



To cull or not to cull? That is the question beef producers face each fall.

Strategies for Cow Culling

*When you sell cows can make
a difference in profits.*

Sooner or later, every cow comes to the end of her productive life. And when she is marketed can make a difference in profits.

U.S. cow-calf producers sell two-thirds of their cull cows in the fall, which, pushes cow prices to their seasonal low. A shift in culling or marketing time sweetens the profit potential of a commercial operation, particularly when you consider that a cow's salvage value represents 15 to 18 percent of this income to a cow-calf operation.

For seedstock producers, a cow's selling price typically represents a smaller percentage of her lifetime earnings.

"We usually sell a registered cow when we make the decision to take her out of the herd," says Ben Eggers, herdsman at Sydenstricker Angus, Mexico, Mo. "But I keep the seasonal cow price in mind with the 100 or so commercial cows we run as embryo transplant recipients."

If a cow doesn't take when they put an embryo in her in the fall, she's kept through winter to implant again in the spring— if she's otherwise healthy. But by spring, borderline recipient cows and those that don't take when implanted are let go. "We hope to hit a better cow market in the spring...usually we do," Eggers says.

Most years, that's good selling strategy. A decade of Omaha market prices for breaking utility cows show an average \$3.32 per hundredweight (cwt.) hike from the October-December quarter to the following March-May period. (See chart on following page.)

The fall-to-spring price jump doesn't work every year. Notice

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in the table that from October-December 1986 to March-May 1987, the price fell by \$1.54 per cwt.

"A price trend that comes true nine out of 10 years is rare in the livestock business," says Dale Watson, University of Missouri Extension livestock specialist. "There aren't many commodities where the price is any more predictable than the high and low months for thin cull cows."

The strategy of holding cows for the spring market may be especially significant this year, since the re-building of the nation's cow herd probably means fewer cows will be available for slaughter next spring. That suggests strong prices should continue, says Bon Bolze, Kansas State University Extension animal scientist.

"Producers need to keep a couple of factors in mind, though," says Bolze. "One, you need to make sure you have enough feed inventory to carry additional cull cows through without shorting productive animals in the herd. Two, cows should not be too fleshy. Because of good pasture conditions in many areas, some cows may be carrying too much condition to make this work this year."

A thin dry cow can gain weight quickly, but she'll eat a lot of feed to do it. The profitability of feeding cows through winter obviously depends on the cost of gain, but also on the value of that extra gain.

The cost of gain is a straight-forward proposition (cost of feed divided by pounds gained) but the value of weight gained is more complex. The entire animal is sold, not just the gain, and degree of finish can affect the price of the whole animal. While the seasonal price level of slaughter cows is important and fairly predictable, its effect can be influenced by prices paid for animals in varying degrees of finish.

Generally, feeding thin cows to a higher dressing percent tends to increase the liveweight price per pound. However, feeding to the next higher carcass grade— from **canner-cutter** to utility breaker, for example— may decrease the price per cwt.

In other words, cows fed a high-energy ration for too long may put on more backfat than the market wants, with a resulting lower price per pound that may offset the normal seasonal price increase.

Whatever they are fed, you'll want to calculate the input costs of holding cows and merchandising them next spring. Bolze suggests that you factor in an average consumption of 20 to 35 pounds of dry matter per cow per day, depending on body weight and the type of ration fed.

Another selling alternative would be to identify cull cows earlier in the year, to get them on the market ahead of the fall depression in slaughter cow prices, says Bolze. Those 10 years' worth of Omaha cow price data show August-September prices average \$2.80 per cwt. more than October-November averages.

This price trend is 10 out of 10 years; even more predictable than the trans-winter price hike.

The main consideration in earlier culling is the skill in diagnosing pregnancies.

"Many experienced veterinarians can diagnose pregnancy at 45 days with a high degree of accuracy," says Bolze. "This earlier identification of open cows allows producers to get them to market ahead of the annual price slump."

OMAHA UTILITY COW MARKET TREND

Years	Oct.-Dec. Average	March-May Average	Difference
1983-84	\$ 35.05	\$42.88	\$ t7.83
1984-85	37.51	42.48	+4.97
1985-86	36.03	37.13	+1.10
1986-87	46.07	44.53	-1.54
1987-88	46.06	48.87	+2.81
1988-89	44.75	45.55	+0.80
1989-90	48.73	54.82	+0.09
1990-91	50.52	54.24	+3.72
1991-92	46.44	49.33	+2.89
1992-93	45.88	50.39	+4.51
Averages	\$43.60	\$47.02	+\$3.32

Also, earlier weaning allows a producer to put calves on a higher plane of nutrition, to optimize gains when forage quality is at its peak.

When it comes to selling cull cows, you're on a better market if you either sell them early or carry them through winter. That is, if you have ample feed and cows are in thin to average condition, but not fat.

Whatever your cow-selling strategy, seasonal price changes are almost a certain fact of market life. Cow marketings peak in late fall, then dwindle under the pressure to stock pastures in spring and early summer. If you can take advantage of corresponding changes in cow prices, a plan to shift selling time may earn you extra dollars.

—James D. Ritchie