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BeefTalk: The Value of Data - \$41,667

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A common point of interest is money. Not so much that one person needs or thinks they need a lot of money, but within most people there is at least a basic urge to have enough money for essential living expenses. For some, the need or urge is greater; for others, a fair to modest lifestyle is all they want.

Regardless, if someone hollered, "a \$100 dollar bill for anyone," a good bet is most would stop and ponder. That same hundred dollar bill floats around the beef business, poking its green corners here and there, but seldom seems to be noticed. In particular, the range in product value still remains enormous.

The Dickinson Research Extension Center annually sends its entire steer crop to harvest. For the first 129 steers placed on the rail in 2004, the steers averaged \$957, a large number and a dollar value much

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appreciated at the Center, as well as the industry as a whole. With such prices, those who retained ownership will be getting the delayed payment for the calves not sold last fall, and for those who cashed the calves out last fall, the market was still good.

Current cost figures would suggest a profit is in store once the lots are closed out, and everyone should be happy. Great news will be echoed, as the pastures for next year's crop still struggle. Locally and to the south, the lack of grass is becoming more evident, while producers to the east and north are thinking about changing the bull battery and adding water buffalo. Nature never partitions in equal proportions.

After some sweetness to the check, a scan of the data still suggests the variation in carcass value was pretty well spread from the steer bringing the least value to the steer bringing the greatest value. The loser had an on the rail carcass value of \$748 while the winner, a whopping \$1280. This certainly causes one to ponder. The loser was calf Y3336, a 582-pound carcass that did not make choice or select grade in late March and sold for \$128.53 per hundredweight. The winner was Y3065, an 844-pound carcass that graded choice in late May and sold for \$151.60 per hundredweight.

Total gross income, excluding the dollar check-off for each steer, as of May 20, 2004, was \$123,415. Depending on how a producer views the world, two "what ifs" exist, one negative and one positive. What if all the calves were like the one that brought \$748? Each calf would have been worth \$209 less than average, or the check would have been \$26,961 less. No one would want that option and there is no logic to select for cattle with less value.

On the other hand, what if all the calves had been like the calf that topped the list? The top steer was worth big bucks over those average steers, a huge \$323. At \$323 times 133 steers, an additional \$41,667 would have been added to the check. Again, money does not drive everything, but think about which envelope you would choose: envelope one has a check for \$96,492, envelope two \$123,415 and envelope three \$165,120. This is what today's generation says is a no brainer. You take the big check.

How does one do it? There is no easy answer and reality would say not all that much is in the works for additional revenue, but rest assured, some of it is, and data collection is the key. The value of data, of individual selection of steers that perform and have value, is the master key to improved revenue in the beef business. Granted, current issues surrounding identification are real and do cost money, but the bottom-line, data usage can guide profit. And in this case, the goal is lofty, but once identified, targeted and loaded, the outcome is real.

May you find all your USAIP 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 BT0201.

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Average, High and Low Carcass Value for 2003 Steer Dickinson Research Extension Center	
Average (129 steers)	\$957
Highest Carcass Value	\$1280
Low Carcass Value	\$748

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