

Management and Marketing Relationships

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Much of what we do as cattle producers can be summed up as management and marketing. A successful beef venture certainly involves heavy doses of each. Decisions made at one time of the year can dramatically influence the beef production process and therefore profitability, many months and even years later.

In reviewing marketing research there are many items which influence revenue in a major measureable way. Large groups of similar calves and specifically cattle that can be successfully grouped together as load lots bring more dollars per head. There are times when it would be very profitable to combine (and maybe even purchase to do so) a neighbor's or relative's similar calves to add to the group and complete the load lot. Conversely single animal lots and small numbers of cattle when sold, generally receive a heavy discount, unless they can easily be combined to complete a load lot. Specialty marketing scenarios may be the best profit alternative for producers with small numbers of animals to sell at one time. If a long term buyer of your calves is not interested this Fall, just exactly what will you do? Having knowledge of potential alternatives can be a very good thing.

Steer calves, of similar weight and type, traditionally bring more money than their heifer mates. Potentially, a bull that sires growthy, marketable male calves does make more money for the operation. Sexed semen is a reality and might be something to consider? Currently that semen may be priced out of the commercial producers economic ability to readily pay but certainly that may change with improved technology. There needs to be special consideration for bull calves that remain intact. Unless a marketing program exists specifically for them, they will most likely be heavily discounted when sold. For most operations, those small green emasculator bands or a castration knife can pay some big dividends at marketing time.

The reality of age and source verification being producer profitable has arrived. Like proper weaning and a good vaccination program, these are management processes that, along with a good sound marketing program will add value. There are good post weaning feeds products that provide adequate nutrition and good palatability where calves will continue to grow and gain even during the stressful weaning and shipping timeframe.

Specialty marketing programs can add profitability to both large and small operations. New programs need to be thoroughly investigated by producers, especially regarding costs, before adaptation. Take time to study and communicate with those who know before joining or

adopting a new marketing program. In tougher times, it may be much harder to receive a premium for the product and the costs of production may be potentially higher than the premium received.

Keep an open mind, adopt obvious good cost saving practices and look carefully into new specialty marketing opportunities. Have a great 2010 beef producer year!