

Marketing Cull Cows

Increase profit by planning ahead.

by Sara Gugelmeyer

Although producers don't generally spend a lot of time on a cull cow marketing plan, academia agree that about 15-20% of a cow-calf enterprise's gross income is generated by the sale of cows. A careful strategy for determining when and how to market a cull cow could mean the difference between much-needed profit and backbreaking loss.

We've compiled a few guidelines that may help you write a bigger number below that bottom line when it's time to determine a cow's profitability.

The No. 1 thing in determining when to sell a cull cow is figuring your profit or loss from that cow based on her productivity and the price you will likely receive for her. Here are some things to consider when you evaluate a cow's profitability.

The primary reason for culling cows is because they are open. It makes sense to sell a cow that is not paying her way with a calf each year. However, you also need to cull a cow that raises a calf that is too small to generate enough income to pay for her annual expenses.

The animal science staff at the University of Tennessee encourages producers to examine the performance of each cow at weaning time. If the weight of the calf is too low to produce a profit after you consider all of the cow's yearly expenses, then she is inefficient and should be culled.

When it comes to culling a cow for health reasons, it's important to do so early enough to avoid extreme discounts. Although it is somewhat dated, the 1999 National Market Cow and Bull Quality Audit identified about \$69 per head of discounts the packer must accept when harvesting cows and

bulls. The discounts range from trim loss from bruising to inadequate muscling, and although the 2007 audit showed some improvement by cattlemen in reducing these problems, cattle buyers will still evaluate your cattle for those discounts when determining how much they can pay. In order to get a higher price, it's important to closely monitor herd health and market these cattle before they get into such bad shape with common problems such as eye tumors, lameness, arthritis, lesions, chronic illness or just plain old age.

Not only does timely culling help the cull cow seller to receive a higher price, but it also helps protect the integrity of the beef we are supplying to the market. Ask yourself, "By this time next year, will I feel comfortable sending this cow into the supply chain of products that I buy at the store?" Not only will you sleep easier at night, but you will help your pocketbook as well by removing that animal before she becomes disabled or, even worse, dead.

Another thing to consider is the seasonality of cull cow prices. In order to maximize the price of a cull cow, you should avoid the autumn rush of cows to the sale barn. Consider weaning early and selling culls before the market is flooded, or hold the cows until January or February. Waiting to market cull cows also provides an opportunity to increase their body condition by feeding, which will



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result in more pounds to sell and a higher price per pound. However, with increasing feed costs, be sure the higher price she brings will pay the feed bill.

There is, of course, much more detailed information available about cull cow marketing, especially about the trends in cull cow markets and factors that determine if the added pounds gained by feeding your culls will be enough to cover your costs when you sell. See Page 47 for a list of online resources. **HW**

Marketing

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