



## BeefTalk 601: The \$2,017.31 Carcass

### We Did It!

Calf #0982000128138758

Carcass Grade	High Choice, visual yield grade 3
Carcass Value	\$206.48
Carcass Weight	977 pounds
<b>Total Value</b>	<b>\$2,017.31</b>

The value of beef is a constantly changing plus-and-minus world where producers hope to avoid discounts.

More carcass evaluation ramblings? Perhaps one could forgo carcass evaluations, but that would be a big mistake. All the money that comes into the beef industry ultimately comes from the product hanging on the rail. For all practical purposes, cattle are not kept as pets and there is no income stream from beef cattle other than beef and beef byproducts.

Milk is critical to the dairy industry and the dairy industry certainly is involved in beef, but beef producers only have one

real gauge of income, which is value on the rail. The money exchange that goes on in the beef industry is fueled by the dollars that come from the finished product. That is why more carcass ramblings are critical.

Doing a quick read of three sets of Dickinson Research Extension Center cattle that were harvested, the numbers certainly bring up questions. Is the goal maximizing the value per hundredweight of carcass or maximizing the total value of the carcass?

The obvious answer in terms of carcass value is to have the greatest value per hundredweight of carcass on the largest carcass. In all three lots, the greatest values per hundredweight of carcass were those carcasses that graded prime. Coming in second where high-quality carcasses that were eligible for one of the certifiable meat programs, such as Certified Angus Beef, Sterling Silver or Angus Pride. In this case, the cattle were harvested through Cargill Meat Solutions.

The second criteria on increased value related to a lower visual yield grade. The actual greatest value per hundredweight of carcass would be a prime yield grade 1. The center did not have any prime yield grade 1 carcasses. However, that should be no surprise because those carcasses are not easy to produce.

The center did have two prime yield grade 2 carcasses that brought \$15 in premiums, which reflects a combination of the added value of the prime carcass plus the advantage of more red meat.

The value of choice yield grade 3 carcasses would be presumed to be the typical carcass that is produced in the industry. There is no quality or yield premium or discounts for choice yield grade 3, at least not at the time of these

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particular lots going to market.

Because there are no quality grade discounts if one is producing prime, choice or select carcasses, additional value can be added for yield grades 1 and 2. Yield grade 3 has no premium or discount. Yield grades 4 and 5 are discounted.

For example, in late January, the center marketed three certified Angus carcasses. The premiums (quality and yield) brought in excess of the base price an additional \$6 (yield grade 2) and \$3 (yield grade 3), and a discount of \$4 (yield grade 4) for the certified Angus carcasses. This shows the added value of additional quality and the negative effects of a yield grade 4. High-quality beef is going to keep dollars flowing in the beef business.

The center also marketed select grade beef carcasses. All were discounted the full choice/select spread. On the three sets of cattle, the center took a \$10.77 per hundredweight of carcass discount on select carcasses in the first set, a \$14.81 discount on the second set and \$7.64 discount on the third set.

On average, the select carcasses were discounted \$11.07 per hundredweight of carcass. Also, any additional discounts will apply. In this set of steers, the center did have a carcass that was priced select but was discounted for no roll. That particular carcass was discounted more than \$17 above choice yield grade 3. In addition, one carcass was discounted \$20 for being more than 999 pounds but was choice yield grade 3.

More carcass ramblings or should one say more comprehension of the carcass value? The value of beef is a constantly changing plus-and-minus world where producers hope to avoid discounts. The discounts are real and based on demand for choice yield grade 3 beef.

Does one shoot for a particular market and breed cattle accordingly or does one simply breed cattle and let the feed yards manage accordingly? This is a very real question.

In the case of the most recently marketed cattle, the greatest value came from a steer with the electronic identification number 0982000128138758. The steer was a high choice, visual yield grade 3 carcass that brought more than \$206 per hundredweight on the rail. It had a hot carcass weight of 977 pounds, which brought the total value to \$2,017.31. That's great, but if he had graded prime, he would have been awesome.

Oh, well. We now come back to the question whether it was the genetics used by the cow-calf producer or the management of the feed yard that produced a choice, visual yield grade 3 carcass.

Probably both, but more on that later.

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.

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