

Reputation Cattle Bring More

The majority of the cow-calf industry is in the heart of calving season. As the U.S. beef cowherd works through calving season and begins to prepare cattle for grass turn-out, there are items to consider for processing calves to improve your bottom line. Having a proper vaccination program, administering that program correctly and handling those pairs properly will have an effect on an operation's profitability.

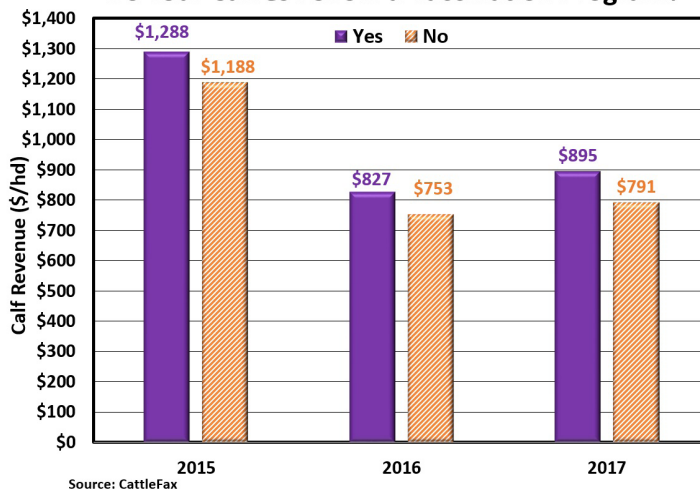
It is known in the industry that a cowherd's reputation and an operation's reputation for their genetics, calf immunity all the way to how the calves are handled and even transported can affect the price that is paid for those calves. If a calf buyer is likely burned by a set of calves due to lack of proper management, that calf buyer is likely to not raise their hand the next time they have an opportunity to buy those calves. Reputation and the ability of calves to perform for buyer's matters in the cattle industry. One of the questions addressed in this issue of *Trends* is, just how much does it matter in the form of dollars and cents?

Vaccination/pre-conditioning programs are the norm now. Calves that complete these programs are common enough that they typically do not receive a premium for completing the programs – rather calves that do not, are discounted. The premiums can vary across the board, but there is one constant – calves that follow a reputable vaccination program bring more money at sale time. Examples of these programs are derived from a variety of sources from pharmaceutical companies, video sale production companies and sale barns, to your local vet or extension agent.

Over the last three years, operations that have a vaccination program in place, either derived from their own experiences or help from a veterinarian, have received \$90/head more for the calves that they are selling (data was derived from CattleFax's cow-calf survey). This is both a function of better immunity and management of those calves, as well as heavier weaning weights. Calves that went through a vaccination protocol saw weaning weights 40 pounds heavier than operations that did not. Two of the most lucrative ways to increase the profitability of your operation is to increase the weight of the calves and increase the number of calves you sell. Calf crop percentages were 1.23 percent higher in herds that have a vaccination program in place. Over a 200 head operation, that is an additional 2 to 3 calves being sold for little to no additional costs.

The topic of expenses raises the important question of whether it costs the producer more to implement these vaccination programs. The simple answer is yes – roughly \$40/cow in additional expenses. The obvious increase is vet/med costs, but labor increased as well. The additional revenue generated by those calves, whether through performance (i.e. weaning weights), or improved immunity, outweighs the additional time and costs to implement the vaccination programs, adding \$50/calf to the ranch or farm's profitability.

Do Your Calves Follow a Vaccination Program?

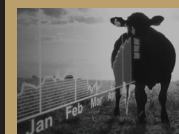


— WATCH LIST —

Snowpack Conditions

As of March 1st, snowpack conditions generally speaking, are wet in the North and dry in the South. As many agricultural producers west of the Mississippi River rely on irrigation for their row or hay crops, they start looking to the Rocky Mountains in regards to snowpack this time of year. The Rocky Mountain snowmelt provides a large portion of the country's agricultural irrigation water. The northern part of Washington, northern Idaho, western Montana, and northwestern Wyoming continue to be well above average. Most measuring points in those areas show levels above 110 percent of normal with some areas measuring 150 percent of normal. Southern Oregon and southern Idaho are dry. Utah, Colorado, Arizona and New Mexico remain extremely dry. Most measuring sites are recording levels between 25 and 90 percent of normal. However, with recent precipitation events in the southern states listed above during the month of March, the first of April report should show some improvements. Water levels this spring/summer should be plentiful in the Northern Rockies on both the east and west side of the Continental Divide. Water supplies are expected to be tighter further South. Spring snow storms can still add to the snowpack levels in the months to come as well as timely spring and early summer rains can help get the grass and crops off to a good start.

MARKET PRICES



(\$/cwt, U.S. avg)

	Current	Change vs Month Ago	Change vs Year Ago
550# Steers	182.86	0.42	24.60
750# Steers	148.85	(2.56)	17.01
Fed Steer	127.35	(2.40)	(1.44)
Ut/Comm Cows	64.50	3.61	(2.30)
Omaha Corn	3.63	0.14	0.41
USDA Hay Forage	124.00	6.00	6.00



Two men in business suits and sunglasses are walking through a grassy field. The man on the left is wearing a dark blue suit, and the man on the right is wearing a grey suit and is talking on a mobile phone. Between them is a small black calf with a white tag on its ear that reads '645'. The background shows a cloudy sky and distant hills.

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causes. Bovilis® Coronavirus is specially
formulated to help reduce enteric
disease caused by Bovine Coronavirus,
and delivers spot-on protection
as part of a comprehensive
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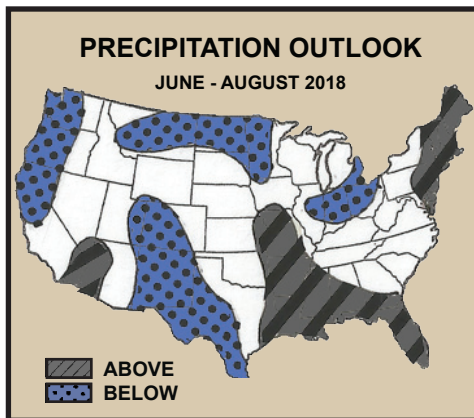
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Having the best interest of the cattle in mind, the consumers purchasing the beef, and your own operation is a staple of U.S. cattle producers, as producers strive for excellence in all areas of this industry. Beef, grown in the United States, is the most sought after beef across the entire globe – known for its high quality and safety.

Following the Beef Quality Assurance or BQA guidelines and similar program requirements takes time, labor and money to complete. But, are you getting paid for such items? This is not an advertisement for BQA, a pre-conditioning program or proper animal handling/etiquette, but rather; how does low-stress handling of cattle, proper vaccination programs & administration, record keeping, biosecurity guidelines and feedstuff management effect the bottom line of an operation? Does an operation benefit financially for the extra steps taken to ensure it meets the standards that the U.S. cattle industry is known for?

In a recent Cow-Calf survey conducted by CattleFax, it was clear that a solid reputation for the animals that an operation sells, as well as the reputation of the operation itself does play a role in the price received for calves. Over the last three years of the survey, operations trained in BQA principles and certified either online or in-person, in those techniques, experienced an average of a \$42/head premium relative to operations that reported they were not trained in BQA principles. Over a 200 head operation, that is roughly \$8,400 added to the bottom line.

Similar to the vaccination program advantages above, operations that follow proper injection site standards, vaccinate appropriately, transport cattle correctly, keep proper records, etc., see the weaning weights of their calves increase. An increase of 1.0 percent in the calf crop, and as stated earlier, additional revenue per calf while cow costs stay relatively flat. This is likely not a causation, but rather a correlation, between being certified in BQA standards and a management approach that allows operations to have these advantages over their peers. If an operation is willing to take another step in ensuring they are trained appropriately in these areas, then it may be a sign they are taking additional steps in other areas of management of the ranch and cowherd.

Reputation in the cattle industry matters. At CattleFax, many comments are heard about the health or lack thereof of calves and feeder cattle that are purchased. Treatment rates and death losses are a large deterrent to many operations to buy cattle that may not have adequate immunity, and if they do purchase the cattle, it is typically at a steep discount. It does not come as a surprise that those operations that use a vaccination program, receive a premium for their calves. The data is evidence that buyers are willing to pay more for calves that have a stronger immunity and are handled properly – reducing stress and improving performance. If the operations that have a vaccination program in place and are BQA certified are compared to those that do/are not, the vaccinated and BQA calves receive \$12/cwt more for their calves using the same weaning weight.

As your operation concludes calving season and starts processing calves this spring and early summer, remember that a vaccination program and animal etiquette matters when it comes to payday. This is a challenge issued to improve the immunity and health of your calves, reduce stress and raise animals to the standard that U.S. beef and its cowherd has come to be known for. By adding a healthy and wholesome reputation to your genetic and performance reputation for your cowherd and calves you will reap the benefits for years to come.

Is Someone in your Operation BQA Certified?

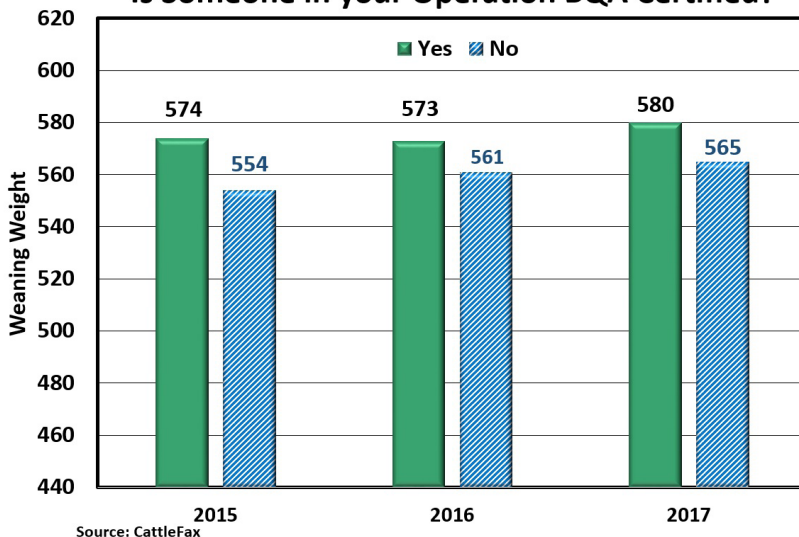
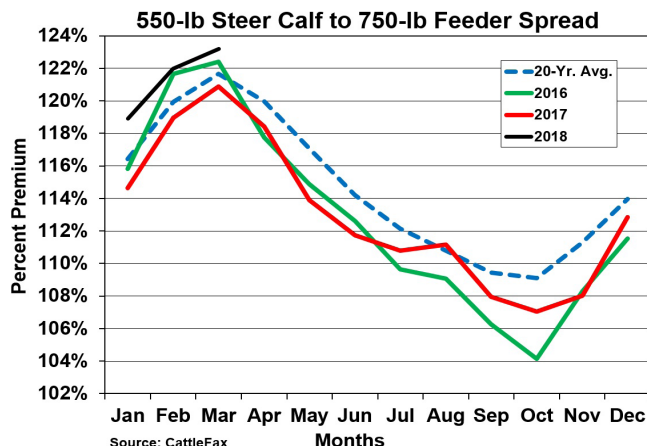


Chart of the Month



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