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G 73-42

(Revised June 1976)

Slaughter Cattle Sale Choices

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Cattle sold for slaughter can be sold either on a live or carcass weight basis. The ability to compare bid price for these two alternatives is necessary if the producer is to receive the maximum return from the cattle being sold.

Slaughter cattle prices are usually determined by the dollar amount that meat processors and merchandisers can realize for the dressed carcass in wholesale channels, plus the byproduct value of the animal. Various USDA livestock and meat trade reports reflect prices of the dressed product and byproducts.

Table 1 is concerned with the range in yields of salable carcasses measured as a percent of net live weight which are associated with various USDA Quality grades. Yield data are particularly valuable when used in conjunction with market reports on dressed meat.

Table 1. Approximate Range in Dressing Percentages of Cattle, Calves, and Vealers, by Grades, chilled weight basis. ^{1/}

USDA Quality Grade	Range %
Cattle	
Prime	60-67
Choice	57-63
Good	56-60
Standard	53-58
Commercial	52-60
Utility	47-55
Cutter	43-52
Calves and Vealers	
Prime	60-66
Choice	56-62
Good	54-58
Standard	50-55
Utility	46-52

^{1/} The chilled weight is the weight on which carcasses are traded in the wholesale trade and is 1.0 to 3 percent less than hot weight on which you must be paid if you sell on the basis of carcass weights.

The ranges used in Table 1 indicate where the bulk of each grade of cattle will dress out. Some animals may exceed or fall short of the ranges indicated.

Ranges, for each grade, are used to reflect the variety of weighing conditions and terms of sale that may exist when selling cattle. The following items will affect the fill and, therefore, will determine where a particular animal will fall within the range:

1. Length of time off feed and water
2. Amount of handling during loading and unloading
3. When weighed
4. Where weighed (at home, local scales, packers scales, etc.)
5. Hauling distance to market
6. Weather conditions
7. All other factors affecting the fill of the animal

Yield may vary considerably depending upon the conditions of fill. The fill condition, in general, is determined by how the animals are managed during the relatively short time period prior to slaughter. Animals with excessive fill usually will have low yields. Extremely gaunt or shrunk out livestock may result in relatively high yields. Examples of the latter are: (1) livestock that have been hauled long distances and have not had an opportunity for rest, feed, and water before weighing; (2) livestock that have been extensively worked in sorting; (3) livestock that have been hauled a normal distance but purposely held off feed and water before weighing; and (4) livestock held in corrals overnight without feed or water and weighed the following morning with some additional pencil shrink.

See E.C. 73-839 for a listing of Dressed Cost and Live Price Tables. These tables convert live prices into carcass prices and carcass prices into live prices. This information, plus a knowledge of the value of by-products, can be used to evaluate bids on slaughter cattle as shown in the following example.

Assume you are selling a 1,000 pound choice steer that dresses 60 percent. Note that the 60 percent dressing percentage falls approximately mid-way in the range given in *Table 1* for choice grade steers. You have been bid \$45 per hundred - weight live weight and 75 cents per pound on a carcass basis. Which bid should you take?

Live weight and price:		
1,000 pounds x \$.45/pound	=	<u>\$450.00</u> producer return
Carcass weight and price:		
600# carcass x \$.75/pound	=	\$450.00 per head
+ value of byproducts	=	<u>20.00</u> per head
		\$470.00
Packer cost and return	=	<u>20.00</u>
		<u>\$450.00</u> producer return

In this example the producer return per head is equal. The byproduct value of \$20.00 per head is constantly changing; for example, early 1976 it was near \$40.00 per 1,000 pound steer. The producer must be aware of the by-product value as well as the carcass value so that he can accurately compare the bids he receives to the total value of the slaughter animal sold.

As you evaluate packer bids, assume packer costs and returns should range from \$20.00 to \$25.00 per animal slaughtered.

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