



Nuttin' but News

Caddo County OSU Extension Center



AGRICULTURAL NEWSLETTER

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

201 W. Okla., Anadarko, OK 73005 405/247-3376

<http://countyext.okstate.edu/caddo>

October 2007

Upcoming Agricultural Events

- Oct. 9 - Ornamental Plant Materials / Best Western Hotel / **Stillwater, OK** / Registration call 405-744-5404 Cost \$140
- Oct.. 10
- Oct. 15 Caddo County Cattlemen's Assoc. Winter Educational Meeting / Caddo-Kiowa Technology Center / **Fort Cobb, OK** / 6:30 pm
- Oct. 16 - Oklahoma Governor's Conference on Biofuels / Sheraton Hotel / **Oklahoma City, OK** / Registration 800-203-5495 / Cost \$45
- Oct. 17
- Oct. 20 Aromatic Cedar Association Annual Conference / Pioneer Area Vo-Tech / **Ponca City, OK** / Registration \$25 / www.acedar.org
- Oct. 23 - 28th Annual Governor's Water Conference and OWRI Research Symposium / Renaissance Hotel / **Oklahoma City, OK** / \$525.00 / Register online at: <http://environ.okstate.edu/OKWATER/>
- Oct. 25
- Oct. 25 Central Oklahoma Cattle Conference and Trade Show / Lincoln County Agri-Civic Center / **Chandler, OK** / \$15

Watch for Fall Armyworms in Wheat!

There have been several reports from all over southwest Oklahoma of fall armyworms in the seedling wheat. We have had excellent weather for fall armyworm moths this summer. Fall armyworms can kill seedling wheat, so newly planted fields need to be carefully watched for several weeks after emergence. Fall armyworms are most active in the morning or late afternoon. Look for leaves that have had all of their green tissue removed, which gives the leaves a "window-pane" appearance. Look for the worms in the whorl of the wheat seedlings. The economic threshold is normally 2 to 3 per foot of row, with current wheat prices...you may want to spray even if you have fewer than 2 per foot of row. Fall armyworms are easier to control when they are small (less than 1/2 inch long). There are several labeled insecticides for wheat including; Warrior, Proaxis, Bathroid XL, Lannate LV, Tracer, and Mustang Max.

Noble Economist to Speak at Caddo County Cattlemen's Meeting.

We have re-scheduled Job Springer, Noble Foundation Agriculture Economist to come and speak to the Caddo County Cattlemen's Association at our October meeting. Mr. Springer will be discussing whether (or not) producers should retain stockers this fall as well as update the group on the cattle markets. Chuck Coffee, Noble Foundation Forage Specialists will also be on hand to discuss hay quality and winter feeding.

The meeting will be held at the Caddo-Kiowa Technology Center in Fort Cobb on Monday night October 15th at 6:30 PM. There is no charge to attend, the meal will be sponsored by Farm Credit of Central Oklahoma. For more information contact the Caddo County OSU Extension Office 405-247-3376.

Wheat Pasture Grazing Prospects

Dr. Derrell Peel, OSU Livestock Marketing Specialist

As wheat producers struggle to get wheat crops established this fall, many are considering the prospects for grazing stocker cattle on wheat this winter:

Winter Grazing, Early November – Early March

- Purchase 450 pound steers @ \$134/cwt.
- Gain 2 lbs./day for \$0.40/lb. of gain
- 2 % death loss, \$12/head Vet/Med
- \$4.50/head/month other costs
- 10 % Interest, \$15/head marketing
- **Sell 688 pound steers after 119 days**
- **Selling Breakeven \$112.69**

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Grazing Wheat (from page 2)

At the current time, March Feeder Futures are trading at about \$112.00/cwt. The March basis for a 688 pound steer is estimated conservatively at \$3.50/cwt, which means that it is possible to hedge a 688 pound steer now for sale in March at \$115.50/cwt.

The hedge price compared to the selling breakeven implies a return to the cattle of \$2.81/cwt. or 19.33/ head. For the wheat producer grazing owned wheat, the budget is also providing a return of \$0.40/ pound of gain to the wheat, which is an additional \$95.20/head. Thus the total return to cattle and wheat is \$114.53/head

Since some additional wheat production expense should be charged against the grazing enterprise to cover the additional seed, fertilizer and other wheat production costs for grazing, the producer may want to look at the grazing activity on a per acre basis rather than per head. Assuming a stocking rate of 1.6 acres per steer (roughly 280 pounds of live-weight per acre), the wheat pasture returns above are equal to \$59.50/acre and the total return to cattle and wheat pasture is \$71.58/acre. These returns should be evaluated against the additional wheat production costs and potential yield losses associated with grazing.

The budget above also includes a labor charge for animal care so the producer providing all the labor for stocker production is also paying himself about \$12.00/head (or \$7.50/acre) in labor returns in this budget.

The projected returns in this budget are based on hedging March Feeder cattle at current futures prices. If a producer does not actually hedge the cattle, there is risk that the feeder cattle market in March will not be at the levels projected in this budget. There is a significant risk of another corn price shock to feeder cattle markets in the spring. If it happens, it may not last very long, but the timing may be critical given the need to remove wheat pasture cattle at first hollow stem. The market today offers an opportunity to significantly reduce this risk by forward pricing the cattle with a futures hedge or perhaps by forward cash contracts with feedlots.

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Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U. S. Department of Agriculture, Dr. Robert Whitson, Director of Oklahoma Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Dean of the Division of Agricultural Sciences and Natural Resources at a cost of \$6.20 for 300 copies.