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BeefTalk 738: It's Time to Buy That New Recliner



\$2,196.80 per head.

This is the time to make good on that long-promised opportunity to do something for the family and ranch help.

What does \$2,017.31 mean? Last year, I was elated when the steer with identification No. 0982000128138758, a high choice, visual yield grade 3 carcass, brought more than \$206 per hundredweight on the rail. With a hot carcass weight of 977 pounds, the total value of the steer was \$2,017.31.

This year, the first set of 34 spayed May-June-born yearling heifers, with an average sale weight of 996 pounds, brought \$206.25 per hundredweight for a total average value of \$2,054.31 per head live in the ring at the local auction barn.

The first lot of 10 May-June-born yearling steers followed. This group had an average sale weight of 1,069 pounds and brought \$205.50 per hundredweight for a total average value of

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In total, the Dickinson Research Extension Center sold 100 grass yearlings that had an average sale weight of 926 pounds and average per-head value of \$1,893.95, so we had a grand total of \$189,394.86.

What does one say about that grand total? The conservative beef business has some positive vibes going on. How positive? Pretty darn positive. In fact, it would be OK for a producer to go buy that new recliner, and one might as well get the entertainment system to go along with it.

I know that those who are not convinced they are making any money might be hesitant to buy anything. However, this is the time to make good on that long-promised opportunity to do something for the family and ranch help.

There is no doubt the beef industry is seeking cattle aggressively. The many components of the beef industry are competitive with each other, but all have a positive impact on the cow-calf producer.

This is not the first time that feeder cattle are being sought very aggressively. What is different is the actual dollars

being paid are setting new levels. However, for the cow-calf producer, holding costs down still is critical. Current costs have not quite caught up with current income, but they will. No matter how much money flows in, efficient beef production by producers is needed to assure a future.

If I may repeat, this is the time to make good on that long-promised opportunity to do something for the family and ranch help. Putting one's feet up in that new recliner and falling asleep might only be temporary, but enjoy it.

Now back to business. Some fine-tuning by a producer always is needed. In the center's mix of yearlings, the auctioneer worked hard and the buyers held. The first set of heifers sold for \$206.25 per hundredweight with a live weight of 996 pounds. The second set sold for \$211.75 per hundredweight with a live weight of 892 pounds.

There was a noticeable decline in the lighter-weight yearlings, compared with the heavier yearlings. A group of seven spayed heifers weighing in at 687 pounds live weight sold for an average of \$192.50 per hundredweight. Weight still sells, so given the opportunity and the need to keep cattle in the feedlots, the pressure is on to find cattle that have more flexibility.

Last year, these similar heifers graded 90.2 percent choice or prime, with 65.4 percent upper choice, 6.2 percent prime and 43.2 percent yield grade 2 or less. The feedlot average daily gain by the heifers was 3.56 pounds per day, with an average finished weight of 1,299 pounds live weight after 108 days on feed.

If these heifers are to go on feed for 100 days, the larger-framed heifers easily will reach 1,350 pounds or more and the carcass quality should be similar. The smaller cattle will struggle but also should make the 100 days on feed and finish closer to 1,000 pounds. The catch right now for smaller cattle is that there is "no more" when it comes to pushing extra weight.

For years, the center has retained ownership of the calves that were produced. There really isn't any anticipation that the focus will change. However, at least for this year, the center will not be monitoring value per hundredweight of carcass or maximizing the total value of the carcass.

Worries of grading high choice or prime and being eligible for one of the certifiable meat programs, such as Certified Angus Beef, Sterling Silver, Angus Pride or one of the many other programs, has been passed to the new owners. Also passed to the new owners were feedlot feed sheets, along with monitoring daily gain and anticipated market end points and prices.

The discussions and concerns about the value of beef still are occurring, but the worries of discounts and the everfeared calf dead slip will not be had. The beef industry is one business, but the give and take between the cow-calf segments and the feedlots continues to be present.

At one time, I thought maybe, just maybe, the continuum of calf to plate would be the right focus for cow-calf producers, but the markets drive the dollars and producers need to respond. The yearlings were sold.

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.