



Master Cattleman Quarterly

March 2025, Vol. 66

Inside this issue:

Oklahoma Quality Beef
Network Sees Highest Pre-
miums Yet During 2024 2

It's OK to Give it Away:
Lifetime Gifts as Part of
Your Transition Strategy 3

Foot And Mouth Disease 5

How is this Cattle Cycle
Different from the Last
One? 6

Fun & Unusual Cow Facts 7

Cow Calf Boot Camp to be
held in Kingfisher in April 8



Spring Management Planning for Cow/Calf Producers

Brian Freking, SE Area Livestock Specialist

With the spring calving season eminent and many producers looking toward branding time for the calf crop, now would be a good time to review the spring season and look toward summer management issues. Here is a check list of items that might be considered:

A good place to start this exercise is the calving season. Was there a pattern to calf death losses? If the losses were primarily in first calf heifers, was it due to large calves? If so, one may want to consider switching to a low birth weight or better calving ease direct EPD bull for the heifers.

- **Are the heifers under-developed?**

A general rule of thumb used by cattlemen is that heifers need to be at least 65% of their projected mature weight at breeding. That development must continue through calving, as they should be at 85% of the mature weight by calving. That means a heifer projected to be about 1200 pounds when mature needs to be at least 1020 pounds at the time of her first calf.

- **Are the cows in good body condition at calving?**

This is important not only in getting the cow re-bred in a timely fashion, but also a factor in producing a vigorous calf with a good immune response to health challenges.

- **Post calving nutrition:**

Remember that the nutritional requirements of the cow increase significantly after calving. A 1200 lb. cow producing 20 lbs. of milk daily; will need 3.1 lbs. of

protein and 18.1 lbs. of TDN. It is important to keep the cow in good body condition through the breeding season in order to maintain a yearly calving interval. Monitor the body condition throughout the summer into fall. It will be much easier and economical to add condition to the cow in late summer and fall as opposed to trying to improve condition next winter!

- **Length of breeding season:**

Do you have a confined breeding season? Year-round calving is common and we sometimes see the length as short as 45 days. A breeding season of 60-90 days is achievable and realistic. Consider moving toward a confined breeding season using a three year transition period. The Oklahoma Beef Cattle Manual details a plan for making that change. A controlled breeding season will produce a more uniform calf crop, increasing the value at weaning. Calves can be worked at one time and in a timely fashion. Cows can be managed more efficiently as they will be in a similar stage of production with similar nutritional requirements.



Oklahoma Quality Beef Network Sees Highest Premiums Yet During 2024

Kellie Curry Raper, Livestock Marketing Specialist, Oklahoma State University

Oklahoma Quality Beef Network (OQBN) producers in 2024 were rewarded with the highest overall average premium in program history at \$22.12/cwt (Figure 1). OQBN is a third-party certified VAC-45 preconditioning program offered through Oklahoma Cooperative Extension. Producers follow an OQBN calf health management protocol to qualify for OQBN certification. Extension personnel provide guidance to producers and certification to potential buyers that protocols have been followed. OQBN premiums reported here are measured as the weighted average premium for OQBN VAC-45 calves relative to non-preconditioned calves of the same sex and weight class at the same sale.

OQBN feeder steers earned an average of \$23.36/cwt more than non-preconditioned calves. The weight range for OQBN steers was 400 to 799 pounds with nearly 40% of those in the 600-699 pound category (Table 1). Premiums ranged from \$10.04/cwt to \$37.56/cwt across those weights (Figure 2). OQBN steers averaged increased revenue of \$150.73 per head.

OQBN heifers averaged \$19.39/cwt over non-preconditioned heifers. Heifer weights ranged from 300 to 799 pounds with a tighter premium range than steers. Premiums ranged from \$9.11 to \$24.45/cwt. On average, heifers brought \$106.03 per head in increased revenue compared to non-preconditioned heifers. Historically, lighter weights have tended to bring higher premiums per cwt. That pattern is not as evident in this year's data. For steers, 4-weights and 7-weights brought the highest premiums per hundredweight, but there is no clear pattern for heifers.

OQBN's 2024 fall marketing season included 7 fall sales across 6 Oklahoma livestock markets with total enrollment of 2,091 head. 2024 data includes 7,900 head marketed in 1,014 lots, including 94 OQBN lots. As expected, sales with more OQBN calves or other preconditioned calves tended to have higher premiums for those calves, as those sales usually attract a larger number of buyers to compete for preconditioned calves.

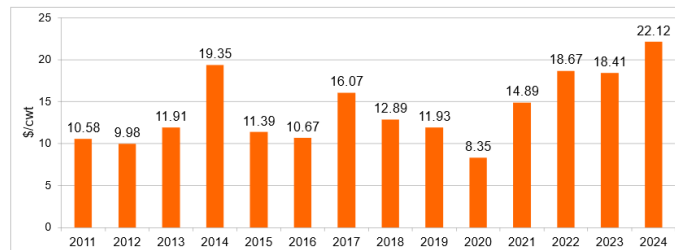
Certified preconditioning programs are one strategy for cow-calf producers in marketing their calves. Past OSU research indicates that 80% of the time, certified preconditioning nets positive returns. Every producer's situation is different. Different resources. Different constraints. Different opportunities. We encourage you to assess your situation and implement recommended calf health management practices to the fullest extent possible. These practices can not only enhance your bottom line, but they also benefit the beef supply chain as a whole – which is why many buyers are willing to pay more for calves with these management attributes. Calves are healthier, grow better, and ultimately result in higher quality beef for consumers. OQBN has no minimum requirement on number of head enrolled, so making it accessible to all producers, large and small. More information about the OQBN protocol, past market premiums, upcoming marketing opportunities, program enrollment and Extension educator contact information can be found at <https://extension.okstate.edu/programs/oklahoma-quality-beef-network/>.

| Table 1. OQBN Weight Distribution and Average Premiums, 2024 | | |
|--|----------|----------|
| Distribution of OQBN Cattle Across Weights | | |
| <u>Weight class (lbs.)</u> | Steers | Heifers |
| 300-399 | 0% | 1% |
| 400-499 | 12% | 15% |
| 500-599 | 22% | 60% |
| 600-699 | 39% | 23% |
| 700-799 | 26% | 1% |
| Average Premium Relative to Non-preconditioned Cattle | Steers | Heifers |
| \$/cwt | \$23.36 | \$19.39 |
| \$/head | \$150.73 | \$106.03 |

Oklahoma Quality Beef Network Sees Highest Premiums Yet During 2024 (cont.)

Figure 1

OQBN Premium over Calves Marketed with No Preconditioning (\$/cwt)* All calves, 2011-2024



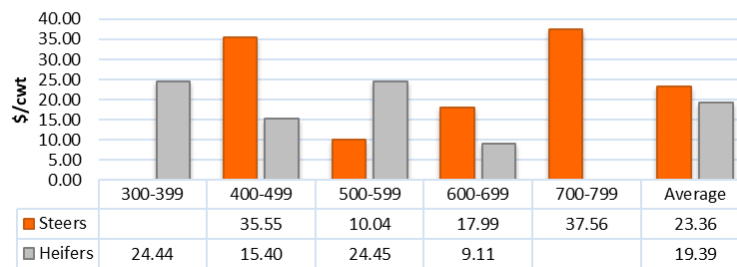
*Premium is weighted average premium for preconditioned calves relative to nonpreconditioned calves at same sale.
Source: K.C. Raper and D.S. Peel, Historical OQBN data collection



EXTENSION

Figure 2

2024 OQBN Premiums by Weight Class and Sex



It's OK to Give it Away: Lifetime Gifts as Part of Your Transition Strategy

JC Hobbs, Associate Extension Specialist, Shannon L. Ferrell, Professor, Agricultural Law

A lifetime gift (versus estate transfer) of farm assets might be one of the most underrated and underused farm transition tools that exists.

Ranchers may wonder if they should pass assets through their estate or to give them to successors during life. Many agricultural producers let the tax tail wag the transition dog in these decisions, but it doesn't have to be that way. Lifetime giving provides benefits both to the donor and the recipient, and if handled properly, tax issues don't have to get in the way of a lifetime gift.

Perhaps the most important attributes of a lifetime gift are certainty and control. A donor can ensure a lifetime gift reaches its intended recipient and can work to resolve any problems that may arise in the transfer. Further, they don't have to rely on an executor, trustee, or other party to complete the transfer. The donor can pro-

vide their expertise and experience to help the recipient manage the asset. These are also advantages for the recipient. They don't have to worry about the uncertainty of whether the gift will reach them through a probate or trust distribution process – they receive the asset directly from the donor. They don't have to worry about what happens if the donor “never gets around to” putting the legal tools in place to make the gift happen. Finally, while estate gifts obviously cannot take place until the unknown (and unknowable) date of the donor's passing, a lifetime gift can be made at a defined time.

What about the tax implications of lifetime gifts? Let's look at the current estate and gift tax landscape. The federal estate and gift tax credit (also called the “unified credit”) allows an individual to make estate transfers and/or gifts totaling \$13,990,000 without any

It's OK to Give it Away: Lifetime Gifts as Part of Your Transition Strategy (cont.)

estate tax. Two married people can combine their limits to pass \$27,980,000 without any estate tax. We can also “step up” the tax basis in property to the current fair market value of the property at the date of death if the property is transferred after death. For lifetime gifts, the current gift tax exemption is \$19,000 per year, per person. This means someone can gift \$19,000 per person to as many people as he or she wants without any gift tax. Combined with their spouse, they could gift \$38,000 per year to as many people as they wanted with no gift tax.

Ranchers may shy away from lifetime gifts of land because they are concerned about the capital gains that would be realized if the recipient ever sold the land, and gifting the property while alive would mean the tax basis in the property would not be “stepped up.” Remember: (1) capital gains tax is only paid when the gain is realized, *i.e.* when the property is sold, and if it is intended to be retained by the recipient, the gain would not be realized; (2) capital gains tax is always paid at a rate lower than the taxpayer’s marginal tax rate. Ranchers may also worry the \$19,000 gift tax exemption is a ceiling above which gift tax is paid. However, remember that the estate and gift tax credit is exactly that – a credit for estates *and* gifts. Let’s say a rancher makes a lifetime gift of a piece of land worth \$250,000 dollars. While that’s over the \$19,000 annual exclusion amount, that doesn’t mean they have to pay gift tax on the \$231,000 over the exclusion. It simply means \$231,000 of the \$13,990,000 credit has been used. That leaves \$13,759,000 of credit. So, unless the rancher is concerned that their estate will exceed that amount, they need not worry about the gift triggering any estate or gift tax concerns for them.

We should note that because there was not a step up in the tax basis of the gift, the recipient’s tax basis would be the same as the basis for the donor. If the donor purchased the gifted property for \$50,000 years ago,

that \$50,000 tax basis remains the tax basis when the gift is received by the recipient. If the recipient were to sell the land at its current value, they would pay capital gains tax on the \$200,000 capital gain (\$250,000 - \$50,000) but again, that tax would be determined by their marginal tax rate in the year of the sale.

These mechanics remain if the donor makes a gift of depreciated property. Say the donor gifts a tractor with a fair market value of \$250,000, but the donor has taken tax depreciation on the tractor making its tax basis \$0. The donor can still make the gift, no gift tax is owed, \$231,000 of the estate and gift tax credit is used, and the recipient receives the tractor with a \$0 tax basis. If the tractor were sold for the \$250,000, the whole \$250,000 would be considered depreciation recapture (\$250,000 - \$0).

Bear in mind that as this article is written, the Tax Cuts and Jobs Act of 2017 is set to expire on December 31, 2025. If it does, the unified estate and gift tax credit would revert to its 2017 levels adjusted to 2025 inflation. As of right now, if that were to occur the adjusted unified credit amount would cover the estate and gift taxes for approximately \$6,995,000 of estate value; the annual gift exclusion amount would remain \$19,000.

Does a lifetime gift mean there is a possibility that the sale of the gift could trigger some tax for the recipient? Yes. However, if the recipient does not intend to sell the asset but rather intends to use in in the operation for years to come, those tax consequences may be negligible or at the very least deferred. Conversely, the control, certainty, and timing of such a gift could be a huge boon to both the donor and the recipient. This could mean even greater chances of success for the transition of the farm, and the satisfaction of the giver as they get to watch their gift make a positive contribution to the farm and their family.

"If you're ridin' ahead of the herd, take a look back every now and then to make sure it's still there" ~ Will Rogers

Foot And Mouth Disease

Barry Whitworth, DVM, MPH, Senior Extension Specialist, Dept. of Animal & Food Sciences,

The World Organization for Animal Health confirmed an outbreak of Foot and Mouth Disease (FMD) in cattle in Hungary on March 6, 2025. The last reported case of FMD in Hungary occurred on December 31, 1973. This is following a previous reported case of FMD in Germany on January 10, 2025. Hungary has not seen a case of FMD in fifty years and Germany has not had a case in forty years. The United States (US) has not experienced a case of FMD since 1929, but the Hungary and Germany experiences remind all livestock producers in the US that FMD is still a threat to livestock operations.

FMD is a highly contagious viral disease of cloven-hoofed animals. Important livestock species, that can be infected with the virus, are cattle, pigs, sheep, and goats. The disease is not a public health threat. Unfortunately, the disease can spread easily and cause severe economic hardship.

FMD is caused by the Foot and Mouth Disease Virus (FMDV) in the Picornaviridae family. The seven known serotypes of the virus are O, A, C, SAT 1, SAT 2, SAT 3, and Asia 1. Serotype O is the most common. The serotypes have multiple subtypes. The large number of serotypes makes vaccine development difficult since immunity to one serotype does not protect against others.

FMDV can be found in all fluids excreted from infected animals. This includes saliva, urine, feces, fluid from vesicles, semen, amniotic fluid, and aborted fetuses. Expired air from infected animals can transmit the virus in the right environment. The virus can enter the body through inhalation, ingestion, and direct contact with infected animals. The virus can also be spread by contaminated objects and feed.

Clinical signs of the disease can vary between species. The most common clinical sign are blisters or vesicles on the tongue, gums, teats, and the interdigital space of the hooves. Other typical symptoms found are fever, loss of appetite, excessive drooling or salivation, lameness, and decreased milk production in dairy animals. In severe cases, particularly in young animals, FMD can cause heart inflammation, leading to sudden death. Most adult animals recover in two to three

weeks. Although, some animals never return to full production or have permanent issues such as hoof malformation, chronic lameness, chronic mastitis, and weight loss.

FMD is a difficult disease to control. Most animals in the US are very susceptible to FMD. If an outbreak were to occur in the US, the disease could spread rapidly, unless detected early and eliminated. The United States Department of Agriculture (USDA) has worked hard at keeping the disease out of the US. Animal Plant and Health Inspection Service (APHIS) continues to work with the Department of Homeland Security's Customs and Border Protection at screening cargo at the border. The US restricts importation of animals and animal products from areas affected by FMD. APHIS deploys veterinarians worldwide to assist other countries in their efforts to control and eradicate the disease.

If a case of FMD occurs in the US, livestock producers will probably be the first to see it. For this reason, livestock producers should be familiar with the clinical signs of the disease. Any suspicious signs should be reported to their veterinarian. Livestock producers should maintain a good biosecurity plan. A key part of that plan should be to control who may enter their livestock operation. It is especially important to limit those who have traveled outside the US.

FMD is a constant threat to the US livestock industry. An outbreak would have significant economic consequences. US cattle producers should remain vigilant at keeping this disease out of the US. For more information about FMD, cattle producers may want to visit the Secure Beef Supply website at <https://www.securebeef.org>.

How is this Cattle Cycle Different from the Last One?

Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

Drought Caused Low Inventories Both Times, But the Droughts were Different

The current beef cow herd liquidation has decreased the inventory from 31.64 million head in 2019 to the 2025 level of 27.86 million head; a decrease of 3.78 million head or 11.9 percent in six years (Figure 1). This cattle cycle is in the eleventh year since the previous low and the current level may or may not be the low for this cattle cycle. The current beef cow herd inventory is 1.1 million head lower than the previous cyclical low of 28.96 million head in 2014.

There are some similarities between this liquidation and the previous one ending in 2014. Drought caused both liquidations to be deeper, taking the cow herd to lower levels than the industry needed or planned to be. Both resulted in record high cattle prices (for the time) that provided strong incentives for herd rebuilding. However, the drought in 2011-2013 was much more regionally focused with the result that the majority of herd liquidation occurred in the southern plains. The current liquidation has been driven by roving drought since late 2020 that has impacted more producers across much more of the country resulting in a more broad-based liquidation.

Lack of Heifer Retention This Time

Figure 2 shows that the beef cow herd expansions for the previous two full cattle cycles (1990-1996 and

2014-2019) were preceded by increased beef replacement heifer retention. In the most recent cycle, the inventory of beef replacement heifers increased for three years prior to the beginning of herd expansion in 2014. Figure 2 also shows that the beef replacement heifer inventory has decreased for the last four years coming into 2025. Figure 2 assumes that 2025 is the cyclical low but that is not known at this time. The contrast between the

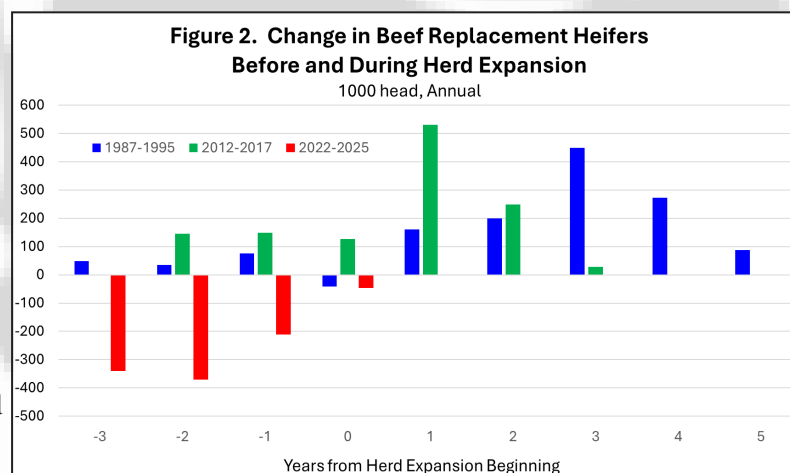
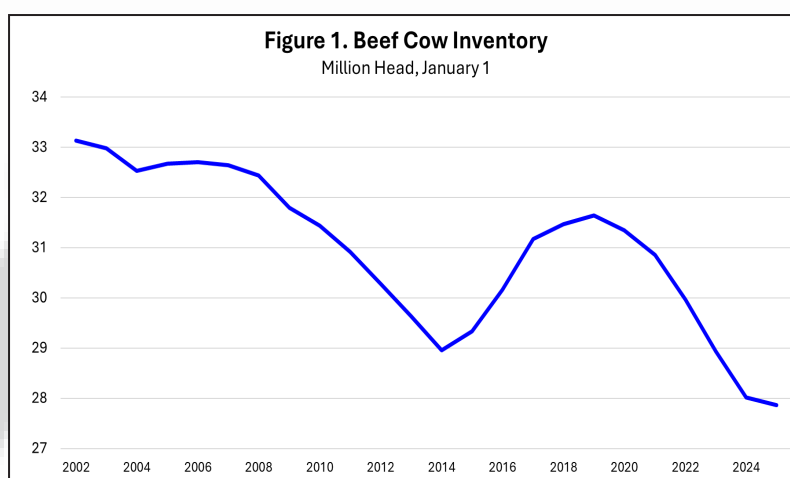
current situation and previous cycles is marked. The industry has decreased replacement heifers the last several years and availability of beef replacement heifers is much more limited now compared to previous cattle cycles.

Numerous factors have contributed to the lack of replacement heifer retention thus far.

These include widespread drought impacts and continuing drought threats along with slow recovery of both forage resources and producer financial conditions. These, along with producers' concern that high cattle prices would be too short-lived to make long-term investment in herd rebuilding worthwhile, have contributed to a very cautious approach to restocking and herd rebuilding.

Planned Versus Impulse Heifer Breeding

The inventory of beef replacement heifers measured by USDA-NASS on January 1 consists of bred heifers (coming two-year olds that will calve this year) and heifer calves to be bred this year for next year. The heifer



How is this Cattle Cycle Different from the Last One? (cont.)

calves to be bred (i.e. in development) make up about 61 percent of next year's bred heifers on average. This means that the inventory of bred heifers in any year consists of replacement heifer calves bred last year plus unplanned (or impulse) breeding of extra heifers that were not designated as replacement heifers at the beginning of last year.

Figure 3 shows total bred heifers each year as the sum of replacement heifer calves from the previous year plus impulse breeding of heifers the previous year. Impulse heifer breeding plays an important part of herd expansions. The sharp increase in bred heifers calving in 2015 was the result of some increase in replacement heifer calves the year before and an even bigger increase in impulse heifer breeding in 2014.

A Partial Timeline Going Forward

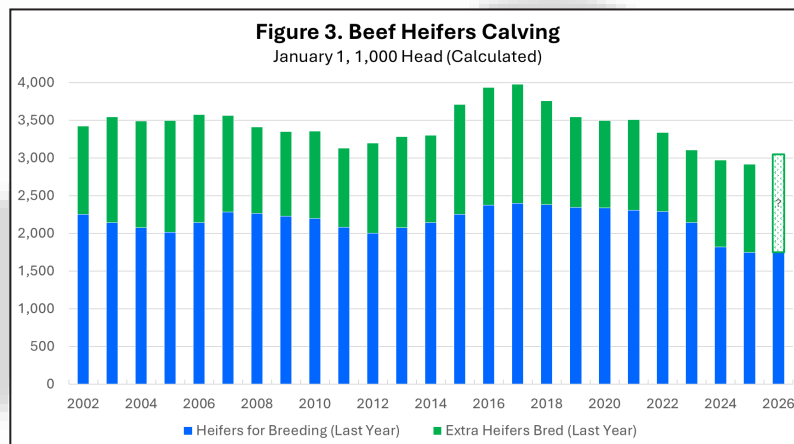
The previous discussion suggests, at least in part, the timeline of beef cow herd dynamics going forward. The inventory of bred beef heifers on January 1 was 2.92 million head, the lowest in available data back to 2001. The number of bred heifers available this year can't really change so what happens to the beef cow herd in 2025 will depend

on beef cow culling. If beef cow culling (slaughter) decreases enough this year, the herd could stabilize or even grow slightly. If, however, drought conditions keep cow culling larger than expected, the beef cow herd may decrease further this year.

The current inventory of replacement heifer calves is 1.75 million head, about equal to one year earlier, and also at a 25-year low. This partially determines possible herd growth in 2026. However, impulse heifer breeding could increase this year with modest prospects for herd growth in 2026. The supply of available heifers (Other

heifers not already in feedlots) that could be bred is limited. Prospects for herd growth in 2026 are relatively limited as well. More potential for herd growth could begin with new crop heifer calves retained in 2025, bred in 2026, and calving in 2027. All of this suggests that significant beef cow herd

growth (and increased beef production) will occur close to the end of the decade at the earliest. Between then and now, the supply of feeder cattle will decrease as heifers are retained, leading to decreased beef production and continued support for elevated cattle and beef prices.



Fun & Unusual Cow Facts

- Some cows are worth their weight in Gold. In 2023 a white cow became the most expensive cow in Brazil. She was a Nelore named Viatina-19 FIV Mara Imoveis who was sold for \$4.3 million at an auction.
- A study by University of Duisburg-Essen researchers in Germany found that cows tend to face either magnetic north or south when grazing or resting, regardless of the sun's position or the wind's direction.
- The Texas Longhorn Cow is descended from a mix between an Iberian breed and an Indian one. These cows take eight to ten years to reach full size, which is anywhere from 800 to 1,500 pounds
- Cows have almost 330 degrees of vision, with blind spots only right in front of and behind them.

Cow Calf Boot Camp to be held in Kingfisher in April

Dana Zook, Area Extension Livestock Specialist

I hope this article finds everyone in warmer spirits after a very cold start to February. Spring is right around the corner, and I want to bring your attention to an educational event that will be held in Northwest Oklahoma in April. This year we are hosting a very popular event called Cow Calf Boot Camp in Kingfisher Oklahoma. This yearly “camp” is an all-encompassing three-day educational opportunity for cow calf producers.

This unique educational opportunity is designed for both beginner and experienced producers who are interested in increasing their level of management and their bottom line. The three days are packed full of hands-on information dealing with nutrition, health, forage management, and economics of cow calf production. At the camp, participants can expect to work “hands on” with live cattle, solve management problems in small groups, and have ample opportunity for questions and discussion. Since 2011, 14 camps have been held and over 560 people have graduated. This camp is known nationwide, and it is common for each camp to host

cattle producers from surrounding states.

This year’s Cow Calf Boot camp will be hosted at the Kingfisher County Fairgrounds in Kingfisher, Oklahoma April 8th-10th. To offer the best experience, we have limited the participation to 50 people at each camp. This gives participants the opportunity to work closely with some of Oklahoma’s best livestock specialists and educators.

If this sounds like something you would be interested in, do not delay. Registration is \$150 and includes educational instruction, 5 meals, and an OSU Beef Cattle Manual. Registration is being handled through the Garfield County Extension Office. To register, contact Dana Zook at dana.zook@okstate.edu or call the Garfield County OSU Extension office at 580-237-7677 for registration and fee information.

Kellie Curry Raper
Agricultural Economics
kellie.raper@okstate.edu



OSU EXTENSION
MASTER CATTLEMAN

David Lalman
Animal and Food Sciences
david.lalman@okstate.edu

Oklahoma State University, in compliance with the Title VI and VII of the Civil Rights Act of 1964, Executive Order 11246 as amended, Title IX of the Education Amendments of 1972, Americans with Disabilities Act of 1990, and other federal laws and regulations, does not discriminate on the basis of race, color, national origin, sex, age, religion, disability or status as a veteran in any of its policies, practices or procedures. This includes but is not limited to admissions, employment, financial aid and educational services. Title IX of the Education Amendments and Oklahoma State University policy prohibit discrimination in the provision or services or benefits offered by the university based on gender. Any person (student, faculty or staff) who believes that discriminatory practices have been engaged in based on gender may discuss his or her concerns and file informal or formal complaints of possible violations of Title IX with OSU's Title IX coordinator: the Director of Affirmative Action, 408 Whitehurst, Oklahoma State University, Stillwater, OK, 74078, (405) 744-5371 or (405) 744-5576 (fax). #5565