

Set Yourself Up for Marketing Success

Fed cattle marketer shares his playbook.

by *Kindra Gordon*

Alexander Graham Bell — inventor of the telephone — is credited with saying, “Before anything else, preparation is key to success.”

His advice aptly describes what is needed to successfully market fed cattle: preparation. During the virtual educational sessions at the American Hereford Association’s (AHA) 2020 Annual Membership Meeting and Conference, Oct. 19-24, cattle marketer Nolan Stone shared insights into effective marketing strategies when placing feeders and yearlings.

Based at Eaton, Colo., Stone spent 18 years in a cattle-buying role for a 100,000-head feedlot. Today, he operates S= Cattle Co., which

focuses on placing cattle from across the country with three large feeding companies: Five Rivers Cattle, Harris Ranch and Green Plains Cattle. Combined, these companies represent a one-time feeding capacity of 1.5 million head of cattle.

Additionally, in early 2020 the AHA created a partnership with S= Cattle Co. to work with AHA field representatives on sourcing Hereford-based feeder cattle and helping create marketing options. The goal of the partnership is to increase marketing avenues for commercial Hereford producers and to build additional value for the breed.

Direct-trade cattle placements offer some advantages to auction or video/internet cattle marketing. Because buyers know the exact bid being offered, they can specify the timing for the sale and there are no commissions, Stone notes. This format works especially well for hedging, he says. Still, Stone emphasizes sellers must know the weight of the cattle being offered.



Stone’s playbook

What has Stone learned about what buyers want? For feeder calves, he says the big three management protocols are:

- **Vaccinations.** Stone recommends working with a local veterinarian to determine what vaccination protocol is best for the herd. Then, when it comes time to communicate with a buyer, be prepared to share when and how many shots calves had and for what diseases.
- **Weaning.** Weaned calves for a minimum of 45 days is encouraged, but 75 days is even better, says Stone. He explains at the 20-23 day mark many calves tend to have a health break, and thus do not do well being on a truck or arriving at a feedyard at that time. “Those calves are not going to gain much weight or produce a premium,” Stone says. Regarding calves preconditioned for 6 to 10 weeks, he cautions, “Do not overfeed them. Feeders don’t want calves coming in greasy. It’s hard to get them big enough after that.”
- **Niche programs.** Natural, Non-Hormone Treated Cattle (NHTC), grass-fed and breed programs are all niche markets offering larger premiums to producers and feeders. Stone encourages producers to explore these options and to see what may fit their operation. As an example, he says if you are not implanting calves and have the flexibility to retain yearlings, then an NHTC program may be worth considering. “It can pay big premiums,” he says. Regarding breed and genetics, Stone adds most buyers do not have time for a long history on the cattle, but he says, “A compelling short story about genetics is valuable.”

Seasonal opportunities

Stone also encourages cow-calf producers to pay attention to counter-seasonal opportunities within the market. Specifically, he notes some producers who calve at times other than the traditional spring season are finding some extra market value. He shares, “I have a friend who calves in summer, weans calves at a young age in early November and sells 400- to 500-pound calves in December, and the premiums on them have been incredible.”

Likewise, running calves on grass and marketing them as yearlings can also provide extra market opportunities for some.

Additional details

Communicating details about cattle is also key for direct-trade success, according to Stone. In addition to the number of head in the lot, specifics to report should include:

- **Location** of where the cattle are, where they will be loaded and where they will be weighed.
- **Base weight** of cattle set by the producer. Keep in mind, buyers want lots of uniform weights. Stone says a 250- to 300-pound range is acceptable on bigger cattle, but any range higher is not acceptable.
- **Sex** of the cattle.
- **Color.** Stone emphasizes representing this detail accurately. If there is a mix of blacks and reds, say so. If there is a three-color mix of blacks, reds and whites, identify that off the bat. He explains being upfront about the cattle can reduce the number sorted off at loadout. Likewise, any horned cattle should be communicated in advance. If horns are too big, those cattle will be sorted off before shipping.
- **Feed.** Particularly for feeder calves, feedyards want to know what cattle have been eating so the yard can help calves transition to new feed.
- **Shrink and slide.** As a rule, Stone says yearlings typically have a 3% shrink when weighted on a ground scale and 2% when weighed on the truck. Calves are typically 2% and 1%, respectively. Slide is the discount (cents/pound) based on the number of pounds up or down that cattle weigh from the agreed upon base weight. Stone encourages producers to communicate with buyers about these rates as they enter an agreement.

In presenting cattle for sale, Stone’s final advice to producers is to be prepared. “Know what price you want, know the timeline, be available to communicate and be prepared to commit,” he advises. He explains most bids from a buyer are only good until the board opens the following day.

Given the amount of time and investment producers devote to genetics and health of their cattle, Stone encourages producers to also focus on their calf marketing and aim to get a valuable return on investment.

To learn more about options for marketing Hereford-based feeder calves, please contact your regional AHA field representative or visit Hereford.org. **HW**

Checklist for delivery day

What is needed when calves get shipped to the feedyard? Cattle marketer Nolan Stone offers this checklist:

- Brand inspector
- Health papers from veterinarian (if cattle are going out of state)
- Weigh scales (must be accessible)
- Trucks (usually coordinated by the buyer)
- Settlement sheet
- Sorting stick (any cattle not fitting the color, weights or horns represented on the sale agreement will need to be sorted off) **HW**