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FROM THE RANCH TO THE FEEDLOT- WHAT WORKS AND WHAT DOESN'T?

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It has always been the mindset of ranchers to produce a calf crop as cheap as possible, pass it off to the next phase of production, and then focus on doing the same thing to the next year's production. Asking them to do something that adds value down the production chain that does not add value or saleable pounds at the ranch of origin generally falls on deaf ears. However, in recent years market signals are being sent to not only heighten their awareness of things they can do at the ranch to create value, but in many cases make it a financial incentive to do so. First, ranches need to know how their calf crop fits the needs of the beef industry and learn what creates value in the post-weaning phase of beef production, and only then, can they determine whether or not their genetics and management systems are competitive in the beef marketing system.

The Texas A&M Ranch to Rail program was initiated in 1992 to provide this opportunity for beef producers. Over 1,700 ranches from ten states have participated in this information feedback system. It is not a contest to compare breeds or ranches, but rather a system to let them learn about the feedyard performance of their steers and their carcass traits.

There are two factors that I think make this program different than a lot of the state "steer futurities". We recommend some weaning and pre-delivery management guidelines, however, all we require is they tell us exactly how they have been handled from the day they were born until they arrive at the feedyard. Each entry must be accompanied by a detailed background information form. This information on nearly 20,000 steers is unique and led to the development of our Value Added Calf Vaccination Management Guidelines. The other factor that is unique about our program is we try to sell each individual steer when it is market ready and we sell on a grid with premium and discounts to recognize differences in carcass values.

Over the ten year period the average net return has been $74.54 above what the calves were worth at weaning. The average ranch returns have been profitable seven of the ten years, but what has been interesting is the range in ranch average returns. Each year the range in returns from the high profit ranch to the low return ranch will be $300 to $500 per head. For example, last year the average net return in Ranch to Rail was $142.09 per head. The range in returns per ranch varied from $279.06 to -$248.29 per head. That is over a $500 difference!

Each year a large percentage of these differences have been due to expenses related to death loss and health related factors. Last year, the average medicine cost was $10.06 per head. However, the range for the ranch entries varied from $0 to $59.20 per head.

Steers that got sick not only incurred additional medicine costs, but they also generally gained less, were less efficient and graded lower. Shown below is a comparison of all steers that got sick vs. those that required no treatment at the feedyard.

	Sick	**Healthy**	**Differences**
Head	175	600	
Death Loss	6.9%	0.008%	6.892%
Avg. Daily Gain	2.45	2.85	.40
Total Cost of Gain	$73.34	$ 56.20	$ 17.14
Medicine Cost	$44.55	$ 0.00	$ 44.55
Net Return	$23.43	$174.61	$151.18
Quality Grade			
Choice	41%		56%
Select	54%		41%
Standard	5%		3%

The rate of gain for the sick steers was fourteen percent lower, and their cost of gain was thirty percent greater. Healthy steers produced a higher percentage of Choice carcasses and had half as many Standards. Healthy steers had an average of $151.18 more favorable return. Steers that got sick not only incurred an average of $44.55 more expense in medicine costs, but there was $106.63 in "lost value" ($151.18 - $44.55) due to reduced efficiency, lowered gain and reduced sale value. Calves that got sick were theoretically worth $26.48 less per hundred weight upon arrival than steers that never required treatment. These data confirm that health not only influences the performance of the cattle, but also the quality of the end product.

The background information database showed that certain types of vaccines were more effective than others. The timing of their administration was also shown to be extremely important. Also, days weaned prior to delivery were critical to a successful health program. These data lead to the development of the four vaccination programs shown below:

Value Added Calf-45 (VAC-45)
Value Added Calf PreWean Plus (VAC-Prewean Plus)
Value Added Calf-PreWean (VAC Prewean)
Value Added Calf-PreCon (VAC PreCon)

The purpose of these vaccination options is to add value to the calves by enhancing their immune system to get them ready to face the challenge they will encounter after they leave the ranch.