



The Auction Approach

by
Tom Gammon

It goes without saying that the auction method of merchandising is an important part of the purebred livestock industry, not to mention an integral part of many purebred breeders' programs. (ANGUS JOURNAL reported nearly 11,000 head of registered Angus sold at auction last year.)

A successful auction doesn't just happen. It's the result of planning and a lot of hard work. The rewards, however, can be substantial.

Purebred livestock auctioneer Tom Gammon, Jackson, Tenn., offers some suggestions aimed especially at those breeders planning their first auction.

Webster defines the word auction as a "public sale of property or goods to the highest bidder." That sounds simple enough. But the typical reaction of anyone who has just had their first auction is, "I just did not realize how much work was involved."

Hosting an auction takes a lot of work, a lot of planning, a lot of time and attention to detail. This is not meant to scare anyone away from auctions—after all, my career is selling Angus sales throughout the country. Maybe with some guidelines I can help relieve some of the apprehension for the "first-time" sale participant.

First, Establish Goals

The first step should be establishing goals in the breeding program—goals concerning quality of herd, its size, show ring and/or performance participation, promotion and participation in breed-related activities. These goals should be established, then pursued, long before an auction is scheduled.

Each individual should consider his or her limits—i.e. financial, size and location of farm or ranch—and set goals accordingly. Also consider popularity of bloodlines in your area. Some pedigrees sell better in some areas than in others.

Quality and Breeding

The quality and breeding of the individuals being offered for sale are, I feel, the most important considerations. If you have quality and sound, popular breeding, your sale is well on its way to being successful.

But there's more to it than that. In some instances the offering will have quality and popular bloodlines but will not be presented

properly. Don't kid yourself. Fitting does make a difference. A professional clip job can change the appearance of an offering 100%. And a lower quality offering that has been highly fitted can bring more total dollars than one of better quality not so highly fitted. The fitting crew, behind the scenes sale day, applying the final touches to each lot are the unsung heroes of the event. They can add extra dollars when the final sale total is announced.

Condition, too, needs to be considered. Buyers will indicate they would rather not purchase fat cattle. But my experience has been that they will pay more for a fat cow in the sale ring, rather than one in pasture or thin condition. Why? Eye appeal. Only well-qualified cattlemen can sort off the good thin ones.

When it comes to condition, preplanning is important. The offering must be in good condition, then maintain that condition, throughout the normal presale preparations—blood testing, pregnancy checking (a most important part of sale preparation), clipping, tagging, etc.

Size of Herd

A herd that can support a yearly production sale should number at least 150 mature producing cows. The minimum number for a sale is around 50 lots. Note—that's lots, not head. A lot consists of a cow-calf pair or an individual such as a yearling bull, a heifer, a bred female. The greater the number of lots, the lower the fixed sale expenses per head.

Breeders that do not have a herd large enough to have a production sale each year can become involved in regional consign

If You are Having an Auction Planning is Essential So is Attention to Detail

There are a thousand and one details to attend to if you are having an auction. They will vary, of course, depending on your particular situation-your location, whether you have hired a sale manager, whether you are using on-farm sale facilities, etc.

These details go hand-in-hand with the goals outlined in the accompanying article, i.e. size and quality of the herd, promotion; show and/or performance based program and your involvement in breed organizations.

One Year Prior

Select date | Clear date with auctioneer, fieldmen, sale manager | Send date to livestock publications for their sale calendars | Attend Angus events | Start mailing list-keep file of names selected from buyers' lists: also include neighbors, state, area or county association members.

Five Months

Start selecting sale animals | Arrange with veterinarian for applicable health tests and make sure he will be available sale day | Schedule photography session for advertising and catalog.

Three Months

Arrange for fitting crew, extra sale-day help | If you are responsible for catalog (rather than sale manager) schedule with printer | Start sale advertising-remember most monthly publications set deadlines about a month prior to publication-your ad salesman will help set up ads | Be sure all animals are registered | Check sale facilities and depending on your situation make necessary repairs, or engage local sale barn or rent a tent | Be sure there are provisions at the sale site for adequate restrooms.

Ten Weeks

Check with local motels and hotels and designate one as sale headquarters | Take time to draw a map with clear instructions for finding your place.

Nine Weeks

Assemble catalog material-now's the time to solicit letters from former buyers, to write your letter, to be sure you have pictures of family, auctioneer, etc.

Eight Weeks

Catalog should be ready for printers-this means footnotes, pedigrees, photos, testimonial letters, your letter, cover, map, updated breeding and calving information | Plan and arrange for help for pre- and/or post-sale get-togethers | Make arrangements for sale day lunch and refreshments | Order tags for sale cattle.

Six Weeks

Check with banker about clerking the sale | Start sending special invitations | Make sure the road to your place is well-marked-prospective buyers have to be able to find you.

Four Weeks

Be sure there's plenty of parking space for trucks and trailers as well as for cars | Mail catalog-be sure to keep an adequate supply for use sale day | If you need a brand inspector sale day, contact him.

Three Weeks

Use the telephone to contact prospective buyers | Tag cattle according to lot numbers in catalog | Give everyone working with the cattle a list of new numbers referenced to the old numbers | Pregnancy check cows | Semen test bulls | Check airline schedules | Arrange for trucking | Arrange for insurance.

Two Weeks

Mail a card or flyer as last-minute reminder | Arrange for a phone on the auction block.

One Week

Double check all roads for legible signs | Have people available to meet planes | Double check plans for sale day refreshments and lunch, for pre- and post-sale get-togethers | Mark cards with large, legible lot numbers for use on the block | Be sure premises are neat | Is there shelter if the weather turns bad?

Several Days

Cattle should be ready to meet their public | Update breeding and calving information sheet and make plenty of copies | Check wiring to be sure it can handle loud speakers, clippers, blowers, coffee pots, appliances, etc. | Double check to make sure you have clerks, vet, enough sale day fitters, extra ring help, someone to help load out | Is ring ready?

Sale Day

Cattle should be easily accessible EARLY | If sale ring is dusty, hose it down | Test loud speaker early | Check restrooms | Make sure food and hot and cold drinks are easily available | Make sure vet is on hand (you may want his comments from the block) | As soon as sale starts have clerks ready to help buyers settle up | The same goes for a load out crew.

After The Sale

Search out buyers for a personal thank you . Follow up with a thank you later in the year | Help with trucking arrangements . Transfer cattle promptly | Update mailing list | Start now for next year's sale.



ment sales. This is a good way for them to promote and sell their product.

The Show Ring

There has been much controversy within the industry about the show ring. But whether you show or not, the fact is that it's another important part of promotion. When used properly it can be an excellent tool to draw potential buyers to the sale. Remember, though, participation in shows is important, but not a necessity. Many breeders who have not led the first individual into the show ring have held successful sales.

Showing and offering show ring winners or their herd-mates do, however, add that extra glamour and appeal to the sale event. Besides, the more exposure a herd can acquire before the first production sale the better. And the show ring is a great place to obtain exposure.

Performance

Performance information within the established herd is important, not only to the owner but to many buyers.

In some instances, though, too much emphasis is placed on performance. In those cases an individual, proven later, was overlooked because it did not meet certain numerical standards (ratios, weight per day of age, etc.). Remember, eye appeal and common sense are still highly regarded by many buyers when they are selecting cattle.

Performance is an outstanding tool when

Word-of-mouth advertising can be very helpful and here again your area fieldman or regional manager can be an asset to you.

Make Contacts

The final subject, participation in activities, is related to promotion and is certainly not the least, but one of the most important factors in a successful auction.

An old saying is, "Out of sight, out of mind." And that's certainly true in the pure-bred business. So the more involved an individual can be in area, state and national breed programs the more positive effect that involvement will have on the herd. Many contacts can be made while attending pre-sale activities, sales, shows, meetings and conventions.

professional Help

There's another consideration when planning an auction. A sale manager and/or sale consultants can be extremely helpful. These people are professionals; auctions are their business and their experience is valuable, especially to help work through any problems that arise before sale time. Don't forget to claim a sale date well in advance so you can get the personnel you want. Then clear the date with the auctioneer, field representative, etc.

Reap the Benefits

Planning a sale takes a tremendous amount of attention to detail and hard work. But if it is handled in good order, an auction sale can be a most rewarding experience and money-making venture. The final result could be the top sale of the year.

So set your goals and go for it! **A**