

Okeechobee Livestock Letter

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UP COMING EVENTS

February 1998		
19	Okeechobee Area Ag Council Annual Meeting	Okeechobee
	FL Beef Cattle Improvement Assoc. Annual Meeting	Gainesville
March 1998		
4-5	FCA Quarterly Meeting	Tallahassee
14-15	Speckled Perch Festival and Rodeo	Okeechobee
18-21	Okeechobee Youth Livestock Show	Okeechobee
April 1998		
7	Dairy Grazing Program and Tour	Suwannee Co.
7-8	Land & Resource Mgt. School	Arcadia
16-18	NCBA Region II Meeting	Orlando
28-30	Reproductive Mgt. School	Wauchula
May 1998		
5	Florida Dairy Production Conference	Gainesville
6-8	Beef Cattle Short Course	Gainesville

15	Florida 4-H/Sprint Golf Classic	Haines City
June 1998		
24-26	FCA Annual Convention	Marco Island

1998 Economic Outlook

Beef - John Holt

Old-timers will tell you the cure for low prices is low prices. So it is, especially if those prices appear to be improving but then take another dive. That's the story of the last three years in beef prices.

It goes like this: Big liquidations in 1995 lowered cattle prices across the board. Low grain stocks in 1996 brought high grain prices, which dropped 1996 feeder calf prices more than \$30 per cwt. A drought in the Southwest had depopulated that area, so general rains in late 1996 and early 1997 brought big demands for feeder cattle to go on grass, which tacked about \$30 per cwt. back onto feeder calf prices early in 1997. But feedlot red ink during 1997 weakened feeder prices, and recently burned cattlemen sold heifer inventories to feedlots. Beef cattle heifer slaughter in the fall of 1997 was well above the 1996 levels.

Net sum? Beef cow slaughter rates have peaked in 1997. Low numbers of replacement heifers mean that the herd inventory buildup will be gradual. Supplies of feeder cattle outside feedlots are estimated to be about 7 percent less than last year. Total beef production should decline from 2 to 5 percent during the next few years.

So there should be some strength in feeder cattle markets because of smaller calf crops from the reduced breeding herd. That's the good news.

The bad news is that increases in feed grain stocks that help the cattle industry also help the pork and poultry industries. Both of them are on renewed expansion paths as well.

So calf prices should strengthen in 1998. But the overall marketing environment will be no less volatile. Nowadays, a whole week's feedlot show list can be sold in 30 minutes. And feeder cattle markets provide the "slack" in the cattle marketing chain. Grain prices and weather patterns in the stocker cattle areas will continue to make pricing patterns unpredictable for Florida calves. The outlook has improved, but the marketing decisions of when to sell and what price offers to accept will never be easy.

Dairy - Andrew Washington and Richard Kilmer

Milk production in the United States is expected to increase 0.2% in 1998 as compared to 1997. Production increases for 1998 are due to the potential decrease in the industry exit rate of dairy farmers, the possibility that farmers will expand their operations and the potential for high-quality and ample feed supplies. However, these factors are expected to be offset by unexpected improvements in net returns and continual unfavorable milk-to-feed price ratios.

Although dairy markets and the U.S. economy are not always correlated, continued growth in the economy

and consumers' incomes may put upward pressure on dairy prices in 1998. The Basic formula price for 1998 is forecast to be \$12.10 per cwt., up from \$11.89 in 1997. However, as of November 3, 1997, the U.S. District Court of Minneapolis issued a court order that forces the USDA to stop the enforcement of Class I price differentials in most of the nation's 32 federal orders, which will likely lower milk prices in several states, including the Southeast. This court order has been stayed until February 5, 1998, while the USDA challenges it.

Milk production in Florida increased 6.2% from January through October 1997 as compared to the same period in 1996. The reason for such an increase was that milk cow numbers were up 4,700 head and production per cow was up 369 pounds for those months.

Additionally, abnormally favorable weather conditions in the spring allowed farmers to maintain higher production per cow in 1997. Given that these conditions will probably not reoccur, Florida's milk production is expected to remain steady or to slightly decrease in 1998. This could change depending on the outcome of the USDA's challenge to the court order.

1997 - Ag Census Year

You have probably received your Ag Census requesting information about your farm operation. Your individual information is kept confidential -- as required by law. Information from individual operations is pooled with other farms to provide statistical data used in many ways. State and local governments use the data for planning rural development, agricultural research and extension programs. Farm organizations use the information to develop and evaluate programs and policies that affect farmers. The data also helps trade associations locate new service centers and forecast markets. All agricultural operations that have produced and sold over \$1000 in 1997 are required to complete the census by February 2. In 1992, the census of agriculture counted 1,925,300 farms in the nation, including 1,018,783 with sales of \$10,000 or more. For questions, on the Agricultural Census, contact the Florida Agriculture Statistics Service at 407-648-6020.

Water Quality - What's The Good Word?

Concern over water quality is not news to Okeechobee County ranchers, dairymen and other farmers. We need to be vigilant and aware. The work continuing at the Archibold Research Center is demonstrating that agriculture is not only environmentally friendly but is, therefore, sustainable.

Producers need to remain aware of current developments and concerns that may affect them and be ready to respond to questions and incorrect information. You are encouraged to read "[Ona Report](#)" written by Dr. Findlay Pate on page 9 of the January issue of *The Florida Cattleman*.

NRCS Announces EQIP Sign Up

The Kissimmee River Valley has been selected as a priority area under the Environmental Quality Incentives Program (EQIP) and will be funded for 1998. The sign up dates for the EQIP is from February 17 to April 10. EQIP offers 5 to 10 year contracts that provide incentive payments and cost-sharing for conservation practices. Producers may receive federal cost-sharing up to 75 percent of the average cost of installing certain

conservation practices. The maximum amount for each contract is \$50,000.

This could be used as a water quality enhancement tool by livestock producers. Contact the NRCS at the USDA Service Center at 452 Hwy. 98 N., or call 763-3619.

Dairy Grazing Program and Tour

While some details of program are yet to be worked out, dairymen interested in learning more about grazing programs need to mark their calendars for **April 7**. The Dairy Extension Program Team is in the process of developing the program now. It will be held in Suwannee County on an operating grazing dairy.

The primary focus of the presentations will be presentation of summarized, accurate financial information from several Florida grazing dairies involved in the Dairy Business Analysis Program. More details will be announced as they are finalized.

Land & Resource Management School

The program is about finalized for the first Land & Resource Management School. The school will be held on **April 7-8** at the Family Service Center in Arcadia. Brochures and registration forms will be mailed out later. Registration is \$50.00 per person (meals and handouts are included).

This year's school will focus on wildlife & exotic game options and ecotourism/recreation options for landowners.

Some of the topics include: Management strategies for environmental issues and economic opportunities for landowners, Management of the land resource for cattle & wildlife, Habitat enhancement for wildlife, Managing risk in your enterprise: working your way through the legal minefield. Landowners will discuss their experiences with wildlife & exotic game, and also ecotourism/recreation enterprises on their operation. Field tours will also be a part of this school.

Mark your calendars and watch your mail for the forthcoming brochure and registration form. If you have questions, call Mark at the Extension office.

Beef Cattle Reproductive Management School

Mark your calendars to attend the 15th annual Beef Cattle Reproductive School on **April 28-30** at the Hardee County Agri-Civic Center in Wauchula. This is an intense course in reproductive management of the cow herd with both formal classroom lectures and hands-on lab sessions.

Registration is \$200.00 per person with a \$50.00 non-refundable deposit due by March 30. Enrollment is limited and is on a first-come, first-served basis. Brochures and registration forms will be available shortly. For more information, call Mark at the Extension office.

Spring Weed Control

Spring is upon us and now is the time to be looking at your pasture for weed control. **Thistles** are common in

the early spring and now is the time to treat them before they become unmanageable. Weedmaster (dicamba + 2,4-D) applied at 1.0-2.0 qts/acre should be applied in the early spring before flower stalks elongate. Hemarthria species (limpgrass) may be temporarily injured due to the 2,4-D (Hemarthria is more tolerant to dicamba). **Dogfennel** can also be treated with Weedmaster at 1.0-1.5 qts/acre when plants reach a height of 18-24 inches. **Tropical soda apple** (TSA) will continue to be a weed of major concern. A regular mowing program has shown to be very effective in reducing plant populations. Plants should be mowed before fruit set at flowering. This will reduce the amount of seed available for germination. Remedy (triclopyr) can be applied at 1.0 qt/acre in late spring through early summer as a broadcast spray. Best results occur when plants are adequately covered with spray solution. Forty gallons/acre application will be more effective than 15-20 gallons/acre which is more common in pasture applications. The addition of a non-ionic surfactant at .25% v/v will increase control. Retreatment will be required as new seedlings emerge. Depending on how bad your infestation is you might be able to manage the TSA by mowing and spot treating with Remedy. **Remember that the label is the law!** Please follow the product label for grazing restrictions, personal protection equipment needed, etc.

Nobel Prize Winner Says Beef Is Safe

Dr. Stanley Prusiner, the University of California neurologist who was awarded the Nobel Prize for his work with Bovine Spongiform Encephalopathy, celebrated his win by eating a steak.

In an article in *The San Francisco Chronicle*, Prusiner grinned widely and said the day he learned of his \$1 million Nobel award, he treated himself to an "excellent steak, medium rare" and ate it without any anxiety.

Prusiner said he feels U.S. beef is safe because cattle in America are raised and fed much differently than they are in Britain and there is no danger that eating beef in this country can cause the same disease.

"I don't think we in America should be worried," Prusiner told reporters. "If I really thought that the food supply in the United States was causing disease in people, I would not be eating steaks."

Farmer's Tax Guide Available

The 1997 IRS Farmer's Tax Guide is now available. Stop by the Extension office to get your free copy. This booklet contains general information that will assist you in preparing your 1997 income tax returns.

Free Bedding/Fill Available

We received a phone call recently from a company called "Consolidated Resource Recovery". The company uses used wood to shred in a tub grinder originally intended to be used as fuel in generating plants. They have a huge over stock. They forwarded the following to us:

"Due to the recent heavy rainfall throughout the state, many of the dairy farmers have been using recycled municipal waste wood mulch as a low cost bedding material in barns and staging areas. According to the dairy farmers, the wood waste mulch may help to prevent the inception of several diseases incurred from the cattle standing in contaminated water over long periods of time. This waste wood consists of tree and yard trimmings and is ground into a mulch type consistency similar to straw. Consolidated Resource Recovery, (CRR), is the largest processor of municipal wood waste in the state. Three of the adjacent counties to the east of Okeechobee County have large amounts of this material and CRR is willing to provide this mulch to dairy farmers at no charge. This material may be picked up at the closest available landfill (Vero or Ft. Pierce) at no charge, or CRR can arrange transportation to you in 80 yard loads. They hope you will agree to pay the

transportation.

Note: The user must assume full responsibility for use of the product.

If you are interested in this product, please contact Mike McDonald or Roger Peterson at CRR, in Sarasota, at (941)-756-0977.

I have spoken with a gentleman in Jacksonville who distributes the material to dairies in the area and is familiar with this product and its use. He tells me many dairies in the area use it primarily to add to mud holes. He says it is very absorbent and enables the cows to get around much easier. Eventually, it either rots away or is scraped and stockpiled for compost. I have seen a small plastic bag of the material, it is the consistency of commercial cypress mulch.

I also talked with the extension agent who works with the dairies in the area, he too says it works very well to get the cows up out of the mud.

FDA Contaminated Drug Warning

The Food and Drug Administration is issuing a national warning against the use of all large volume parenteral drugs distributed by Veterinary Pharmaceuticals, Inc., (VPI) of Hanford, California, and manufactured by its subsidiary, Sierra Pharmaceuticals, Inc., of Mexicali, Mexico. The company is recalling these drugs, commonly used to treat dairy cows because they are contaminated with bacillus cereus bacteria -- bacteria that can cause severe injury and death in cows.

The agency urges anyone who has purchased these products to immediately stop using them. The agency has also issued an Import Alert to prevent the importation of these drugs.

FDA analyses show that samples of the following drugs manufactured by this company are contaminated with bacillus cereus bacteria or related bacteria species:

- Hypertonic Saline Solution
- Lactated Ringer's Solution
- Calcium Gluconate 23% Solution
- Dextrose Solution 50% Electrolyte w/Dextrose

If you have any of these products, contact your supplier for further information.

Wetlands Cost Share Program Update

It is now apparent, **although not yet certain**, that actual payments may be possible to persons who agree to restore wetlands. Contact the WMD Service Center and ask for Anneoesjka.

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MENTION OF PRODUCT NAMES DOES NOT CONSTITUTE ENDORSEMENT BY THE UNIVERSITY OF FLORIDA/IFAS, FLORIDA COOPERATIVE EXTENSION SERVICE, OR THE OKEECHOBEE COUNTY BOARD OF COMMISSIONERS.

For questions or comments regarding this publication contact



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