



BeefTalk 595: Meat, Fat, Size and Quality

SUPPORTING MATERIALS

A Lofty Producer Goal:

Focus on some acceptable level of cow and bull size based on land and feed availability. After that, one should make sure that a product will be produced that will achieve a desirable yield and quality grade to maximize the premium potential of the carcass.

The cattle industry is and always has been a series of relationships that we hope will result in desired outcomes.

Meat, fat, carcass size and carcass quality are four factors in the beef industry that never go away. One could even say this is why the beef industry exists.

The challenge for the beef producer is to align those four factors correctly and then try to integrate the calves produced into the current market. The challenge is difficult because the four factors do not always line up the same in

terms of value through time and breeding programs. Also, how the four factors are represented within a producer's marketed calves is slow to change.

If we take a closer look at the four factors, meat and fat are reflected in yield grade and carcass quality grade, which reflects a well-marbled product. Breeders always try to balance their programs with bulls that will produce select or choice carcasses at a lower yield grade. Generally, premiums are offered on yield grades 1 and 2, while a yield grade of 3 is market price. Discounts are applied to yield grades 4 and 5.

The choice select spread that is quoted would represent the discount applied to those carcasses that grade select. It is calculated by subtracting the choice select spread from the quoted price for a yield grade 3 choice carcass. The discounts and premiums make up the marketing grid, but not all grids are the same.

If producers know their cattle and retain ownership, determining the grid is critical. However, for most cow-calf producers, grid selection is not part of their daily routine. For this time of year, as producers move to buy bulls, the general principle is simple: Look for bulls that will increase quality grade and decrease yield grade.

In the bulls that the Dickinson Research Extension Center recently purchased, the marbling and rib-eye area expected progeny differences (EPDs) were in the upper 25 percent of the breed. Both bulls selected will impact the marketability of the calf crop positively.

In terms of the fat EPD, both bulls were around the midrange of the breed, so neither is exceptional. In the center's world, fat is manageable, but quality grade and rib-eye area need to be genetically anchored into the calves. Granted, better fat EPDs would be good, but one cannot have everything.



Full Color Graphic
[\[click here\]](#)



Grayscale Graphic
[\[click here\]](#)



Adobe PDF
[\[click here\]](#)

So what about size? This is more difficult because exceptional yield grade and quality grade are manageable in all sizes of cattle. The real question is: What is acceptable to those who process the carcass and what is acceptable to the cattle producer who needs to manage the breeding herds?

The harvester of the cattle seems to be fairly comfortable with hot carcass weights from 550 to 999 pounds. For easier figuring, at 60 percent dress, these cattle would weigh 915 to 1,650 pounds. That range fits a lot of cattle. However, not many cattle are going to finish at less than 1,000 pounds, while the more-growth cattle will push to 1,500 pounds fairly easily. This all means that the real answer falls back to the producer. As a producer, one needs to look at the times. The diversity within the cattle industry remains magnanimous or, perhaps better put, lofty and spirited. In current times, the industry is ramping up for good prices and larger sizes.

Much of the concern for large carcasses is giving way to short product and demand, so prices are good or even excellent. Costs are doing what costs do, which is increase. Tracking costs and income is nebulous, however; from a producer's stand point, containing costs is critical.

Perhaps a conclusion is not certain, but based on the magnanimous industry that is somewhat nebulous, the path to a positive outcome takes good planning. Don't be taken aback by this rambling statement. Instead, sit back and contemplate.

The cattle industry is and always has been a series of relationships that we hope will result in desired outcomes. No single outcome can perpetuate itself without impacting the rest of the industry. However, during times like this, forces within the industry tend to try to guide the seasonal profit-and-loss patterns. Those guiding principles tend to be market driven and certainly are revealed in grid pricing.

In other words, market signals are the premiums and discounts that are offered for the cattle that are ready to be sold. However, as cattle producers prepare to buy bulls and manage genetics, these premiums and discounts often are as nebulous as tracking costs.

In the end, chasing the market does not work. Instead, one should focus on some acceptable level of cow and bull size based on land and feed availability. After that, one should make sure that a product will be produced that will achieve a desirable yield and quality grade to maximize the premium potential of the carcass.

It sounds easy, but it really is not.

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.

Copyright (c) 2010 BeefTalk.com. All rights reserved.