

**DeSoto County
Beef Newsletter**

2150 NE Roan Street, Arcadia, FL 34266



March 2007 / Volume 29 Number 3

Corner Brace Assembly??

CALENDAR OF EVENTS

March

17	Small Farms Livestock Conference: "So You Want to be a Farmer", 8:00 AM – 3:30 PM, Manatee County Extension Office, Palmetto, FL
29	"Fence Building 101 for the New Rancher" DeSoto Extension Office, 5:30-7:00 PM

April

19	Farm Credit of South West Florida Annual Meeting, Hardee Agri-civic Center, Wauchula, 6:00 PM
26	DeSoto County Cattlemen's Association Spring Meeting, Turner Center Exhibit Hall, 7:00 PM

FARM BUREAU URGES SUPPORT FOR 25 X '25

The American Farm Bureau Federation this week urged lawmakers to set an ambitious goal: supplying 25 percent of the nation's energy from renewable sources by 2025. According to AFBF, the 25 x '25 vision would create new economic opportunities, improve national security and curb greenhouse gas emissions. AFBF president Bob Stallman says, "By producing energy right here at home we can generate increased farm income, stimulate rural development, and help improve air, water and soil quality." The Energy Future Coalition, an independent, non-partisan initiative funded by private foundations, sponsors the 25 x '25 effort that Farm Bureau has endorsed. The 25 x '25 project includes many forms of energy such as wind, solar, hydro, geothermal and biofuels. To learn more about 25 x '25, go to www.25x25.org.

Source—Drovers Alert, Thursday, March 1, 2007 Vol. 9, Issue 9.

BALANCE OF TRADE IMPROVING

Prior to the closure of export markets in 2003, the value of U.S. beef exports exceeded that of imports by \$2.41 billion. Since then, the balance shifted to imports, but export values are slowly clawing their way back, according to the Livestock Marketing Information Center. During 2006, according to LMIC, the value of beef and cattle imported into the United States increased 12 percent over that for 2005, and set a record of \$5.1 billion. Growth in exports helped offset the increase, although the United States remained a net importer. Subtracting the value of imports from that of exports, the net value for exports in 2006 was a negative \$1.16 billion. That figure represents a significant improvement in the balance of beef trade compared with deficits of \$1.48 billion in 2005 and \$1.36 billion in 2004.

Source—Drovers Alert, Thursday, March 1, 2007 Vol. 9, Issue 9.

USDA PROJECTS MORE FOOD SPENDING AWAY FROM HOME

According to USDA's 10-year outlook report, expenditures for meals prepared away from home will continue to grow, reaching about 51 percent of total food expenditures by 2016. On average, the report projects that retail food prices will increase less than the general inflation rate. However, prices for meat and poultry could exceed that rate over the next few years as the industry adjusts to higher feed prices. Source—Food Systems Insider, e-version, Friday, February 23, 2007, Vol. 6, Issue 4

MARKET INFORMATION

March 5, 2007

	3/3/07	Last Week	Last Year
5 AREA WEEKLY WEIGHTED CATTLE PRICE			
Live Steer	93.54	90.58	87.99
Live Heifer	86.46	90.71	88.04
Dressed Steer	149.28	145.03	141.33
Dressed Heifer	149.30	144.84	144.84

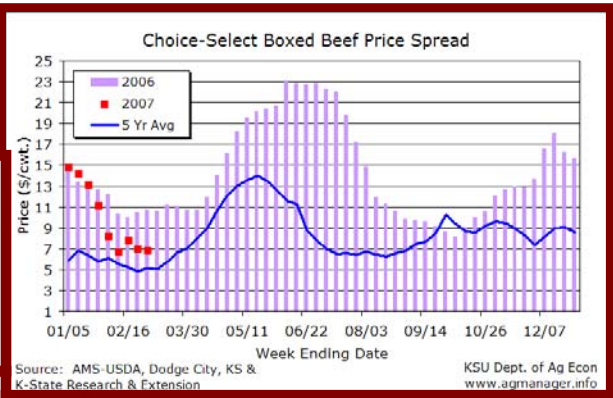
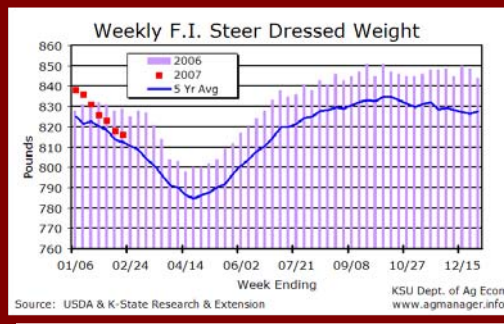
http://www.ams.usda.gov/mnreports/lm_ct150.txt

	3/3/07 (Estimate)	Last Week (Estimate)	Last Year (Actual)
BEEF PRODUCTION			
Slaughter	625,000	630,000	620,000
Live Weights	1277	1281	1281
Dressed Weights	769	771	782
Beef Production (M. of Pounds)	478.7	484.2	483.6

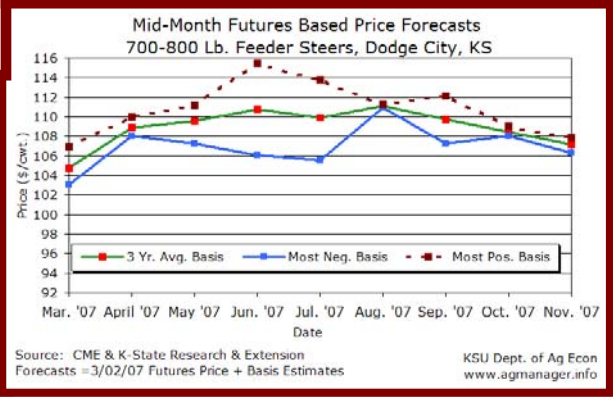
http://www.ams.usda.gov/mnreports/SJ_LS712.txt

	2/16/07	Last Week	Last Year
National Grading Percent			
Prime	2.74%	2.50%	2.82%
Choice	54.89%	53.57%	53.74%
Select	34.04%	34.56%	35.20%

http://www.ams.usda.gov/mnreports/NW_LS196.txt



Choice/Select Spread
03/05/07
\$6.34/cwt
http://marketnews.usda.gov/gear/browseby/txt/L_M_XB403.TXT



The summary below reflects the week ending January 19, 2007 for Medium and Large 1 -- 500- to 550-lb., 600- to 650-lb., and 700- to 750-lb. heifers and steers. **Source: Beef Stocker Trends, January 23, 2007.**

State	Volume	Steers			Heifers		
		500-550 lbs.	600-650 lbs.	700-750 lbs.	500-550 lbs.	600-650 lbs.	700-750 lbs.
TX	24,200	\$117.03	\$106.15	\$101.34	\$105.06	\$97.41	\$94.02
AL	13,300	\$111-119	\$98-106	\$96-102 ⁴	\$100-110	\$87-95	\$83-88
TN	11,800	\$111.00	\$96.45	\$90.57	\$95.24	\$86.03	\$83.35
FL	5,700	\$92-114	\$82-100	\$82-86	\$85-100	\$78-86	\$80-82
GA	8,700	\$96-117	\$85-104	\$78-95	\$86-109.50	\$80-94.50	\$78-85



CORN:

Kansas City US No 2 rail White Corn was 3 cents lower from 4.97-5.08 per bushel. Kansas City US No 2 truck Yellow Corn was 14 cents lower from 4.06-4.08 per bushel. Omaha US No 2 truck Yellow Corn was 15 to 18 cents lower from 3.97-4.00 per bushel. Chicago US No 2 Yellow Corn was 17 ½ cents lower to ½ cent higher from 3.97-4.22 per bushel. Toledo US No 2 rail Yellow corn was 14 ½ to 15 ½ cents lower from 4.03-4.04 per bushel. Minneapolis US No 2 Yellow Corn rail was 21 ½ cents lower at 3.88 per bushel. **Source: USDA Weekly National Grain Market Review, Friday March 2, 2007, http://www.ams.usda.gov/mnreports/SJ_GR851.txt**

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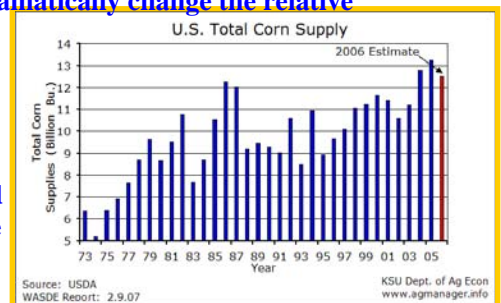
U.S. Red Meat Exports Continue To Increase In 2006

For the third consecutive year, Mexico led all markets in volume and value for U.S. beef and beef variety meats in 2006, reports the U.S. Meat Export Federation (USMEF). Meanwhile, overall exports of U.S. beef and beef variety meats worldwide increased 39% in volume to 655,920 metric tons (mt) and 50% in value to \$2.04 billion in 2006 compared to 2005. This was despite no market access to Korea, and limited access to Japan. In Mexico, the volume of U.S. beef products increased 32% to 371,087 metric tons and value jumped 33% to \$1.17 billion over the 2005 figure. Meanwhile, year-end numbers show U.S. pork and pork variety meat exports continued their record-breaking volume growth for a 15th year, totaling 1.26 million metric tons (mt), a 9% increase over 2005. Their value also increased 9%, reaching more than \$2.86 billion. And exports of U.S. lamb and mutton plus lamb variety meat increased 55% in volume in 2006 to 13,934 mt and 66% in value to \$27.8 million over 2005. **Source—Cow-Calf Weekly, February 23, 2007.**

SOME FACTS & MYTHS REGARDING HIGHER CORN PRICES

Everyone's speculating that higher corn prices will fuel a drive to make cattle bigger on grass, with an end-result of fewer days on feed. The reasoning is quite simple -- cost of gain will be significantly cheaper in grazing programs than in the feedyard. But the supply of feeder cattle hasn't changed. If one decreases days and accelerates the rate of turnover, then what already was an overcapacity situation in the feeding industry will increase. The result is there will be a need to import additional feeder cattle from Canada and Mexico, which will further stoke the whole trade debate. It also likely means feedyards, which are battling to keep full, will actually add support to the calf and feeder market. The trend for a number of years has been to move cattle to the yard at lighter weights and then feed them longer. This trend enabled feedyards to behave as if they were in an expansion environment, despite numbers remaining constant (more days on feed and bigger outweights). This year, the number of calves available to be placed is virtually unchanged, but the shift in placement weights (going higher) will have the effect of making inventories of placeable cattle appear smaller, even while numbers remain constant. And while we're on the subject of corn prices, let's address some prevailing myths:

- **Higher corn prices means lower cattle weights.** There's some truth to this -- the incentive to produce fat will decrease, or there will be more of an economic incentive to identify that optimal body composition point where feed efficiency begins to rapidly decline. However, pounds remain the primary economic driver in the cow-calf, feeding and packing industries. Fixed overhead costs need to be spread over as many pounds as possible. This changes dramatically if the cost of putting on that pound is less than what the pound is worth. That said, there's still ample incentive to make cattle bigger if they're worth \$90/cwt. and cost of gain (COG) is at \$70. The winter storm has removed a lot of tonnage from the system, but the math isn't there to encourage lighter weights. Certainly as COG approaches price levels, there's more incentive to market cattle at their proper biological endpoint, but it's incorrect to assume the incentive for pounds has changed.
- **Higher corn prices benefit beef over poultry and pork.** The logic of this argument is also sound. The reasoning is beef production only uses grain for half of its production cycle, while poultry and pork use corn for a much greater part of the life cycle. But beef production is at such a disadvantage in feed efficiency and feed conversion compared to poultry and pork that the relative changes in costs of production don't dramatically change the relative competitiveness between the proteins.
- **Higher corn prices will drive a shift to grass-fed beef.** Grass-fed beef is potentially a great niche market. However, the world prefers high-quality corn-fed beef, and that's where the U.S. beef industry has a competitive advantage. Grass-fed beef from an industry standpoint isn't an option; it's neither price competitive nor the product of choice. A shift to a grass-fed program could be great for individual operations, but a disaster if the entire industry were to shift in that direction. **Source—Cow-Calf Weekly, Troy Marshall, March 2, 2007.**



CORN PLANTING INTENTIONS HIGHEST SINCE WORLD WAR II

The first of what will surely be a number of estimates on planting intentions was released Thursday, and it shows the ethanol-driven euphoria in corn country is at full throat. Allendale, Inc. estimates the 2007-08 corn acreage that will be planted this spring will hit 90.760 million acres, up 12.43% from last year. That represents the largest acreage in corn since 1944 when 95.475 million acres were planted, Allendale says. The peak planted acres of 113.024 million occurred in 1932. Assuming Allendale's projected 152.5 bu./acre yield, a record corn production of 12.570 billion bu. may be in the offing. Some of those corn acres will come at the expense of soybeans. Soybean planting intentions of 65.927 million acres is down 9.595% from last year, representing the lowest level since 1996 when 64.196 million acres were planted, Allendale says. Wheat acres should see a slight bump of 3.149%, if growers plant the 60.493 million acres that Allendale projects. That would be the largest since 2003 when 62.141 million acres were planted. **Source—Cow-Calf Weekly, March 2, 2007.**

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FAWN—DESOTO COUNTY ANNUAL RAINFALL—2007 http://desoto.ifas.ufl.edu/												
JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	Total
1.93"	2.09"											4.02"

FAWN—DESOTO COUNTY HIGH & LOW TEMPERATURES AT THE EXTENSION OFFICE—FIRST COLUMN IS THE HIGH & 2 ND COLUMN IS THE LOW												
86.6°	86.5°											
33.3°	32.6°											

FAWN—DESOTO COUNTY CHILLING HOURS AT THE EXTENSION OFFICE												
18.8	33.2											

FAWN WEATHER INFORMATION

The FAWN (Florida Automated Weather Network) can be accessed at the following website: <http://fawn.ifas.ufl.edu/>. There is also a toll free number that can be called to get information when you are in the field away from a computer. That number is: 866-754-5732.

Beef Management Calendar

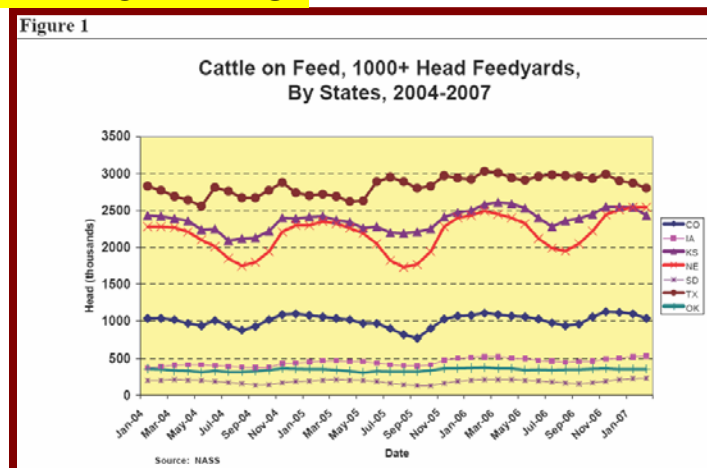
March/April

Check mineral feeder.	Check for external parasites and treat if needed.
Deworm cows as needed.	Identify, vaccinate, implant, and work late calves.
Cull cows that failed to calve & market in April	Check for lice and treat if necessary
Fertilize pasture to stimulate early growth and get fertilizer incorporated in grass roots while there is still good soil moisture. Fertilize ryegrass if necessary.	Vaccinate against blackleg and brucellosis after 3 months of age and before 12 months of age.
Observe bulls for condition and success. Rotate and rest if needed.	Observe cows for repeat breeders.

IS WEATHER & CORN PRICE SHIFTING CATTLE PLACEMENTS?

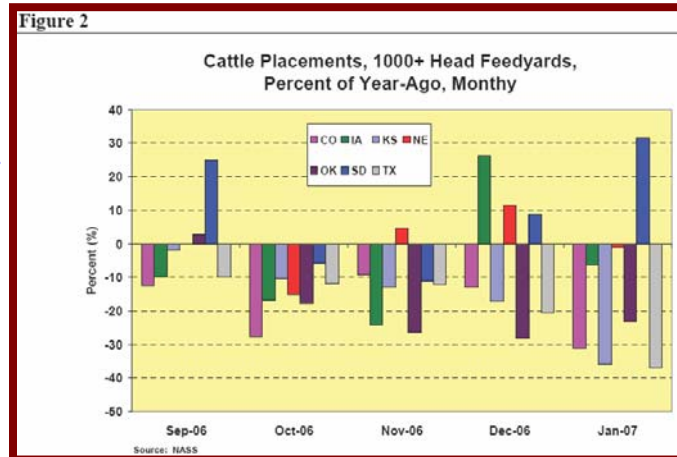
Traditionally, Texas, Kansas and Nebraska rank as the top three cattle feeding states, in that order, amongst feedyards with 1,000+ head capacities (see Figure 1). A unique combination of severe winter weather, high corn prices, and the rapidly increasing production of ethanol byproducts may have been shifting that pattern in recent months. Cattle on feed data from February's report, for example, showed that Nebraska now has the second largest number of cattle on feed in lots with 1,000+ head capacities. This resulted from a 24% increase in feed numbers since September 2006 in Nebraska. Interestingly, other Northern Plains feedyards saw increases as well. Iowa and South Dakota on feed inventories increased 17% and 48%, respectively, during this time period. Texas inventory declined 5% since September 1, 2006 and Kansas and Oklahoma increased inventory by less than 2% (the U.S. average was a 6.7% increase during this five-month time period).

Figure 2 shows cattle on feed placements expressed as a percent of the previous year for September 2006 through January 2007 for selected states. While conclusive trends are not evident from this data, it does indicate that placements in Southern Plains states like Texas, Oklahoma, and Kansas were down this past winter compared to last year. Northern Plains states like Nebraska, Iowa, and South Dakota generally posted smaller placement declines or increases during these past five months.



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So, are cattle moving north? It appears so – at least temporarily. The competitive advantage for cattle feeding may have shifted to the Northern Plains states recently for several reasons. First, successive winter storms from December through February hit Southern Plains states hard, causing tough pen conditions and substantially lowering feeding performance. As a result, southern feeders have placed fewer cattle on feed. While storms have recently impacted cattle feeders on the Northern Plains, this will not likely be evident in placement numbers until the March Cattle on Feed report is released later this month. A second reason for the shift in placements and on feed numbers is cost of gain differences between the Northern and Southern Plains. For example, the average corn price in the Texas Triangle area was \$3.73/bu from September through February, \$0.54/bu higher than the average Omaha, NE price during that time. Typically, Southern Plains feeders can afford to feed higher priced corn (due to transportation costs from the Corn Belt) because cattle feeding performance in the winter months exceeds that in the Northern Plains. However, that better performance didn't materialize this winter, as mentioned earlier. Thirdly, cattle feeders in Nebraska, Iowa, and South Dakota are able to take advantage of wet and dry distiller's grains from nearby ethanol production. While ethanol byproducts can be shipped to the Southern Plains, bulk and moisture content lead to cost disadvantages for feeders farther from ethanol plants. Also important is that feeding ethanol byproducts, particularly wet distillers grains, typically results in significant improvements in cattle feeding performance. **Source—In The Cattle Markets, Darrell R. Marks, Ph.D., University of Nebraska, Lincoln, March 5, 2007.**

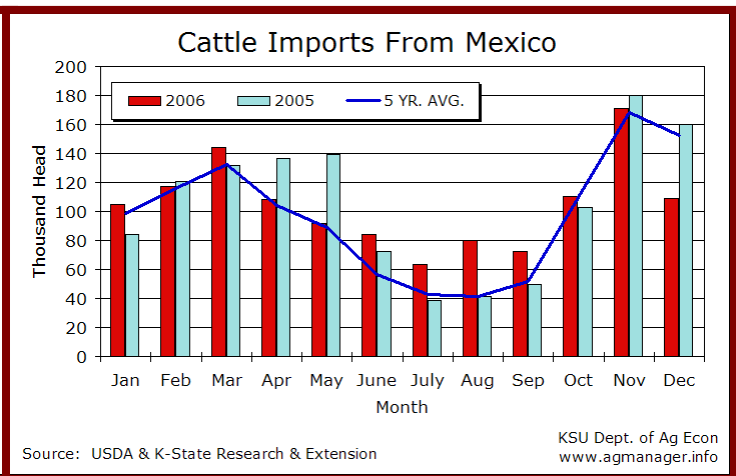
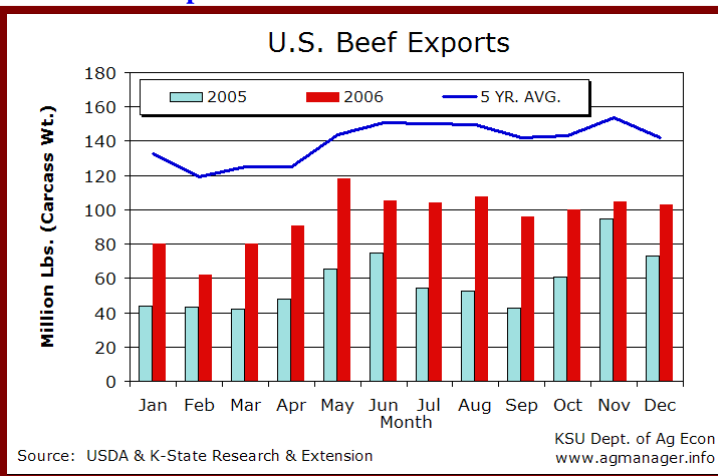


“FENCE BUILDING 101 FOR THE NEW RANCHER”

On March 29, 2007, from 5:30 till 7:00 PM, I will be having a workshop on Fence Building. This program is intended for individuals who are new to ranching or have never been instructed in the art and science of fence building. We will talk about equipment needed, how to determine amounts of wire, staples, posts, etc. to buy for a given area of land and I will be showing a video on building fences. The material covered will be applicable to fencing for cattle, horses, goats, etc. We will cover the use of barbed wire, woven wire and electric wire fencing. If you plan to attend, please call the Extension Office at 993-4846 and ask to be put on the registration list for this program.

DESOTO SHERIFF'S OFFICE REQUEST YOUR HELP

The DeSoto County Sheriff's Office has requested that I put in this newsletter that they are trying to update their Livestock Owner Registration List with information such as person to contact, emergency contact phone numbers, type and breed of animals, and location of pastures. They have left a supply of their registration forms at our office that can be filled out to provide the information.



The Foundation for The Gator Nation

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James F. Selph
DeSoto County Extension Director, IV, Livestock

Small Farms Livestock Conference II

“So You Want to Be A Farmer”



Manatee County Extension Office
Palmetto, FL
March 17, 2007



The South Florida Beef Forage Program Extension Agents will be holding the annual Small Farms Livestock Production Conference at the Highlands County Agri-Civic Center in Sebring, Saturday, March 3, 2007 and at the Manatee County Extension Office in Palmetto on March 17, 2007. The Small Farms Livestock Production Conference is designed for ranchette or small landowners who are considering the raising, management and production on livestock for pleasure or profit. This course, “So You Want to be a Farmer”, was designed more specifically for new or agriculturally inexperienced landowners who are considering some field of livestock production on their small or limited acreage to help guide them and provide them information for making a more informed decision about what type of livestock producer they may want to become.

This course will provide basic information about all the different animal species as possibilities for a small farming operation. We will explore some economic and business basics of agricultural production; look at specialty production and markets as possibilities; give some basics of animal health, buying healthy animals and keeping them healthy; pasture and forage requirements before you ever get started, including understanding different forage species and their fertility and maintenance requirements will be presented; and what considerations you will need to make for fencing, housing, handling and holding equipment for all types of animal species.

Agenda topics for the day long conference will be:

8:00 – 8:45	Check-in and registration	12:15	Lunch
8:45	<u>Welcome and Introductions</u>	PM	<u>“What You’re Going to Need”</u>
9:00	Exploring the Possibilities: An overview of animal species for production consideration – Pat Hogue	1:00	Fencing for all types of Livestock – Dr. Ike Ezenwa
9:45	4R’s of Farming: Resources, Risks, Rules & Rewards – Steffany Dragon	1:45	Pastures: Species, Fertility and Maintenance – Christine Kelly-Begazo
10:30	Break	2:30	Break
10:45	Overview of Specialty Markets to Explore – Robert Halman	2:45	Equipment, Holding, Handling and Housing Needs and Wants for Livestock Production – Jim Selph
11:30	Animal Health Issues: Sources, Buying and Keeping them Healthy – Lockie Gary	3:30	Questions and Adjourn

Cost of the conference will be \$ 20 per person pre-paid registration by February 16, 2007, and \$ 30 late registration received after February 16, to include lunch and any program materials. Individuals planning to attend should contact Jim Selph (863-993-4846 or e-mail: jimselph@ufl.edu) at the DeSoto County Extension Office.

NAME _____ ADDRESS _____
CITY _____ STATE _____ ZIP _____ PHONE _____
E-MAIL _____

Program location you plan to attend, check one of the following: _____ Palmetto

