

Cow Value Is Important to Create Cash Flow Value

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A review of this fall's cow sales provides insight on the need to value cow sales within the beef operation. In cow/calf country, calf values are the main focus of discussion at beef meetings, with some discussion of the fat market. In feedlot country, discussion on fed values take over. In years like the past one, inventory reductions can have a dramatic impact on total revenue. Monitoring the sale of cows or bulls is just as critical as the sale of calves.

At the North Dakota State University Dickinson Research Extension Center, cow income for 2002 has been substantial. For all practical purposes, no cows were sold during calving and early summer. It's tempting to load the problem cows out as soon as possible, however, planned sales are more effective and provide the opportunity and assurance that producers are actually selling beef not cull cows.

Dry cows were sorted off and pastured separately until a logical marketing plan could be put together. This allowed the cows that had calving problems to cease milk production, get over any calving difficulty and gain weight and condition. Additionally, this plan also allowed us to meet withdrawal times for any medication that may have been given to cows. Beef Quality Assurance is not only a calf program, but involves all cattle that enter the food chain.

The fiscal year for the center is July 1 to June 30 and we sold cows in August, September, November and December.

Those sold in August were dry cows that had been held since spring calving and some early weaned cows. The early weaned cows were problem cows, older cows or poor-performing cows. The prognosis of a continued pasture shortage triggered the sale of these cows early, before the shortage of feed became a problem.

The 43 cows sold in August were not suitable to be sold as bred cows in the fall. (Integrity in the beef business means making a choice between those cows that are not working on your operation but could fit

someone else's production plan versus those cows that really don't fit any production plan except beef.) In this case, these cows needed to go the cull route. The cows went to 11 different buyers, averaged 1,128 pounds and sold for an average of \$40.88 per hundredweight, a total of \$19,819 or \$460 each.

In September, eight cows went to three different buyers, averaged 1,223 pounds and sold for an average of \$35.15 per hundredweight, a total of \$3,446 or \$430 each.

In November, 114 cows were sold--16 culls and 98 bred cows. The 16 culls went to nine buyers, averaged 1,216 pounds and sold for an average of \$30 per hundred-weight, a total of \$5,841 or \$365 each. The 98 bred cows, consisting of several ages and calving dates, sold in 17 lots to 10 buyers for a total of \$65,375 or \$667 each. They averaged 1,368 pounds and sold for \$48.76 per hundredweight.

The calendar year closed in December as five cull cows went to four buyers. They averaged 1,273 pounds and sold for \$35.32 per hundredweight, a total of \$2248 or \$449 apiece.

In total, the Center received \$96,729 in the sale of cows. Cull bulls and cull heifers also need to be added in.

It is important to sketch out a cow marketing program for next year. The above scenario may not repeat itself, but the cull cows sold in August sold the highest, and moving cows as productive bred cows, produced more revenue than culls. These are only pieces of the overall management plan, but important nevertheless.

May you find all your ear tags.

Your comments are always welcome at www.BeefTalk.com. For more information, contact the North Dakota Beef Cattle Improvement Association, 1133 State Avenue, Dickinson, ND 58601 or go to www.CHAPS2000.com on the Internet. In correspondence about this column, refer to BT0124.

Cow Sales for the Current Fiscal Year

Number	Type	Average Weight	Value per Head	Total Income
72	culls	1167 lbs	\$ 435	\$ 31,354
98	bred	1368 lbs	\$ 667	\$ 65,375
170	total	1283 lbs	\$ 569	\$ 96,729

NDSU Dickinson Research Extension Center