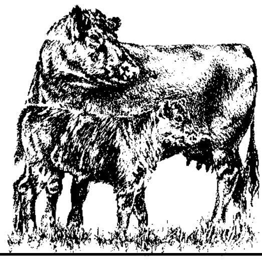

Western Beef Resource Committee ***Fourth Edition***

Cattle Producer's Handbook

Management Section 737

Marketing and Feeding Cull Cows

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Cull cows often are overlooked as a source of income to the cow-calf enterprise. Depending upon the relationships between cull cow and calf prices, and the herd culling rate, cull cow receipts generally account for 15 to 30 percent of cash income from the cow-calf enterprise. However, some producers give little attention to this source of revenue or to ways of enhancing it.

For many producers, cull cows are sold at the time they are culled from the herd. Much of this culling takes place in the late fall or soon after calves are weaned. Is it most profitable to sell cows when they are culled, or should they be fed for a period of time? Several factors need to be considered to properly answer that question.

Three factors are important when making the decision to sell cows when culled vs. feeding them and selling at a later time are: (1) seasonality of cull cow prices, (2) price differences between slaughter grades and number of cows in each grade, and (3) cost of feeding cull cows.

Price Seasonality

Cull cow prices generally follow a consistent seasonal pattern. Prices normally are the lowest during October through January and are the highest from April through August. If overall cattle prices are rising/declining sharply in a year, then this price pattern may not be as apparent. However, from 1980-2009 there was only one year when the price for cull cows was higher in November than it was in August.

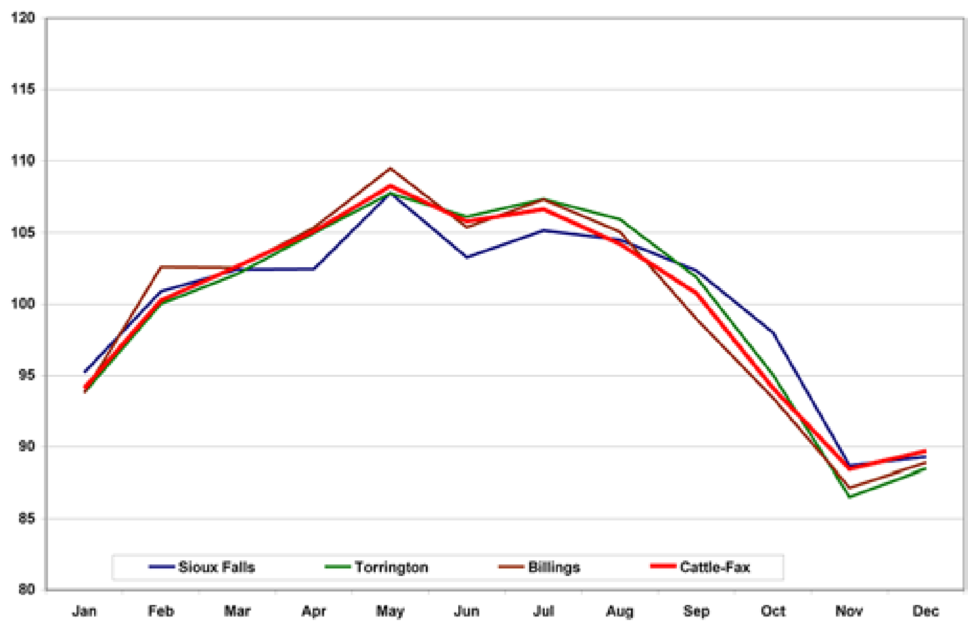

Fig. 1. Average monthly seasonal cull cow index values, 2005-09.

Fig. 1 shows the seasonal price pattern at three specific locations as well as a national average as represented by Cattle-Fax for 2005-09 for Utility (Boner) grade cows. This price pattern has remained fairly consistent over time, is nearly consistent among all cull cow grades, and is comparable to many other markets analyzed. The vertical axis for the chart is the percent of the annual average, which is obtained by dividing each monthly price by the annual average price and then multiplying by 100. In the case of Fig. 1, 5 years of these monthly index values have been averaged to obtain each average monthly index.

These index values are useful for short-term price planning (forecasting) purposes. For example, suppose it is November and you have just culled your cows. The price at the local auction last week was $40 per hundredweight (cwt). You are considering feeding the