

Next Year's Marketing Starts Now

Producers spend so many hours caring for, breeding and feeding cattle that marketing considerations can end up last on the list. But developing a marketing strategy is crucial to realizing maximum revenue from the calf crop and all those hours spent raising them.

Setting goals and developing a marketing plan early in the production cycle — such as spring calving for fall weaning — enables you to be as prepared as possible when it comes time to sell. There is no one-size-fits-all approach to marketing, with many differences from operation to operation. However, there are numerous tools and resources available to help producers make the most effective marketing decisions.

Calculating the breakeven price of the calf crop to be marketed is a solid place to start. One tool you can use for this is the Cow-Calf Breakeven Calculator found in the Tools section at *CattleFax.com*. It walks you through a thorough process of determining the breakeven value. Breakeven analysis can also assist in deciding whether to sell the calf crop as weaned calves, yearlings,

etc. This same process also can shed light on the opportunity to retain ownership through the finishing phase.

Retained ownership can be rewarding, both in terms of economic return and the amount of invaluable information gained from feeding your calf crop. Identify a feedlot partner to sit down with and discuss the process and possibilities. Most feedyard managers around the country are more than happy to discuss their programs. They can walk you through the various parts of the process, including risk management strategy, financing programs and marketing opportunities among other things.

If you decide to sell your calf crop instead of retaining ownership, another part of effective marketing is considering the selling method you plan to use, be it through a sale barn, via a video market or through a private-treaty, direct trade. Each comes with opportunity and risk. You can achieve additional value when you know your product and analyze which market method may offer the most potential buyers looking for your

particular product.

Regardless of the market avenue you choose, it is always important to develop a relationship with a trustworthy marketing representative that has your best interest in mind.

Consider premium possibilities

Value-added programs offered through various third-party verification companies are another marketing consideration that may offer additional opportunity for price premiums on sale day.

Although multiple companies offer these services, the American Hereford Association partners with IMI Global, an industry-leading provider of verification solutions that can qualify cattle for a number of premium programs. Examples include Non-Hormone Treated Cattle (NHTC), Verified Natural and the Hereford Advantage breed-verified genetic merit program. To learn more about available verification programs visit *IMIGlobal.com/beef*.

Even though premium opportunities exist and can ultimately be realized, keep in mind the cost associated with

these programs. Do your homework on the cost versus potential return for participating. Although the examples mentioned above are directed toward how cattle can be marketed as value-added beef, the same kind of comparison applies when determining the net opportunity of participating in specified weaning and vaccination programs. Visit with your marketing representatives to see if they have buyers with interest in specific premium programs to consider.

There will always be volatility in the markets so being prepared and flexible will help you make the best decisions possible to maximize value for the cattle you work so hard to produce. Now is a great time to start developing your marketing plan. **HW**

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