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Cattle Producers Of Louisiana
P.O. Box 886
Prairieville, Louisiana 70769
Website: www.lacattle.org

Dave Foster
Chief Executive Officer
info@lacattle.org

Happy 4th of July! May we all pause for a moment and remember all that took place on this day and why this day is special for us in the United States of America.

The majority of the feeder cattle markets were closed the first week in July, however, in the month of June markets saw good demand for our light-weight calves to go on summer grass and from there to wheat pasture in the early Fall. The slaughter cow and bull market continue to get higher so if you have cull cows and an old

bull to sell don't wait, Sell! Yes, the weather has been hot and humid, but with all the rain early grass has been abundant for grazing and haying continues. Remember if you sell your calves in late September and into October, consider selling your calves now. The gains that our Louisiana calves make in July and August are minimal. Demand is still good for weaned, preconditioned calves. Watch the cattle market, keep those calves alive and continue to be flexible in your marketing plan.

Dave Foster, CEO

WORKING WITH CATTLE IN THE HEAT

By: Paul Beck, Oklahoma State University Extension Beef Nutrition Specialist

Over the last few weeks we have had some really scorching temperatures with highs in the triple digits and lows in the upper 70's. Coupled with the high humidity it is hard to get any relief for ourselves and our livestock. Below is the Beef Cattle Temperature Humidity Chart (Figure 1), it helps determine the risk level of heat stress given the temperature and the relative humidity. Notice the higher the humidity the lower the temperature that is cause for concern.

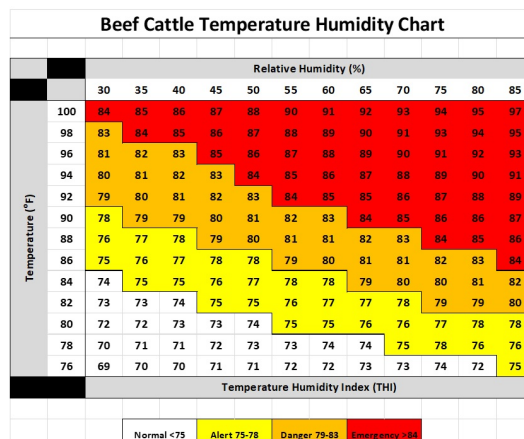


Figure 1: Cattle Temperature Humidity Index Chart

from Eirich and Woosoncroft, University of Nebraska Cooperative Extension

In hot summer conditions, heat transfer failures cause accumulation of body heat resulting in heat stress, reduced performance, animal discomfort, or death. When animals experience discomfort from heat stress, their behaviors change to reduce heat load (increased water consumption, decreased feed intake, seeking shade, standing in water, etc.).

The USDA Meat Animal Research Center published a scoring system to define heat stress in cattle based on panting score. This is a good indicator of heat stress because panting increases as the heat load increases. This scoring system is from 1 to 6, with 1 being slightly stressed to 6 being near death.

WORKING WITH CATTLE IN THE HEAT

Table 1 Panting Scores for Determining Heat Stress in Cattle. (adapted from: USDA Meat Animal Research Center)

Score	Description
0	Normal respiration, no sign of heat stress
1	elevated breathing rate, restless, spend increased time standing
2	elevated breathing rate, slight drooling, most animals standing in pen and restless, animals may group together
3	elevated breathing rate, excessive drooling or foaming, most animals standing in pen and restless, animals may group together
4	elevated breathing rate, open mouth breathing, possible drooling, most animals standing in pen and restless, animals may group together
5	elevated breathing rate with pushing from flanks, open mouth breathing with tongue protruding, possible drooling, most animals standing in pen and restless
6	open mouth breathing with tongue protruding, breathing is labored, respiration rate may decrease with pushing from flanks while breathing, head down, not necessarily drooling, individual animals may be isolated from herd

Water intake per unit of feed intake is twice as high during the summer than in the winter. Evaporation of moisture from the respiratory tract through panting is an important way for the animal to lose excess heat load. So, during heat stress water space availability becomes very important. During heat stress the linear water space increases from about 1 inch per head to 3 inches per head to allow for sufficient access to water. When temperatures are above 40° F, water intake should increase by 1 gallon for every 10° F increase in temperature.

Shade has been found to be beneficial to feedlot cattle, the greatest benefit of shade for finishing cattle is at the onset of the heat stress event. Cattle with shade have lower respiration rates and body temperatures when temperatures increase. Under heat stress, shaded finishing cattle in feedlots have increased average daily gain, hot carcass weights and dressing percentage as well as improved feed efficiency.

Cattle require 1.8 to 9.6 square yards per head depending on the size of the animal. Effective shade structure design depends on the thermal properties of the shade material, the ground cover under the shade, height of the structure, the amount of shade provided per animal, the level of ventilation (lower ventilation can trap heat under the structure), and the orientation of the structure. Shade structures should be at least 12 feet high to reduce direct solar radiation and increase air movement in the shelter. Metal shades effectively block direct solar radiation, but it can accumulate heat and radiate it on the animal. Shade cloth allows more air movement and heat dissipation. Providing shade, if designed correctly, is an effective strategy to reduce heat load by reducing heat accumulation from direct solar radiation and has animal welfare benefits that can improve performance.

Finally, cattle handling should occur in the early morning before temperatures get too high. If there is little to no night cooling, cattle handling operations should be delayed until better conditions exist. Work cattle in small groups so that no groups are in holding areas longer than 20 to 30 minutes. Cattle should be handled easily to reduce stress and elevating core body temperature through increased activity.

Remember, if you are not comfortable neither are your livestock, so take steps to increase comfort of livestock during heat stress events.

Sources:

Estimating Water Requirements for Mature Beef Cows, Courtney Spencer, David Lalman, Megan Rolf, Chris Richards AFS-3299. <https://extension.okstate.edu/fact-sheets/estimating-water-requirements-for-mature-beef-cows.html>

Heat Stress: Handling Cattle Through High Heat Humidity Indexes, Rob Eirich and Mariah Woolsoncroft, <https://beef.unl.edu/beefwatch/heat-stress-handling-cattle-through-high-heat-humidity-indexes>

Recognizing Heat Stress USDA Meat Animal Research Center; <https://www.ars.usda.gov/plains-area/clay-center-ne/marc/documents/heat-stress/recognizing-heat-stress/>

BEEF PRICES ARE HIGH, BUT THAT'S NOT KEEPING BACKYARD BARBECUERS AWAY THIS JULY 4TH

Consumer dollars are going further today for hamburger and steak cuts than they did 10 years ago, a Rabobank analyst says.

By: Nathan Owens, Reporter

Dive Brief:

- Home cooks will continue purchasing beef this grilling season despite higher prices bolstered by strong demand and limited domestic cattle supplies, a meat analyst said.
- Retailers have kept beef prices elevated due to market uncertainty as they work through a temporary surplus of beef from increased imports and heavier domestic carcass weights, said Lance Zimmerman, a senior protein analyst with Rabobank, a Dutch bank.
- Although barbecue grocery items are more expensive today, he noted that consumer dollars are going farther for ground beef and steak compared to spending 10 years ago.

Dive Insight:

Beef prices have increased over last year more than any other animal protein or retail item typically purchased for barbecues, second only to beer, according to Rabobank. However, sticker shock is not convincing shoppers to trade

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BEEF PRICES ARE HIGH, BUT THAT'S NOT KEEPING BACKYARD BARBECUERS AWAY THIS JULY 4TH

down to chicken, pork and other affordable options for the Fourth of July.

"In the grand scheme of this basket of goods for grilling season, while relatively expensive, it's worth it," Zimmerman said about beef during Rabobank's annual BBQ index webinar last week.

While there are signs of economic stress in the beef market as prices continue to rise in response to strong consumer demand and a tighter supply of domestic cattle, there is also some room for shoppers to spend more. Over the past 10 years, Zimmerman said wage growth has outpaced retail beef price gains.

In general, grocery shoppers are working more minutes to pay for a pound of beef today than in recent years, but not to the same degree as in 2014 and 2015. This means the market has the ability to take on basically \$1 to \$1.50 per pound of price growth over the next two years, Zimmerman said.

"We still have some opportunity where perhaps beef isn't going to be as much of a stressor on the consumer in the short run," he said.

At the rancher level, U.S. producers have been selling off their herds due to drought and market pressures over the last five years, resulting in a shortage of cattle. Additionally, geopolitical tensions have affected trade, production costs have increased and demand has shifted from restaurants to retail since the COVID-19 pandemic.

"As a result, they've liquidated cows," Zimmerman said. However, today, a larger share of retail dollars are funneling their way down to the ranch level. As prices increase, Zimmerman said there will be more of an incentive for producers to retain their heifers and rebuild their herds.

"Our expectation over the next several years is a slow, but gradual and consistent rebuild of that cowherd going forward," he said.

NALIVKA: USDA'S NEW RULE TO ASSURE FAIR MARKETS?

By: John Nalivka

In my last column I asked how a rancher could buy a ranch at today's prices and make it work – even at today's record cattle prices. Well, on June 25, the USDA might have answered that question when they announced the Fair and Competitive Livestock and Poultry Markets - Proposed Rule which will soon be published in the Federal Register. Okay, I am being facetious. But seriously, when any government agency starts the rule-making process, particularly when it concerns markets, it is time to pay attention.

This new rule was written to "ensure that appropriate competitive and fair trade and market protections are afforded to those participating in the livestock, meat, and poultry industries."

According to USDA, the rule "defines unfair practices as conduct that harms market participants and conduct that harms the market." On the surface, those words, "conduct that harms the market" may not sound very ominous, but I can feature cannon fodder for lawsuits, and while I am not a lawyer, I am a firm believer in fair markets. However, I am also a firm believer that the current Packers and Stockyards Act assures us of a competitive, capitalistic, free-market system in the U.S. beef industry where economies of scale are critical.

The rule defines "unfair practice with respect to markets" and I am not going to reiterate all of that in these few comments except to say they covered all the bases for anyone who might believe that the market is not working for them. Secretary Vilsack's went further in his comments with the release of the rule to include consumers who will also benefit. I would argue that when markets are functioning well in a free market system, farmers, ranchers, and consumers will all benefit.

I certainly hope this is not USDA's solution to "high" prices for consumers. Ranchers are now experiencing record-high prices in the face of tightening cattle supplies and strong consumer demand for beef and subsequently making record profits. This proposed rule may have an eye toward the packing industry, but I would submit that USDA does not need to tamper with the Packers and Stockyards Act.

MACKEY: PACKERS LACK CONVICTION

By: Brodie Mackey

Last week's cash cattle market was lackluster. Albeit higher in most areas, packers lacked conviction. It would be late Friday before most of the trade would be sorted out with 52,000 head cash and grids combined in the total weekly report.

The Southern market would see the bulk of the activity. Trading mostly at \$190 cwt live the market would see good volume and good clean ups. Continued reports have said many of those cattle are looking to have wheels under them headed to Northern packing houses. That explains why packers lacked the desire to pay up for the available inventory in the North. To fill the remaining holes, cattle would move at \$198 cwt live with a few outside sales at \$200 cwt live. Most of the dressed business would take place at \$312 cwt. and extremely light volume on the week.

The main talking point was the cutout. The tempered harvest pace has supported the boxes. Coupled with the 4th of July retail run boxes have held together longer than most analysts projected.

Looking ahead, cattle feeders anticipate continued marketing opportunities at higher money. Packers will be working a short week after two weeks of relatively limited trade. Look for them to drag business out to the last minute.



Be sure to take precautions during these hot summer months! Hydrate, take breaks, pace yourself and try to use the buddy system when working outside.



REMINDER:
Your CPL membership is due for renewal. Please continue your support by renewing today if you have not already done so. If you have already renewed, THANK YOU! We look forward to working for you.

A DEEP DIVE INTO THE MEXICAN MEAT MARKET

By: Jennifer Shike

U.S. red meat exports have reached record levels in Mexico, making this an ideal time for the U.S. Meat Export Federation (USMEF)'s inaugural U.S. Red Meat Symposium in Mexico City. The symposium examined Mexico's economic and political climate, highlighting the market's continued growth potential and explore emerging opportunities for U.S. red meat.

USMEF Chair Randy Spronk and secretary/treasurer Dave Bruntz participated in the event held June 13-14, along with key USMEF staff from Mexico and the Denver headquarters. USMEF wants to emphasize the industry's commitment to this critical market, the organization said in a release.

"Mexico is a very important customer for us, especially with its potential for undervalued cuts," Spronk said in a release. "The turnout for this symposium was outstanding, we even had to limit the number of importers who could attend. I expect it will become a recurring event for the industry."

One of the valuable components of the symposium was the face-to-face networking opportunities for U.S. suppliers and Mexican importers, including product displays and samplings, USMEF said. In addition, influential speakers offered assessments on U.S.-Mexico trade relations, Mexico's agricultural production and digital trends in the meat industry.

"There's uncertainty on exporters' minds related to the recent presidential election, while importers were asking about our cattle cycle," USMEF President and CEO Dan Halstrom said in a release. "But mostly, buyers and sellers were talking about demand. Some may see Mexico as a mature market, but it is still a growing market. As reflected by the market tours, presentations and trade discussions these past two days, there are new and emerging opportunities here for our products."

The director of USDA's Agricultural Trade Office in Mexico City, Jonn Slette, also sees Mexico as a growth market.

"I would say that Mexico is still a developing market. Over 60% of Mexicans are still at or below the poverty line and as they move into the middle class, that's where our growth is going to be," Slette said in a release.

The symposium received support from the National Pork Board, the Beef Checkoff Program, Indiana Soybean Alliance, Wisconsin Soybean Marketing Board, Nebraska Beef Council and USDA's Market Access Program.

CATTLE PRODUCERS OF LOUISIANA
P.O. BOX 886
PRAIRIEVILLE, LOUISIANA 70769
WEBSITE: WWW.LACATTLE.ORG