

Market Power Creates Sale Options for Heifers

By Kris Ringwall
Extension Beef Specialist
NDSU Extension Service



Every fall the dilemma of which heifers to keep or cull weaves its way into the normal flow of beef conversation. When calf prices are high (like this year), the heifers may be too good to keep.

Local sale barns are reporting strong markets. A look at 100 lots of heifers indicates the upper end of the market is good. Weights at the sale barns ranged from 326 to 681 pounds. The lightweights make excellent coffee table talk; their high dollars per pound are attractive but they are too light to pay the major operating bills. The 632-pound heifers, selling at \$98 per hundredweight, bring more than \$600 per head, which should surely cover the bills.

A review of various market reports indicates uncertainty over whether the holding and purchasing of replacements is going to accelerate into herd expansion. The values for heifers have helped producers pay bills, but the question of keeping or selling heifers remains.

Each year I ask the students in the cow-calf management course to pick a topic and try writing a news story. Sandi Frenzel, who ranches in southwest North Dakota with her husband Joe, added some input in regard to replacement heifers.

Sandi noted, "Much can be said for raising your own replacement heifers. If you are on the CHAPS program or some similar record keeping system, you know the performance record of your weaned calves and, based on the their mother's production, the maternal qualities. You know their frame size, their disposition and that they are relatively disease-free because you have controlled their background and environment. They look good to you, so why would you choose to sell them and let someone else take advantage of all your hard work to produce great heifers?"

In most debates there are two sides to a question. Sandi continued: "There are some possible reasons that you might want to let them go. If you keep your own raised heifers, you lose one full year of calf production from that animal unit. Unless you have numerous pastures

you also risk the chance of inbreeding if those heifers end up in the same pasture as their sires."

Sandi notes in contrast "By purchasing your bred heifers from another reliable source, you will have a calf on the ground one full year sooner than you would by raising your own. I need to stress reliable source because it's very important for you to identify where those replacement heifers come from if you want to be guaranteed that you are getting the quality cattle that you want for your herd."

In an environment that places increasing emphasis on tracking and verifying cattle sources, the comfort needle would point to improving in-herd records and only allowing in-herd replacements. On the economic side, the needle would point to looking at the current value of good heifer calves at \$500 to \$600, versus the projected value of upcoming-bred heifer sales.

Current projections place bred heifers in the \$750 to \$850 range. Interestingly, the difference between heifer calves and bred heifers is approximately \$250 dollars, roughly the cost of developing them. Do you go for a calf this year and buy bred heifers or do you hold and develop your own heifers and calve out last year's heifer calves?

For me, I'm going to develop a known set of heifers but cull deep. But in straight commercial production, buying replacement heifers from, as Sandi notes, "reliable sources," willing to pass the potential tough sourcing standards, ready to calve out, makes a lot of sense. Just watch the premium.

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 BT0168.

Sell or Develop the Current Heifer Crop?

Current good heifer values	\$500 - \$600
Current bred heifer values	\$750 - \$850
Estimated development costs	\$250

What would you do?

- Raise replacements Source verified
- Buy replacements Possibly source verified