

11-2015

Valuing Feeder Cattle It's time to reconsider how you market your calves!

Tom Brink

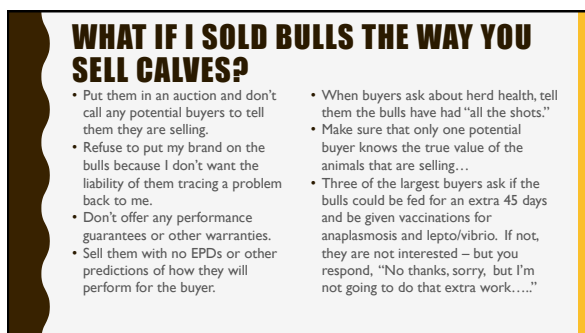
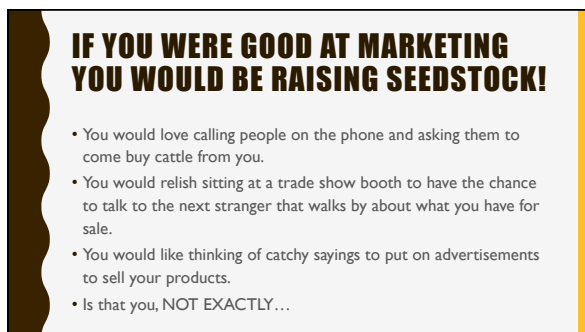
Lee Leachman

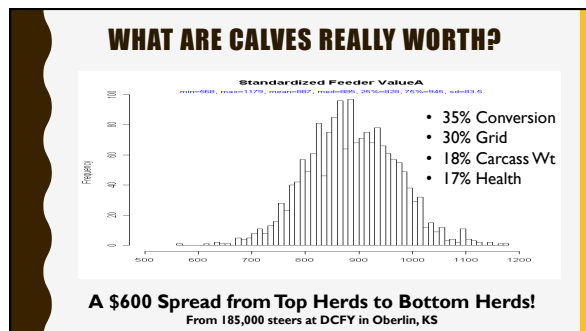
Follow this and additional works at: <http://digitalcommons.unl.edu/rangebeefcowsymp>

Brink, Tom and Leachman, Lee, "Valuing Feeder Cattle It's time to reconsider how you market your calves!" (2015). *Range Beef Cow Symposium*. 360.

<http://digitalcommons.unl.edu/rangebeefcowsymp/360>

This Article is brought to you for free and open access by the Animal Science Department at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Range Beef Cow Symposium by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.





TRAITS THAT DRIVE CALF VALUE

- Shrink / condition
- Health
- Carcass weight
- Carcass value (marbling and cutability)
- Gain and conversion = cost of gain

A PARADIGM SHIFT

WHY NOT TELL BUYERS HOW YOUR CATTLE WILL PERFORM FOR THEM!

"Our study concludes that this is the percentage of our customers who will buy from us without any effort whatsoever on our part."

De-Commoditizing the Feeder Calf Market: Providing Objective Information to Buyers

How to get a premium price on your calves

2015 Range Beef Cow Symposium

Tom Brink,
Top Dollar Angus, Inc.

Why information matters

Moving from a commodity to a

differentiated feeder calf market.

What information matters?

- Frame size & flesh condition
- Health program (especially on calves)
- Genetics

Objective vs. Subjective?

Sometimes if we had more hard information on a group of feeder cattle...they'd be worth less.

What information matters?

Frame size & flesh condition

Buyer will see this on arrival.

Which description will "up" the price?

- (1) Medium/large frame & medium flesh
- (2) Medium/small frame & medium+ flesh

Current pictures or a video provide more objective "data" on frame and flesh condition.



What information matters?

- Health program (especially on calves)

Objective vs. Subjective?

Vac 34 or Vac 45 → health branded cattle

"They've had all their shots."

Recent set of Montana calves

Health Program:

Multimin 90 and banded at birth (born mid February through March).

One Shot Ultra 8, Inforce 3, Dectomax, & Ralgro at branding.

Preconditioning (Sept. 11th): Ultrabac 7/Somubac, Bovi-Shield Gold One Shot, Dectomax.

Weaned on September 11th.

Boosted with In Force 3 on October 16th.

Recent set of Montana calves

Health Program:

Multimin 90 and banded at birth (born mid February through March).

One Shot Ultra 8

Preconditioning

One Shot,

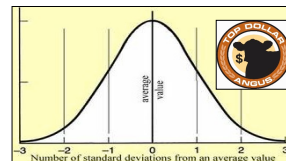
Weaned on

Boosted with In Force 3 on October 16th.

Health & Marketing rolled into one.

What information matters?

Genetics



Top Dollar Angus feeders calves are verified via historical bull use (top 25% for \$Beef) and/or DNA results.

There are **HUGE** differences in the value of cattle!

Sold April 2014	Carcass Weight	Marbling Score	Ribeye Area	Backfat	Per Head Value	Live Sale Price
Top 10 steers	975	572	15.0	0.60	\$ 2,397	\$ 160.30
Bottom 10 steers	819	457	13.3	0.59	\$ 1,940	\$ 154.52
Difference	156	115	1.70	0.02	\$ 457	\$ 5.77

Top steers grew faster, had heavier weights, more marbling, larger muscle, same degree of finish. They were healthier and had better genetics.

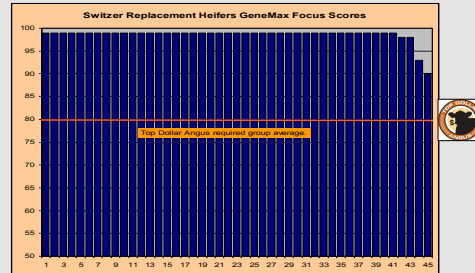
Is this a **PREMIUM** producer with **PREMIUM** cattle?



Is this a **PREMIUM** producer with **PREMIUM** cattle?

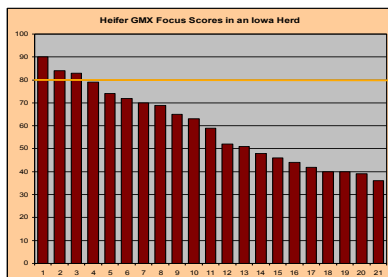


Switzer Replacement Heifers GeneMax Focus Scores



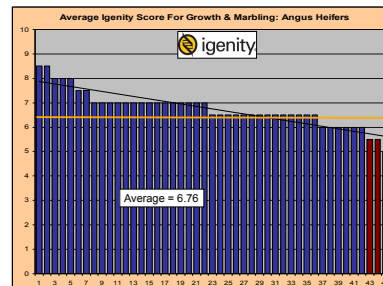
These are truly **PREMIUM** genetics.

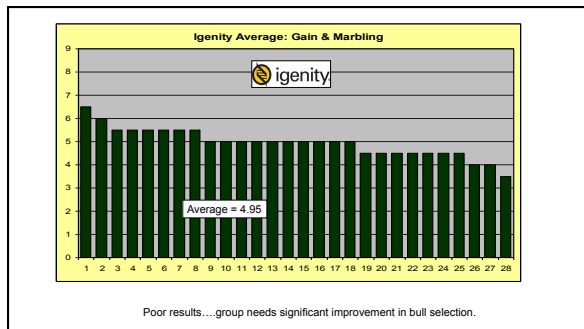
Heifer GMX Focus Scores in an Iowa Herd



These are **NOTHING SPECIAL** genetics.

Average Igenity Score For Growth & Marbling: Angus Heifers





More programs built around the best genetics

Caution: You are now entering the era of specification feeder cattle



Premium prices will be (are being) paid for cattle with known genetics that are superior for growth and carcass traits.



Genetic Certification & Marketing --- "It's all about the **PREMIUM**"

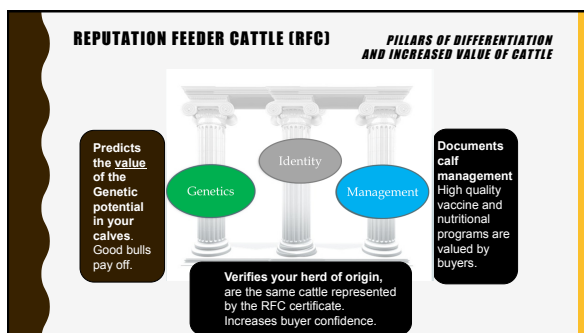


Verified Beef's
Reputation Feeder Cattle Program



How to build better cattle AND get paid for doing it!



HOW WE ESTIMATE GENETIC MERIT:

- Utilize information on your herd:
 - EPDs on the bulls you have used.
 - Breed(s) of your cowherd.
 - DNA on the cows or heifer mates.
 - Expected age and weight at sale.
- Simulation model to predict the expected outcome with current market values for feed cost, grid value, and fed cattle.
- Compare to a national average based on all registered bulls used over the previous 10 years.



VALUING THE GENETIC POTENTIAL

Genetic Merit Scorecard		
Tom and Paula Watkins Yolo Ranch Ringwood, OK 73768 2014 Fall Steer Calves		\$41.24
Estimated at a base weight of 500 lbs.		Relative Value / CWT
Average Daily Gain	Carcass Weight	Feed:Gain
★★★★★	★★★★	Not Available
Ribeye Area	Yield Grade	Percentage of Choice
★★★★★	★★★★	★★★★★

MORE STARS IS BETTER

DOES THE GENETIC MERIT SCORECARD WORK?

• Data from 2014 born calves in O'Neil, NE:

	Group A	Group B
– RFC	+20.94	+33.27
– Feed:Gain	5.9 : 1	5.3 : 1
– Feed cost	\$652	\$576
– Carcass Value	\$2,010	\$2,164
– Advantage per head:		+\$230

EXAMPLE RFC CERTIFICATE

Genetic Merit Scorecard

Tom and Paula Watkins Yolo Ranch Ringwood, OK 73768 2014 Fall Steer Calves		\$41.24
Estimated at a base weight of 500 lbs.		Relative Value / CWT
Average Daily Gain	Carcass Weight	Feed:Gain
★★★★★	★★★★	Not Available
Ribeye Area	Yield Grade	Percentage of Choice
★★★★★	★★★★	★★★★★

Certificate Date: 5/4/2015

Age and Source:
This certificate attests the ranch origin as noted above. The certificate was beginning on 5/7/2014 and ending on 12/31/2014.

Calf Management Practices
These cattle were managed in accordance with prescribed veterinary practices as follows:

Administered	Expected Date
Antibiotics	12/31/14 - Ongoing
Antiparasitics	12/31/14 - Ongoing
Antiparasitics	12/31/14 - Ongoing
Antiparasitics	12/31/14 - Ongoing
Antiparasitics	12/31/14 - Ongoing
Antiparasitics	12/31/14 - Ongoing
Antiparasitics	12/31/14 - Ongoing
Antiparasitics	12/31/14 - Ongoing

Non-Hormone Treated Cattle (NHTC)
These cattle have not been administered hormonal growth promoters (HGP) at any time during their life and do meet all requirements of carcass and age verification. Any animal identified as nonconforming has been removed from the program. Beef from cattle which are certified under this PVP, from birth to harvest, meet the import requirements established by the European Union.

"I used Reputation Feeder Cattle and it works. \$30/cwt over the sale average is REAL money!"

Tom and Paula Watkins
Yolo Ranch
Ringwood, Oklahoma

QUESTIONS?

- Tom Brink
tom@topdollarangus.com
(303) 478-4331
- Ralph Peterson
Reputation Feeder Cattle
rrpeter@verifiedbeef.net