


RCMA Offers Proposal



Beef Briefs
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VALUES FOR CALF BIRTH WEIGHT

The evidence continues to mount that the use of EPDs in the selection of beef cattle is the most accurate means of predicting performance that we have available.

A recent report from Colorado State University has shown that fetal growth rate during gestation will be different for calves sired by bulls with different EPDs for birth weight.

In this study, two groups of cows were randomly allotted and bred to either a high birth weight sire (+12.7 lbs. birth weight EPD) or to a low birth weight sire (-6.5 lbs. birth weight EPD.) Starting on day 85 of gestation and every 21 days thereafter, a fetus was removed by Caesarean section to determine fetal growth rate.

In the high EPD group, the maximum rate of growth was attained on day 230 of gestation and was .69 pounds/day for bulls and .59 pounds/day for heifers. In the low EPD group, the maximum rate was attained on day 217 at .66 and .60 pounds per day. Further, once the maximum rate was reached, the low EPD group had a faster rate of decline in growth rate.

The average birth weight for those going to term was 14.6 pounds lighter for the low EPD group. The predicted difference based on the EPDs was 19.2 pounds.

In summary, the calves from the low EPD group reached their maximum rate of growth sooner, had a slower rate of growth during gestation, and were significantly lighter at birth than those from the high EPD group. Here again is evidence

to support the use of EPDs for beef cattle selection.

Finishing calves or yearlings

A recent report on a 5-year study from Nebraska has shown that feeding calves may increase efficiency, but ownership and other costs are increased.

The study compared 489 calves and yearlings for feedlot performance and feeding costs. They found it took twice as long to finish the calves, but they consumed less feed on a daily basis and converted feed to weight gain more efficiently. The calves were also fatter at slaughter and had a higher percentage grade Choice than yearlings.

Average daily gain was greater for the yearlings and health costs (including death loss) was 50 percent less, but they averaged about \$150 more at purchase. However, since they were owned for a shorter period of time, the interest cost on the yearlings was less and total cost per head was about \$100 less. In addition, for those lots with a fixed overhead cost for feeding, the fewer days on feed was an advantage for the yearlings because the lot could be refilled more times during the year.

As always, there are several costs that must be considered in determining profitability of cattle feeding: the cost of the calf, the cost of feed, and the cost of ownership. This study is an example of the compromises the feeder must make for higher calf costs when buying yearlings. However, it appears there is evidence to support the purchase of yearlings because of the faster gains, lower health costs, and fewer days of ownership.

ALBANY, N.Y. — Milk prices for dairy farmers have dropped drastically in recent months. The Minnesota-Wisconsin price, the major factor in establishing farm prices for milk across the United States, announced on November 5, dropped \$2.02 from the previous month to \$10.48 per hundred pounds of milk. This is the largest one-month drop on record.

By the end of the year, economists expect the Minnesota-Wisconsin price to be \$5 less than the price in December of 1989. Further price declines are predicted for 1991.

The Regional Cooperative Marketing Agency (RCMA) is offering a proposal to soften the drop in milk prices. RCMA, with 22,000 dairy farmer members in the 11 states of the Northeast, has worked in the past to raise income for its dairy farmer members. When milk prices were low from 1987 through 1989, it distributed \$70 million in premiums to its members to supplement their income. Once again, RCMA wants to help maintain dairy farmers in business.

RCMA's proposal to milk handlers is to limit the impact of the M-W price reduction on Northeast dairy farmers by establishing target prices on Class I (milk used for fluid consumption) and Class II (milk used for products such as cheese, ice cream and yogurt) for 1991. When the M-W price drops below these target prices, RCMA premiums would trigger in, making up the difference. When the M-W price is above these levels, the proposed premiums would trigger out. RCMA would agree to maintain

these target prices for calendar year 1991. This provides handlers with clear knowledge of what the RCMA premiums would be for the coming year.

This pricing proposal was approved by RCMA's Board of Directors at a meeting on Nov. 9 in Albany, N.Y. The target prices were not stipulated by the board, but will be the subject of negotiations between RCMA and milk handlers.

RCMA's proposal has received support from Commissioner Richard McGuire of New York's Department of Agriculture and Markets. The commissioner has pledged to do everything he can to help RCMA implement its proposal.

"I support RCMA in the past, and will continue to support it and work with it to obtain its goals," the commissioner said.

"There is obviously a great deal of concern that the low prices will drive many dairymen out of business and create another shortage of milk in the Northeast," said RCMA President William G. Zuber, a dairy farmer from Churchville, N.Y. "This would have a devastating impact on the rural economy of the region."

In addition to falling milk prices, dairy farmers will have to pay a new assessment under the 1990 Farm Bill recently passed by Congress. During 1991, farmers will have to pay 5 cents per hundredweight of milk. From 1992 through 1995, they will have to pay a minimum of 11 cents per hundredweight. These assessments are to meet the Gramm-Rudmann requirements for budget deficit reduction.

"Many dairy farmers can't afford to stay in business at price levels that are predicted for 1991," said RCMA Executive Director Carmen L. Ross. "If large numbers of farmers go out of business, consumers and processors are the losers, too, because they lose the benefit of a fresh, locally produced supply of milk. RCMA is working to maintain a stable dairy industry in the Northeast."

Coalition Responds

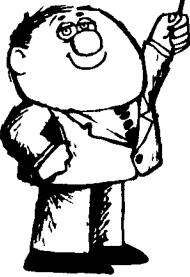
WASHINGTON, D.C. — Spokespersons for the Dairy Industry Coalition responded immediately to a report issued last week by the research arm of Congress that was critical of the Food and Drug Administration's testing methods used to detect certain animal drug residues in milk.

In his appearance on the "Today Show," Jim Barr, Coalition's spokesperson and National Milk Producers Federation CEO, emphasized that no one, including the GAO was questioning the safety of the milk supply.

Barr was quoted in Associated Press saying, "Milk is one of the most tested foods Americans consume. The industry is constantly working with farmers, milk processors and state and federal governments to refine the testing procedures that guarantee the purity of the milk supply from cow to consumer."

The Dairy Industry Coalition is dedicated to reaffirming the dairy industry's commitment to the safety of milk and milk products.

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