

A Dozen Marketing Tips

Management and information can add value to your 2010 calf crop. Here's a checklist to consider.

by Kindra Gordon

The key to successful marketing is often remembering the basics — and capitalizing on the details to earn extra value for calves.

That said, for beef producers to earn a higher price for calves in 2010, Jason Ahola, an animal science professor with Colorado State University, offers the following list of management options to consider.

For starters Ahola says the simple ways to improve the marketability of calves should not be overlooked. Calves should be 1) dehorned or polled; 2) castrated at a young age; 3) uniform in age, color and type; and 4) healthy.

“Each of these options have been separately documented to return a premium from \$1-5-plus per hundredweight (cwt.),” he says.

Additionally, Ahola says the feedlot industry wants a few key traits that can be easily accomplished and may result in a higher selling price.

He says, “Certain pieces of information related to probable calf performance (growth, health and/or carcass) are of great value to feedlots since the odds that calves will perform better than average are recognized at the time of purchase. Ultimately, this information can help increase the chances that a feeder will make a profit on your calves and ideally getting them to pay more for them up-front.”

Consider these 12 options to add to your marketing efforts:

1 Provide historical performance data

Information about feedlot gain, feed efficiency, sickness rate and carcass performance of previous years' calves can yield substantial premiums.

2 Use BVD PI testing

Calf crops tested for the absence of any calves persistently infected (PI) with Bovine Viral Diarrhea (BVD) can help reduce losses due to sickness or death, and feeders are starting to show interest in paying premiums for such calves.



3 Wean and background calves

Calves weaned for 30 to 45 days and trained to feed bunks and waterers are desirable to feedlots, because health problems will likely be decreased and feed intake will be strong at arrival. Premiums of \$2-5-plus/cwt. are often available.

4 Sell heavier calves

Because of increased cost-of-gain in the feedlot, the market wants calves ready for the feedlot to be heavier than in the past, Ahola says. Cow-calf producers might consider modifying their operations so that they can wean and grow their calves on high-forage diets prior to selling them to a feedlot.

5 Offer truckload lots

Nearly everyone involved in the U.S. beef industry (feedlots, buyers, truckers, etc.) would rather deal with truckload lots (50,000-60,000 lb. of cattle) instead of small groups. Premiums of \$2-10/cwt. can be acquired if several small calf crops from similar genetic and management backgrounds can be combined and sold together, possibly even via video or private treaty, says Ahola.

6 Participate in preconditioning programs

Several private- and state-sponsored programs enable the documentation of vaccinations given, and possible premiums of \$1-6-plus/cwt. are available.

7 Age and source verification

Recording birth dates of the first and last calves born during a calving season and verifying the dates via a third party make the calves eligible for export to Japan if harvested at 20 months or younger. Premiums of \$1-3/cwt. are available (\$5-15/head), suggests Ahola.

8 Natural verification

Third-party documentation stating no antibiotics or growth promotants were administered can result in a \$1.50-2-plus/cwt. premium (\$8-11/head), he adds.

9 Organic verification

Third-party documentation that organic rules have been followed (“natural” plus use of organic feeds, no pesticides/herbicides, etc.) can also garner premiums in specific markets.

10 Non-Hormone Treated Cattle (NHTC) program

Documentation that cattle have not been implanted can make them eligible for export to the European Union (EU) and, again, can qualify for premiums with the right program.

11 Breed-based branded programs

Cattle that fit live animal specifications (either hide color or documentation of genetic background) can be eligible to supply numerous product lines. Hide color premiums of \$1-3-plus/cwt. have been documented in calves, as well, says Ahola.

12 Contract calves

In the future Ahola also suggests looking at contracting your calves. He says during almost every summer for the past five years, prices for calves to be delivered in the fall have been much higher if they were offered for sale during the summer (e.g. August) versus fall (e.g. October/November). Because of severe volatility in several commodity markets (grains, fuel, beef, etc.), feedlots want to “lock in” calf prices in advance of receiving the cattle. “This is a great opportunity to get upwards of \$10/cwt. more for your calves (\$50/head) by selling them during the summer on a video sale,” Ahola suggests.

Be creative with your marketing

“Few of the programs or options listed above will generate a premium unless your calves are offered for sale to buyers willing to pay premiums for having these beneficial traits,” Ahola emphasizes.

He says the bottom line during 2010 is taking time to plan ahead, implement value-added management choices and then find the market outlets willing to pay a premium. **HW**

ABS, Big Blue Sale Barn team up to assist with age- and source-verified marketing

Age and source verification are quickly becoming “essential” in today's cattle market. Travis Chrisman, who works as a representative for ABS in southwest Nebraska, has seen that demand firsthand. He says, “Buyers want age and source verification, and producers recognize that is essential to be eligible for premiums.”

To help facilitate that market demand, ABS has placed emphasis on helping its customers tap market opportunities, including 1) providing age and source verification documentation to qualify for export eligibility, 2) assisting with promotion of calves through private listings to feedlots, 3) aligning with Big Blue Sale Barn, an Internet-based video auction, and 4) offering heifer marketing outlets.

ABS is USDA-approved to provide age and source verification services for cow-calf producers, grow yards and feedlots. The process must begin at the farm or ranch of origin and includes an on-site audit where a short list of questions must be answered to determine if the calves are eligible for age and source verification. If the calves qualify, they will receive a program compliant tag and paperwork with documentation that will remain with them to the packing plant.

When producers are ready to market their calves, ABS can promote them through a private listing to a network of more than 120 feedlots. Or, ABS marketing specialists are also available to video the cattle, consign them to Internet-based Big Blue Sale Barn and manage the weigh-up and shipping process. Big Blue Sale Barn holds an Internet video auction every other week and specializes in age- and source-verified cattle suitable for branded beef and export programs.

Chrisman says the marketing aid offered by ABS has been especially helpful to smaller producers in his territory. “We are focused on helping producers add value through genetics, tapping the natural market or qualifying for export markets. So, for producers who sell calves off the cow at weaning or may background, this offers additional opportunities for them to connect with buyers and garner a profit.”

ABS also assists customers in marketing high-quality, ABS-bred commercial replacement females through private treaty sales and special ABS heifer sales conducted through Big Blue Sale Barn or in cooperation with progressive auction markets. **HW**