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A LITTLE BIT COUNTRY
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From Trees to Cows

Diversity will best describe the topics in this week's column. Let me first cover a tree problem, and then I will hit the beef cattle market outlook as it pertains to our cow/calf industry.

This has been a very unusual growing season. But then again, how many are usual or close to being average. According to the North Dakota Agricultural Statistics Service, rainfall during this growing season is nearly three inches above normal. With that has come a lot of days with heavy early morning dews and high humidity throughout the day. Such a weather pattern usually favors fungal development and plant diseases.

Fortunately this weather pattern appears not to have seriously affected our cereal crops but producers are still several days away from putting harvest machines into the field.

However, the 2010 weather pattern has been favorable for a tree disease that is really not common to this area. I am speaking of anthracnose. When it occurs in this area, it is usually early in the season when temperatures are relatively cool, rainfall is more common, and early morning dews are the norm.

Fungal infection of leaf and sometimes stem tissue occurs over a wide temperature range if plant surfaces remain wet for several hours. Symptoms develop rapidly at temperatures of 70 - 85°F, but lower temperatures (60 - 70°F) promote the greatest eventual severity of the host plants.

The classic symptom is brown, dead, distorted leaf tissue. Leaves may have brown blotches associated with leaf veins. Sometimes these leaves fall prematurely.

At this time of year there are few management options. Some have suggested raking and destroying fallen leaves may reduce infections. Our foresters at North Dakota State University indicate this may be a good practice, but there is no research substantiating the claim. When anthracnose repeatedly infects trees, fungicide protectant sprays can be used. The first of three applications should be made as the buds begin to swell in the spring.

Optimism for Fall Calf Market

More often than not, over the past 20 years, contracted calves marketed in the summer months have garnered high prices than those sold off the cows in the fall. Like 2003, things could be reversed this year. There are a number of factors which favor the fall market.

First, there are fewer calves available. Industry analysts say the 2010 calf crop is down 400,000 head this year. Along with generally fewer older feeder cattle, the total supply is down one million head compared to last year.

Second, there are less drought areas this year and holding over feeder calves last fall and winter was profitable. With this in mind, cow/calf managers will have a tendency to hold their calves longer, thus spreading the supply over a longer period of time. It is also speculated that summer stocker operations may want to buy their needs in the fall rather than waiting until spring when calves have proven to be of higher value.

A huge variable to fall calf prices is the corn market and its relationship to the wheat market. If concern over global wheat supplies level off and the harvest comes in as predicted one would expect corn prices to be favorable to calf prices.

For a more long term outlook, the Livestock Marketing Information Center at Denver reports that 2010 heifer placements into feed yards have averaged 37.02 per month. This is the second highest percentage of heifer placements in history for the first seven months of the year surpassed only by the liquidation occurring in 1997 when monthly placements averaged 37.22 percent. Over a nineteen year period, beginning in 1990, the average feedlot heifer placement was 33.7 percent. Additionally, producers have been aggressively responding to the grind market.

From the supply side, cow/calf cattlemen have reason to be optimistic that they can “heal-up” from their increasing costs of production.