

Beef Logic

by Bob Long



Cooperative Feeder Calf Sales Can be Good for Both Seller and Buyer

A large portion of the nation's annual feeder calf production comes from breeders with herds of less than 50 cows. The calf crop from these small herds is difficult to market advantageously. Neither order buyers nor cattle feeders will visit breeders with only a small number of calves to sell.

This leaves the local auction barn as the only sales point. On a given day the barn may not have sufficient numbers of calves or buyers to make a competitive market.

Many small breeders have solved this marketing problem by participating in cooperative sales organized by state or local beef associations with the assistance of the Agricultural Extension Service. Such sales can bring large numbers of cattle together at a specific time and place which offers many advantages.

The organization of such a sale begins with the establishment of a sale committee composed of representatives of each sponsoring group. This committee's first task is the development of a comprehensive set of requirements in order for calves to be eligible for consignment. The success of the sale depends upon the rigid enforcement of these rules.

A typical set of sale procedures and requirements might be:

1 A registration deadline is established and registration forms sent to prospective consignors.

2 When producers file registration forms a nonrefundable fee is collected for each calf consigned and this amount is credited to the consignor's commission.

3 Prior to delivering the calves each producer must present a signed statement certifying the consigned cattle have been preconditioned according to the program approved by the sale committee. This includes proper vaccination for various diseases and the required time on feed after weaning. Feeders will pay more for preconditioned calves accustomed to eating grain.

4 Calves must be either polled or have been dehorned and healed. Bruising is costly in groups of horned cattle at slaughter and feeders pay more for polled and dehorned calves.

5 Calves must have been castrated and healed. Bull calves receive a sizable price discount. Castration by knife is preferred because of tetanus problems associated with banding and elastrators.

6 Cattle are usually delivered 48 hours before the sale time to allow for weighing, sorting and co-mingling. During this period producers may provide feed for the calves or arrange for others to do so. Calves accustomed to being fed -will fill up and shrink much less than if freshly weaned.

7 Cattle are individually identified, tagged and weighed on delivery. They are given an agreed upon pencil shrink, usually 2 percent, and this weight becomes the pay weight.

8 Before the sale the calves are sorted into uniform groups based on frame size, muscling, sex, weight and breed influence. Such groups, when fed together, are ready for slaughter at the same time and produce carcasses uniform in both quality and yield grade.

9 Finally, these uniform groups are co-mingled into full or partial truckloads which is a great convenience to buyers as well as saving in transportation costs.

Cooperative sales present large numbers of preconditioned calves at one location, which is a great time and labor saver to order buyers and feeders. Therefore, buyers are willing to pay premium prices. Further, the fact that large numbers are available attracts more buyers and results in competitive bidding and higher prices.

Producers are able to take advantage of cooperative sales at relatively low sales expense since the cost of advertising, yardage and auctioneers is shared.

In addition to higher prices, producers also profit from association with other producers and the sponsoring groups. This contact can result in improved breeding, feeding and management practices which lead to better calves and still better sales in the future.

Breeders not acquainted with a group that sponsors a cooperative sale should contact their area Extension agent or beef cattle association for details.