



# Adding Value to Feeder Calves

Start thinking about management practices that can ultimately influence the value of the 2017 calf crop.

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As we move through summer, it is interesting to note the changing priorities of the cow-calf producer. Back in the winter and early spring, we had the excitement of a new calving season and the opportunity to evaluate the genetic choices made in 2016. We then transitioned into the spring and early summer and the typical breeding season for most producers. This marks the chance to make improvements in the breeding program or to continue on the path of proven successful matings.

It is not too early to start thinking about the fall. Let's not get ahead of ourselves by already thinking about cooler temperatures and the beautiful colors of fall foliage. Start thinking about management practices that can ultimately impact the value of the 2017 calf crop.

Most cattlemen will spend significant time thinking about management considerations relating to health, nutrition, reproduction and forage production, to name a few. I suspect that if you ask these same cattlemen if they put as much thought toward marketing decisions as they do the previously mentioned management areas, the answer would likely be a negative response. While I have no scientific survey data to back up this opinion, I fear that many producers do not worry about marketing the current calf crop until those calves are weaned. In far too many cases, the decision to wean and when to market occur on the same day.

To this point, the beef cattle market has certainly outperformed the expectations of most industry prognosticators

from the beginning of the year. Prices for feeder calves and fat cattle have been strong for much of the first half of 2017. Where the market goes from here is anyone's guess. Based on what we have seen since 2014, it would be reasonable for the producer to expect a fair amount of volatility in the market as we move forward.

I believe it is safe to say that we will see a different market moving forward over the next few years. The current beef-cow herd expansion that started in 2014 has increased the supply of animals and has turned things more toward a "buyer's market." Market signals in 2014 and 2015 told the producer to provide the buyer with anything the producer could. Current and immediate future market signals will tell the producer to provide the buyer what the buyer wants.

What are some things that cow-calf producers can do to add value to their calf crop? Maybe the more appropriate consideration is how to avoid discounts in the market. A starting point would be to recognize some of the factors that help to establish the basic value of feeder cattle. Some of the primary factors in no particular order include the following:

- **Time of the year/weather** (supply and demand)
- **Weight** — heavier calves generally bring less per pound than lighter calves
- **Shrink** — buyers do not like to purchase extra condition or fill
- **Information/past history** — source, age, health, and genetics
- **Location** — where the calves are located in relation to the market or potential buyer.

Once we have established the basic value of a feeder calf, how can the producer add value (or avoid discounts) with the feeder calf? Consider this list as a means to add value:

- **Health** — Most feeder calf buyers prefer preconditioning a minimum of 45-days after weaning. This allows for a specified animal health program with initial and booster vaccinations, a proper nutrition program, and training to a feed bunk and water source.
- **Sorting** — Consider sorting your calves by sex, size, muscle score, color, etc.
- **Quality** — Basic but important practices such as castration, dehorning, control of internal and external pests, etc.
- **Programs** — Evaluate opportunities to participate in specific markets for all-natural or "never ever" calves, BVD PI tested individuals and branded programs such as Certified Hereford Beef (CHB®).

Many producers will question the merits of implementing value added practices as they simply believe that they are not sufficiently rewarded financially to justify these extra practices.

The reality is that you probably will not get properly compensated if you are selling a small number of calves at any type of traditional sale. Consider working with other producers to put together larger groups of calves of similar breed composition, weight and sex. Discuss all marketing options with someone with whom you are comfortable.

Traditional weekly or special feeder sales are always options but there are also a growing number of video or internet sales available. A little extra time spent on your marketing plans now may just put a few extra dollars in the bank account. **HW**

