



River of profit or trickle?

While your calves are frisking in the sun, the last thing on their minds should be the first thing on yours. The fact that your cows gave birth to calves creates a wellspring of opportunity that can trickle along toward sale day or grow to a profitable river. It's your call.

Of course, your choices are broader if you have proven genetics that can be managed to hit an established premium target. But if last year's breeding choices limit your options for calf plans now, make the most out of what you have and adjust this year's breeding plans.

Take stock of what you have—how many, what age, sex ratio, breed type, uniformity and predictability—how much do you know about their potential end value? Where are you located and what are your resources? How and when will you market the calves? Are you happy with past marketing choices?

The cattle business is open to all sizes of operations, but still volume driven. The standard unit of measurement is the 48,000-pound semi-trailer load. If you are weaning and selling at 400 pounds, you would need 120 head to fill the truck. If you grow them out to twice the weight, you only need half as many. But that's a two-edged sword: if your farm is off the beaten path, adding a stocker phase doubles your freight cost to the feedlot. That will be reflected in bids whether on the farm, at the auction or video sale.

Your options begin with inventory. If you have 15 calves of mixed sex, mixed age, mixed breed and scattered to unknown predictability, you have limited options, but you aren't helpless. You may still be able to participate in a graded feeder cattle auction. Ask your local market managers about these "special sales" where you cooperate in a common weaning and health plan. Sorters at the market assemble uniform lots that bring higher bids, and the market distributes your payment share of each load lot.

That's an increasingly common opportunity; if it's not yet available at an area auction market, you may be able to help organize a program if you start now. But no matter how well you sort and package, some calves will end up in a leftover pen because they just don't have what it takes. If your calves are in that pen this year, make sure they aren't next year.

Go back to the source of the genetic spring, where you buy bulls. You may find a co-sponsor for a special sale open exclusively to his customers, or even a means of getting individual feeding and carcass data on your calves through feedlot partnerships.

A few well-established seedstock farms offer buy-back options to repeat customers. Once they see the type of calves that come from their bulls and your cows and know how they perform, more opportunities may appear.

If you have significantly more calves, say 100, you can still feel powerless, depending on your answers to those opening questions. The graded sales are still a valid option, but you're close to other opportunities through cooperation and record keeping. Build more value into your calves through greater uniformity and genetic predictability.

Some mid-size producers sell their largest calves at weaning and buy a greater number of smaller calves to go with their remaining calf crop. In a sense, this adds

uniformity to their inventory of stocker cattle. But it may be a poor trade, depending on how little is known about the replacement calves.

The strategy assumes all calves are similar, and that goes against the current trend toward value-based marketing. By attempting to improve your offering, you may be increasing the variability in performance and grade. The buyer you aim to please may have to record you as an inconsistent quality source.

Better to form business relationships with other customers of the same seedstock supplier to pool similar size cattle for sale or feeding. Be sure to follow a coordinated health program on the calves, standardized for a special calf sale, or specified by an intended feedlot partner. Completing a thorough health program adds value, but you can add even more value if you ask rather than tell what shots to include on what timing.

Replacement heifers are an excellent way to improve the herd, once you begin to infuse better genetics that are balanced for maternal, growth and carcass traits. Small producers may feel this is beyond their reach, but cooperation can overcome nearly all obstacles. Ten heifers may be a nuisance, but put with those of five or six neighbors—and these can be of mixed breeds—they become an enterprise opportunity for somebody.

Just make sure everybody follows most of these precautions: castrate bull calves in their first couple of months of life, wean heifers before the onset of puberty, and pull breeding bulls from the pasture after a defined breeding season.

Above all, communicate your plans with neighbors and cattle industry partners. Listen to what they say and look for opportunities to cooperate for greater profit. In the next edition of *Black Ink*, we'll look at ways to communicate. Questions? Call toll-free at 877-241-0717.

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