Ag Insights

From the Desks of Your Northwest Area Ag Specialists

Oklahoma Cooperative Extension Service - Division of Agricultural Sciences and Natural Resources - Oklahoma State University

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Adding Value to the Beef Herd in 2017

Dana Zook, NW Area Livestock Specialist

Welcome to 2017! I cannot believe how fast the past year has flown by. Each year around this time I like to look forward to the coming year and make goals. I have never been one to set "new year's resolutions" but I do think this is a great time to evaluate past performance and make goals for the coming year. Goals allow us to improve and benchmark year to year the progress that has been made.

The year of 2016 will go down as a tough one for many ag producers. The extreme drop in livestock and commodity prices took many producers by surprise. While most producers may not consider current prices favorable, I believe the recent reduction in prices provides opportunity for good operators to stand out in the crowd. When prices were so high, everything brought a premium price, regardless of quality. Now, buyers can't afford to ignore quality standards. What good management practices do we apply in our operations that can be showcased? Can we add value to our current operation? Are there ways to make our operations more efficient?

In the next month, I challenge producers to take a step back from their operations and think of the little ways they can improve in the coming year. Look past the "silver bullet" and mange what we do have well. I have listed a few of the areas to think about but there are many more!

1) **Utilize Proven Technologies to Add Value**

In times of low prices, buzz words such as organic, grass fed, and natural lure producers with promises of easy implementation and big profits – a 'silver bullet'. I fully support producers who participate within these niche markets, but I know for certain that they will be the first ones to tell you that they aren't easy! For the typical producer with a small commercial cow herd, niche programs may not be the most practical way to add value to the beef you are selling. Rather, take a look at individual benchmark targets that are most realistic for your operation. Are there areas within your production system that more pounds of beef can be produced? Think about implementing the following approaches to produce more pounds of beef efficiently: implants, ionophores (i.e. Rumensin and Bovatec), fly tags, and de-wormers.

2) **Seek out Value-Added Marketing Opportunities**

There are a number of source verified programs available for producers throughout the state to showcase good management and quality beef animals. The Oklahoma Beef Quality Network (OQBN) program is one of those programs sponsored by OSU. Talk to your local OSU county extension educator for details about enrolling in this program.

3) **Know the Nutrient Value and Cost of Feed**

What are you feeding your cows and how much is it costing you? This is the easiest factor for any producer to work on. Knowing the nutrient value of your hay can save you hundreds of

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dollars on supplement and assure your animals are getting what they need to be efficient. OSU extension provides feed and forage testing for minimal cost. Plus, when you receive your analysis from the lab, each county extension educator has the resources to go over the analysis with you and tell you the supplemental need of the animals in question.

4) **Educate Yourself about New VFD Regulations**

The new veterinary feed directive went into effect on January 1st 2017. These new guidelines regulate the use of medically important antibiotics in livestock feed and mineral. A good relationship with a practicing veterinarian is required to continue feeding antibiotics to all livestock. For more information regarding VFD, seek out your local vet or extension educator – they will be able to steer you in the right direction.

Will Grazeout Wheat Net Profitable Returns in 2017?

Trent T. Milacek, NW Area Ag Econ Specialist

In the past few months cattle prices have seen some recovery. This short-term rally provides an outstanding opportunity for producers to market wheat pasture cattle as first hollow stem approaches. What many producers are wondering is if this rally will continue.

Cattle prices tested the multi-year downtrend resistance level at the end of January. Sufficient fundamental support failed to emerge and prices have gradually retreated; the Cattle on Feed report showed placements that were double pre-report estimates. It does not appear that cattle prices have fundamental strength and could continue to move lower in the long run.

Producers will need to make the decision about whether to harvest grain or take wheat to grazeout. On fields with poor productivity that cannot produce yields above 20 bushels, the answer is pretty clear. That is if producers can market their cattle for a good price.

A 20 bushel wheat crop sold at $3.50 is worth $70. The cost of harvest may reach $25/acre and a producer would also have to consider other costs to take the wheat to harvest. What about a fungicide application, herbicide and the additional cost of crop insurance? After paying for harvest costs the producer would receive $45 per acre.

Taking grazeout cattle in on gain at $0.35 per pound may be a viable option to producers who do not have access to highly productive land. If grazeout lasts 60 days with a one calf per acre stocking rate, gains of 2 lbs. per head would net 120 lbs. per acre. This would equate to $42 per acre in revenue.

Feeder cattle futures prices for the May ’17 contract are trading around $121/cwt. If a producer purchased a 625 pound calf it would cost $141.58/cwt. The basis forecasting tool at beefbasis.com estimates the basis for a 745 lb. steer calf sold in May at $5.88/cwt. Therefore the producer could expect to sell the calf for 126.88/cwt. based on the May ’17 futures contract.

In this example the calf was sold for $945.26 and was purchased for $884.88. The value of gain on this animal would be $0.50/lb. if the current prices offered by the futures market are realized at the time of marketing.

Producers will have to spend less than $0.50 per pound to make money in this scenario. If a producer is buying grazing acres for $0.35 per pound of gain then that would leave $0.15 per pound to cover expenses.

Producing cattle for minimal costs will be crucial to make money on grazeout. Producers who know their cost of production will be able to make decisions that will lead to success. For help with budgeting and figuring the value of gain on your cattle, please contact your local extension office.

Minimizing Costs with Efficient Nitrogen Application

Trent T. Milacek, NW Area Ag Econ Specialist

The New Year has come and gone and Oklahoma wheat crop condition ratings have continued to fall. As of December 31, 2016 the wheat crop condition was listed as 25 percent good, 50 percent fair, and 25 percent poor to very poor. The previous month's report showed the wheat crop to be 53 percent good to excellent. In a year where very high yields will be required to break even, this is a concerning development.

Economically the constraints are tighter than ever. Every dollar spent must produce more yield than before. A producer who attempts to convert every dollar spent on topdress nitrogen to an appreciable yield gain will be making a sound management decision. Ensuring minimal nitrogen volatility, minimizing nitrogen costs and correctly identifying nitrogen needs will be crucial.

Nitrogen is generally safe from volatility when it is placed under the ground. Oklahoma State University research has shown that a significant amount of surface applied urea or 46-0-0 can be lost to ammonia volatilization, which is like throwing dollars into the wind.

Using the ammonia loss calculator found at nue.okstate.edu, a producer can estimate the potential ammonia loss from the application of urea fertilizers to the surface of the soil. This practice is used when spreading urea with a spinner buggy or air machine.

Applying 65 pounds of urea on a 60 degree day, with a soil pH of 5 and wind speed of 10 mph, a producer can expect to lose 30 percent of their applied urea without an incorporating rain event. This is 19 pounds of urea or approximately 9 pounds of actual nitrogen. Wheat requires 2 pounds of nitrogen per bushel, so a producer is losing a potential 4.5 bushels of production or $15 per acre of revenue.

Another popular topdress option available to producers is liquid UAN or 28-0-0. While a portion of this fertilizer is nitrate, which will not volatilize, it is not immune from losses. There is also the potential for leaf burn when applied broadcast to wheat foliage in warmer temperatures. Without immediate incorporating rainfall, it is safer to incorporate this fertilizer into the soil upon application.

Perhaps the least utilized form of nitrogen for topdress application is anhydrous ammonia or 82-0-0. This fertilizer source must be incorporated by specialty low disturbance applicators to minimize plant loss in growing wheat. With a more expensive application method, why would a producer choose to use this nitrogen source?

It all comes down to the cost of the fertilizer. As producers try to minimize costs they must get creative with their production practices. When computing nitrogen costs per pound of actual nitrogen, anhydrous ammonia is the cheapest source. Using current market prices anhydrous ammonia costs $0.23, urea costs $0.34 and UAN costs $0.38 per pound of N. There is $0.15 per pound of N difference between anhydrous ammonia and UAN. When used as a single source for a yield goal of 40 bushels, that is a difference of $12 per acre or 3.7 bushels of revenue. This does not account for the added benefit of soil incorporation to reduce loss; nitrogen losses drive up the cost of urea and UAN applications.

If you would like more information on budgeting, topdress fertilizer application or nitrogen application costs please contact your local county extension agent.

NW District: New Row Crop Traits & Herbicide Technologies

OSU North Central Research Station

Just west of Lahoma, OK on HWY 412

11 am to 3 pm on March 3, 2017

~ Lunch Provided ~

~ Open to the Public ~

Topics and Presenters:

New Trait Technologies
Dr. Todd Baughman

Herbicide Label Requirements
Josh Bushong

Herbicide Drift
Dr. Misha Manuchehri

Spray Nozzle Selection and Sprayer Cleanout
Dr. John Long

---Contact your local extension office for more details---

Wheat and Canola Updates

Josh Bushong, NW Area Agronomy Specialist

The moisture we have received over the past few weeks has been a blessing. Both the wheat and the canola in the area was severely drought stressed and showing the part too. Many wheat fields started showing signs of drought stress as early as November with many plants loosing leaves and tillers.

Overall the wheat stands have survived the hard freezes with only a few instances of significant plant loss. Since the recent moisture and warm temperatures, many wheat fields in the area have visually improved with new growth slowly starting. Fortunately there have not been many reports of any pests as of lately. There has been one report of a very light infestation of bird cherry oat aphids (can vector barley yellow dwarf virus) in southeastern Dewey county. As we get closer to fully breaking winter dormancy, field scouting will be more critical to stay on top of weeds, insects, and diseases.

As producers approach the spring season, decisions must be made on what their plans are for their wheat crops. Deciding to graze-out, cut for hay, or produce a grain crop as soon as possible will be beneficial in determining what inputs to budget for the remainder of the year. If the wheat crop is determined to be harvested for grain, then fertilization and proper weed control timing is critical to get the most returns on these inputs. The only way to manage for low commodity prices is to produce more bushels and increase quality as efficient as possible.

Knowing what to invest in the wheat crop will be highly dependent on each farm. For instance, there is no need to spend most of your budget on nitrogen if you have a heavy infestation of weeds. Proper weed control will protect yield potential, reduce price reductions at the elevator, and add long-term benefits to your operation. Other crop protection products like insecticides and fungicides will help protect yield potential, but will not add yield.

Many people have experienced the distinct aroma of the canola fields this winter. Since most of the canola plants in the area had excessive growth this fall there was a lot of material that decomposed after the hard freeze events. The leaves of canola plants have a high water content and are composed of a low carbon to nitrogen (C:N) ratio. This means that the canola leaves decompose much faster than other crops like wheat. The rapid decomposition of the leaves are what make the canola crop smell like it does.

Canola fields might look very bleak or even dead while driving past, but a close examination of the plants will be needed to determine if the plants are actually alive or not. In the center of the canola plant's rosette is the growing point (often called the crown). The crown and root of the plant must stay green and pliable to stay alive. The plant lives off the carbohydrates it reserved in the taproot while it is dormant. If the root is dried out or crispy, then the plant is likely dead.

Photo 1. Crown still green.

Photo 2. Crown dead, new sprouts at base.

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Deciding whether the remaining canola stand is still worth taking to harvest is important. Even plants where the crown has died, the plant may set new sprouts near the base. In these instances, the plant may produce multiple main stems per plant. Canola can compensate very well with thin stands. While not optimum, a stand with only one plant per two feet of row can still produce a profitable yield. The plant will produce secondary braches to fill in the canopy if given the opportunity. If the stand is thinner than the optimum 2-3 plants per foot of row, the plants will produce secondary branches as needed. Since the secondary braches were produced later than the main stem, they will need more time to mature at harvest. This often means terminating the crop with a swather to harvest the crop in a timely fashion.