



Market Advisor

► by **Tim Petry**, livestock marketing economist, NDSU Extension service

Calf marketing plan should start early

Many cow-calf producers are completing another successful spring calving season. Thoughts of marketing those newborn calves in the fall may be far from their minds. However, spring is an ideal time to start the marketing process, even though the actual sales date is still months away.

Calf prices were at record-high levels last fall, and that may cause some producers to become complacent about marketing. Most calves will bring profitable prices this fall, but there are still many things that can be done to help ensure even higher prices.

Position your calves

Last fall, the range in prices for the same weight and grade of calves at the same sale was wider than at any other time in history. Northern Plains auction markets recorded \$15-\$20 per hundredweight (cwt.) or greater ranges in prices. Fall 2012 price ranges could be even wider.

A group of 550-pound (lb.) calves that bring \$15 per cwt. more than another group at a sale return an additional \$82.50 per head. Therefore, selling calves near the top of the range rather than close to the bottom will be important.

A shorter supply of calves will be supportive to prices, but the two most important fundamental factors that will affect fall calf prices will be corn and fed-cattle prices.

Cow-calf producers have no control over corn and fed-cattle prices, but they can influence some of the many factors that affect feeder-calf prices. What can be done to assure that calves bring the best possible price?

We are now hearing more and more about “value-added” marketing programs. Most of these programs require additional verification or documentation by the producer. Extra time and effort is required, but that is what marketing is all about vs. just selling the calves.

Of course, Angus-sired calves are in high demand and bring strong prices.

Other factors can have a significant effect on prices, as well. A first step would be to visit the market where calves are usually sold for tips on

management and marketing practices that can favorably affect prices. Do this soon, because some of the practices must be implemented at calving time.

Valued management practices

Calves that have had appropriate vaccinations administered in the right location on the animal at the appropriate time (including booster shots) — and that can be documented — may bring premium prices. Check with both your veterinarian and market to determine what health program is best for your area.

Calves that have been weaned and trained to eat from a bunk are usually preferred by feedlot buyers.

Natural beef is increasing in popularity, and calves that qualify for natural programs may bring premium prices. Many of you are aware that the *Certified Angus Beef*® (CAB®) brand has a natural program. The key is being able to document that calves have not received growth implants, antibiotics or animal-derived feed.

Age- and source-verified calves may bring a premium. Some beef packers pay a premium for age-verified calves, and several large beef retailers in the United States now prefer source-verified beef. AngusSource® is a USDA Process-Verified Program (PVP) that identifies Angus-sired calves and documents the source, genetic and group age information of the enrolled

calves. For more information see www.angussource.com.

Some producers are now testing calves for bovine viral diarrhea (BVD), and certifying them as not persistently infected (PI) with BVD. Some auction markets hold special PI BVD-free sales where nice premiums have been received.

Other ways to enhance the value of calves may be by documenting feedlot performance of past calf crops, enrolling in beef quality assurance (BQA) programs, and marketing at special Angus-influenced feeder-calf

sales sponsored by state or local Angus associations.

High-quality Angus replacement heifers are also bringing premium prices, in some cases higher prices than comparable-weight steers. Bang's disease vaccination, uniformity of the lot, reputation of the seller and providing genetic information are important factors affecting prices.

The key to enhancing the prices of fall calves is to start the marketing process early. Now is the appropriate time to implement the strategies that will add value to calves. Don't wait until sale day and simply haul the calves to market and expect premium prices.

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