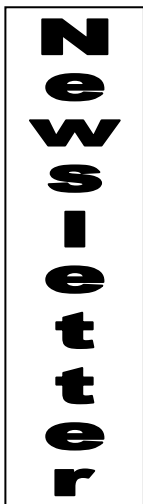


Texas AgriLife Extension
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Beef & Forage Newsletter

Cow Calf Market Forecast

The volatility of the beef market continues to create confusion on what is really happening in the industry. As we look at market fundamentals, we can see that the outlook has great potential to remain at a favorable level and could even improve.

The latest numbers indicate that the U.S. average 550 pound steer calf price is averaging near \$121 in 2010 compared to \$110 last year, and the 750 pound feeder steer price has averaged \$107 compared to \$97 last year. This coupled with reports showing that cow slaughter is up 11% from a year ago and heifer replacements are at their lowest levels in 20 years, indicates that the herd will be smaller as we move forward. Although domestic beef demand remains soft, the export markets are improving and projected to increase over the next 12 months.

The down side to all of this is that costs of production are expected to increase as well. The corn harvest is smaller than expected causing a rise in corn prices. Production costs have increased 38% in the last ten years, which adds to the financial risk associated with cow calf, stocker and feedlot segments of the beef industry. Managing risk through drought insurance coverage and participating in the market could insulate producers from weather related and market related risks. Production efficiency will also be critical as we move forward. Accounting for costs and insuring that there is a return associated with these costs will determine an operations level of profitability.

Wharton County Cow Calf Clinic

**September 23, 2010
Heritage Ranch Sale Facility
1832 FM 1161
Hungerford**

Wharton County Cow Calf Clinic

The Wharton County Cow Calf Clinic will be held at the Heritage Ranch Sale Facility in FM 1161, Hungerford, on September 23rd. Registration will begin at 5:30 and the clinic will begin at 6:00 p.m. Topics for this year's event are as follows:

- \$\$ Heifer Replacement Strategies and Considerations**
- \$\$ New Developments in Risk Management for Cattle Producers**
- \$\$ Identifying Cull Cows to Maximize Value**

These topics are timely as we look at the current market trends for both calves and cull cows. Even looking forward, there is an opportunity to capitalize if we position ourselves such that we can take advantage of the new insurance opportunities that will be discussed at this year's event.

As always, the event will conclude with a ribeye steak dinner prepared by the Extension Beef and Forages Committee. A \$10 registration fee will be collected at the door. 1.5 Beef Quality Assurance Credits will be provided at this event. Reserve your place before September 21st by calling the Extension office at (979) 532-3310. Or email: jlbosch@ag.tamu.edu ♦

New Risk Management Opportunities

Pasture, Rangeland, and Forage Rainfall Insurance (PRF-RI) has been available for surrounding counties for the past several year as part of a pilot program. This program has now gone statewide and includes Wharton County. PRF-RI is a Group Risk Program (GRP) based on outcomes for a specific area, and are simpler for The Risk Management Agency of USDA to administer and cheaper to operate. This insurance program is available through existing crop insurance companies. While other GRP policies that are offered through private insurers are based on yields of a specific crop in a specific area, the PRF-RI program does not insure forage yield production for any area. Rather, it provides insurance based on rainfall received within a specific geographical area for a specific time interval. Rainfall insurance coverage can be purchased on each of the following crops.

- ♦ Grazingland
 - Established acreage of perennial forage
 - Intended for grazing by livestock
 - Acreage must be suitable for grazing
- ♦ Hayland
 - Established acreage of perennial forage
 - Intended for haying
 - Acreage must be suitable for haying

The deadline to sign up for this program is September 30, 2010 for the 2011 year. Producers can contact any of the area crop insurance agencies to sign up for the PRF-RI program. This topic will be discussed in much greater detail at the upcoming Wharton County Cow Calf Clinic on September 23rd. I encourage anyone that is interested to attend this meeting to gain more information in an effort to make an educated decision. If you are unable to attend this event, contact a crop insurance agency to learn more about this program.

Agricultural Waste Pesticide Collection Program

The Texas Commission on Environmental Quality will hold an Ag Waste and Pesticide Collection on Thursday, October 5, 2010 at the Needville Youth Fairgrounds, 13631 Highway 36 in Needville.

Items that will be accepted include:

- Pesticides (herbicides, fungicides, insecticides, rodenticides, livestock pesticides, plant growth regulators, and harvest aids)
- Gasoline/ Diesel Fuel
- Transmission Fluid
- Brake Fluid
- Power Steering Fluid
- Anti-freeze
- Lead-acid Batteries
- Oil/ oil filters/ grease

The following will not be accepted:

- Tires
- Propane/ butane tanks larger than standard 20 lb capacity
- Radioactive material
- Explosive materials
- Fertilizers that are neither hazardous nor contain pesticide admixtures
- Nutrient materials that are neither hazardous nor contain pesticide admixtures
- Biomedical waste
- Ammunition

TCEQ cannot accept waste from:

- Chemical dealers or distributors
- Chemical manufacturers
- School chemistry or biology labs
- Applicators regulated by the Texas Structural Pest Control Service
- Oil and oil filters from businesses that change oil for a fee

For more information contact the Texas Commission on Environmental Quality (512) 239-3143 or the Fort Bend County Extension Office (281) 342-3034.

Peter J. McGuill
County Extension Agent – Agriculture
Texas AgriLife Extension Service
Wharton County

Extension programs serve people of all ages regardless of socioeconomic level, race, color, sex, religion, disability, or national origin. The Texas A&M System, U.S. Department of Agriculture, and the County Commissioners Court of Texas Cooperating.