

Adding Value to a Weaned Calf Marketing System

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There has been much debate regarding the profitability of preconditioning calves. The debate seems to be similar to the one surrounding creep feeding and the question is always “does it pay?” My answer to those questions has always been “well, that depends”. Sounds like a copout but here’s what I think it depends on. The factors I have come to understand both on our own operation and through nearly 400,000 head through the MFA Health Track program are season, genetics, critical mass, health, condition, shrink, and finally actually capturing any marketing program premiums.

Season

In recent history in the Midwest USA, barring some exceptional corn price fluctuation, I would argue that the best you can do is to market an 850lb. steer around August 15th. From then until the end of the year the price spreads between 500 and 900 pounds narrow to negligible. Since feed cost trends downward through summer and many times through new crop corn harvest, this tells me that the ability to profit from added weight on spring born calves should be significant.

Genetics

Calves that are bred to perform well in feedlots will also do well in a preconditioning program. Cross breeding with bulls that have some frame and muscle, as well as feed efficiency and weaning growth accuracies should pay off in this type of program. The more consistent a group of calves are the easier they are to feed. In other words, genetic similarity AND a 60 day calving period are worthwhile goals.

Critical Mass

Since the average herd size in most of the country is less than 40 head, people tend to turn a deaf ear to this discussion. Even though we all know that a large draft size or truckload quantities increase efficiency and garner higher prices. Backgrounders figured this one out decades ago. Tighter calving periods, combining producers, preconditioning programs that allow pooling, are some of the options available to anyone looking to capture more market value.

Health

Although I didn’t put this one first, it doesn’t mean it isn’t extremely important in a preconditioning program. We have kept records of Health Track calves that get sick during the 45 day preconditioning period. In our dataset, morbidity ranges from .35% to

nearly 5% based more on when the vaccinations are given, than on what brand. Using MLV 4-5 way pre-weaning as a first round provides the absolute best protection. Adequate nutrition plays a key role in developing immunity.

Condition

In the last 10 years I have worked with Health Track, there has been a significant change in the type of condition most buyers are looking for. Thin and Fleshy are both negative terms now. The right genetics can provide calves that can gain well and still not get fleshy. Medium fleshed calves that have frame and muscle will perform well and stay healthy, it's as simple as that. Maximizing weight gain into the appropriate season's market without getting them too fleshy is the best advice you'll get.

Shrink

Is it the opposite of compensatory gain? Maybe, but it can also be a harbinger of health wrecks. If you do the math 5% shrink on a 500 lb calf is 25 lbs. At \$1.25/lb that's \$31.25. If you can save that much shrink, you can save that much money per head. Preconditioned calves shrink less than bawling calves, it is a fact and easy to understand. If you don't believe me go to an auction and watch the behavior of both groups.

Value Added Market Access

There are many practices that if they are properly documented provide access to market premiums. Notice I said access. There are no guarantees. We all know that the last person with their hand in the air gets the cattle and the price is only based on that. There are well documented premiums for ASV cattle these days but back verification is proof that cow/calf producers don't always capture it. Weaned, Vaccinated, Vac 45 process verified, Natural, NHTC, Organic, are all examples of value added processes. There is a cost to all of them and you have to determine if you have any chance in your marketing scheme to capture enough premium to pay it. I will summarize this way. Weaning and vaccinating, and "Maximizing weight gain into the appropriate season's market without getting them too fleshy" is still the best advice you'll get.