniformity, weight, breed/color, horn and castration status, health, frame, condition, fill, location, time of sale, etc. Figure 1 (page 2) provides a lengthy history of Iowa medium and large #1 500-550 steer calf weekly weighted average prices, price highs, and price lows. The stratospheric prices reached in late 2014 are easily identifiable in Figure 1 as the price range within a particular week has been as large as \$50/cwt and averaged \$29/cwt.

What is driving this increased high-low price range? One explanation, that likely explains some of this increased price range, is that in today's volatile market, considerable variation in a calf's sale value can be experienced, even within a particular week. Another explanation is that at current prices, calves are pretty risky

from a buyer's standpoint, so there has been more differentiation in prices. Looking ahead to this fall, even in a record-high calf market, cow-calf producers can benefit by performing several value-added practices on their calves prior to sale. Generally, higher prices do warrant increased marginal expenditures on inputs to ensure animal health and productivity. This may mean producers doing more of something they have already done or beginning to do something they have not done in the past.

As a seller, it is important to know what buyers are looking for (and thus what they are likely willing to pay higher prices for) and strive to deliver it to them. A 2014 survey of Iowa feedlot operators found condition, frame and castration were the most important traits considered when purchasing cattle for their feedlot (Figure 2, page 2). Furthermore, typical preconditioning practices of vaccination, dehorning, weaned at least 30/45 days were of notable importance.

Though further research is needed to determine current market premiums/discounts garnered by particular calf and sale characteristics, it appears we may continue to see a wide range in calf values in dollars per cwt (of comparable calves)-at least that's the indication so far. In dollars per head, this can be a significant premium/discount at these price levels.

For many producers, all of this may seem pretty elementary, but you'd be surprised how many times I have heard, from a seller's perspective, it's going to be difficult to get a premium for particular management and/or marketing practices when the market is at

continued...see Markets on page 2

Join us
October 9
 at the
AS&I
Family
and Friends
Reunion

Manhattan,
KS

KSU Department of Animal Science & Industry plans reunion

Join us for the AS&I Family and Friends Reunion to be held on Friday, October 9, 2015, from 5:30-9:30 p.m. at the Stanley Stout Center, 2200 Denison Avenue, Manhattan, Kansas. This inaugural event will celebrate the K-State Animal Sciences & Industry family and thank our industry friends for decades of contributions to animal agriculture. The first Don L. Good Impact Award recipient will be announced at this event. Other activities include great food, live music, a commemorative limited edition take-home poster created by noted artist and K-State AS&I alum, Dino Cornay, Junior Wildcat Barn Yard and more surprises!

We will be hosting a Tailgate/Watch party for the football game (KSU vs. TCU) on Saturday, October 10, 2015. Time will be 2 hours before scheduled game time which is to be determined. Come join us for the fun! For more information and a registration form, visit www.asi.ksu.edu/familyandfriendsreunion.html

Markets continued from page 1

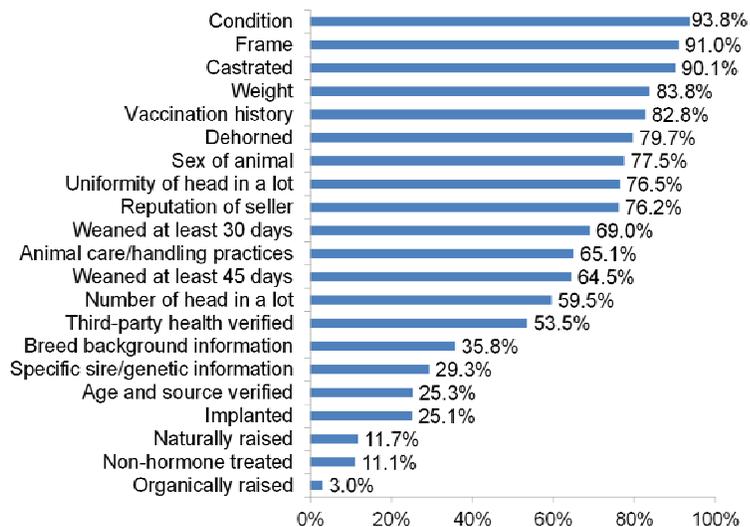
record price levels. However, from a buyer's perspective, they recognize how various traits and characteristics are valued and are willing to pay for what best fits their program. This is especially important this year given the values that are on the line.

Figure 1. Iowa Auction Medium and Large #1 Steer Calf Prices, 500-550 lbs, Weekly*

*Source: USDA Agricultural Marketing Service



Figure 2. Importance of Traits of Feeder Cattle Purchased, Percent Important and Very Important



Source: Schulz, L.L., P.J. Gunn, and D. Loy. 2015. Iowa Beef Producer Profile: A 2014 Survey of Iowa Feedlot Operators. Iowa State University Extension and Outreach IBC 102A. Available at: <https://store.extension.iastate.edu/product/ibc102a>.

Feedlot exit weights and days on feed increase in 2014

Justin Waggoner, beef systems specialist

Over the past few weeks, I have had several conversations about feedlot exit weights and how long cattle are currently being fed in commercial feed yards. The drought-induced reduction in feeder cattle supplies coupled with a relatively stable consumer demand for beef in the retail case and lower commodity prices effectively created a situation where each additional pound of beef has more value than ever. Cattle feeders have responded by increasing exit weights and increasing days on feed. According to the “K-State Focus on Feedlots”, exit weights averaged 1390 lbs for steers (Table 1) and 1246 lbs for heifers (Table 2) in 2014. The relative increase in exit weights compared to 2013 was 15 lbs for steers and 5 lbs greater for heifers. Days on feed were increased by 8 days for steers and 6 days for heifers in 2014.

Table 1. K-State Focus on Feedlots Steer Summary

Year	Total Head	Days on Feed	Exit Weight	Avg-Daily Gain	Cost of Gain	Feed:Gain
2013	256084	151	1375	3.68	\$120.07	5.96
2014	256612	159	1390	3.67	\$92.35	5.97

Table 2. K-State Focus on Feedlots Heifer Summary

Year	Total Head	Days on Feed	Exit Weight	Avg-Daily Gain	Cost of Gain	Feed:Gain
2013	303594	148	1241	3.30	\$125.31	6.18
2014	319064	154	1246	3.28	\$97.91	6.21

The relative change in both exit weights and days on feed reported in 2014 relative to 2013 doesn't necessarily seem like much of an increase. However, if we take a longer term outlook and compare 2013 and 2014 to the average monthly reported exit weight and days on feed for steers and heifers for the previous 5 years (2008-12) the story becomes more interesting. Exit weights on average were greater for each month in 2013 and 2014 for both steers (Figure 1) and heifers (Figure 2). However, days on feed were similar to the previous 5 year average in 2013, but began to increase above the 5 year average in May of 2014 (Figure 3 and Figure 4, page 4). The observed increase in days on feed may in part be explained by lower cost of gain in 2014 compared to 2013 which would tend to favor retaining cattle on feed longer.

Figure 1. Steer Exit Weight

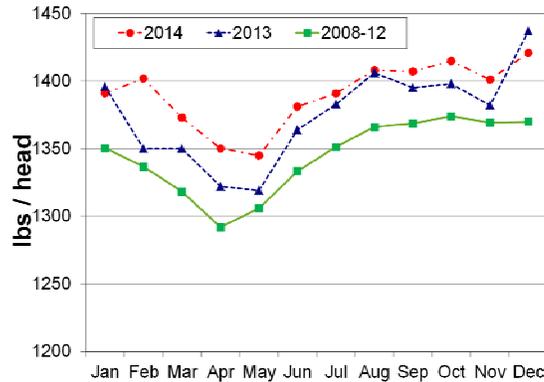


Figure 2. Heifer Exit Weight

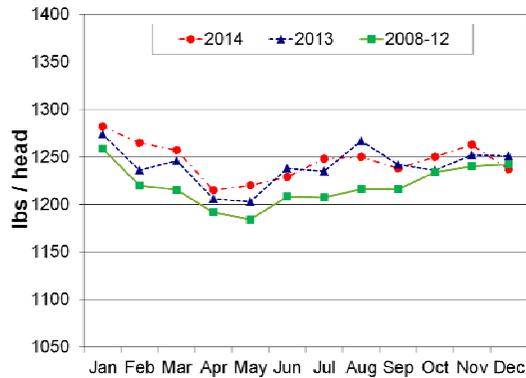
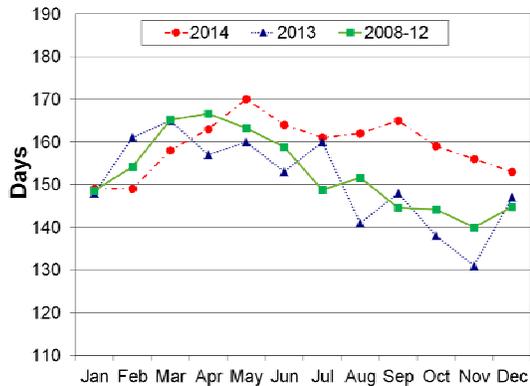


Figure 3. Steer Days on Feed



continued...see Exit Weights on page 4

Exit Weights continued from page 3

Figure 4. Heifer Days on Feed

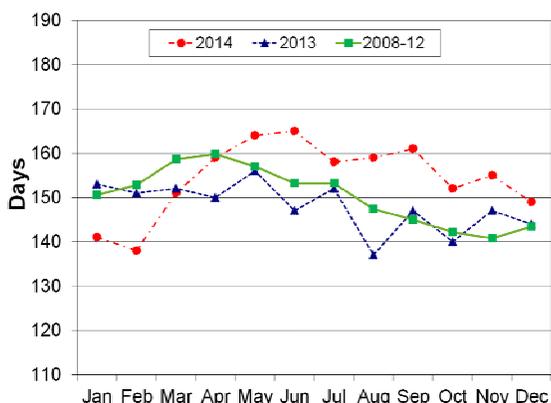


Figure 5. Historic Exit Weight



Historically, exit weight (Figure 5) has steadily increased over the last 24 years at a rate of 0.62 lbs/month and 0.67 lbs/month for steers and heifers, respectively. Thus it will be interesting to see how, or if, the recent increases in exit weight influence this trend and how the cattle feeding industry will respond to expansion in the cow-calf sector and consumer demand in the next few years.

To receive monthly e-mail notification of the latest issue of Focus on Feedlots contact Eve Clark, evcc@ksu.edu, 785-532-1280. Issues can also be found at <http://www.asi.k-state.edu/about/newsletters/focus-on-feedlots/>. The most recent report covering May 2015 is on page 6.

New website launched at Beef Improvement Federation Conference

eBEEF.org— A new website dedicated to beef cattle genetics has been launched at the 2015 Beef Improvement Federation Conference. eBEEF.org is part of the national eXtension program with the goal of being a one-stop site for beef cattle genetics and genomics information. Beef cattle specialists from six land grant institutions have joined forces to provide educational materials that are pertinent to today's beef cattle producers, without searching multiple sites or filtering through countless hits on a search. The site contains factsheets, short frequently asked question (FAQ) video clips, relevant conference recordings and webinars, a blog and links to other useful beef sites.

One of the developers of the new site, Dr. Darrh Bullock at the University of Kentucky said, "Often beef producers get frustrated when they search for information online and get information overload. We wanted to develop a user friendly site that provides information in a concise, understandable way without having to sort through enormous amounts of information." The team plans to achieve this goal by including only selected peer-reviewed publications on the website. Additionally, a list of FAQs will be available and easily accessed in short videos. Archived recordings of webinars and conference presentations can be accessed through the video library. The "Ask the Expert" section of the site can be utilized to find custom answers to specific problems and covers all aspects of beef cattle production.

For more information or to make suggestions, please contact any of the eBEEF.org team members. The other team members are Dr. Jared Decker, University of Missouri; Dr. Megan Rolf, Oklahoma State University; Dr. Matt Spangler, University of Nebraska; and Dr. Bob Weaber, Kansas State University, bweaber@ksu.edu.

“Improved management, improved nutrition, improved profit” theme of 2015 K-State Beef Conference -- Aug. 11 and 13

Conference to be held at four locations across Kansas.

MANHATTAN, Kan. – Many cattle producers have experienced record returns on their calves this past year, but even times of high profitability demand a search for more opportunities to enhance the management of a beef operation. Several of these opportunities will be discussed at the upcoming K-State Beef Conference, hosted Aug. 11 and 13 in various locations across Kansas.

“The idea of continuous improvement is an important management principle beef producers should employ even in periods of time when the cow calf sector is profitable,” said Bob Weaber, cow-calf specialist for K-State Research and Extension and one of the conference presenters. “Profitable times are good ones for managers to evaluate their operation and deploy new profit improving practices recognizing that at some point ahead we’ll experience leaner times.”

The goal of the conference is for extension professionals and industry thought leaders to have a conversation with profit-minded cattle producers about different timely and economically impactful production and management topics. This year’s focus is “improved management, improved nutrition, improved profits.”

The keynote address will be provided by Kansas rancher and author, Mr. Rich Porter of Reading, Kansas. Mr. Porter will discuss building successful personal and professional relationships. Rich has operated a cattle ranch in Kansas for a third of a century. The ranch has expanded to about 6,000 head of cattle and grows about 2,800 acres of corn and soybeans. Mr. Porter has degrees in Chemical Engineering, Law, and a Masters of Agribusiness. His intriguing background includes his admission to a clerkship with the EPA enforcement division, work for Bethlehem Steel in pollution control and serving as a part-time flight instructor. He was named the 2010 Beef Stocker of the Year Award winner, 2008 Distinguished Alumnus Award winner from the KSU College of Agriculture and the 2006 Distinguished Alumni Award winner from the KSU Department of Agricultural Economics.

Joining Mr. Porter at this year’s conference as speakers will be K-State Research and Extension specialists, Justin Waggoner and Chris Reinhardt. Dr. Waggoner will discuss low stress cattle handling principles and techniques that are sure to

benefit each operation attending through development of enhanced stockmanship skills. Dr. Reinhardt will discuss the benefits of a year around mineral supplementation strategy. He’ll cover motivations for supplementation, practical feeding advice and cost containment methods.

The conference speakers will be followed by a “town hall” style question and answer session. Attendees are encouraged to bring their questions to town and pose them to the expert panel of speakers and additional extension specialists.

Hosting locations by date include:

- Aug. 11: 9 AM -1 PM
-Melvern Community Center, Melvern, KS;
- Aug. 11: 5 – 9 PM
- 4-H Center, Pratt County Fairgrounds, Pratt, KS;
- Aug. 13: 9AM – 1PM
- American Ag Credit, Salina, KS;
- Aug. 13: 5-9 PM
-Nemaha County Community Building, Seneca, KS

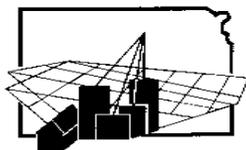
Registration fees and payment forms vary by site, and registrations/RSVP should be completed with the hosting county or district office by Aug. 5 for the August 11 meetings and RSVP by August 7 for the August 13 meetings. A meal is included in the registration fee.

For more information see www.ksubeef.org and look for K-State Beef Conference under ‘Upcoming Beef Events.’

Knowledge
for Life

Beef Tips
July 2015

Focus on Feedlots



Kansas Feedlot Performance and Feed Cost Summary*

Justin Waggoner, Extension Beef Systems Specialist, Kansas State University

May 2015 Closeout Information

Sex	No	In Weight	Final Weight	Avg. Days on Feed	Avg. Daily Gain	Feed/Gain (Dry Basis)	% Death Loss	Avg. Cost of Gain/Cwt.	Projected Cost of Gain Current Month's Placed Cattle
Steers	28,689	787	1,378	173 (131 - 211)	3.34 (3.01 - 3.61)	6.14 (5.77 - 6.61)	1.78	\$87.25 \$78.64 - \$93.43	\$80.50 \$75.00 - \$87.00
Heifers	25,305	690	1,247	189 (144 - 297)	2.96 (2.17 - 3.49)	6.49 (5.97 - 8.10)	1.50	\$91.91 \$81.33 - \$111.04	\$83.75 \$80.00 - \$89.00
Current Feed Inventory Costs: Mid-May, 2015						Range	No. Yards		
Corn				\$4.17 /bu		\$3.85-\$4.40	7		
Ground Alfalfa Hay				\$145.89 /ton		\$110.00 - \$195.00	7		

*Appreciation is expressed to these Kansas Feedyards: Brookover Ranch Feed Yard, Decatur County Feed Yard, Deseret Cattle Feeders, Hoxie Feedyard, HyPlains Feed Yard, Kearny County Feeders, Poky Feeders, Pratt Feeders, and Supreme Cattle Feeders.

**Closeout figures are the means of individual feedyard monthly averages and include feed, yardage, processing, medication, death loss and usually sold FOB the feedlot with a 4% pencil shrink. Interest charges normally are not included.

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