At Lancaster Cattle Feeder's Day

Cattlemen get scoop on market, management

LANCASTER — Cattlemen from Lancaster and five surrounding counties turned out 160 strong for the Lancaster Cattle Feeder's Day, held Tuesday at the Farm and Home Center

Specialists and experts in the field spoke to the group about the economic forecast of the cattle industry, latest research, and best management practices for profit-making operations

"The decade of the 1980's is one of increasing uncertainty for the meat industry," stated Louis Moore, Penn State Extension economist

Some of the reasons behind this uncertainty, he listed, are the new power base in Washington; the Russian grain embargo; the sharply lower U S. grain harvest, inflation; the high cost of energy, with gasoline prices predicted to hit $1.50 a gallon this summer; and the lower consumer buying power.

"We're living in a time of stagflation," he explained. "Our economy is stagnant and inflation continues to increase .

"In 1978, food prices rose 10 percent while the consumer's disposable income rose 12 percent. The forecast for food prices in 1981 call for a 12 to 15 percent increase, with disposable income only coming up to 9 percent.

"What this means is the consumer is going to scream about food prices; and as a result of higher prices, eating habits are going to shift."

Moore told the cattlemen the outlook for cattle prices in 1981 is for a stronger market. However, he also pointed out the cost of producing beef will also be on the rise.

Some of the factors behind his prediction included the high price of corn.

After the 1980 harvest, which was down 19 percent, he said cattle feeders are cautious about putting the high-priced grain through cattle. The corn carryover for next year is only forecast to be 544 million bushels — about a three and a half week's supply Coupled with this is the fact that the federal government plans to export 2.6 billion bushels of corn despite the shortage potential

These factors will keep the corn prices strong, Moore said A 7 7 billion bushel harvest is needed in 1981 to pull the corn supply out of the hole And with water shortages already on the horizon for 1981, Moore said, "I'm not optimistic about this year's grain crop "

Cattle numbers are up only 3 percent nationwide, he said And with the current population growth, the beef supply will continue to be under demand. This will result in a rise in beef prices, with the 1981 retail price forecast to reach $2.70 a pound on the average.

This high price in retail beef, Moore explained, will lead consumers to purchase cheaper meat, like pork and chicken. "There's nothing we can do about that except produce more beef," he stated.

"The uncertainties in the cattle feeding business get greater every year," Moore conceded. One bright glimmer from his "crystal ball" was his futures prediction that fed cattle prices will be higher by next fall, going from $67.50 next month up to $69.00 in April, then leveling off to around $75 00 in August through October

"With the high corn prices, we'll be seeing more cattle coming off grass and heading for the packers," Moore concluded "This will eliminate those Yield Grade 4's and 5's that the packers don't want anyway "

Animal scientific Harold Harpster, of Penn State, informed the cattle feeders statistics show feed costs make up 60 to 70 percent of the cost of raising beef He pointed out corn is hard to top for total energy per acre as livestock feed.

"Whole plant corn silage is "king", Harpster said. "If you feed only the grain, you're losing 50 percent of

Lou Moore

Harold Harpster

the potential dry matter "

Some disadvantages of harvesting corn for silage, Harpster pointed out, are the limited resale potential of silage, its short life when removed from the silo; the cost of handling the water in the 35 percent dry matter products; and the lower dry matter intake than hay.

A plus for silage, however, is the less risk of weather damage to the corn, he said, along with silage's maximum nutrient level and its ideal ration-mixing quality.

Harpster discussed the latest research developments in beef feeding He cited studies on buffers, recently claimed to increase weight gains in cattle, which do not confirm that the "antacids" are significantly effective in putting on pounds He noted positive results were found most often in cattle fed a high-concentrate ration and on stressed calves And, buffers work best when fed early in the fattening program

Concerning the growth supplement, Rumensin, Harpster commented, "Rumensin is extremely beneficial. Anyone feeding cattle should be using it "

Along with its effect on decreasing the dry matter intake and decreasing the amount of food for each pound of grain, recent studies by the University of Pennsylvania show Rumesin also has a protein sparing effect, lowering the protein requirements of the animal

Harpster concluded by bringing the cattlemen up-to-date on the benefits of feeding distillers' byproducts. He stated distillers' dried grains, distillers' solubles, and a combination of the two all have a 30 percent protein value One problem in feeding the byproducts is the amount of water that would be handled and taken in by the livestock, he cautioned.

K.C Williamson, VPI Animal Science Marketing Specialist, spoke to the group about the university's attempts to develop an electronic marketing system for slaughter cows He noted the USDA-supported venture has not succeeded at the present time due to technical problems and market reluctancy.

Wrapping up the day was a panel discussion by feeders and one packer about their efforts in the industry

Lancaster County's David Buckwalter, R3 Lititz and J Glenn Wissler, R1 Ephrata, spoke of their experiences in raising beef market animals Both stated their intentions to feed more roughage to their cattle than in years past because of the high cost of corn and the consumers' dislike for fat

"Our modern-day fast food chains demand lower quality beef," said Buckwalter, "so I'll feed roughage to produce a lean carcass. I can't feed $4 corn to 65 cent steers It takes 8 to 15 pounds of grain to produce one pound of beef "

Wissler agreed, stating. "You can get more tonnage of beef by feeding the whole corn plant "

Mike Silverberg, of Moyer Packing, reinforced the feeders' sentiments on the market place demanding lean beef when he told the group Moyer was discounting yield grades 4 and 5 by 15 cents at the market that day

'The packer is looking for leaner beef with less marbling," he said He pointed out the federal grading standards for beef are calling for lower quality beef, in the Good grade, to be in the Choice bracket once the proposed revisions are adopted ' This should allow less heavy cattle to grade," he said. 'You cattle feeders got rid of your gas-guzzling cars — now get rid of your Y-4's."

Silverberg also noted packers are looking for cattle weighing around 1000 pounds

"Those 1300 pounders are too big Chain stores want cattle no more than 1225 pounds and prefer them around 1050 pounds "

Silverberg, who emphasized the packer is on the side of the cattle feeder, urged the group to learn how to yield grade their cattle on foot He concluded by asking them to market fed cattle all year round. "You market too many cattle from May through August "