

## **BeefTalk 515: A Closeout Worth Some Smiles**

*Assuming risk is a personal venture no one should take lightly.*

A feedlot closeout at the Dickinson Research Extension Center came across my desk and with it came the usual first question. Did the lot come up with some cash for the operation?

Yes was the answer for lot 9315. The lot had an average net return of \$245.53 per steer. That was good.

The steers were priced into the feedlot at \$629.26. The calves sold for \$1,238.80, which left \$609.54 to cover the feedlot expenses of \$364.01. The net result was a return of \$245.53.

That figure is enough to cause a smile and is a positive when one tries to connect the cow-calf producer to the feedlot, which is a critical connection to the survival of the beef business. That connection does not need to be fiscal in nature but certainly educational because not all lots of cattle come back with a positive influence on the bottom line.

In this case, the center brings \$874.59 per steer back to the cow-calf enterprise. Nice.

Good returns mean good health. No death loss is a fundamental principle when retaining cattle ownership. This principle is a step toward all segments of the industry working to understand each other.

This is important because certain portions of the industry depend on other portions to make money and stay in business. The success of one segment at the expense of another segment is a downward spiral.

Back to lot 9315. The lot was closed out and the checks deposited. The steers were typical cattle sired by relevant bulls within the industry.

On Dec. 17, 2009, 72 head of 2009 spring-born, grass-raised, lightly backgrounded steers arrived at the feedlot and became lot 9315. The lot average weight was 662 pounds, with an average hip height of 46.8 inches. The tallest steer was 51 inches at the hip, while the smallest was 43.7 inches.

Lot 9315 had average days on feed of 159 days, with an average daily weight gain of 3.72 pounds. Feed efficiency or conversion on a dry-matter basis was 5.01 pounds of feed per pound of gain. The harvest weight was 1,253 pounds.

On the rail, lot 9315 was 1.4 percent prime, 54.2 percent upper choice, 20.8 percent choice and 23.6 percent select. The yield grade (YG) distribution was 8.3 percent YG 1, 58.3 percent YG 2, 31.9 percent YG 3 and 1.4 percent YG 4. The hot carcass weight was 6.9 percent 550 to 649 pounds, 65.3 percent at 650 to 849 pounds, 27.8 percent at 850 to 999 pounds and 0 percent at 1,000 pounds or more. The ribeye area distribution was 4.2 percent under 11 square inches, 93.1 percent 11 to 16 square inches and 2.8 percent more than 16 square inches. The value on the rail was \$1,238.80.

As usual, the synopsis of the feedlot performance, carcass characteristics and value has made it to the printer and generated some thought. At least for today, one needs to continue to keep an open mind. The hope is that data such as this can lead producers to ask more questions and probe deeper into the various options they might have to help them utilize all the tools present in their toolboxes to improve the operation.

Stepping out of one's comfort zone is never easy. Assuming risk is a personal venture no one should take lightly. However, exploring the sister worlds within the beef business is good and helps a producer access management and breeding options that will help sustain or improve current efforts.

From a producer's standpoint, the connection to the feeding world still is not very easy to achieve. Lot 9315 had a positive impact on the cow-calf enterprise. However, that is not always the case.

A negative impact on the cow-calf enterprise can be devastating. Understanding price protection and other marketing options is a must before a producer commits to retaining ownership in cattle that will no longer be at the ranch.

As the industry tries to connect the cow-calf producer to the feedlot and the feedlot to the cow-calf producer, the effort is positive. This may require some creativity. The bottom line is a better knowledge of an industry that is very diverse. That is a good thing.

May you find all your ear tags.

Your comments are always welcome at <http://www.BeefTalk.com>.

For more information, contact the NDBCIA Office, 1041 State Ave., Dickinson, ND 58601, or go to <http://www.CHAPS2000.com> on the Internet.

## Lot 9315 Values

Dickinson Research Extension Center

Lot Number.....	9315
Arrival Date.....	12/17/09
Number of Steers .....	72
Pay Weight.....	662
Days on Feed .....	159
Daily Average Gain.....	3.72
Harvest Weight .....	1,253
Choice or Higher.....	76.4 %
YG 3 or Lower .....	98.5 %
Harvest Value .....	\$1,238.80
Net Return per head.....	\$245.53