Providing information to prospective private treaty bull buyers is key to making a sale.

BY CAITLIN RICHARDS

Private treaty allows buyers and sellers to build lasting relationships. The nature of private treaty allows buyers to work directly with breeders to find the best bull for their operation and budget. Breeders who take the time to build relationships—backed by honesty and integrity—create loyal customers, ensuring the success of their business for years to come.

Rocking Chair Ranch, Stalwart Ranch and Tom Brothers Ranch share some of the things they have learned over years. Each operation raises a different breed in a different part of the state of Texas, but they all approach private treaty as more than a sale.

When it comes to making a sale, Bill Cawley, the ranch manager for Stalwart Ranch, Willis, Texas, says visiting and getting to know the buyer is the key. When a potential buyer contacts him about their Brangus bulls, Cawley takes the time to talk with them whether it is over the phone or in person.

“Like any business, you may have a lot of customers but to the buyer you are their primary focus,” Cawley says. “They remember you whether you remember them or not. Get to know them and what they are looking for. You are just making a friend. That is the way I look at it. I treat them the way I would want to be treated.”

Randy Wood, the manager at Rocking Chair Ranch, Fort McKavett, Texas, feels the same way and says most of his evenings are spent on the phone texting pictures of their Hereford bulls, sharing EPDs via email and talking on the phone with potential buyers. On top of those methods, social media has been a means of communication and relationship fostering for Ellen Tom with Tom Brothers Ranch, Campbellton, Texas.

“Social media is a great tool to use, too,” Tom says. “I am always amazed at the inquiries we get off of Facebook. We have even sold a bull to a buyer in North Carolina off of Instagram.”

Tom explains she regularly posts content on their social media sites sharing their story to build a relationship with buyers. She makes a point to post good quality pictures of their SimGenetic bulls. She shares images of them working with the cattle and videos explaining what they are doing and why they are doing it—like performance testing. Doing so allows buyers to get to know the operation, the brand and the bulls.

Understanding the buyers’ needs and goals is extremely important. It goes deeper than simply making a sale, though. Wood explains by understanding the buyer’s needs and their operation’s goals he is setting the bulls and buyer up for success, rather than selling any bull and the buyer end up being unhappy with the bull’s performance.

“Everybody is not going to fit everything,” Wood says. “If you don’t have what will fit their herd, don’t sell it to them just to sell them a bull. They won’t come back.”

Most of the time, Wood says the buyers will do a lot of the talking and it’s important to just listen. All three operations shared they provide as much information as possible to the buyers. Whether it be EPDs or genomic enhanced EPDs, birth weights, weaning weights, fertility test results, or videos and images, they all collect as much data as they can and (Continued on page 4)
Capturing value when you market at the sale barn

By Martha Hollida Garrett

It is a topic that continually draws thought and discussion—how to get calves to bring more when you market them through your local sale barn.

At the recent Texas A&M Beef Cattle Short Course, the topic was addressed by King Ranch Institute Professor Rick Machen, Ph.D. and Greg Goudeau, owner and operator of the Navasota Livestock Auction, who also is involved in the cow-calf, stocker and feedlot sectors of the beef industry. Their program, held virtually due to the coronavirus, was delivered from the Navasota Livestock Auction barn and featured live animals to demonstrate some aspects of the presentation.

Goudeau said one real mistake he sees is overcrowding in the transportation phase.

“One of the consistently wrong things we see is producers overcrowding trailers. You raise these calves, load them up to bring to market and then you overcrowd the trailers. Use your gates, partition the cattle. Make two trips. It’s easier to make two trips than to have one calf (or more) arrive in an unmarketable or less than desirable market condition. Give your cattle room. You don’t want them hurt or covered with manure,” explained Goudeau.

If an animal goes down in transit and cannot get up at the barn, then the animal has no value, Goudeau continued. They then have to be euthanized. Overcrowding is the cause in this scenario and the loss of a calf’s market value is big to your paycheck.

He admonished producers to read the document they sign when they bring the cattle to the unloading area at the barns.

“At my facility, you’re signing that the cattle have had the proper withdrawal times from any antibiotics administered. We also ask you to sign off that they have not been fed meat and bone meal and that they were born and raised in the United States. We also record the number of head you brought in, and by signing you are agreeing to that number,” he adds.

He explained there are 13 cameras in use throughout the facility. Cameras are used at the unloading dock to record your face, your vehicle, vehicle license number and the cattle getting off the trailer. The cameras provide a way to track number of head and can monitor animal welfare methods. The footage is also used by the Texas & Southwestern Cattle Raisers Association to assist with theft issues.

Even though the animals are also counted as they get off the trailer, if one loses a tag it could be separated and not accounted for. The footage easily allows the calf to be traced back to the owner, and clear up any other potential situations.

“The market is dictated by supply and demand. I do not recommend marketing unweaned calves between Sept. 1 and Oct. 31. Historically, the largest runs occur during this time. Surplus supply can drive the market down. Also in September, we start having temperature swings and that creates health problems. Buyers discount if they see or can sense health problems with calves,” he said.

One of the most profitable things a cow-calf producer can do before selling calves is castrate all the bull calves.

“Always castrate your calves before marketing them. I can’t stress this enough. It is worth your time and money. If an animal weighs 400 lbs., you can figure a $4 to $8 per (Continued on page 5)
Producers have opportunities to maximize returns

By Sheila Grobosky

SAINT JOSEPH, Mo.--The cattle business is filled with risks. However, for all the uncertainty there are ample opportunities available for those producers who manage their risks and plan accordingly. With so many external influencers in the cattle market such as the environment, the recession and a pandemic, it might seem daunting to plan for the future.

Forecasting the future to gain as much profit as possible takes many factors. With some astute advice from an industry expert and scholar of the markets, producers can try to achieve the profit they are seeking.

Derrell Peel, Oklahoma State University Extension livestock marketing specialist, suggests numerous opportunities for cow-calf producers exist, especially as the markets have steadily climbed out of their slump in July and early August. He adds the futures markets are looking good, and with proper planning and reasonable input costs, producers are likely to turn a profit.

“We always have some idea based on where the market is at this point and frankly, I’ve been pretty impressed in the last few weeks with the way these markets have improved. We have a consistent signal across the industry right now, which is very good. When you don’t have that you know something is going to change; something is going to give. The outlook for the markets has improved somewhat in the second half of the year. That said, there are a tremendous amount of uncertainties out there. There’s a range of things that could improve or go the other way,” Peel responded when asked to forecast the fall market.

Peel offers three considerations to the cow-calf producer to maximize the profit on their herd this fall.

However, before any action is taken, the producer needs to know his or her budget. What are the expenses of the operation? How much does it take to run a cow in a given year? What resources are available? Will you need to buy additional resources before the next calf arrives?

Drought management

In parts of the country where drought has been an issue, early weaning is a good option to stretch feed resources. There are both advantages to the cow and the calf, from a nutritional standpoint, Peel explains.

“Early weaning is actually one of the first things I would think about because pulling those calves off of the cow reduces her nutritional requirements dramatically. What forage supplies you do have left at that standpoint can go a lot further for the cow by simply removing the calf,” he said.

Once the calves are weaned, opportunities exist for some decision making for both the cows and the calves to help increase profits. A producer can better make separate decisions for the cows and the calves post-weaning.

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Utilizing advertising opportunities is another way the breeders build relationships with their buyers. While word of mouth is the best advertisement, each breeder has seen the value in either advertising at bull sales, in publications, with mailers or catalogs. Advertising is just another way to get their ranch's name out there and connect with buyers.

Twice a year, Rocking Chair Ranch creates a mailer to send to past customers and anybody on their mailing list. It contains all the available bulls and information on each. Being present at bull sales has been another touch point for them. They are able to connect with customers even if they aren't selling a bull right then at the sale.

“You have to use all of it – publications, printed materials, social media, sales and your time,” says Wood. In an effort to have customers feel like they are being treated fairly, Tom Brothers Ranch hosts an opening day private treaty event. All of their bulls go on sale that day and are first come first serve. Prior to the event, they put together a catalog showcasing the bulls. The catalog is then made available online and mailed out. Additionally, they video their bulls to post on their website and social media accounts.

The relationship with buyers after the sale is equally as important as before the sale. Wood admits he and his wife have never been on a vacation where they do not end up stopping at a buyer's operation.

“We will stop and visit anytime we are close,” says Wood. “I am going to stop and see how the bull is doing. If I don’t, I can’t see the bulls and see what they are doing to help them.”

If he does not make a ranch visit, Wood is following up with phone calls. He says he keeps a big calendar on his desk to make notes on of when buyers say they will be turning out bulls, weaning calves and selling calves. When the date rolls around, he will give the buyer a call to see how the bulls performed, or how the calves weaned and sold at the sale.

“We try to stay in touch with everybody as best as we can,” says Wood. “Rather than sending a Christmas card, I would rather talk to the buyer. I want to know how their business is doing, and how the calves sold. I will even ask them to send me pictures of the calves.”

One way Tom says she builds relationships with buyers after the sale is by being a go to resource for any questions they may have. A lot of customers consult with them on everything from herd health programs and vaccination protocols to nutrition and marketing.

“We will offer any assistance we can to help their bull be successful,” says Tom. “Even if they need help marketing their calves, we will help with that, too. We are an information source for them. And if we don’t know the answer, we probably know someone who does and will find out for them.”

Building lasting relationships with buyers ultimately builds a strong reputation. Repeat customers, referrals and customers requesting bulls sight unseen are some of the biggest signs of a successful private treaty business according Cawley, Tom and Wood.

“The best boost of confidence for us is when repeat customers ask us to just pick out a bull for them and deliver it,” says Tom. “It’s also great when new customers tell us they heard we were the best to go to for the breed – so they are here to buy one.”

All of these insights are about more than just buying a bull. It is about building relationships and creating a reputation buyers know they can trust. Taking the more than a sale approach is the key in developing a successful private treaty business.

(Continued from page 1)
Greg Goudeau, owner of Navasota Livestock Auction, pictured in front of the auction block. He recently spoke on adding value to calves marketed through a local sale barn during the Texas A&M Beef Cattle Short Course.

hundredweight discount on calves not castrated. If you have seven weights, that could be as much as $14 per hundredweight. Right now, a seven weight bull could be discounted $84. If you have 20 cows and they have 10 bull calves that you didn’t castrate then that’s $840 you’re leaving on the table by simply not castrating,” stressed Goudeau.

Dehorning is also a practice that cowmen can use to increase the pay on their calves.

Goudeau gave an example from the week’s previous sale. A group of 10 calves were brought in and six were polled, four were not. They split the groups on that criteria and there was $7-$10 more paid for the polled calves. He said you can dehorn mechanically or have your veterinarian do it. Or the easiest way to dehorn, he said, is to use a polled bull.

Machen cautioned that dehorning and castrating should be done well in advance, as buyers want to buy calves that have healed, completely. Freshly castrated or dehorned calves represent additional costs to the next level in terms of medicine and labor to doctor them. They are not willing to pay top price for calves with possible medical issues.

He also encouraged producers to have their veterinarian castrate and dehorn the calves if they are not comfortable doing it themselves. He said it would still put more dollars in your pocket than leaving these two things undone for sale day. Goudeau suggested that cowmen who develop a strong relationship with their veterinarian and work in tandem to maintain complete health programs are better able to handle any health issues as they arise.

Another area of discussion centered around hiring local professional cowboys.

“These cowboys can gather your cattle, do total herd health programs for you, vaccinate per your instructions, and castrate and dehorn properly. Then when it comes time to market your calves, they can gather, pen and sort in short order, which is less stress on the calves you’re about to market,” Goudeau said.

“Your local sale barn operator is a tremendous asset. They can assist you with finding professional cowboys and veterinarians. Ranchers should work to establish a relationship with their local sale barn operator. They have local knowledge, industry knowledge and you should utilize that,” encouraged Machen.

The program also touched on the types of calves buyers prefer to buy and the things they discount. Buyers have orders to fit certain specifications. These orders might specify muscling in black or black baldies, muscling in Charolais crosses with no pink noses, or red and red motley as the top priority. The factors for price include frame, muscling, uniformity, color, health and again, horns and whether the calves are castrated.

Pink noses, lack of eye pigment and feathernecks (stripe of white on top of the neck area of Hereford crossed cattle) are perceived in the industry as indicators of health issues. Goudeau said there is no scientific data that he knows of that backs that (Continued on page 16)
Maximize...
(Continued from page 3)

Peel said that cull cow prices have been good and will remain positive for a while. He suggests that if you’ve weaned already, sell any cull cows now instead of waiting until later, as the cow market typically hits a seasonal low in late fall. Culling decisions should start with preg checking cows. Then, cull on any physical attributes that might be detrimental to the herd like mouths, feet and udders. Follow the hierarchy of culling factors that includes open cows, older cows and the need to keep replacement heifers.

“If you pull calves off now because forage resources are low, it makes sense to do some early culling. Preg check now instead of waiting and use those same factors that would drive culling decisions now instead of early November. Producers have the opportunity to improve their returns now instead of paying to keep a cull cow around,” Peel said.

Decisions about what to do with your calves might take more planning and involving of the markets. Although the markets are steady, and a producer could benefit from selling calves now, according to the futures, there is some potential for further economic gains through retained ownership, even if that entails only a short backgrounding session.

Retain ownership

Retaining ownership of calves for a while could lead to some potential increased profits depending on how long you want to feed them and what your resource inventory looks like. If you background them even until they are “normal” weaning weights, you will likely feed them in grain in a confinement or semi-confinement situation, according to Peel, so you will need adequate grain and feed sources.

“Evaluate retained ownership or decide to sell now - short backgrounding could pay off. The markets look pretty positive; the futures are strong right now so here’s an opportunity to do some risk management. Using the futures as an indicator of where markets might end up – regardless if it is this fall of the first quarter of next year, there are lots of opportunities to manage risk,” Peel said.

The combination of a positive outlook on cattle prices and the availability of feed makes retaining ownership through heavier weights more appealing than selling now; however, there is always risk. Grain is fairly inexpensive, and there is a big corn crop this year with plenty of supplemental feeds available.

Even with the hurricane-force winds that took down thousands of acres of corn across Iowa and northern Illinois, that damage will have a local impact rather than a global impact for cattle producers. And producers should still have the chance to graze some of those fields that are too downed to harvest in traditional forage windrows. In addition to grazing stalks – both harvested and not harvested, grazing wheat through the plains states is another alternative that Peel says looks like a great alternative to help increase profitability.

Grazing wheat

With adequate rainfall and moderate temperatures through much of the Wheat Belt, those who want to maximize grazing will have started planting wheat by the first week in September. However, hot, dry and windy conditions could be detrimental to any hopes of good wheat pasture.

“Physical conditions are good now for planting wheat for forage. We’ve had quite a bit of rain in Central Oklahoma, but even far Western Oklahoma has had some improvement. Calf prices might go up between now and October, when we’d typically start grazing wheat, if we don’t buy until October. But even then, the futures indicate there is some potential for profit when selling those calves next spring,” Peel said.

Of course, he indicated that producers have to consider if they are raising wheat for purely grazing or for the dual purpose of grazing and grain production. Early planting can lead to challenges like army worms, however, if using for a forage, the benefits will usually outweigh the challenges.

“There are still risks with pandemic, potential problems in meat markets,” Peel said. “There is plenty of risk out there, but plenty of reasons to evaluate opportunities.”

Producers should take the time to manage their risks to help maximize their returns. In an era of uncertainty, increasing profitability in your business is a sure bet that everyone can agree on. Know your budget. Calculate your break-even and manage your herd and follow the best considerations to help you see the most return on your investment.
Adding value to cull cows

By Stephen Boyles, Ohio State University Extension beef specialist

Approximately 10 to 20 percent of the returns to a cow-calf operation are from selling cull cows in the fall. There are four factors that need to be considered to obtain profit from feeding cull cows. First, the cows have to be thin but healthy. Second, the buy/sell margin should be positive. Third, cost of gain should be relatively cheap. The odds of a profit are increased whenever these three conditions are present. The final requirement needed involves financial solvency. Only producers that can absorb financial risk should feed cull cows for short time periods.

Factor 1: Cows should be thin but healthy

Cows often lose up to 20 percent of their weight during periods of under-nutrition. Cows culled during a drought may have even greater weight losses. Thin cows offer an opportunity to add weight rapidly through compensatory gain. Healthy, thin cows gain weight faster than normal condition cows. Compensatory gain from thin cows should result in the highest conversion rate and gain, thus reducing the cost of gain.

Some thin cull cows are young and still growing. Most have weaned a calf and are thin due to the demands of lactation. However, some thin cows may not be able to return to slaughter cow composition for several reasons. Cows that have lung damage may appear thin and unthrifty. Cows with heavy parasite loads will be less efficient unless treated. Cows with infectious conditions such as lumpy jaw should be avoided. Older cows (greater than 4 years-old) can be fed, but expect the rate of gain to be less than that of younger cows. Information on the use of ionophores and implants in cull cows is limited.

Weight loss of animals is normally a composite of fat and protein with protein normally regained at a slower rate than fat. Cows that are in normal or higher condition will tend to add more fat with weight gain, resulting in lowered feed conversions. Economy of weight gains will vary inversely with initial cow condition. As cows improve in body condition, economy of gains will decline. Once cows have regained a “normal” body condition, further feeding and weight gains become increasingly less efficient because of the increasing proportion of fat deposited.

Knowing when to quit feeding cull beef cows is important because of the dramatic changes occurring in the economy of gains. Outlets for excessively fat cow carcasses is and has always been very limited. Based on Kansas research, most beef cows are fat enough for slaughter once they attain a body weight of 22 pounds per inch height at the cow’s withers. While this simple formula may not precisely describe the most optimum end point for feeding and slaughter for every type of genetic combination of cow, it is reasonably appropriate for the great majority of cull beef cows being fed to slaughter. Monitoring the weight-to-height ratio of a random sample of cows during the feeding period and periodically body condition scoring the group will prevent excessively fat cows from becoming a problem.

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Preconditioning calves before marketing can be a useful and profitable tool for cow/calf producers.

By Kendra Elder

Preconditioning calf-management is a vaccination, nutrition and management program designed to prepare young cattle to best withstand the stresses caused when they leave their point of origin and enter the channels of trade.

Jason Cleere, Ph.D. of Texas AgriLife Extension and Ron Gill, Ph.D. of Texas AgriLife Extension spoke recently about the preconditioning calf-management program and getting calves ready for the next stage in the production chain.

Getting the calves ready before they leave the ranch is good for a total industry effort, but also from an individual producer's standpoint. Gill said there are several things to think about when considering the preconditioning calf-management program.

"Any well-rounded preconditioning program will have three areas that require attention: immunization against disease, management and nutrition practices that reduce stress. The first decision you have to make is whether or not your cattle fit a specific marketing channel," said Gill.

Selecting the type of calf for the preconditioning management program is important.

"There are some general considerations when thinking about what average breed specifications would be for a feedlot calf," Cleere said, adding that one of the general guidelines is to keep the percentiles of American, British and Continental breeds to an equal ratio.

Gill said another important key factor is making sure you have the proper facilities, available time needed and efficient management skills.

"Having the proper skills means raising the calf effectively and making sure it does not get sick while preparing it for market," Gill said.

Preconditioning is a different concept than most cow-calf operations are used to. Gill explained there are precautions that need to be taken.

"One of the biggest advantages to this program is that it sets the calves into a premium marketing situation, but to do so, a producer needs the skill levels at home to wean those calves along with having proper facilities," Gill stressed.

It is crucial that producers are able to sense when a calf is sick, treat it effectively and get it back to good health within three to four days.

"When evaluating calves for sickness issues, look for abnormal behaviors: head down, nose tipped down and standing with his front feet pointed out," Gill said. He added that feed and water consumption also should increase during the weaning stages, as well.

Making sure weaned calves have received vaccinations is another key factor.

"The nutritional management of a calf should be based on a preconditioning program that requires planning well in advance of the weaning," Gill said. "You need to have forage available for when they are weaned."

Controlling the cost of the grain is important and the value of gain is important to consider. Acceptable weight gain is important to the bottom-line. Gill stressed that to maintain the health of the calf -- it needs to gain a pound a day.

There are some drawbacks to the program, but it..."
Peak performance important to cow-calf operations amid pandemic-induced price fluctuations

Agrilife Extension program offers financial, production analysis and benchmarking to identify opportunities, weaknesses

By Kay Ledbetter, Texas Agrilife Extension

With the COVID-19 pandemic, cattle prices have been on a roller coaster. Now is a good time to analyze performance to make sure your operation is as efficient as possible, according to a Texas A&M Agrilife Extension Service specialist.

Pancho Abello, Ph.D., Agrilife Extension economist, Vernon, said the agency’s long-running Beef Cattle Standard Performance Analysis (SPA) program is a good way for cattle producers to look at their bottom line and make adjustments to their operations.

“Opportunities for change within the beef herd begin with learning where you are,” Abello said. “Once areas of opportunities, weaknesses and vulnerability are identified, then you can find ways to get where you want to be. The SPA analysis is the place to start.”

Long-standing program helps analyze performance over time

The SPA program was initiated by Agrilife Extension specialists in cooperation with the National Cattlemen’s Beef Association and the National Integrated Resource Management Coordinating Committee. Its goal is to help cow-calf producers reduce their cost of production and improve their efficiency.

“SPA is the only analysis tool that has historically been used in Texas to evaluate both cow-calf production and economic results following the Farm Financial Standard Guidelines,” Abello said. “Thanks to SPA, we were able to create a unique historical integrated production and finance benchmark system for the beef cattle industry in our state.”

This database allows producers to compare their herd’s results with a consistent industry benchmark for similar operations across different regions, production years or production systems, he said. Producers can track their yearly progress to achieve their goals by successfully analyzing their production and financial performance.

The SPA process

Agrilife Extension has prepared software and worksheets to help producers of any size implement SPA. These tools help organize production and financial data into a focused, well-defined performance analysis of the total farm or ranch and the cow-calf enterprise.

“Producers will complete an in-depth financial and production analysis of their cow herd with the help of Agrilife Extension using a standardized process. However, assembling the necessary production and financial data is the most important step in the process,” Abello said. The standardized finance, marketing and production performance measuring system allows operators to use performance measures such as reproduction, production, grazing (Continued on page 10)
Value... (Continued from page 7)
fall selling period of October-December into the winter and spring periods. Prices peak in March-May and decrease throughout the summer. This price pattern is based on historical averages. Feeders, however, need to evaluate profit potentials every year that a cull cow feeding is being considered.

Approximately half of the profit potential will be determined the day the cows are bought or started on feed and will be based on the purchase price, body condition, and health of the cows. Cow feeding experience dictates that a neutral buy/sell margin (purchase price=selling price) or a positive feeding margin (sell cows for more than was paid for them) is essential to show a profit from feeding purchased thin cows.

The ideal situation for feeding cull cows is if Utility cow prices are relatively high and feed prices are relatively low. This offers the potential of costs of gain being lower than selling price. Normally, costs of gain are higher than selling price and a positive buy/sell margin is needed to make a profit. If costs of gain are less than selling price, you can have a negative buy/sell margin and possibly still make a profit.

Other livestock costs such as veterinary and medical expenses, farm utilities, power and fuel and marketing expenses can vary around 10 cents per pound of gain. Interest cost on the purchase price of the cows can add another 6 cents per pound of gain. Excluding labor, management and facility, costs per pound of gain can run in the 45 to 50 cent range.

Another method of feeding cull cows is to initially feed high roughage rations through the winter. Gain per day is lower than if started on a grain-based diet. However, cost of gain can be relatively low if hay or grazing resources do not otherwise have a ready market value.

Slaughter cow prices vary not only over time but also with quality grades. The best prices are normally attained for Commercial grade. Since mature cows may come off pasture in poor condition, they may sell as Canners or Cutters at substantial price discounts to Utility grade. Cows in thin condition are capable of higher gains, which can also raise quality grade. The producer must calculate the difference between any expected increase in value and cost of feeding to determine profitability. If cows come off pasture in good condition, no quality enhancement is expected, cost of maintenance may be high and revenue comes only from price increase.

Factor 3: Feed to gain cheaply. Feeding cull cows grain-based diets for only 30 days will result in the most rapid and efficient gains. However, the producer is subject to very short-term price changes. If the price situation is unfavorable, thin cull cows can be fed for a longer period of time. Feeding for approximately two months should also reduce the number of Cutter grade carcasses and increase the number of Utility grade carcasses. Increasing the gain within this 2 month time period can further improve the carcass quality and reduce cost of gain. Longer feeding of grain-based diets should further reduce the incidence of yellow fat. There is a hypothesis that feeding barley (lower carotene content) instead of corn (higher carotene content) will further “whiten” the carcass fat.

Feeding cull cows grain-based diets much longer than two months will significantly increase feed cost per pound of gain. Also, marbling score and quality grade may not significantly improve after two months on feed. However, this must be balanced against the historical increase in cow prices that occurs over the period from October-November to March-April. The length of time that cull cows can be efficiently fed grain-based diets at an economic cost of gain will vary depending upon their initial body condition. Assuming the cows are healthy and not debilitated, thin cows can be fed longer than flesher cows. In one study, cull cows were fed for 108 days with no significant drop in feedlot performance. If new previous research, it would appear that this time period may range from two to four months.

The most profitable feeding management scheme is affected by the cost of feed inputs. Slower gains over the winter may be profitable if the cost of hay or grazing resources are relatively cheap. Ex-

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Backgrounding--a phase of growing calves in preparation for the feedlot

By Stephen Boyles, Ohio State University Extension beef specialist

Backgrounding is a term used to describe a phase of growing calves in preparation for feedlot placement. As compared to wintering programs, backgrounding emphasizes a faster rate of gain, with relatively more grain and less roughage.

An example of a typical backgrounding operation would be to feed 400 to 500 lb. steer calves to a weight of 600 to 700 lbs. If the feeding period was to be about 120 days, a ration and management program that produces an average daily gain of 1.5-2.5 lbs. would provide the desired sales weight.

Advantages of backgrounded feeder calves

• Provide a market for homegrown grain and roughage that might otherwise have little market value.
• Calves are efficient converters of good quality feeds.
• Avoid the stress and resulting health problems associated with shipping of young calves through the marketing system. Because of the potential death loss and health problems associated with handling and shipping of young calves, the cow herd owner has an advantage over those who purchase their calves through the marketing system.
• Avoids the seasonal fall market glut and targets sales during seasonally strong feeder prices.
• Provides more flexibility to spread marketings and choose among potentially profitable alternatives.
• Provides additional flexibility for marketing heifers either as feeders or as herd replacements.
• First placing calves on a grower diet as opposed to placing them directly on a finishing diet.

It was observed for calves that went directly to finishing diets (FINISH) to consume more feed daily compared to calves placed on grower diets (GROW); however, GROW calves were on feed for 60 more days. Calves in the FINISH treatment also had greater average daily gain and improved feed efficiency.

When evaluating growing and finishing performance independently, GROW calves had daily gains of 2.76 and 3.29 lbs. per day during the growing and finishing phase, respectively. Although overall ADG was less, GROW calves still finished with 71 lb. greater final body weight. Twelfth rib fat thickness, calculated yield grade, and loin eye area did not differ between treatments. Calves fed the grower diet prior to the finishing phase had 45 lbs. more carcass weight and greater marbling compared to calves in the FINISH treatment. Calves that were adapted to the finishing diet following weaning were finished in fewer days, but had lighter final body weight and carcass weight.

Feeding a grower diet for 76 days prior to the finishing phase allowed additional time for skeletal growth as evidenced by the 71 lb. increase in final body weight and 45 lb. greater carcass weight when cattle were harvested at similar backfat.

Feeding alternatives

There is not a golden rule but in general, purchased calves should be fed long enough to gain at least 150 lbs. on a backgrounding program. Initial costs of gain tend to be relatively high as calves recover from the stress of movement and handling, a new environment.

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pect the dry matter intake of cows fed grain-based diets to be approximately 2.5 to 3.0 percent of body weight. Normally, there should be at least 60 to 80 percent concentrate in a grain-based diet. One can expect gains of three pounds or better if the diet contains 80 percent grain and compensatory gain is expected. The feed to gain ratio will be under or near 10 when shorter days on feed and higher grain diets are utilized.

**Feed requirements**

Faster gains are more efficient and usually more economical because a smaller proportion of total feed consumed is used for maintenance. With faster gains, the same total gain can be put on a calf in less time, reducing interest, labor and yardage costs due to the shorter feeding time.

When calves are being fed to slaughter weights under single ownership, the most rapid gains are usually the most profitable. Where animals are being grown to sell to other parties for final finishing, however, maximum gains may not be most profitable. Maximum gains will frequently result in a greater degree of fattening than is desired by the feeder, who will tend to discount the price on excessively fleshy calves. There is also a trend for lowered prices with increased calf weights. Heifer calves ordinarily gain approximately 10 percent slower than steer calves fed on the same ration.

**Value...**

(Continued from page 10)

pect the dry matter intake of cows fed grain-based diets to be approximately 2.5 to 3.0 percent of body weight. Normally, there should be at least 60 to 80 percent concentrate in a grain-based diet. One can expect gains of three pounds or better if the diet contains 80 percent grain and compensatory gain is expected. The feed to gain ratio will be under or near 10 when shorter days on feed and higher grain diets are utilized.

The protein requirement of cull cows does not appear to be particularly high. Crude protein levels of 9.5 to 11 percent are probably adequate. Keep in mind that the mineral supplementation program for grain-based diets and roughage-based diets are not the same. Calcium supplementation will be higher than phosphorus supplementation if feeding a high grain ration.

**Factor 4: Financial solvency**

Cow-calf producers might consider feeding their cull cows through the winter to produce a “value added product”. A common practice is to feed roughage-based diets through the winter and then feed grain 30 to 50 days in the spring. This scheme is a viable option if hay or grazing resources are sufficiently cheap and the extended time of ownership can be justified. The alternative is short-term feeding of grain-based diets to cows after being culled from the herd.

In economic terms, short-term cow feeding is a high risk enterprise. A feeder is typically in and out of the market within 50-90 days. There is virtually no way to pass the financial risk to anyone else. The advice to any potential cull cow feeder is that if financial risk can be absorbed, feed cull cows.

**Backgrounding...**

(Continued from page 11)
By K State University Research and Extension

MANHATTAN, Kan. — In any team sport, members contribute their physical strengths to help achieve the goal for the common good. It is hard for an athlete to be the best in all aspects of the game.

In much the same way, bulls that excel in maternal traits are not always the ones that reach the top of chart for siring calves that rank the best at the time of harvest.

“With many purebred breed associations, bulls are measured for 12-15 traits. While a few bulls will excel in multiple traits, it is nearly impossible to have a bull that can be a leader in all the traits,” said Bob Weaber, Kansas State University beef cattle extension specialist, during a recent Beef Cattle Institute (BCI), Cattle Chat podcast.

EPDs defined

One tool that is used by purebred and commercial cattle producers is the Expected Progeny Difference (EPDs).

“EPDs offer a relative comparison of genetic merit in any given trait,” Weaber said.

He cited the example of having two bulls mated to a similar group of cows. “When comparing a bull with a 40-pound weaning weight EPD to a bull with a 50-pound weaning weight EPD, we would expect the calves from the 50-pound weaning weight EPD sire to weigh on average 10 pounds heavier at weaning,” Weaber said.

He added that the environment in which the cattle are raised will also influence the weaning weight of the offspring.

“Along with the EPDs, the production environment also drives a lot of the variation observed in an animal’s performance, but there is a portion of that variation in performance that is under genetic control and the heritability is the expression of that relationship between genetic and phenotypic variation,” Weaber said.

Steps to sorting information

There is a lot of information available to producers when making bull selections. Weaber offers the following advice to those who are new to the business.

“Go out and look at your respective breed association’s website and you’ll find really detailed descriptions about each trait,” Weaber said.

There are some common traits across many breeds. Here are the key ones Weaber encourages producers pay attention to depending on the goals of their breeding program.

Calving Ease Direct — Measures how easily a sire’s calves are born based on calving ease score data and birth weight data from progeny of first calf heifers. Weaber said this measurement is helpful in managing calving dystocia.

Weaning and Yearling Weight — These are two EPDs that describe the (Continued on page 15)
Creep feeding options: Will it pay?

By Julie Walker, Igrow

Creep-feeding should be evaluated on a yearly basis to determine if it will provide production and economic benefits to the operation. Nutrients required for calf growth are met through its dam milk and forage. Typically, adequate weight gain occurs with milk and grazed forage. However, as the amount of milk produced by the dam decreases, forage quality declines as it matures, and the calf gets older it becomes more difficult to meet the calf’s nutrient requirements. Decreases in forage quality (energy and protein) or quantity creates insufficient nutrients for optimum gain. In these situations, creep-feeding may be a viable option. Additionally, first-calf heifers and older cows may not produce enough milk to support the desired calf performance, hence creep-feeding may be a benefit in these situations.

Creep-feed selection

Selecting the optimal creep-feed is important for the best economic benefit. The two most common types of creep feeds used are energy or protein creep feeds. The most common is high energy creep. Creep feeds can be mixed on the farm/ranch or purchased. The ration must be energy and protein dense, because the rumen of the calf is small, so the calf will not eat a large amount of feed. Additionally, the feeds must be palatable. Most commercially available creep rations are pelleted and highly palatable. Non-pelleted creep feeds must be dust-free and uniformly mixed to prevent calves from sorting ingredients. Additionally, if liquid feed ingredients are added make sure the creep feed will flow through the feeders.

Energy creep-feeds can be made up of on-farm grains, such as corn, oats, or barley (either whole, cracked or rolled). Table 1 provides some examples of common creep-feed rations. Free choice high starch feeds can cause digestive disturbances, so use caution when selecting feedstuffs. Calves consuming large quantities of starch in grain-based creep feeds may experience acidosis. Limiting creep intake can prevent acidosis. Delivering high starch creep feed daily allows producers to limit intake; however, this is a very labor-intensive option. Intake of creep feed can be limited by adding salt to the creep feed as an intake limiter.

Creep feed should not contain urea for young calves since they do not have a fully functional rumen. Commercially available, nutritionally balanced, creep-feeds in a pellet form can be more convenient to use and often will be of similar or lower cost to those made up on the farm.

Data suggests that the feed to gain conversion with high-energy creep feeds averages 8:1, which is better than the conversion with high-energy creep feeds. Additionally, calves normally consume less creep feed and gain less weight over the creep feeding period. Adequate supply of forage is important when using a high-protein creep feed.

Evaluating economic benefits

Although creep feeding can significantly increase weaning weight, costs associated with creep feeding (Continued on page 15)
Pay...
(Continued from page 14)
can result in minimal eco-
nomic benefit. Therefore, 
when evaluating the finan-
cial benefit of creep feed-
ing, it is important to 
understand the relation-
ship between the cost of the 
calf feed consumed and 
the value of the additional 
weight gained. Table 2 
shows an example budget 
for calculating returns per 
head for creep feeding. In 
this example, it costs more 
to provide the creep feed 
than the value of the added 
weaning weight. Columns 
are provided below within 
table 2 for you to use to 
evaluate the returns from 
creep feeding in your situa-
tion.

Program...
(Continued from page 8)
allows producers to get into 
a market that sets their cat-
tle apart while attracting 
different types of buyers.
“It allows them to cap-
ture their own additional 
management inputs.” Gill 
said.
“Most programs will 
las 45 days, so you may be 
retaining ownership in a 
market that has the poten-
tial to go down,” Gill said.
It also can be done to 
take advantage of seasonal 
price strands of cattle in an 
improving cattle market 
rather than the downturns 
in the fall that you might 
see in the weaned calf mar-
ket.
“The premium is based 
on the current market. If 
you retain ownership to 
that base market, you may 
lose money.” Gill said.
Cleere said you can see 
the typical market trends 
go down in the 45 days.
“It is important to be 
cautious of these costs and 
to keep up with the trend-
ning markets,” Cleere 
added.
One positive attribute 
that the preconditioning 
calf-management program 
has is that the calf does not 
have to be sold on a specific 
day of market.
“If the market goes into 
a downturn, you can hold 
the calf for a different mar-
ket or put him in a feeding 
or grazing program. You 
can retain ownership past 
that downturn in market, 
particularly if it seems to be 
a temporary market,” he 
said.
The preconditioning 
calf-management program 
has its risk factors, but indi-
vidual producers have con-
tinued to provide positive 
feedback from their pro-
grams that have seen con-
tinuous success.

SLS

adjusted weight of the 
pounds of calf at weaning 
and yearling ages, respect-
ively.

Maternal Milk — 
Des-
cribes the differences in the 
calf weaning weight that 
are due to having a com-
mon maternal grandsire. It 
monitors the maternal 
effect of a sire's daughters 
and is reported in pounds 
of calf weaning weight.

Marbling — This a ter-
mal carcass trait that pre-
dicts the amount of ribeye 
marbling a beef animal will 
have at harvest.

“The bottom line is that 
producers need to focus on 
things that are economic-
ly important to their opera-
tion,” said Brad White, 
BCI director and veterinar-
ian.

Using indexes 
To help producers con-
nect to the economically 
important data, Weaber 
advises his clients to look at 
indexes when making sire 
selections.

“Indexes are basically 
EPDs for profit at a partic-
ular endpoint,” Weaber 
said. He cited the examples 
of the $Maternal Weaned 
Calf Value versus the $Beef 
Value index both reported 
by the American Angus 
Association.

“The $M index reports a 
profit value difference 
between calves of a partic-
ular bull to the weaning 
endpoint, while conversely 
the $B is a terminal index 
that puts no economic 
weight on maternal traits.
So, if you are selecting bulls 
to produce terminal calves, 
retaining none of the 
heifers, and you own them 
throughout the value-
based marketing chain, 
then prioritizing $B is a 
great way to simplify your 
selection emphasis.”

He added: “Indexes are 
an important tool because 
they have economic 
weightings to them and it 
will balance the tradeoffs 
between the traits.”

To hear the full discus-
sion about EPDs and 
indexes, listen to the BCI 
Cattle Chat podcast online.

Pay...
(Continued from page 13)

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Cattle Chat podcast online.
Capturing...
(Continued from page 5)

up, but it is a real perception and perception is reality. “Frame is important to buyers. Frame is an indicator of the pounds a calf will put on in the feedlot. Feedlot owners want the calves that have the larger frame, as they will put on additional pounds on the same amount of feed as those that don’t gain as much. Buyers pay attention to that. The term number one refers to an ideal frame size and muscle thickness. A short, medium frame calf will eat the same, but not put on the pounds a large framed animal will and it brings less, because it won’t deliver as much at the next level,” explained Goudeau.

Uniformity is important and one of the biggest negatives to that is color. Buyers have orders that specifically want black, red, smoky colored, etc. One off-colored calf in a group can drive the price down as that one makes the others not fit the order.

“Black hided cattle will usually sell more, largely because of the great marketing efforts of Certified Angus Beef,” explained Goudeau, who also cautioned producers to be very careful about putting too much of any one breed in your program. Machen agreed, pointing out that the biggest value of crossbreeding is heterosis. Heterosis affects weights, health, performance and marketing, as a crossbred traditionally outsells a straightbred calf.

The amount of Brahman influence that buyers will accept was also discussed. Goudeau said buyers become wary when the hump measures 3-4 inches.

“Again, perception is reality. The Brahman breed is perceived as one that doesn’t perform as well in the feed yards, doesn’t grade and isn’t as tender. There are cattle that do that in every breed and the Brahman crosses are often fighting that perception,” said Machen.

Goudeau explained that a profound hump on the cattle requires it to be hand trimmed at the packer. It slows down the production line which is another reason buyers are hesitant on calves with a lot of Brahman characteristics.

Another area that can add value is minimizing shrink. Goudeau recommended gathering your cattle early sale morning in a non-stressful and quick manner.

“Load them in a non-stressful way and again, don’t overcrowd,” says Machen. “You have to figure out your inputs versus outputs and do what works for you,” said Goudeau.

Machen added it is important to remember that the number one driver in the industry is reproductive efficiency—while you may select bulls that will add five pounds of weaning weight, if you don’t get a live calf on the ground it will not matter on sale day.

One more calf (or raising that calf crop percentage number) will go a long way to adding to the money you capture on sale day.

“The market is hardly ever static. The futures are changing, grain prices are changing and now the industry has been dealing with packing plants closures that have also played a huge role in prices. The market is sensitive to all positive and negative factors,” Machen pointed out.

Goudeau concluded, “You’ve got to bring us something the market wants to get the top prices. I don’t want inferior animals, I work on commission and I want you to ideally, have the calves that are dehorned, castrated, uniform and number ones—I can get you more money on those. I have the same costs regardless if they are the best or the worst calf of the day. But we take all kinds of calves and try to do our best for all customers. We’re here to help our customers. We want you to do the things at home that we can use to create value with and make the check they get have more value.”

FRIDAY, SEPTEMBER 18, 2020  SOUTHERN LIVESTOCK STANDARD