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Carcass Value Marketing

Dick Kjerstad Kjerstad Feedyard Quinn, South Dakota

Introduction

- A. Importance of individual source identification as it relates to carcass value
- B. Criteria for USDA Quality Grades
- C. Criteria for USDA Yield Grades

Carcass Value Marketing

Individual source identification may be the most important tool we can use when we sell cattle on carcass value. We have proven that genetics of an individual animal has more impact on the value of the carcass than any other single part of growing and finishing an animal for slaughter.

Complete source identification allows us to track an animal from the day they are born all the way to the retail counter. We must be able to not only track but collect data and return the information back to the producer. If the producer receives information and data on their cattle it allows them to make the right genetic decision to produce a carcass that will be the highest return when selling on a value based market. Source identification allows a cow-calf producer to market their feeder cattle in many different ways, without owning them until the finished product and still receive data back to make the very best decision for the next year's breeding program.

Source identification allows a producer to benefit from value based market without taking the risk of feeding their cattle to a finished carcass. During the next marketing season a producer can use the data base to market their livestock.

Neither value based marketing or source identification will produce positive results unless you have done your homework and are using the right genetics for your chosen outcome. There are a number of different formulas for value based markets. These formulas range from very lean to the highest choice quality. All indications would tell us that most of the industry is moving toward a choice quality.

It is important that we understand what the criteria is for determining carcass value. The two most important and most often used is Quality Grades and Yield Grades.

The criteria for USDA Quality Grades are:

1. **Maturity** - If the age of the animal falls in the B. maturity and are Low Choice or Less they all become Standard Grade.

- 2. <u>Marbling</u> Slightly Abundant Prime Modest Upper Choice Small Lower Choice Slight Select
- 3. Color of Lean
- 4. Texture
- 5. Firmness of Lean

We also gave Standard Grade but for the most part there would be very few standard grades other than B. Maturity cattle.

The criteria for USDA Yield Grades are:

- 1. Fat Thickness
- 2. Hot Carcass Weight
- 3. Rib Eye Area
- 4. Percent Kidney, Heart and Pelvic Fat

The yield grades are 1 through 5 with yield grade #1 being the least fat and yield grade #5 being the most fat. The percentage of lean in a retail cut yield grade #1 is between 80.2 - 84.3%. The percentage of lean in retail cut Yield grade #5 is 61.8 - 65.9% with 2, 3 and 4 falling somewhere in between.

I am inclined to believe there is a great future in the Beef Industry for those who are improving their genetic through source identification. We must in the future be more involved in the end product on the retail shelf, such as a brand name product.

Richard and Patty Kjerstad, along with their four son, have a livestock, farming, hardware and lumber operation at Wall, South Dakota.

Richard Kjerstad has served as a Director, Vice-president and is President of the South Dakota Farm Bureau. He is a Director for the Golden West Telephone Company located in Wall.

The livestock operation consists of a cow-calf, grazing, yearlings and a 8, 000 head feedlot. The cattle in the feedlot are all tracked for carcass value and sold on a grid formula.

The farming operation consists of a no-till continuous crop rotation of winter wheat, spring wheat, safflower, sunflowers, millet, corn, peas, and alfalfa.